FINANCIAL STATEMENTS
OF
EMPOWERING COMMUNITIES FOR CHANGE
FOR THE YEAR ENDED
JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES ON THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements **EMPOWERING COMMUNITIES FOR CHANGE** (The Trust) which comprise of the statement of financial position as at June 30, 2023 and the related statement of income and expenditure, the cash flow statement and the statement of changes in net assets 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 give a true and fair view of the financial position of **EMPOWERING COMMUNITIES FOR CHANGE** as at June 30, 2023 and of its financial performance, the statement of changes in net assets and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with 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 Trust in accordance with 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 Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and requirements of the Trust Deed and the Rules of the Trust, and for such internal control as trustees determine 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, Trustees are responsible for assessing the Trust'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 Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Trustees are responsible for overseeing the Trust'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 statements.

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 risks 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 internal 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 Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of Trustees 's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures 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 Trust 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 Trustees 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 Tariq Feroz Khan.

KARACHI

DATED: 18 DEC 2023

UDIN: AR20231016602TG9WJvB

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

EMPOWERING COMMUNITIES FOR CHANGE
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		---------- (Rupees) ----------	
ASSETS			
CURRENT ASSETS			
Profit receivable on savings account		37,170	27,554
Bank balances	5	4,699,076	8,350,214
TOTAL ASSETS		4,736,246	8,377,768
CURRENT LIABILITIES:			
Income tax deduction at source		-	33,824
NET CURRENT ASSETS		4,736,246	8,343,944
REPRESENTED BY:			
Accumulated Surplus		4,736,246	8,343,944
		4,736,246	8,343,944
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes from 1 to 12 form an integral part of these financial statements.

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EMPOWERING COMMUNITIES FOR CHANGE
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		---------- (Rupees) ----------	
INCOME			
Donation received	7	2,026,500	6,521,950
Profit on saving account		371,876	151,709
		2,398,376	6,673,659
EXPENDITURE			
Donation disbursed	8	(5,876,074)	(592,210)
Administrative expenses	9	(130,000)	(130,000)
TOTAL EXPENDITURE		(6,006,074)	(722,210)
(Deficit) / Surplus before taxation		(3,607,698)	5,951,449
Taxation		-	-
(Deficit) / Surplus after taxation		(3,607,698)	5,951,449

The annexed notes from 1 to 12 form an integral part of these financial statements.

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EMPOWERING COMMUNITIES FOR CHANGE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

	Accumulated surplus	Total
	---------- (Rupees) ----------	
Balance as at June 30, 2021	2,392,495	2,392,495
Surplus transferred from income and expenditure account	5,951,449	5,951,449
Balance as at June 30, 2022	8,343,944	8,343,944
Deficit transferred from income and expenditure account	(3,607,698)	(3,607,698)
Balance as at June 30, 2023	4,736,246	4,736,246

The annexed notes from 1 to 12 form an integral part of these financial statements.

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EMPOWERING COMMUNITIES FOR CHANGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus before taxation		(3,607,698)	5,951,449
Adjustment for items not involving movement of funds:			
Profit on saving accounts		(371,876)	(151,709)
		(3,979,574)	5,799,740
Decrease/(Increase) in Assets			
Income Tax deducted at source		-	33,824
Cash generated from operations		-	33,824
Taxes paid		(33,824)	-
Net cash (used in) / generated form generated from operating activities		(33,824)	33,824
CASH FLOWS FROM INVESTING ACTIVITIES			
Profit received on saving accounts		362,260	125,752
Net (decrease) / increase in cash and cash equivalent		(3,651,138)	5,959,316
Cash and cash equivalent at beginning of the period		8,350,214	2,390,898
Cash and cash equivalent at end of the period	5	4,699,076	8,350,214

The annexed notes from 1 to 12 form an integral part of these financial statements.

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EMPOWERING COMMUNITIES FOR CHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

Empowering Communities for Change (the Trust) is a charitable private trust constituted under the Trust Act on July 11, 2018 and registered with Sub-Registrar, Karachi on August 20, 2018. The Trust is established for charitable purpose for platform for empowering the financially fragile communities for change through provision of micro function inter alia for education, health, vocational training, acquisition of tools, equipments, inventory stocks and various models. The Trust has been registered as Non-Profit Organization in terms of sub-section 36 of section 2 of the Income Tax Ordinance, 2001 dated March 14, 2019. The registered office of the Trust is situated at 3rd Floor, Beach Luxury Hotel, M.T. Khan Road, Karachi.

2. STATEMENT OF COMPLIANCE

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

International Financial Reporting Standard for Small-Sized Entities (IFRS for SSEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under historical cost convention.

3.2 The financial statements are presented in Pakistani Rupee, which is the Trust's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents consist of bank balances.

4.2 Revenue recognition

- Profit on saving account is recognised on an accrual basis.
- Voluntary donations are recognized as income as and when received.

4.3 Taxation

The Trust is registered as 'Non-Profit Organization' by Commissioner Inland Revenue, whereby the trust is eligible for 100% tax credit o+n its income under section 100C(1) of the Income tax Ordinance 2001. Accordingly, No Provision was required in the financials.

	Note	2023	2022
		---------- (Rupees)	----------
5. BANK BALANCES:			
With bank in:			
Savings Account	5.1	4,481,178	5,127,493
Current Account		217,898	3,222,722
		4,699,076	8,350,215

5.1 This carries profit at the rate of 10%-17% (2022: 7%-10%) per annum.

6. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at reporting date.

7. DONATIONS RECEIVED

Institution	750,000	1,156,000
Charity events	261,000	2,040,950
Others Individuals	1,015,500	3,325,000
	2,026,500	6,521,950

8. DONATION DISBURSED

Institutions	4,147,074	432,210
Ration bank	1,729,000	160,000
	5,876,074	592,210

9. ADMINISTRATIVE EXPENSES

Salaries and Wages	130,000	130,000
	130,000	130,000

10. GENERAL

Amounts have been rounded off to the nearest rupee, unless otherwise stated. Corresponding figures have been reclassified, wherever necessary, for the purpose of comparison. However no significant rearrangement or reclassification has been made in these financial statements during the current year.

11. DATE OF AUTHORISATION

These financial statements were authorized for issue on 18 DEC 2023 by the Board of Trustees.

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