

# **FINANCIAL STATEMENTS**

**OF**

**FIQH ACADEMY**

**For the Year Ended June 30, 2023**

**SAJID & CO**

**Chartered Accountants**

**Suit # 204, 2<sup>ND</sup> Floor, Amber Estate Extension,  
Baloch Colony, Shakra-e-Faisal, Karachi, Pakistan**

**Phones: (+9221) 34320685**

**Mobile(+92)332-3146394**

**Email: [sajid\\_yunus@yahoo.com](mailto:sajid_yunus@yahoo.com)**



# SAJID & CO.

## Chartered Accountants

Suit No. 204, 2nd Floor Amber Estate Extension, Opp. HBL, MCB Kawish Court Br.  
and Maqbool Masjid, Near Baloch Colony Bridge, Shahrah-e-Faisal, Karachi.  
Mobile: 0332-3146394, PTCL No. 34320685, E-mail: sajid\_yunus@yahoo.com

### AUDITOR'S REPORT TO THE MANAGEMENT

We have audited the annexed balance sheet of **FIQH ACADEMY** as at June 30, 2023 and the related income & expenditure account and cash flow statement together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

It is the responsibility of the management committee to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the books and accounting records. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the **FIQH ACADEMY** as at June 30, 2023 and results of its operations for the year then ended. This report is intended solely for the information and use of the organization for obtaining Donation or compliance requirement etc. on the request of trustees.




CHARTERED ACCOUNTANT

KARACHI:

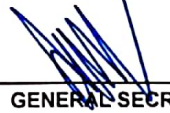
DATED: October 17, 2023

**Fiqh Academy**  
**Statement of Financial Position**  
**As At 30 June, 2023**

	Notes	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	3	4,967,314	3,974,751
Land acquired		20,000,000	-
Capital work in progress		1,200,000	1,200,000
Maktaba		657,975	527,798
<b>Total non current assets</b>		<b>26,825,289</b>	<b>5,702,549</b>
<b>Current assets</b>			
Advances, deposits and other receivables	4	1,142,025	772,287
Bank balances	5	3,635,852	1,429,896
<b>Total current assets</b>		<b>4,777,877</b>	<b>2,202,183</b>
<b>Total assets</b>		<b>31,603,166</b>	<b>7,904,732</b>
<b>Current liabilities</b>			
Other liabilities		160,995	809,084
<b>Total current liabilities</b>		<b>160,995</b>	<b>809,084</b>
<b>Net assets</b>		<b>31,442,171</b>	<b>7,095,648</b>
<b>Represented by</b>			
<b>Funds and reserves</b>			
<b>Restricted funds</b>			
Zakat fund		5,530,709	6,100,234
<b>Unrestricted funds</b>			
General fund		25,778,462	922,392
Land acquisition fund		3,000	73,022
Family kifalat fund		130,000	-
<b>Total accumulated fund and reserves</b>		<b>31,442,171</b>	<b>7,095,648</b>



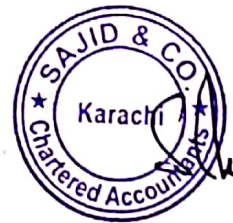
CHAIRMAN



GENERAL SECRETARY



SECRETARY FINANCE



**Fiqh Academy**  
**Income and expenditure account**  
**For the year ended 30 June 2023**

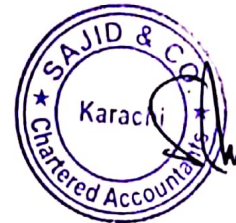
	Note	2023	2022
<b>Income - unrestricted funds</b>			
General fund		30,578,241	16,150,413
Education fund		3,861,600	1,264,810
Mess fund		36,900	27,040
Donations in kind		-	14,500
Maktaba sales		659,855	559,855
Fellowship fund		-	654,500
Specific purpose fund		-	1,874,000
Land acquisition fund		15,077,022	-
		<b>50,213,618</b>	<b>20,545,118</b>
<b>Income - restricted funds</b>			
Family kifalat fund		1,310,000	698,000
Zakat fund		7,975,822	3,475,650
		<b>9,285,822</b>	<b>4,173,650</b>
<b>Total income</b>		<b>59,499,440</b>	<b>24,718,768</b>
<b>Expenditures</b>			
Salaries & other benefits		12,382,337	10,379,913
Utilities		1,762,808	1,163,059
Administrative expenses		4,298,078	4,354,359
Repairs and maintenance		2,405,627	1,134,476
Travelling and conveyance		873,476	613,580
Welfare and education		633,104	810,548
Books and publications		907,055	589,569
Legal and professional		259,673	241,113
Depreciation		1,835,390	1,300,508
<b>Expenditure from restricted funds</b>			
Family kifalat fund		1,310,000	698,000
Zakat fund		7,975,822	3,475,650
		<b>34,643,370</b>	<b>24,760,775</b>
<b>Surplus / (deficit)</b>		<b>24,856,070</b>	<b>(42,007)</b>
Income tax withheld during the year		-	-
<b>Surplus / (deficit) after tax</b>		<b>24,856,070</b>	<b>(42,007)</b>

The attached notes form an integral part of these financial statements.

  
 CHAIRMAN

  
 GENERAL SECRETARY

  
 SECRETARY FINANCE



**Fiqh Academy**  
**Statement of changes in funds**  
**As on 30 June 2023**

(stated in PKR)

	General fund	Land acquisition fund	Family Kifalat	Zakat fund	Total
Balance as at July 01, 2022	922,392	73,022	-	6,100,234	7,095,648
Surplus/(deficit) transferred from income and expenditure	24,856,070	-	-	-	24,856,070
Funds received	-	15,007,000	1,440,000	7,406,297	23,853,297
Expenditure incurred from the fund	-	(15,077,022)	(1,310,000)	(7,975,822)	(24,362,844)
<b>Balance as at June 30, 2023</b>	<b>25,778,462</b>	<b>3,000</b>	<b>130,000</b>	<b>5,530,709</b>	<b>31,442,171</b>

The annexed notes form an integral part of these financial statements.

  
 CHAIRMAN

  
 GENERAL SECRETARY

  
 SECRETARY FINANCE



# Notes to the financial statements

For the year ended 30 June 2023

## 1. Legal status and principal activities

Fiqh Academy (the Academy) is established on 18th April 2019, under the Societies Registration Act, XXI of 1860. The Academy is principally engaged in providing education or other non-profit activities. The corporate office of the Academy is located at C-335, Gulistan-e-Jauhar, University Road, Karachi.

## 2 Statement of compliance, significant accounting policies and estimates

### 2.1 Basis of preparation

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

- Revised Accounting and Financial Reporting Standards for the Small Sized Entities (Revised AFRS for SSEs), issued by the Institute of Chartered Accountants of Pakistan (ICAP).

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except, wherever, disclosed in these accounting

### 2.3 Significant accounting policies and estimates

#### a) Fixed assets

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and any impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

All other repairs and maintenance are charged to the statement of income and expenditure during the financial year in which they are incurred.

Depreciation on assets is charged to income using straight line method at the rates given in note 3. Depreciation is charged on property, plant and equipment capitalized during the year.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and are recognized in the statement of income and expenditure.

#### c) Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during the installation and construction period are carried under the capital work-in-progress. These are transferred to fixed assets as and when these are available for use.

#### d) Impairment of non-financial assets

At each reporting date, the University reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.



the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### e) Accounts and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received whether or not billed to the Academy.

#### f) Cash and cash equivalents

Cash and cash equivalents consist of bank balances.

#### g) Fund accounting

The foundation uses fund accounting for recording restricted and unrestricted contributions. Restricted contributions are credited directly into the fund account and is recognized when the ultimate collection is reasonably assured. Thereafter, an amount equivalent to that which has been disbursed for the purpose of the restricted fund, is taken to the income and expenditure account.

### 2.4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

#### a) Impairment of property, plant and equipment

A decline in the value property, plant and equipment could have a significant effect on the amounts recognized in the financial statements.

Management assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments.
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

#### b) Useful lives of property, plant and equipment

The management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.



Property, plant and equipment

	Computer equipments	Equipment & machinery	Furniture and fixtures	Motor vehicles	Intengibles/ Softwares	Total
<i>Cost</i>						
As at 1 July 2022	639,153	2,860,050	859,885	1,631,500	51,550	6,042,138
Additions during the year*	609,655	551,038	52,260	2,455,000	-	3,667,953
Disposals during the year	-	-	-	(1,400,000)	-	(1,400,000)
<b>As at 30 June 2022</b>	<b>1,248,808</b>	<b>3,411,088</b>	<b>912,145</b>	<b>2,686,500</b>	<b>51,550</b>	<b>8,310,091</b>
<i>Accumulated depreciation</i>						
As at 1 July 2022	375,898	688,130	333,577	652,600	17,182	2,067,387
Rate	33%	20%	20%	20%	33%	
Charge for the year	416,261	682,218	182,429	537,300	17,182	1,835,390
Relating to disposals	-	-	-	(560,000)	-	(560,000)
<b>As at 30 June 2023</b>	<b>792,159</b>	<b>1,370,348</b>	<b>516,006</b>	<b>629,900</b>	<b>34,364</b>	<b>3,342,777</b>
<i>Net book value</i>						
<b>As at 30 June 2023</b>	<b>456,649</b>	<b>2,040,740</b>	<b>396,139</b>	<b>2,056,600</b>	<b>17,186</b>	<b>4,967,314</b>

\* Assets received as donation in kind are recorded at fair values.

	Notes	2023	2022
<b>4 Advances, deposits and other receivables</b>			
Security deposit		540,000	540,000
Advances and prepayments		602,025	232,287
		<b>1,142,025</b>	<b>772,287</b>
<b>5 Bank Balances</b>			
- Cash in hand		1,666,488	295,868
- Cash at bank		1,969,364	1,134,028
		<b>3,635,852</b>	<b>1,429,896</b>
<b>6 Number of employees</b>			
At the end of the year		44	38

7 Date of authorization for issue

28 OCT 2023


These financial statements were authorized for issue on \_\_\_\_\_ in the meeting of the Management Committee.

8 General

8.1 Figures have been rounded off nearest to rupee.

8.2 Figures of the previous year have been re-arranged, wherever necessary, to facilitate comparison.

  
CHAIRMAN

  
GENERAL SECRETARY

  
SECRETARY FINANCE

