



# SAKHAWAT & CO.

COST & MANAGEMENT ACCOUNTANTS

## AUDITOR'S REPORT TO THE TRUSTEES

We have audited the balance sheet of **SAHULAT FOOD FOUNDATION** as at June 30, 2023 and income and expenditure statement, statement of cash flows together with notes forming part thereof for the exclusive review of the management of the trust for the year then ended, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Act, 2017. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the abovesaid statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, we report that:-

### **In our opinion,**

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and after due verification thereof: we report that:

- a) In our opinion proper books of accounts have been kept by the Company as required by the Companies Act, 2017.
- b) In our opinion:
  - i. The statement of balance sheet, income and expenditure statement, statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied.
  - ii. The expenditure incurred during the year was for the purpose of trustee's business.
  - iii. The business conducted, investments made and the expenditure incurred during the year were in accordance with the object of the trustees, and
- c) In our opinion and to the best of our information and according to the explanations give to us the balance sheet, income and expenditure statement, statement of cash flows with the notes forming part thereof, give the information required by the Companies Act, 2017 in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2023 and of the profit for the year then ended.
- d) In our opinion, no Zakat was deductible at source under Zakat and Ushar Ordinance, 1980

  
Engagement Partner Sakhawat Ali  
SAKHAWAT & CO.  
COST & MANAGEMENT ACCOUNTANTS  
Reg. # 059  
Dated: October 17, 2023





**SAHULAT FOOD FOUNDATION**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2023**

|   | Note | 2023<br>Rupees   | 2022<br>Rupees   |
|---|------|------------------|------------------|
| <b>NON-CURRENT ASSETS</b>                   |      |                  |                  |
| Operating fixed assets                      | 4    | 1,994,206        | 1,019,184        |
| <b>CURRENT ASSETS</b>                       |      |                  |                  |
| Advances, prepayments and other receivables | 5    | -                | -                |
| Cash and bank balances                      | 6    | 474,252          | 985,118          |
|   |      | 474,252          | 985,118          |
| <b>TOTAL ASSETS</b>                         |      | <b>2,468,458</b> | <b>2,004,302</b> |
| <b>FUNDS AND LIABILITIES</b>                |      |                  |                  |
| Opening Funds                               |      | (10,053)         | -                |
| Accumulated surplus/ (Deficit)              |      | (5,914)          | (10,053)         |
|   |      | (15,966)         | (10,053)         |
| <b>LONG TERM LIABILITIES</b>                |      |                  |                  |
|   |      | -                | -                |
| <b>CURRENT LIABILITIES</b>                  |      |                  |                  |
| Accrued and other liabilities               | 7    | 1,484,424        | 1,014,354        |
| <b>LOANS</b>                                | 8    | 1,000,000        | 1,000,000        |
| Provision of taxation                       |      | -                | -                |
|   |      | 2,484,424        | 2,014,354        |
| <b>CONTINGENCIES AND COMMITMENTS</b>        | 9    | -                | -                |
| <b>TOTAL FUNDS AND LIABILITIES</b>          |      | <b>2,468,458</b> | <b>2,004,302</b> |

The annexed notes from 1 to 13 form and integral part of these financial statements.

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
SECRETARY



**SAHULAT FOOD FOUNDATION  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | Note | 2023<br>Rupees        | 2022<br>Rupees         |
|--|------|-----------------------|------------------------|
| <b>INCOME</b>  | 10   | 18,901,638            | 4,799,980              |
| <b>EXPENDITURE</b>                                   |      |                       |                        |
| Direct expenses                                      | 11   | (15,372,570)          | (3,374,472)            |
| <b>OPERATING SURPLUS/ (DEFICIT)</b>                  |      | <u>3,529,068</u>      | <u>1,425,508</u>       |
| Administrative and general expenses                  | 12   | <u>(3,534,982)</u>    | <u>(1,435,561)</u>     |
| <b>SURPLUS / (DEFICIT) BEFORE TAX</b>                |      | <u>(5,914)</u>        | <u>(10,053)</u>        |
| Taxation   |      | -                     | -                      |
| <b>ACCUMULATED SURPLUS / (DEFICIT) CARRY FORWARD</b> |      | <u><u>(5,914)</u></u> | <u><u>(10,053)</u></u> |

The annexed notes from 1 to 13 form and integral part of these financial statements.

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PRESIDENT

\_\_\_\_\_  
SECRETARY



**SAHULAT FOOD FOUNDATION  
STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

| Notes  | 2023<br>Rupees     | 2022<br>Rupees   |
|--|--------------------|------------------|
| <b>Cash flow from operating activity</b>                     |                    |                  |
| Profit before tax  | (5,914)            | (10,053)         |
| <b>Adjustment for non-cash and other items</b>               |                    |                  |
| Depreciation   | 298,978            | 82,637           |
| Financial Charges Paid                                       | -                  | -                |
|  | 298,978            | 82,637           |
| <b>Operating profit before working capital changes</b>       | <b>293,064</b>     | <b>72,584</b>    |
| <b>13. Working capital changes</b>                           |                    |                  |
| <b>(Increase) /decrease in current assets</b>                |                    |                  |
| Advances, prepayments and other receivables                  | -                  | -                |
| <b>Increase/(decrease) in current liabilities</b>            |                    |                  |
| Accrued and Other Liabilities                                | 470,070            | 1,014,354        |
| <b>Net working capital changes</b>                           | <b>470,070</b>     | <b>1,014,354</b> |
| <b>Cash generated from operations</b>                        | <b>763,134</b>     | <b>1,086,938</b> |
| Tax paid   | -                  | -                |
| Financial Charges paid                                       | -                  | -                |
| <b>Net cash flow from operatin activities</b>                | <b>763,134</b>     | <b>1,086,938</b> |
| <b>Cash flow from investing activities</b>                   |                    |                  |
| Proceeds from Sale of Assets                                 | -                  | -                |
| Cash used in Purchase of Assets                              | (1,274,000)        | (1,101,820)      |
| <b>Net cash flow from investing activities</b>               | <b>(1,274,000)</b> | <b>(14,882)</b>  |
| <b>Cash flow from financing activities</b>                   |                    |                  |
| Long Term Loan   | -                  | -                |
| <b>Net cash flow from financing activities</b>               | <b>-</b>           | <b>-</b>         |
| <b>Net increase / (decrease) in cash and cash equivalent</b> | <b>(510,866)</b>   | <b>(14,882)</b>  |
| Cash and cash equivalents at beginning of the year           | 985,118            | -                |
| <b>Cash and cash equivalents at end of the year</b>          | <b>474,252</b>     | <b>(14,882)</b>  |

The annexed notes from 1 to 13 form and integral part of these financial statements.

\_\_\_\_\_  
PRESIDENT



\_\_\_\_\_  
SECRETARY



**SAHULAT FOOD FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1 LEGAL STATUS AND NATURE OF THE BUSINESS**

M/s Sahulat Food Foundation was registered with Registrar of Societies under Companies Act 2017. The Registered Office of the Society is situated in Lahore. The entity works as an independent, non governmental and non profit charitable organization. The main objective is to provide healthy meals to poor, needy and homeless people of pakistan.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the revised financial reporting guidelines for NPOs issued by ICAP.

**3 SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared under the historical cost convention except as other wise stated in the respective policies and notes given hereunder.

**4 OPERATING FIXED ASSETS**

Operating fixed assetst are stated at cost less accumulated depreciation. Depreciation is charged by reducing balance method at the rates mentioned in note. 4 on monthly basis. Depreciation on additions in charged from the month in which the asset was available for use up to the month prior to disposal. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. Gain or loss on disposal of fixed assets, if any, is taken to profit and loss accounts.

**5 INCOME**

Income comprises the increase in economic benefits during financial year in the form of inflows or enhancements in the value of assets or in a decrease in liabilities that results in an increase in the accumulated fund, other than those relating to contributions from donors or contributions to restricted funds that are unutilized at the end of the year.



**SAHULAT FOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**6 RESTRICTED INCOME**

Restricted income are not gratuitous and are based on agreements, contracts, or other understanding, where the conditions for receipt of the funds are linked to a performance of a service or other process. Revenue will only be recognized in the "income and expenditure account" when there is reasonable assurance that the contribution will be received, and the conditions stipulated for its receipt have been complied with. Restricted income include as follow:

Restricted income is recognized to extent of expenses incurred while implementation of the projects and in accordance with agreement with donors;

**7 UN-RESTRICTED INCOME**

Un-restricted income is recognized as income as and when amount of revenue can be measured reliably, or when it is probable that the economic benefits associated with the transaction will flow to the society. Unrestricted income include as follow:

-Management income is the amount deducted by the society on funds received during the year to meet the administrative expenses of the society;

-Surplus recognized on disposal of unrestricted assets; and

-Amount transfer to income against designated assets utilized during the year.





**As at June 30, 2022**

| 2023                     |                      |                  |                                  |         |               |
|--------------------------|----------------------|------------------|----------------------------------|---------|---------------|
| Rs.                      |                      |                  |                                  |         |               |
| Vehicles                 | Electrical Equipment | Office Equipment | Crockery and other kitchen items | Total   |               |
| Cost                     | -                    | -                | 69,560                           | 949,624 | 69,560        |
| Accumulated depreciation | -                    | -                | -                                | -       | -             |
| <b>Net book value</b>    | -                    | -                | -                                | -       | <b>69,560</b> |

**Movement during the year**

|                           |              |               |          |               |                |
|---------------------------|--------------|---------------|----------|---------------|----------------|
| Net book value            | -            | -             | -        | -             | 69,560         |
| Addition - Cost           | 360,000      | 392,000       | -        | 522,000       | 1,274,000      |
| Disposal                  | -            | -             | -        | -             | -              |
| Cost                      | -            | -             | -        | -             | -              |
| Depreciation              | -            | -             | -        | -             | -              |
| Depreciation for the year | 9,000        | 58,800        | -        | 39,150        | 106,950        |
| <b>Net book value</b>     | <b>9,000</b> | <b>58,800</b> | <b>-</b> | <b>39,150</b> | <b>176,510</b> |

**As at June 30, 2023**

|                          |                |                |               |                  |                  |
|--------------------------|----------------|----------------|---------------|------------------|------------------|
| Cost                     | 360,000        | 392,000        | 69,560        | 1,471,624        | 2,293,184        |
| Accumulated depreciation | 9,000          | 58,800         | 10,434        | 220,743.53       | 298,978          |
| <b>Net Book value</b>    | <b>351,000</b> | <b>333,200</b> | <b>59,126</b> | <b>1,250,880</b> | <b>1,994,206</b> |

**Depreciation rates**

|     |     |     |     |
|-----|-----|-----|-----|
| 15% | 15% | 15% | 15% |
|-----|-----|-----|-----|

**As at June 30, 2021**

| 2022                     |                      |                  |                                  |       |
|--------------------------|----------------------|------------------|----------------------------------|-------|
| Rs.                      |                      |                  |                                  |       |
| Vehicles                 | Electrical Equipment | Office Equipment | Crockery and other kitchen items | Total |
| Cost                     | -                    | -                | -                                | -     |
| Accumulated depreciation | -                    | -                | -                                | -     |
| <b>Net book value</b>    | -                    | -                | -                                | -     |

**Movement during the year**

|                           |   |   |        |           |           |
|---------------------------|---|---|--------|-----------|-----------|
| Net book value            | - | - | -      | -         | -         |
| Addition - Cost           | - | - | 75,200 | 1,026,620 | 1,101,820 |
| Disposal                  | - | - | -      | -         | -         |
| Cost                      | - | - | -      | -         | -         |
| Depreciation              | - | - | -      | -         | -         |
| Depreciation for the year | - | - | 5,640  | 76,997    | 82,637    |



**SAHULAT FOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

- 4 PROPERTY, PLANT AND EQUIPMENT**
- 4.1 Operating fixed assets**





|                            |     |     |               |                |                  |
|----------------------------|-----|-----|---------------|----------------|------------------|
| Net book value             | -   | -   | 5,640         | 76,997         | 82,637           |
| <b>As at June 30, 2022</b> |     |     |               |                |                  |
| Cost                       | -   | -   | 75,200        | 1,026,620      | 1,101,820        |
| Accumulated depreciation   | -   | -   | 5,640         | 76,997         | 82,637           |
| <b>Net Book value</b>      | -   | -   | <b>69,560</b> | <b>949,624</b> | <b>1,019,184</b> |
| Depreciation rates         | 15% | 15% | 15%           | 15%            |                  |



**SAHULAT FOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

|   | 2023<br>Rupees    | 2022<br>Rupees   |
|---|-------------------|------------------|
| <b>5 ADVANCES, DEPOSITS AND PREPAYMENTS</b>                 |                   |                  |
| Advacnes to staff   | -                 | -                |
| Security Deposits   | -                 | -                |
| <b>6 CASH AND BANK BALANCES</b>                             |                   |                  |
| Cash in hand  | 474,252           | 985,118          |
| Cash at bank-Faysal Bank                                    | <u>474,252</u>    | <u>985,118</u>   |
| <b>7 ACCRUED AND OTHER LIABILITIES</b>                      |                   |                  |
| Accrued expenses-Utility, Salaries, Etc                     | 136,402           | 493,000          |
| Other liabilities- payable to vendors                       | 1,348,022         | 521,354          |
|   | <u>1,484,424</u>  | <u>1,014,354</u> |
| <b>8 LOANS</b>  |                   |                  |
| Short Tern Loans  | 1,000,000         | 1,000,000        |
|   | <u>1,000,000</u>  | <u>1,000,000</u> |
| <b>9 CONTINGENCY AND COMMITMENTS</b>                        |                   |                  |
| 9.1 Contingencies   | -                 | -                |
| NGO has no contingencies as on reporting date ( 2022: Nil). |                   |                  |
| <b>10 INCOME</b>  |                   |                  |
| Local Donations   | 10,039,638        | 2,317,580        |
| Other Donations and grants-In Kind                          |                   | 4,474,620        |
| i. Sufi Ghee  | 5,088,000         |                  |
| ii. Vital Spices  | 700,000           |                  |
| iii. Loader Rickshaw  | 360,000           |                  |
| iv. Mineral Water   | 1,800,000         |                  |
| v. Chiller  | 280,000           |                  |
| vi. Cooler  | 94,000            |                  |
| Vii. Fans   | 74,000            |                  |
| Viii. Air Cooler  | 38,000            |                  |
| Ix. Plates  | 47,000            |                  |
| X. Utensils   | 71,000            |                  |
| Xi. Floor Mates   | 140,000           |                  |
| xii. Tandoor  | 170,000           |                  |
|   | <u>18,901,638</u> | <u>6,792,200</u> |
| <b>11 DIRECT EXPENSES</b>                                   |                   |                  |
| Food Supplies   |                   | 3,074,472        |
| i. Flour  | 1,508,000         |                  |
| ii. Rice  | 1,533,448         |                  |
| iii. Pulses   | 2,672,071         |                  |
| iv. Chicken   | 657,051           |                  |
| v. Sewing Machine   | 100,000           |                  |
| vi. Sufi Ghee   | 5,088,000         |                  |
| vii. Vital Spices   | 700,000           |                  |
| viii. Mineral Water   | 1,800,000         |                  |
| v. Chiller  | 280,000           |                  |





**SAHULAT FOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

|                  | 2023<br>Rupees    | 2022<br>Rupees   |
|------------------|-------------------|------------------|
| vi. Cooler       | 94,000            |                  |
| Vii. Fans        | 74,000            |                  |
| Viii. Air Cooler | 38,000            |                  |
| Ix. Plates       | 47,000            |                  |
| X. Utensils      | 71,000            |                  |
| Xi. Floor Mats   | 140,000           |                  |
| xii. Tandoor     | 170,000           |                  |
| Direct Salaries  | 400,000           | 300,000          |
| Misc Expenses    | -                 | -                |
|                  | <u>15,372,570</u> | <u>3,374,472</u> |



**SAHJALAT FOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**12 ADMINISTRATIVE AND GENERAL EXPENSES**

|                                      | 2023<br>Rupees   | 2022<br>Rupees   |
|--------------------------------------|------------------|------------------|
| Staff salaries - Indirect            | 335,550          | 240,000          |
| Rent                                 | 982,600          | 495,000          |
| Utilities                            | 1,000,406        | 130,104          |
| Traveling and conveyance             | -                | -                |
| Advertisement and related - Indirect | -                | -                |
| Bank charges                         | 298,978          | 82,637           |
| Depreciation                         | 361,565          | -                |
| Repair and maintenance               | 73,333           | -                |
| Legal and Professional Charges       | 482,550          | 487,820          |
| Miscellaneous expenses               |                  |                  |
|                                      | <u>3,534,982</u> | <u>1,435,561</u> |

**13 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 30 June 2023 by Board of trustees of the foundation.

**14 GENERAL**

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been rearranged when over necessary, for the purpose of comparison and better presentation.

\_\_\_\_\_  
PRESIDENT



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SECRETARY