

# **FINANCIAL STATEMENTS**

**OF**

**NATHA FOUNDATION**

**For the Year ended June 30, 2021**

**SAJID & CO**

**Chartered Accountants**

Suit # 204, 2<sup>ND</sup> Floor, Amber Estate Extension,  
Near MCB Bank, Shahra-e-Faisal, Karachi, Pakistan

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# SAJID & CO.

## Chartered Accountants

Suit No. 204, 2nd Floor Amber Estate Extension, Opp. HBL, MCB Kawish Court Br.  
and Maqbool Masjid, Near Baloch Colony Bridge, Shahrah-e-Faisal, Karachi.  
Mobile: 0332-3146394, PTCL No. 34320685, E-mail: sajid\_yunus@yahoo.com

### AUDITORS' REPORT TO THE MANAGEMENT

We have audited the accompanying financial statement of **M/s NATHA FOUNDATION** which comprises of the statement of financial position as at **June 30, 2021** and the income & expenditure account, cash flow statement and statement of changes in general fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal controls as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and we report that:

#### Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position as at **June 30, 2021**, and its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

  
SAJID & CO.  
Karachi  
Chartered Accountants

CHARTERED ACCOUNTANTS  
KARACHI, October 08, 2021



**THA FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Note	2021 -----Rupees-----
<b>NON-CURRENT ASSETS</b>		
Furniture and fixtures		125,000
Advance Against Projects		238,530
		<u>363,530</u>
<b>CURRENT ASSETS</b>		
Cash and bank balances		195,571
		<u>559,101</u>
<b>REPRESENTED BY</b>		
Fund		
Accumulated fund		559,101
		<u>559,101</u>
<b>Contingencies and Commitments</b>	5	
		<u>559,101</u>

The annexed notes form an integral part of these financial statements.

**PRESIDENT**



**GENERAL SECRETARY**

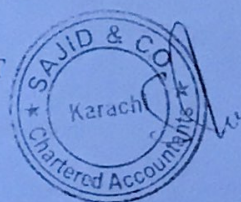


**HA FOUNDATION**  
**OME AND EXPENDITURE STATEMENT**  
**OR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 -----
<b>INCOME</b>		
Operational donation funding		1,207,830
<b>EXPENDITURES</b>		
Expenditure incurred for the objectives	6	1,027,759
Surplus for the year		<u>180,071</u>

The annexed notes form an integral part of these financial statements.

PRESIDENT



GENERAL SECRETARY



**NATHA FOUNDATION**  
**Notes to the Financial Statement**  
**For The Year Ended June 30, 2020**

**1. STATUS AND NATURE OF BUSINESS**

Natha Foundation (here in after referred to as 'the Society') was registered in Pakistan under Societies Act 1860. As a non profit organization The primary objective of the Society is to work for collective welfare and interest of general public in Pakistan. The Society's registered office is situated at Bungalow No.14, Gulnoor Bungalows, Garden East, Karachi Sindh, Pakistan

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Accounting convention**

These financial statements have been prepared on the historical cost basis except for investments classified as available for sale which are stated at fair value.

**2.3 Functional and presentation currency**

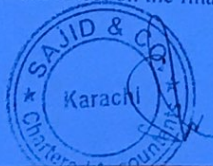
These financial statements are presented in Pakistan Rupees which is the Society's functional and presentation currency and rounded off to the nearest rupee.

**2.4 Use of estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expense.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the affects both current and future periods. The estimates, judgments and assumptions that have significant effect on the financial statements are as follows:





## SIGNIFICANT ACCOUNTING POLICIES

### Equipment

Equipment are stated at cost less accumulated depreciation and impairment losses (if any). Cost include expenditure that is directly attributable to the acquisition of asset. Subsequent costs are included in the assets's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and its cost can be reliably measured. Cost incurred to replace a component of an item of property and equipment is capitalised and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the income and expenditure account during the period in which they incurred.

Depreciation on fixed assets is provided on straight line method over useful life of the assets. Depreciation on additions is charged from the month the assets available for use up to the month prior to disposal. Depreciation methods, useful lives and residual values of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of assets are taken to income and expenditure account, in the year of disposal.

### 3.3 Revenue recognition

Revenues from donation, zakat and other funds are recognized when the related funds are received.

### 3.4 Foreign currency translation

Foreign currency transactions are translated into Pak rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak rupees at the rates of exchange ruling on the reporting date. Any exchange gains / losses are recognized in the income and expenditure statement.

### 3.5 Taxation

The Society's income is exempt from tax under section 100 ( C ) of Income Tax Ordinance, 2001 as the Society is incorporated as not for profit organization.

### 3.6 Impairment

The carrying amount of the Society's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognized as expense in the income and expenditure statement. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

### 3.7 Provisions

Provisions are recognized when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.





setting  
assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amount and the Society intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

#### 19 Cash and cash equivalents

For the purpose of cash flow statements, cash and cash equivalents comprise of cash in hand and balances held with banks.

#### 3.10 Restricted Funds

Operational funding and project funding as provided and approved by the board utilisable for specified purposes only and therefore, are treated as restricted fund.





	Note	2021 -----Rupees-----
<b>ADVANCE AGAINST PROJECTS</b>		
Advance against expenses		50,000
Advance against welfare projects		188,530
		<u>238,530</u>

## 5. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments that exist as at reporting date.

## 6. EXPENDITURE INCURRED FOR THE OBJECTIVES

Staff salaries	360,000
Telephone, postage & electricity	560,750
Repair and maintenance	36,789
Legal and professional charges	26,067
Printing and stationery	6,307
Other expenses	37,840
	<u>1,027,759</u>

## 7. RELATED PARTY TRANSACTIONS

The related parties comprise of members, associated companies with or without common directors, directors of the Company and key management personnel those having authority and responsibility for planning, directing and controlling activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel. Remuneration and benefits to Executives of the Company are in accordance with the terms of employment. Transactions with other related parties are entered at rates negotiated with them.

## 8. NUMBER OF EMPLOYEES

	2021 Number of
As at year end	<u>2</u>
Average during the year	<u>2</u>





## STATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors in their meeting held on.

### 10. GENERAL

All figures have been rounded off to nearest rupee.

PRESIDENT

GENERAL SECRETARY

