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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the accompanying financial statements of **EMPOWERING COMMUNITIES FOR CHANGE** (the Trust), which comprise the statement of financial position as at June 30, 2024, and the income and expenditure account, statement of changes in net assets 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 give a true and fair view of the financial position of the Trust as at June 30, 2024, and of its financial performance, 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 other 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 the 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.

DATED: 18 October 2024

KARACHI

ENGAGEMENT PARTNER: TARIQ FEROZ KHAN

UDIN: AR202410166B4TCyEgUA

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

EMPOWERING COMMUNITIES FOR CHANGE
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		---------- (Rupees) ----------	
ASSETS			
CURRENT ASSETS			
Profit receivable on savings account		140,765	37,170
Bank balances	5	11,895,376	4,699,076
TOTAL ASSETS		12,036,141	4,736,246
NET CURRENT ASSETS		12,036,141	4,736,246
REPRESENTED BY:			
Accumulated surplus		12,036,141	4,736,246
		12,036,141	4,736,246
CONTINGENCIES AND COMMITMENTS	6		

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

TRUSTEE

TRUSTEE

EMPOWERING COMMUNITIES FOR CHANGE
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- (Rupees)	----------
INCOME			
Donation received	7	16,188,519	2,026,500
Profit on savings account		1,248,994	371,876
		17,437,513	2,398,376
EXPENDITURE			
Donation disbursed	8	(9,873,561)	(5,876,074)
Administrative expenses	9	(264,000)	(130,000)
Financial charges		(57)	-
TOTAL EXPENDITURE		(10,137,618)	(6,006,074)
Surplus / (deficit) before taxation		7,299,895	(3,607,698)
Taxation	4.3	-	-
Surplus / (deficit) after taxation		7,299,895	(3,607,698)

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

TRUSTEE

TRUSTEE

EMPOWERING COMMUNITIES FOR CHANGE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Accumulated surplus	Total
	---------- (Rupees)	----------
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
Surplus transferred from income and expenditure account	7,299,895	7,299,895
Balance as at June 30, 2024	12,036,141	12,036,141

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

TRUSTEE

TRUSTEE

EMPOWERING COMMUNITIES FOR CHANGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- (Rupees)	----------
CASH FLOWS FROM OPERATIONS			
Surplus / (deficit) before taxation		7,299,895	(3,607,698)
Adjustment for items not involving movement of funds:			
Profit on savings account		(1,248,994)	(371,876)
Cash generated / (used in) from operations		6,050,901	(3,979,574)
Taxes paid		-	(33,824)
Net cash generated from / (used in) operations		6,050,901	(33,824)
CASH FLOWS FROM INVESTING ACTIVITIES			
Profit received on savings account		1,145,399	362,260
Net increase / (decrease) in cash and cash equivalent		7,196,300	(3,651,138)
Cash and cash equivalent at beginning of the year		4,699,076	8,350,214
Cash and cash equivalent at end of the year	5	11,895,376	4,699,076

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

TRUSTEE

TRUSTEE

EMPOWERING COMMUNITIES FOR CHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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:

Accounting and Financial Reporting Standard for Small-Sized Entities (AFRS for SSEs) 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 These 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 savings account is recognised on an accrual basis.
- Voluntary donations are recognized as income as and when received.

10. FINANCIAL INSTRUMENTS RELATED DISCLOSURES

	Note	2024	2023
		---------- (Rupees)	----------
Financial instruments by category			
Financial assets - amortized cost			
Profit receivable on savings account		140,765	37,170
Bank balances		11,895,376	4,699,076
		12,036,141	4,736,246
Financial liabilities - amortized cost		-	-

10.1 Fair value of financial statements

The carrying amount of all the financial assets and financial liabilities are estimated to approximate their fair values at the reporting date.

11. GENERAL

Amounts have been rounded off to the nearest rupee, unless otherwise stated. No rearrangement or reclassification has been made in these financial statements.

12. DATE FOR AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 18 OCT 2024 by the Board of Trustees.

TRUSTEE

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