

SONA WELFARE FOUNDATION

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2021**



August 3, 2022
94

The Board of Trustees
Sona Welfare Foundation (the Foundation)
Sona tower, 156, The Mall
Rawalpindi

Dear Sirs

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

We enclose three copies of the above referred financial statements with our draft report thereon initialed by us for identification purposes. We shall be pleased to sign our report in present or amended form after:

- a) the financial statements have been approved by the Board of Trustees (the Board) and signed by the Chairman and a trustee authorized by the Board in this behalf;
- b) we have received the Board's specific approval for the items listed as under:
 - i) Inter Project transfers between budget heads under restricted fund as referred to in note 5 to the accompanying financial statements;
 - ii) Welfare expenses along their allocation / disposition group and their nature of disbursement / activity, as referred to in note 10 to the accompanying financial statements;
 - iii) Utilization of an amount of Rs 1,063,374 from return earned on restricted grant for general and administrative expenses; and
 - iv) Related party transactions and balances as referred in note 14 to the accompanying financial statements;
- c) we have received satisfactory reply from the parties listed in Annexure to this letter in response to our request for confirmation of balances due to / from them as at December 31, 2021;
- d) we have received satisfactory response to our request to confirm potential implication of any pending or threatened litigation involving the Company from Company's legal counsel;
- e) we have reviewed trustees report presented to the Board for consideration along with these financial statements; and
- f) we have received a representation letter on the lines of the enclosed draft, duly signed by the Chief Operation Officer and Finance Manager of the Foundation.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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2. Responsibilities of the auditors and the management in relation to the financial statements

The responsibilities of the independent auditors, in a usual examination of financial statements, are explained in the International Standard on Auditing – 200 “Overall Objectives of the Independent Auditor and Conduct of an Audit in Accordance with International Standards on Auditing”. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of the financial statements is primarily that of the Foundation’s Trustees. The management’s responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding the assets of the Foundation and prevention and detection of frauds and irregularities.

3. Tax status of the Foundation

We have been apprised that the Foundation is in process of seeking the renewal of its status of a Not for Profit Organization (NPO) under section 2(36) of the Income Tax Ordinance, 2001 (the Ordinance) and the same is still pending for approval before tax authorities. We recommend that efforts be made for early resolution of the matter.

4. Welfare expenses

4.1 We noted that no grant agreements were entered into by the Foundation with the recipients of the Foundation’s support and in certain instances same recipient is supported both through the restricted grant and also through general fund.

4.2 We also noted that the Foundation does not have any process in place to assess whether the expenses / disbursement requests are in line with the objectives specified in the trust deed of the Foundation and regulatory regime prevalent.

We recommend that a formal procedure is developed and implemented for appropriate controls enshrining disbursements for donations and spending for welfare expenses. Such manual may contain procedures relating to selection/due diligence of the donee, need assessment for assistance solicited, monitoring of spent, requirement or restriction on Foundation’s branding, controls and documentation requirement for recipient, monitoring and evaluation process for respective types of assistance offered and settlement of project / activity closing balance along its objective and impact assessment.

5. Income tax suffered at source

We noted that the Foundation is carrying an aggregate amount of Rs. 15.846 million as refundable which relates to income tax deduction suffered at source by the Foundation in relation to its income earned on bank balances, investments etc. in various years. We have been given to understand that the related amounts are backed with appropriate supportings / arrangements necessary to follow the claim and management is confident that related refunds would be received. We recommend that the matter may be duly reviewed and appropriate adjustments, if any required, be incorporated in the books of account of the Foundation.



6. Facility availed without consideration

We noted that the Foundation is operating without any fixed assets and is using various resources and facilities of the Fauji Fertilizer Company (the Company). In this respect, we have been confirmed that the related amounts are insignificant for the Company and neither any amount in this respect is charged by the Company nor would be charged to the Foundation thus no such amount is recognized as expense by the management of the Foundation.

We recommend that the related matter be appropriately assessed in light of respective requirements including taxation and accounting covenants. Further, terms of business and support by the Company be formally documented and approved by the concerned.

7. Management and operations of the Foundation

We have been apprised that the Foundation is yet to update / finalize certain policies and procedures including those relating to internal audit, monitoring and evaluation, receipt of grant, selection of donees and other grant specific matters. Further, Foundation is yet to set up various functions including compliance, internal audit, monitoring and evaluation etc.

We recommend that an assessment be made of the Foundation's prevalent and prospective operations and steps be taken to strengthen the respective functions accordingly. In this respect, inspiration can also be drawn from the evaluation criteria followed by various donor organizations and parameters followed for accreditation of Not for Profit Organizations.

8. Controls over Non-Corporate Donations

We reiterate our prior year's recommendation that the Foundation does not have any controls defined in relation to acceptance of non-corporate donations. We recommend that matter be addressed as per the related banking and legislative framework attracted towards the Foundation. Further, the banks of the Foundation be advised on procedures for identification of donor if any such donations are to be received.

9. Advance for welfare activities

Advances for welfare activities includes Rs. 22 million which has been outstanding for more than one year. In this respect, we have been apprised that the management is periodically following up the same with recipients and settlements are expected in the subsequent year. We recommend that the matter may be duly reviewed and appropriate adjustments, if any required, be incorporated in the books of account of the Foundation

10. We may add that our normal audit/review procedures are designed primarily with a view to expressing our opinion on the year-end financial statements as a whole and not to provide an independent assurance on the internal control structure. Further, an audit/review is undertaken on a test basis thus due to sampling and inherent limitation all items under a specific account head may not be subject to our procedures. Accordingly, the matters identified in this letter represent only certain of those items which came to our notice during the course of the review and same should not be construed to have included all the possible accounting and critical matters which a more extensive or directional special examination might reveal.

AAJL



11. We wish to place on record our appreciation of the cooperation and courtesy extended to us by all concerned during the audit.

Yours truly


A handwritten signature in blue ink, appearing to read "A.F. Ferguson".

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**SONA WELFARE FOUNDATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**

List of parties from whom reply was not received in response to our request for confirmation, as referred to in our letter 94 dated August 3, 2022.

	Balance as at December 31, 2021 Rupees
Advances paid to	
Nadeem Manzoor	1,300,000
Muhammad Abdul Wasey	151,211
Khalid Aziz	549,500
Nazir Muhammad	654,000
Grants Received from	
Fauji Fertilizer Company	194,000,878
MIRA Pakistan	1,195,000
Sapphire Farm Services (Pvt) Ltd	231,401
Pescon Engineering Ltd	80,000
Related Party Confirmations	
Fauji Fertilizer Company	
FFC Energy Limited	
	

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF SONA WELFARE FOUNDATION**Opinion**

We have audited the financial statements of the Sona Welfare Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2021, statement of comprehensive income, statement of changes in funds 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 Foundation as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small & Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) and the Accounting Standard for Not for Profit Organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

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 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 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 Those Charged with Governance for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and Accounting Standard for NPOs, and for such internal control as trustees 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, trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, 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 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.



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As part of an audit in accordance with ISAs, 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 Foundation'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 Foundation'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 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.



Chartered Accountants
Islamabad: September 13, 2022

Engagement Partner: JehanZeb Amin
UDIN: AR202110083KdzDQFruW

**SONA WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

		2021	2020		2021	2020
	Note	Rupees	Rupees		Rupees	Rupees
FUNDS						
Endowment Fund	4	10,000,000	10,000,000			
Restricted grant	5	134,105,425	143,384,333			
CURRENT LIABILITIES						
Accrued and other liabilities	6	4,100,135	2,872,422	Advances and Other receivables	8	43,521,333
				Cash and bank balances	9	104,684,227
						43,218,509
						113,038,246
TOTAL SURPLUS AND LIABILITIES		<u><u>148,205,560</u></u>	<u><u>156,256,755</u></u>	TOTAL ASSETS		<u><u>148,205,560</u></u>
CONTINGENCIES AND COMMITMENTS	7					<u><u>156,256,755</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.
SARFARAZ

Trustee
BRIG MUHAMMAD ARIF (RETD)
CHIEF OPERATING OFFICER - SWF

Trustee
SARFARAZ AHMED REHMAN
CHAIRMAN

**SONA WELFARE FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
INCOME			
Grant income recognized through restricted grant	5	221,517,645	139,653,110
EXPENDITURE			
Welfare expenses	10	(220,454,271)	(138,224,377)
Administrative and General expenses	11	<u>(1,063,374)</u>	<u>(1,428,733)</u>
		(221,517,645)	(139,653,110)
SURPLUS FOR THE YEAR		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items not to be reclassified to comprehensive income in subsequent periods		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>-</u>	<u>-</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

SARFARAZ



Trustee
BRIG MUHAMMAD ARIF (RETD)
CHIEF OPERATING OFFICER - SWF




Trustee
SARFARAZ AHMED REHMAN
CHAIRMAN

**SONA WELFARE FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Endowment Fund	Restricted Fund	Total
	-----Rupees-----		
Balance as at January 01, 2020	10,000,000	100,449,915	110,449,915
Receipts during the year	-	182,587,528	182,587,528
Total comprehensive income for the year	-	-	-
Utilized during the year	-	(139,653,110)	(139,653,110)
Balance as at December 31, 2020	<u>10,000,000</u>	<u>143,384,333</u>	<u>153,384,333</u>
Receipts during the year	-	212,238,737	212,238,737
Total comprehensive income for the year	-	-	-
Utilized during the year	-	(221,517,645)	(221,517,645)
Balance as at December 31, 2021	<u>10,000,000</u>	<u>134,105,425</u>	<u>144,105,425</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

SARFARAZ



Trustee
BRIG MUHAMMAD ARIF (RETD)
CHIEF OPERATING OFFICER - SWF



Trustee
SARFARAZ AHMED REHMAN
CHAIRMAN

**SONA WELFARE FOUNDATION
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant received during the year		212,238,737	182,587,528
Payment for welfare, administrative and general expenses		(218,889,868)	(166,637,963)
Advance tax paid		<u>(1,702,888)</u>	<u>(2,508,531)</u>
Net cash used in operating activities		(8,354,019)	13,441,034
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net decrease in cash and cash equivalents		<u>(8,354,019)</u>	<u>13,441,034</u>
Cash and cash equivalents at beginning of the year		<u>113,038,246</u>	<u>99,597,212</u>
Cash and cash equivalents at end of the year	12	<u><u>104,684,227</u></u>	<u><u>113,038,246</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

Signature



Trustee
BRIG MUHAMMAD ARIF (RETD)
CHIEF OPERATING OFFICER - SWF



Trustee
SARFARAZ AHMED REHMAN
CHAIRMAN

**SONA WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. THE ENTITY AND ITS OPERATIONS

Sona Welfare Foundation ("the Foundation") was registered in Rawalpindi, Pakistan on May 4, 2011 under the Societies Registration Act, XXI of 1860. The Foundation was established by the Fauji Fertilizer Company Limited (the Company), through trustees. The principal office of the Foundation is situated at Sona Tower, 156 The Mall, Rawalpindi.

The principal objective of the Foundation is to carry out benefit and welfare activities. All the income generated by the Foundation is to be applied towards furtherance of its objectives. The business of the Foundation is conducted under the overall supervision of its Board of Trustees.

The Company has confirmed that it will continue to provide financial and operational support to the Foundation to carry out public welfare and related activities in foreseeable future.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB); and
- Accounting standard for Not for Profit Organisations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Accounting convention

These financial statements have been prepared on the basis of historical cost convention.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of primary economic environment in which the Foundation operates. The financial statements are presented in Pakistan Rupees, which is the Foundation's functional currency.

2.4 Summary of significant accounting estimates

The preparation of financial statements in conformity with the approved accounting standards require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed in the ensuing paragraphs.

i) Provisions

The Foundation reviews the carrying amount on a regular basis and appropriate amount of provision is made as and when necessary.

ii) Impairment

The carrying amount of the Foundation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are as follows:

3.1 RESTRICTED GRANTS

Restricted grants received for specific purpose are deferred when received and charged to income to the extent of actual expenditure incurred. Expenditure incurred against grant committed but not received is accrued and recognised in income and is reflected as fund receivable. Unspent portion of such fund are reflected as restricted fund in the statement of financial position. Returns, if any accruing or arising on balance of restricted grants are accumulated thereto and unless restricted by the donor, are considered to be utilized for objectives and activities of the Fund upon approval by the Trustees of the Fund. Any surplus / (deficit) after completion of milestone or interest income received on placements with bank is transferred to unrestricted grant if not specifically earmarked by the donor for any other activity.

3.2 ACCRUED AND OTHER LIABILITIES

Liabilities for accrued and other payables are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Foundation.

3.3 PROVISION

A provision is recognised in the financial statements when the Foundation has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

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3.4 TAXATION

The Foundation was accorded status of a not for profit organization under the Income Tax Ordinance, 2001 (Ordinance), and process for renewal thereof is pending for approval. No provision for taxation has been made in these financial statements as the management believes that presently it is no engaged in any activity attracting chargeable provisions of the Ordinance.

3.5 ADVANCES AND OTHER RECEIVABLES

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each statement of financial position date to determine whether there is an indication that an asset may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.

Disbursements made for the purposes of activity support to recipients / donee are recognised as advances at the time of actual disbursement. These advances are recognised as an expense on the basis of activity performed, details and supporting documents submitted by recipient / donee for the expenditure relating to the year.

3.6 INVESTMENTS

Investments with fixed or determinable payments and fixed maturity, which the Foundation has the positive intent and ability to hold to maturity, are carried at amortised cost, using the effective interest rate method less impairment losses, if so determined.

3.7 CASH AND CASH EQUIVALENTS

Cash in hand and in banks is carried in the statement of financial position at cost. Cash and cash equivalents for the purpose of statement of cash flows comprise of cash and bank balances and short term investments, with a maturity period of less than three months.

3.8 Revenue recognition

(i) Unrestricted grant

Grants received without any conditions are recognized as income during the year of receipt.

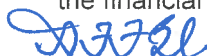
(ii) Restricted grant

Grants received to undertake the welfare activities are initially recognised as restricted grant and are recognised as income over the period in which the Foundation recognizes the related costs for which grants are intended to compensate.

(iii) Interest Income

Profit on 'investments at amortised cost' and bank deposits are recognised on time proportion basis by reference to the principal outstanding and the applicable rate of return.

(iv) Free of cost facilities provided by the Company are not valued and accordingly, are not recognized in the financial statements as income of the Foundation.



3.9 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in income and expenditure account.

Non-financial assets

The carrying amount of the Foundation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the income and expenditure account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

4. ENDOWMENT FUND

This represents the amount contributed by the Company and endowed upon Trustees of the Foundation upon registration of the Foundation as per the trust deed of the Foundation.



5. RESTRICTED GRANTS

Donor	Project Name	Balance as at January 01, 2021	Received during the year	Inter project transfers	Transferred to Income and Expense	Balance
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Rupees

Note 10

Fauji Fertilizer Company	Sona Welfare Society, Mirpur Mathelo	-	34,260,000	-	(34,260,000)	-
	Hazrat Bilal Trust Hospital, Goh Machhi	96,313	4,000,000	-	(4,000,000)	96,313
	Foundation University/Islamabad	750,000	2,000,000	-	(2,750,000)	-
	Al Mujtaba Education Trust, Rawalpindi	492,231	6,500,000	-	(6,445,630)	546,601
	School Adoption Program, Goh Machhi	3,506,000	5,000,000	-	-	3,506,000
	Agriculture Value Chain Project, Lahore	6,770,406	-	-	(4,156,356)	7,614,050
	Sona Ward of Farmer Scholarship	1,000,000	1,500,000	-	(1,500,000)	1,000,000
	Construction of classrooms with verandah at school in Ahmedpur Lamma	-	-	-	-	-
	Sona annual golf tournament	1,885,000	-	-	(1,885,000)	335,000
	Donation for Sports (Hockey, Football, Volleyball, Kabaddi, Dangal Etc.) Goh Machhi	14,000	-	-	(1,550,000)	14,000
	Financial assistance on humanitarian grounds to individual	164,683	-	-	-	164,683
	Medical assistance program for local population, Goh Machhi	3,248,000	2,000,000	-	(1,300,000)	1,638,000
	Tree Plantation Drive	-	-	-	(2,280,000)	-
	Shoukat Khanum Cancer Hospital	1,000,000	-	-	(2,280,000)	1,000,000
	CSR Health Support	250,000	-	-	-	250,000
	Laquat National Hospital	163,494	-	-	-	163,494
	Establishment of women vocational training center, Goh Machhi	2,236	-	-	-	2,236
	Relaying of floor of science lab of Government Girl Higher Secondary School, Old Saddiqabad	4,700,000	-	-	-	4,700,000
	Construction of left over road Basti Khali To Goh Machhi	2,000,000	-	-	-	2,000,000
	Community welfare, Ahmed Pur Lamma, Goh Machhi	-	10,000,000	-	(1,160,000)	8,840,000
Community Uplift Program - Mirpur Mathelo	-	750,000	-	-	750,000	
Community Uplift Program - Goh Machhi	839,000	4,000,000	-	(999,000)	890,000	
Ment Scholarship program, Goh Machhi	-	10,960,000	-	-	10,960,000	
Development of Ahmed Pur Lamma Family Park	5,763,296	10,960,000	-	(14,851,549)	4,000,000	
Miscellaneous welfare activities	15,180	30,000	-	(29,120)	1,581,747	
Scholarship to children of deceased employee - matric	8,000,000	-	-	-	8,000,000	
Community Uplift Program	3,000,000	1,000,000	-	(1,000,000)	3,000,000	
Construction of Low Cost House for Earthquake Affecteds	-	-	-	-	-	
Repair of Road Chak Amral District Rawalpindi	550,000	3,000,000	-	(2,889,753)	100,247	
Donation for Mass Awareness against Drug Abuse	-	-	-	-	-	
Upgradation & Renovation of APL Hospital	-	-	-	-	-	
Participation fee UN Leaders Summit	-	-	-	-	-	
Annual Funfair - Mirpur Mathelo	-	-	-	(1,500,000)	550,000	
Construction of 3 classrooms with verandah and furniture in Govt elementary school basti Khali	334,070	-	-	-	334,070	
Provision of Notebooks and Stationery to Students of School in the vicinity of Plant site	210,978	-	-	-	210,978	
Medical assistance program	33,540,082	2,000,000	-	(1,422,080)	577,920	
Clean and green tree plantation - Both Side of National Highway	42,353,941	97,000,878	-	(98,406,957)	32,134,003	
Food Security and Agriculture Centre of Excellence, Ahmedpur Lamma	116,419,510	194,000,878	-	(19,720,000)	22,633,941	
Donation received for undertaking public welfare and related projects- note 5.1	-	-	-	(198,750,445)	111,689,943	
Askari Bank Limited	Food Security and Agriculture Centre of Excellence, Ahmedpur Lamma	10,000,000	-	-	-	10,000,000
FCC Energy Limited	Technical Training Centre Jhangir	235,698	1,275,000	-	(1,067,370)	235,698
Mira Pakistan	Technical Training Centre Jhangir	846,186	1,275,000	-	(1,067,370)	818,118
Others	Food Security and Agriculture Centre of Excellence, Ahmedpur Lamma	-	5,609,776	-	(5,609,776)	-
Others	Return on Donors Fund	185,524	-	-	-	185,524
		15,933,113	11,353,083	-	(16,090,054)	11,196,142
		16,118,637	11,353,083	-	(16,090,054)	11,381,666
		143,384,333	212,238,737	-	(221,517,645)	134,105,425
		100,449,915	182,587,528	-	(139,653,110)	143,384,333

2020

* This includes an amount of Rs 1,063,374 (2020 Rs 1,428,723) utilised to meet general and administrative expenses of the foundation upon approval of the Trustees of the Foundation.
 5.1 This represent amounts received from the Company to under take public welfare and related projects.

	Note	2021 Rupees	2020 Rupees
6. ACCRUED AND OTHER LIABILITIES			
Audit fee		850,000	400,000
Payable to FACE		2,279,435	-
Retention money		113,097	2,097,359
Others		857,603	375,063
		<u>4,100,135</u>	<u>2,872,422</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 There are no known contingencies at the year end (2020: Nil).

7.2 Commitment for welfare activities spending		<u>100,255,342</u>	<u>86,952,869</u>
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8. ADVANCES AND OTHER RECEIVABLES

Advance Income Tax	8.1	15,846,622	14,143,734
Advance to vendors		654,000	33,300
Advance for welfare activities		27,000,711	29,023,975
Due from Fauji Fertilizer Company Limited		20,000	17,500
		<u>43,521,333</u>	<u>43,218,509</u>

8.1 This represents advance income tax suffered by the Foundation on bank deposits in savings accounts with scheduled banks.

	Note	2021 Rupees	2020 Rupees
9. CASH AND BANK BALANCES			
Cash in hand		75,000	25,000
Local currency current account		636,765	173,561
Local currency saving accounts	9.1	103,972,462	112,839,685
		<u>104,684,227</u>	<u>113,038,246</u>

9.1 These carry interest rate of 7.80% - 6.15% (2020: 6.15 % - 12.40%) per annum.

Signature

	Note	2021 Rupees	2020 Rupees
10. WELFARE EXPENSES			
Through restricted grant			
Financial assistance to :			
Fauji Foundation, for			
- Yaum-e-Shahuda Ceremony		19,720,000	-
Sona Welfare Society, Mirpur Mathelo		34,260,000	46,570,000
Hazrat Bilal Trust, Goth Machhi		4,000,000	4,000,000
Al Mujtaba Education Trust, Rawalpindi		2,750,000	2,250,000
Shaukat Khanum Memorial Trust		2,260,000	-
		62,990,000	52,820,000
Activity support for :			
School Adoption Program, Goth Machhi		6,445,630	4,544,550
Sona Ward of Farmer Scholarship		4,156,356	3,624,105
Upgradation & Renovation of APL Hospital		2,899,753	-
Technical Training Centre - Jhampir		1,067,370	2,364,867
Annual Golf Tournament, Goth Machhi		1,500,000	1,200,000
Sponsors for Sports event (Hockey, Football, Volleyball, Kabaddi, Dangal etc), Goth Machhi		1,550,000	1,225,000
Merit Scholarship program, Goth Machhi		699,000	-
Medical assistance program for local population, Goth Machhi		-	289,022
Tree plantation, Goth Machhi		1,300,000	1,252,000
Food Security & Agriculture Centre of Excellence (FACE), Ahmedpur Lamma		104,016,733	41,455,008
Construction in Govt elementary school Basti Khai		-	3,165,930
Scholarship to children of deceased employee - matric		29,120	-
Construction of leftover road basti khai		-	2,279,400
Repair of Road Chak Amral District Rawalpindi		1,000,000	-
Clean and green tree plantation - Both Side of National Highway		1,422,080	-
Annual Funfair - 2021, Mirpur Mathelo		1,500,000	-
Miscellaneous welfare activities		14,851,549	8,526,485
		205,427,591	122,746,367
General Fund			
Activity support for :			
Financial assistance on humanitarian grounds		7,578,149	5,137,030
Annual Funfair - 2021, Goth Machhi		1,500,000	1,500,000
Provision of Ration Bags to daily wagers		-	7,500,000
Mass Awareness Campaign		159,020	340,980
FACE Building Inauguration Ceremony		489,511	-
Shaukat Khanum Memorial Trust		2,300,000	-
Education School for Girls Mudrassa Al Binnat		2,000,000	-
Special Olympics Pakistan		1,000,000	-
Construction/Maintenance of Road at village Kahya, Bhurban, Murree		-	1,000,000
		15,026,680	15,478,010
		220,454,271	138,224,377

WAFEL

- 10.1** Activities of the Foundation are undertaken under the supervision of the Board of Trustees for the benefit and welfare of the community in general and specifically to encourage, assist and support the cause of education, teaching, research, science, medicine, healthcare, arts culture, human resource development, training and instruction, alleviation of poverty, human suffering, illiteracy and the advancement of any other object of general public utility and corporate social responsibility.

	Notes	2021 Rupees	2020 Rupees
11. ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, wages and benefits		-	-
Consultancy and professional charges		58,000	888,880
Auditors' remuneration	11.1	850,000	400,000
Printing, stationary and office supplies		16,150	48,621
Bank charges		3,248	1,218
Miscellaneous expenses		135,976	90,014
		<u>1,063,374</u>	<u>1,428,733</u>

- 11.1** This includes fee of Rs 400,000 in respect of project audit.

12. CASH AND CASH EQUIVALENTS

Cash and bank balances	<u>104,684,227</u>	<u>113,038,246</u>
	<u>104,684,227</u>	<u>113,038,246</u>

13. FINANCIAL INSTRUMENTS

	Amortized cost		Total	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Financial assets				
Advances and Deposits	43,521,333	43,243,509	43,521,333	43,243,509
Cash and bank balances	<u>104,684,227</u>	<u>113,013,246</u>	<u>113,038,246</u>	<u>113,013,246</u>
	<u>148,205,560</u>	<u>156,256,755</u>	<u>156,559,578</u>	<u>156,256,755</u>
Financial liabilities				
Accrued and other liabilities	<u>4,100,135</u>	<u>2,872,422</u>	<u>4,100,135</u>	<u>2,872,422</u>

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of trustees, key management personnel, entities under common directorship, group entities of the company and entity with significant influence over the Foundation. The major transactions and balances with related parties are as follows:

	2021 Rupees	2020 Rupees
Entity with significant influence over the Foundation - Fauji Fertilizer Company Ltd		
Grants received during the year	194,000,878	164,473,000
Reimbursement of operational expense	240,000	210,000
Due from the Company	20,000	17,500
Others		
Donations paid during the year to Sona Welfare Society	(34,260,000)	(46,570,000)
Payments made during the year to Sona Welfare Society	(800,000)	-
Advance paid to Sona Welfare Society for welfare activities	-	(4,791,000)
Grants received during the year from group companies - note 5	-	872,480
Donations paid during the year to Fauji Foundation	(19,720,000)	-
Reimbursement of operational expenses to FFCEL	(159,070)	-

Signature

15. NUMBER OF EMPLOYEES

The employees of the Company extend necessary services to the Foundation on voluntary basis.

16. GENERAL

16.1 Figures have been rounded off to the nearest Rupee.

16.2 Prior year figures have been rearranged or reclassified wherever necessary

17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the Board of Trustees of the Foundation on

1, 1 AUG 2022
SARFARAZ



Trustee
BRIG MUHAMMAD ARIK (RETD)
CHIEF OPERATING OFFICER - SWF



Trustee
SARFARAZ AHMED REHMAN
CHAIRMAN