

**Independent Auditors' Report
To the members of Foundation Fighting Poverty
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of **Foundation Fighting Poverty (the Foundation)**, which comprise the statement of financial of position as at 30 June 2024, and the statement of income & expenditure, statement of changes in fund, and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of the Foundation as at 30 June 2024 and its financial performance and its cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the code), and we have fulfilled our ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Approved Accounting Standards for Not-for-Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operation or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of control.



- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based, on the audit evidence obtained, whether a material uncertainty exist related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Salman Jangda.



Salman & Raheel

Chartered Accountants

Place: Karachi

Date: 18th November 2024

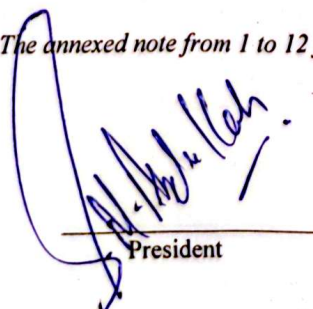
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FOUNDATION FIGHTING POVERTY
STATEMENT OF FINANCIAL POSITION
As At 30th JUNE 2024

	Note	30th June 2024 Rupees	30th June 2023 Rupees
ASSETS			
Non-Current Assets			
Tangible Fixed assets	5	550,720	623,365
Current Assets			
Cash & Bank balance	6	16,876,730	13,255,880
Security deposit		240,000	248,000
		17,116,730	13,503,880
Total Assets		17,667,450	14,127,245
FUNDS AND LIABILITIES			
Accumulated Fund			
General Fund – Unrestricted		4,442,768	5,145,471
Liabilities			
Non - Current Liabilities			
Zakat Fund	7	13,118,432	8,919,274
Deferred income	8	6,250	12,500
		13,124,682	8,931,774
Current liabilities			
Audit fee payable		100,000	50,000
Total Funds And Liabilities		17,667,450	14,127,245

The annexed note from 1 to 12 forms an integral part of these financial statements



 President

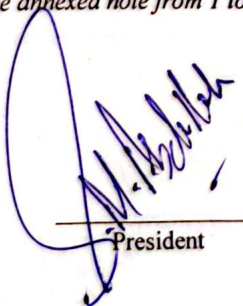


 Finance Secretary

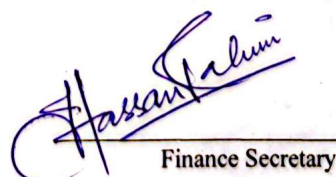
**FOUNDATION FIGHTING POVERTY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30th JUNE 2024**

	Note	30th June 2024 Rupees	30th June 2023 Rupees
Revenue			
Donations Received		18,363,917	22,882,908
Amortization of Deferred Income		6,250	6,250
		<u>18,370,167</u>	<u>22,889,158</u>
Project Expenditure			
Education		(662,722)	(585,025)
Health		(1,643,212)	(1,716,260)
Ration Distribution		(1,327,500)	(790,800)
Marriage		(460,457)	(126,000)
Aqua		-	(303,680)
Sadqa		(93,000)	(75,000)
Masjid		(67,000)	(37,000)
General		(250,184)	(178,765)
Basic need		(1,763,337)	(1,665,469)
Bakra 'Eid expense		(2,198,941)	(1,099,500)
Campaigns		(1,219,102)	(566,421)
Ramzan expense		(3,776,423)	(3,328,344)
Flood		(3,068,946)	(6,276,193)
Administrative Expense	9	(2,542,046)	(2,287,750)
(Deficit) / Surplus for the period		<u>(702,703)</u>	<u>3,852,951</u>

The annexed note from 1 to 12 forms an integral part of these financial statements



President

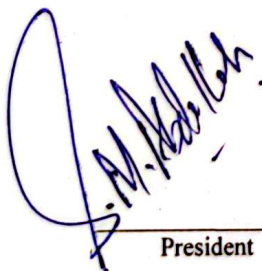


Finance Secretary

**FOUNDATION FIGHTING POVERTY
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30th JUNE 2024**

	30th June 2024 Rupees	30th June 2023 Rupees
Cash flows from operations		
Net Surplus / (Deficit)	(702,703)	3,852,951
Adjustments		
Depreciation	190,144	218,653
Operation surplus before working capital changes	<u>(512,559)</u>	<u>4,071,604</u>
Working capital Changes		
Zakat fund-net	4,199,158	4,032,178
Deferred income -net	(6,250)	(6,250)
Audit fees payable	50,000	10,000
Security deposit	8,000	-
Net cash generated from operations	<u>3,738,349</u>	<u>8,107,532</u>
Cash flows from Investing Activities		
Purchase of tangible fixed assets	(117,500)	(216,000)
Net decrease in cash and cash equivalent	<u>3,620,849</u>	<u>7,891,532</u>
Add: Cash and Cash equivalent at beginning	13,255,881	5,364,349
	<u>16,876,730</u>	<u>13,255,881</u>

The annexed note from 1 to 12 forms an integral part of these financial statements



President

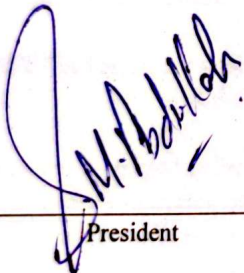


Finance Secretary

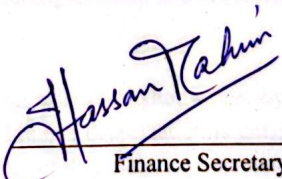
**FOUNDATION FIGHTING POVERTY
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30th JUNE 2024**

	General Fund Unrestricted	Total
	I----- Rupees -----I	
Balance as at 30 June 2022	1,292,520	1,292,520
Surplus for the Year	3,852,951	3,852,951
Balance as at 30 June 2023	5,145,471	5,145,471
Deficit for the Year	(702,703)	(702,703)
Balance as at 30 June 2024	4,442,768	4,442,768

The annexed note from 1 to 12 forms an integral part of these financial statements



President



Finance Secretary

**FOUNDATION FIGHTING POVERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2024**

1 THE FOUNDATION AND ITS OPERATION

Foundation fighting poverty was registered on 28 April 2017 at Karachi, Pakistan as a Non-political and non commercial Organization under the voluntary social welfare agencies, (Registration and controlled) ordinance 1961. The principal objects of the foundation are to help the indigents in their medical and educational need, to advise and assist unemployed men and women in securing gainful employment, environmental benefits and to give interest free loan to deserving people. The foundation is also engaged in various other social and charitable activities.

The office of the foundation is situated at Plot 250-C Block-6 PECHS Karachi

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Guidelines for Accounting and Financial Reporting by Not for Profit Organizations as issued by the Institute of Chartered Accountants of Pakistan (ICAP).

3 BASIS OF MEASUREMENT

These financial statement have been prepared under historical cost convention.

3.1 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses if any.

Depreciation is charged to income applying the reducing balance method where by the cost of an asset is return of over its estimated useful life in respect of additions depreciation is charged from the month of addition where as no depreciation is charged in the month of disposal

The residual values, useful life and depreciation methods are reviewed and adjusted if appropriate at each financial year end.

The carrying values of Tangible fixed assets are reviewed for impairment when events or changes in circumstances indicates that the carrying values may not be recoverable. If any such indication exists and there carrying values exceed the estimated recoverable amount the assets or cash generating units are written down to their recoverable amount the recoverable amount of tangible asset is the greater of net selling price and value in use

3.2 CASH AND CASH EQUIVALENT

Cash and cash equivalent in the cash flow statement consist of cash in hand and bank balance

4 FUNDS

UNRESTRICTED FUNDS

Funds received for ongoing operation without any restriction or utilization are classified as unrestricted funds. Accordingly such funds received and expenses incurred with respect to normal operation of the foundation which are not related to any specific activity are charged to statement of financial position

RESTRICTED FUNDS

Funds received as grant for specific purposes are classified as restricted fund with separate accounting report being maintained for each amount for this purpose:

- i. When grant received are in excess of their outlay these are recognized in statement of income and expenditure to the extent of related expenses incurred. The excess balance is carried forward to deferred income as restricted fund balance; and
- ii. In case of grant received are less than related expenditure incurred, the balance to the extent of commitment is recognized as receivable if there is a strong probability of recovery of the contractual receivable from the respective donors

4.1 INCOME RECOGNITION

Unrestricted donation are grant for recognized in the statement of income and expenditure in the year of receipt

Restricted funds are recognized in the statement of income and expenditure for the extent of actual expenses incurred during the year. Where funds received are in excess of actual expenses the balances are carried forward as restricted fund balance

4.2 ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities are recognized at cost which is the fair value of consideration to be paid in future for goods and services

4.3 PROVISION

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

5 TANGIBLE FIXED ASSETS

	Cost			Accumulated Depreciation			Net Book Value As at 30 Jun 2024	Rates %
	As at 01 Jul 2023	Additions	As at 30 Jun 2024	As at 01 Jul 2023	Charge for the year	As at 30 Jun 2024		
Computer	211,000	98,500	309,500	126,513	52,259	178,772	130,728	33%
Furniture and fixtures	206,750	19,000	225,750	91,604	31,953	123,557	102,193	25%
Office equipment	104,018		104,018	88,099	3,979	92,078	11,940	25%
Vehicles	647,540		647,540	239,728	101,953	341,681	305,859	25%
	1,169,308	117,500	1,286,808	545,944	190,144	736,088	550,720	

	Cost			Accumulated Depreciation			Net Book Value As at 30 Jun 2023	Rates %
	As at 01 Jul 2022	Additions	As at 30 Jun 2023	As at 01 Jul 2022	Charge for the year	As at 30 Jun 2023		
Computer	138,000	73,000	211,000	76,958	49,555	126,513	84,488	33%
Furniture and fixtures	63,750	143,000	206,750	63,750	27,854	91,604	115,146	25%
Office equipment	104,018		104,018	82,793	5,306	88,099	15,919	25%
Vehicles	647,540		647,540	103,790	135,938	239,728	407,813	25%
	953,308	216,000	1,169,308	327,290	218,653	545,943	623,365	

	Note	30th June 2024 Rupees	30th June 2023 Rupees
6 CASH & BANK BALANCE			
Cash in hand		3,714,535	5,618,113
Bank balance (Current account)		13,162,195	7,637,768
		<u>16,876,730</u>	<u>13,255,880</u>

7 ZAKAT FUND

Opening balance		8,919,274	4,714,595
Add: Zakat received during the period		14,917,158	16,114,679
		<u>23,836,432</u>	<u>20,829,274</u>
Less : Amount utilized during the period	7.1	(10,718,000)	(11,910,000)
		<u>13,118,432</u>	<u>8,919,274</u>

7.1 Breakup of amount utilized from zakat fund

Daily expense support		718,000	910,000
Conversion of zakat to charity		10,000,000	10,000,000
Household rent support		-	1,000,000
		<u>10,718,000</u>	<u>11,910,000</u>

7.2 Zakat funds are restricted for expenditure on Indigents who are entitled to receive Zakat under the Islamic Shariah.

		30th June 2024 Rupees	30th June 2023 Rupees
8 Deferred Income			
Opening balance		12,500	18,750
Addition during the year		-	-
Less : transferred to income & expenditure account	8.1	(6,250)	(6,250)
		<u>6,250</u>	<u>12,500</u>

8.1 Deferred income pertains to the bike donated to the foundation, with the corresponding revenue recognized systematically over its estimated useful life, in accordance with the matching principle and the conditions attached to the donation.

9 ADMINISTRATIVE EXPENSE

	30th June 2024 Rupees	30th June 2023 Rupees
Salaries and wages	1,194,632	1,203,176
Audit fees	60,000	50,000
Depreciation expense	190,144	218,653
Office expense	122,529	117,596
Rent expense	960,000	688,000
Website development charges	14,741	10,325
	<u>2,542,046</u>	<u>2,287,750</u>

10 NUMBER OF EMPLOYEES

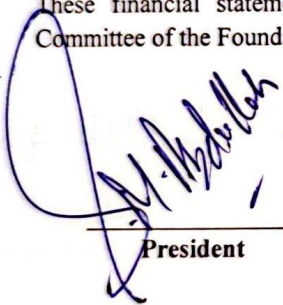
Number of employees for the year ended 30 June 2024 were 9. (30 June 2023: 6)

11 GENERAL

Amounts have been rounded off to the nearest of a Pak Rupee, unless otherwise stated

12 DATE OF AUTHORIZATION

These financial statements were authorized for issue on _____ by the Executive Committee of the Foundation.



President



Finance Secretary