



INDEPENDENT AUDITORS' REPORT

**To the Board of Trustees of Islam Trust
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of **Islam Trust**, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Trust's affairs as at 30 June, 2022 and of the profit, the changes in equity and its cash flows for the year then ended.

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 the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan 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 Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as 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, management is 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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. Board of directors 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.



M. Amin & Co

Chartered Accountants

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 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 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.

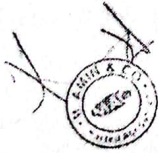
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Trust as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Trust's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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




M/s M. Amin & Co.
Chartered Accountants
Lahore
Dated: 25th October, 2022

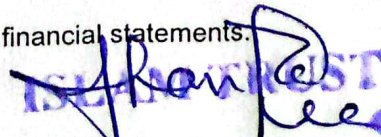
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**ISLAM TRUST
BALANCE SHEET
AS AT JUNE 30, 2022**

| | <u>Note</u> | <u>2022</u> Rupees | <u>2021</u> Rupees |
|---|-------------|-----------------------|-----------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Operating Fixed Assets | 5 | 401,321,491 | 409,682,660 |
| Long - Term Investment | | 50,000,000 | 50,000,000 |
| CURRENT ASSETS | | | |
| Advances, deposits, prepayments and other receivables | 6 | 1,398,423 | 31,170 |
| Cash and bank balances | 7 | 12,571,576 | 12,743,120 |
| | | 13,969,999 | 12,774,290 |
| | | 465,291,489 | 472,456,950 |
| EQUITY AND LIABILITIES | | | |
| FUND ACCOUNT | | | |
| Opening balance | | (21,862,500) | 131,273 |
| Fund added | | - | - |
| Less: Accumulated Deficit | | (86,466,860) | (21,993,686) |
| | | (108,329,360) | (21,862,413) |
| REVALUATION SURPLUS | | 271,603,940 | 271,603,940 |
| LONG TERM LIABILITIES | | | |
| LONG TERM DEBT | 8 | 88,000,000 | - |
| LOAN FROM TRUSTEES | 8.1 | 154,785,500 | 154,785,500 |
| | | 242,785,500 | 154,785,500 |
| CURRENT LIABILITIES | | | |
| Creditors and accruals | 9 | 3,237,591 | 26,979,923 |
| Provision for taxation | | 189,319 | - |
| Due to Associated Concerns | 10 | 55,804,500 | 40,950,000 |
| | | 59,231,410 | 67,929,923 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | | 465,291,489 | 472,456,950 |

The annexed notes from 1 to 16 form an integral part of these financial statements.

ISLAM TRUST

CHAIRMAN

ISLAM TRUST

TRUSTEE

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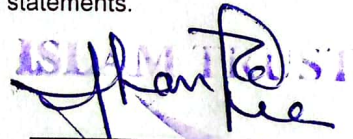
**ISLAM TRUST
INCOME AND EXPENDITURES ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2022**

| | <u>Note</u> | <u>2022 Rupees</u> | <u>2021 Rupees</u> |
|--|-------------|------------------------|------------------------|
| INCOME | | | |
| | 11 | 15,145,500 | |
| LESS: EXPENDITURES | | | |
| Administrative and operating expenses | 12 | 100,758,416 | 21,993,686 |
| ADD: OTHER INCOME | 13 | 3,824,652 | - |
| GROSS DEFICIT | | (81,788,264) | (21,993,686) |
| LESS: FINANCE COST | 13.1 | (4,489,277) | - |
| DEFICIT BEFORE TAXATION | | (86,277,541) | (21,993,686) |
| LESS: TAXATION | | 189,319 | |
| NET DEFICIT | | (86,466,860) | (21,993,686) |
| Accumulated Deficit brought forward | | (22,714,055) | (720,369) |
| Accumulated deficit carried to Balance Sheet | | <u>(109,180,915)</u> | <u>(22,714,055)</u> |

The annexed notes from 1 to 16 form an integral part of these financial statements.

ISLAM TRUST


CHAIRMAN

ISLAM TRUST

TRUSTEE

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