

FINANCIAL STATEMENTS

OF

NATHA FOUNDATION
For the Year Ended June 30, 2022

SAJID & CO

Chartered Accountants

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Chartered Accountants

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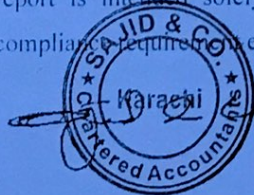
AUDITOR'S REPORT TO THE MANAGEMENT

We have audited the annexed balance sheet of **NATHA FOUNDATION** as at June 30, 2022 and the related income & expenditure account and cash flow statement together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

It is the responsibility of the management committee to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the books and accounting records. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the **NATHA FOUNDATION** as at June 30, 2022 and results of its operations for the year then ended. This report is intended solely for the information and use of the organization for obtaining Donation or compliance requirements etc. on the request of trustees.



CHARTERED ACCOUNTANT

KARACHI:

DATED: October 08, 2022

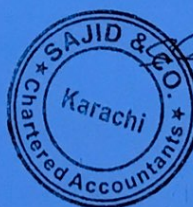
NATHA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 -----Rupees-----
NON-CURRENT ASSETS		
Furniture and fixtures		125,000
Advance Against Projects		<u>238,530</u>
		<u>363,530</u>
CURRENT ASSETS		
Cash and bank balances		<u>418,558</u>
		<u>782,088</u>
REPRESENTED BY		
Fund		
Accumulated fund		<u>782,088</u>
		<u>782,088</u>
Contingencies and Commitments	5	
		<u>782,088</u>

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

PRESIDENT

GENERAL SECRETARY



THA FOUNDATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----
INCOME		
Operational donation funding		1,827,000
EXPENDITURES		
Expenditure incurred for the objectives	6	1,604,013
Surplus for the year		<u>222,987</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, 2022

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

3.1 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.



3.8 Off-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.

3.9 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.



DATE 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

