

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

### Opinion

We have audited the financial statements of SMALL EFFORTS TRUST (the Trust) which comprise the statement of financial position as at June 30, 2023, and the income and expenditure account, statement of changes in accumulated 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 present fairly, in all material aspects, of the financial position of the Trust as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance Accounting Standard for Not for Profit Organisations (NPOs) issued by the ICAP.

### Basis of Opinion

We conducted our audit in accordance with the 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 (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 Board of Trustees is 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 for such internal control as the Board of 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, the Board of Trustees 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.

Those charged with governance 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 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 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.

*Khawaja Tanveer & Co.*

Chartered Accountants

Islamabad

Dated: 27 Oct 2023



Engagement partner:

Khawaja Tanveer Ali Mir

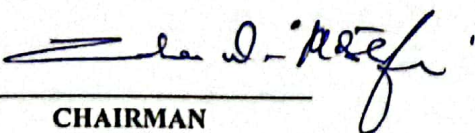


**SMALL EFFORTS TRUST  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023**

		2023	2022
	Note	----Rupees----	
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	586,615	838,021
Intangibles	5	-	-
		586,615	838,021
<b>CURRENT ASSETS</b>			
Advances and other receivables	6	1,705,857	220,857
Cash and bank balances	7	7,841,710	9,946,957
		9,547,567	10,167,814
		<u>10,134,182</u>	<u>11,005,836</u>
<b><u>FUNDS AND LIABILITIES</u></b>			
<b>FUNDS</b>			
Restricted funds	8	8,882,546	10,069,194
<b>NON - CURRENT LIABILITIES</b>			
Deferred capital grant	9	586,614	838,020
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities	10	665,022	98,622
		<u>10,134,182</u>	<u>11,005,836</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

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The annexed notes from 1 to 24 form an integral part of these financial statements.

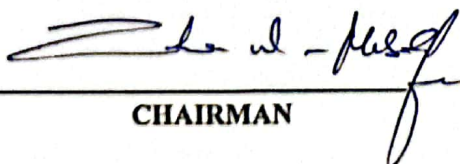
  
CHAIRMAN

  
TRUSTEE

**SMALL EFFORTS TRUST  
INCOME AND EXPENDITURE STATEMENT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 -----Rupees-----	2022
<b>INCOME</b>			
Grants released	8	80,310,398	30,943,780
Grants amortized	9	251,406	436,022
<b>EXPENDITURE</b>		<b>80,561,804</b>	<b>31,379,802</b>
Programme activities:			
Clean Water Projects	12	9,173,504	6,207,991
Poverty Alleviation Projects	13	850,000	1,111,000
Village Enabling Project	14	-	1,861,206
Disaster Relief	15	37,565,186	878,680
Qurbani Project	16	3,391,000	984,000
Agricultural Project	17	1,738,450	1,518,000
Health Care Project	18	7,658,136	8,569,226
Zakat	19	1,734,700	658,517
Orphanages and School Support Project	20	12,840,310	9,166,000
Feed the Hungry Project	21	4,147,686	-
Administrative expenses	22	1,462,832	425,182
		(80,561,804)	(31,379,802)
<b>SURPLUS BEFORE TAXATION</b>			-
Taxation		-	-
<b>SURPLUS FOR THE YEAR</b>		-	-
Other comprehensive income:		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		-	-

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
CHAIRMAN

  
TRUSTEE

**SMALL EFFORTS TRUST  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Un - Restricted Funds	Restricted Funds	Total
	-----Rupees-----		
Balance as at June 30, 2021	-	10,576,374	10,576,374
Additions during the year	-	30,567,600	-
Grants released to revenues	-	(30,943,780)	-
Transferred to deferred capital grant - net	-	(131,000)	-
Surplus for the year	-	-	-
Balance as at June 30, 2022	-	10,069,194	10,069,194
Additions during the year	-	79,123,750	79,123,750
Grants released to revenues	-	(80,310,398)	(80,310,398)
Transferred to deferred capital grant - net	-	-	-
Surplus for the year	-	-	-
Balance as at June 30, 2023	-	8,882,546	8,882,546

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The annexed notes from 1 to 24 form an integral part of these financial statements.

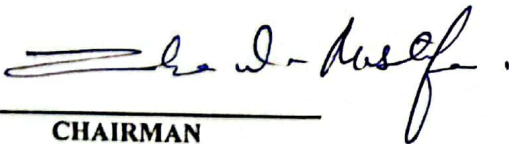
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CHAIRMAN

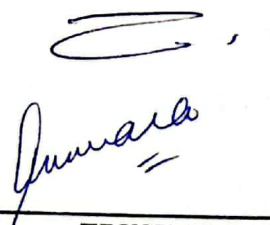
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TRUSTEE

**SMALL EFFORTS TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year before tax	-	-
<b>Adjustments for:</b>		
Grants released	8 (80,310,398)	(30,943,780)
Grants amortized	-	-
Provision for taxation	-	-
Gain on disposal of property and equipment	-	-
	<u>(80,310,398)</u>	<u>(30,943,780)</u>
<b>Changes in:</b>		
Advances and other receivables	(1,485,000)	5,313,706
Accrued and other liabilities	566,400	(55,216)
<b>Cash generated from / (used in) operations</b>	(918,600)	5,258,490
Taxes Paid	-	-
<b>Net cash used in operating activities</b>	<u>(81,228,998)</u>	<u>(25,685,290)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property and equipment	-	(131,000)
Payments for long term deposits	-	-
Payments for intangibles	-	-
<b>Net cash used in investing activities</b>		(131,000)
Grants received	8 79,123,750	30,567,600
<b>Net cash generated from financing activities</b>	<u>79,123,750</u>	<u>30,567,600</u>
<b>Net increase in cash and cash equivalents during the year</b>	(2,105,248)	4,751,310
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	9,946,957	5,195,647
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>7,841,709</u>	<u>9,946,957</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
CHAIRMAN

10/11/23  
  
TRUSTEE



**SMALL EFFORTS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**1 THE COMPANY AND ITS OPERATIONS**

Small Efforts Trust "the Organization" is a non-profit, non-governmental organization established and registered in 2017 under the Trust Act 1882 in Islamabad. It is working throughout the country having its registered office at 3rd floor, Plaza # 145 Civic Center, Phase IV, Bahria Town Islamabad. It is engaged to facilitate Social Development through the provision of sustainable quality education as the main tool for poverty alleviation and to be at the forefront of provision of health care and emergency relief aid whenever and wherever it occurs.

The Organization, in its respective domain, has been contributing towards a positive social change and to achieve that goal the main areas it has been focusing on are education, health, livelihood, safe drinking water in its core thematic category whereas the Organization has been equally proactive during emergency situations to respond to the community needs at its best.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as applicable in Pakistan i.e. as notified by the Securities and Exchange Commission of Pakistan (SECP). Where the requirements of IFRS differ from those of the Accounting Standard for NPOs, the requirements of IFRS prevail.

**2.2 Basis of measurement and preparation**

These financial statements have been prepared under historical cost convention.

This is the first set of the company's annual financial statements in which IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have been applied. Changes to significant accounting policies are described in Note 3.1 of the financial statements.

**2.3 Functional and Presentation currency**

The financial statements are presented in Pakistan Rupees (PKR) which is the Company's functional and presentation currency. Amounts presented in PKR have been rounded off to nearest rupees, unless otherwise stated.

**2.4 Use of estimates and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which 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 judgments made in applying accounting policies that have the most significant effects on the amounts recognized in these financial statements is included in the following notes:

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**SMALL EFFORTS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2.4.1 Property and equipment**

The Company reviews the residual values and useful lives of property and equipment on regular basis. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. Any change in such estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment of the assets.

**2.4.2 Provisions and contingencies**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, 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 such obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation can not be measured with sufficient reliability, it is disclosed as contingent liability.

**2.4.3 Impairment**

**2.4.3.1 Impairment of financial assets**

The Company measures loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost after considering the pattern of receipts from and future financial outlook of the counterparty and is reviewed by the management on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of assets with a corresponding effect on the profit or loss.

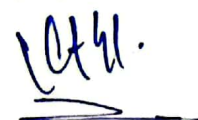
**2.4.3.2 Impairment of non-financial assets**

The carrying amounts of the Company'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 using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

**2.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

The following International Financial Reporting Standards (IFRS) and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 1 'Presentation of Financial Statements'- Classification of liabilities as current or non-current (effective for the annual periods beginning on or after 01 January 2024). These amendments in the standard have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non current. An entity shall apply those amendments retrospectively in accordance with IAS 8. The Company is currently assessing the impact on its financial statements.





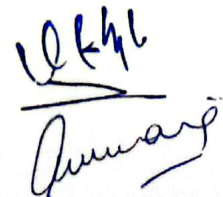


**SMALL EFFORTS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

- Amendment to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants (effective for annual reporting periods beginning on or after 01 January 2024). This amendment aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are not likely to have an impact on the Company's financial statements.
- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2- Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted)- relates to amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Company is currently assessing the impact on its financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements (effective for annual reporting periods beginning on or after 01 January 2024). These amendments introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are not likely to have an impact on the Company's financial statements.
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'-Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 01 January 2023). These amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The Company is currently assessing the impact on its financial statements.





**SMALL EFFORTS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**3.2 Income tax**

The Company being registered as Trust under Trust Act 1882 intends to apply for approval under section 2(36) of the Income Tax Ordinance, 2001 as a non profit organization. Accordingly, the income of the Foundation would be subject to 100% tax credit as per section 100C of the Income Tax Ordinance, 2001

**3.3 Property and equipment**

**Owned**

Property and equipment, recognized initially at cost less accumulated depreciation and any accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items which comprises of purchase price, non-refundable local taxes and other directly attributable cost including borrowing cost.

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in income and expenditure statement.

Depreciation is provided on reducing balance method at rates specified in note 4 to the financial statements so as to write off the cost of property and equipment over their estimated useful life. Depreciation on additions to property and equipment is charged from the month in which property and equipment is acquired or capitalized while no depreciation is charged for the month in which property and equipment is disposed off.

Amortization is provided on reducing balance method rates specified in note 4 to the financial statement so to write off the cost of intangible over their estimated useful life. Full amortization is charged in the year of disposal and no amortization is charged in the year of purchase

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within "other income" in income and expenditure statement.

**3.4 Impairment**

**(i) Non - derivative financial assets**

**Policy applicable from 1 July 2018**

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:





**SMALL EFFORTS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

**Measurement of ECLs**

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

**Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortized cost are deducted from the carrying amount of the assets and charged to income and expenditure statement.

**Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**Policy applicable before 1 July 2018**

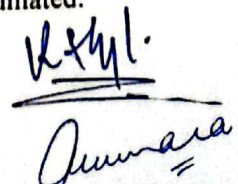
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually 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 recognized in income and expenditure statement. An impairment loss is reversed in income and expenditure statement if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

**(ii) Non-financial assets**

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.





**SMALL EFFORTS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in income and expenditure statement. They are allocated first to reduce the carrying amounts of any goodwill allocated to CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**3.5 Advances and other receivables**

Advances and other receivable are stated at amortized value as reduced by appropriate provision for impairment.

**3.6 Accrued and other liabilities**

Accrued and other liabilities are carried at amortized value which is approximately the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

**3.7 Other income**

Other income comprises of exchange gain only.

**3.8 Provisions**

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

**3.9 Foreign currencies**

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupee at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to income or expenditure for the period.

**3.10 Financial instruments**

**Recognition and initial measurement**

Grant receivable are initially recognized when they are originated. All other financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of an instrument.

A financial asset (unless it is a trade debt without significant financing component) or financial liability is initially measured at fair value, plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.





**SMALL EFFORTS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Classification and subsequent measurement**

**Financial assets**

On initial recognition, a financial asset is classified as measured at amortized cost, FVTOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss.

**Financial assets**

The Company classified its financial assets into one or more of the following categories:

-FVTPL

-Loans and receivables

Loans and receivables and held to maturity financial assets were subsequently measured at amortized cost using effective interest method.

**Financial liabilities-Classification and subsequent measurement**

Financial liabilities are measured at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in income and expenditure statement.

**Derecognition**

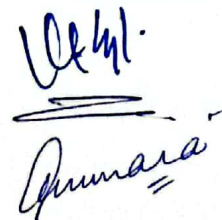
**Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**Financial liabilities**

The Company de recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of modified liability are substantially different, in which case a new financial liability is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in income and expenditure statement.



**SMALL EFFORTS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**3.11 Off-setting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**3.12 Cash and cash equivalents**

Cash and cash equivalents comprise of cash and bank balance.

**3.13 Grants**

Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Fair value signifies the amount received in cash and current market value in case of grant received in kind.

Grants of a non-capital nature are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the income and expenditure statement to the extent of expenditure incurred. Expenditure incurred against grants, against which grant funds have been committed but not received, is recognized in the income and expenditure statement and reflected as a receivable from donors.

Grants received for the purchase of fixed assets are initially recorded as deferred income upon receipt. Subsequently, these are recognized in the income and expenditure statement, on a systematic basis over the periods necessary to match them with the carrying value of the related assets.

10/4/23  
Amara



SMALL EFFORTS TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2023

4 Property and equipment

	COST				DEPRECIATION				WRITTEN DOWN VALUE	Annual rate of depreciation %
	As at 1 July 2022	Additions	Transfer	As at 30 June 2023	As at 1 July 2022	For the year	Transfer	As at 30 June 2023	As at 30 June 2023	
<b>Owned assets</b>										
Computers & equipment	1,612,776	-	-	1,612,776	774,756	251,406	-	1,026,162	586,614	30%
	1,612,776	-	-	1,612,776	774,756	251,406	-	1,026,162	586,614	
<b>2023</b>	<b>1,612,776</b>	<b>-</b>	<b>-</b>	<b>1,612,776</b>	<b>774,756</b>	<b>251,406</b>	<b>-</b>	<b>1,026,162</b>	<b>586,614</b>	
<b>2022</b>	<b>957,066</b>	<b>131,000</b>	<b>524,710</b>	<b>1,612,776</b>	<b>286,263</b>	<b>436,022</b>	<b>52,471</b>	<b>774,756</b>	<b>838,020</b>	

5 Intangibles

	COST				AMORTIZATION				WRITTEN DOWN VALUE	Annual rate of depreciation %
	As at 1 July 2022	Additions	Transfers	As at 30 June 2023	As at 1 July 2022	For the year	Transfers	As at 30 June 2023	As at 30 June 2023	
<b>Owned assets</b>										
Software	-	-	-	-	-	-	-	-	-	10%
	-	-	-	-	-	-	-	-	-	
<b>2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>2022</b>	<b>524,710</b>	<b>-</b>	<b>(524,710)</b>	<b>-</b>	<b>-</b>	<b>52,471</b>	<b>(52,471)</b>	<b>-</b>	<b>-</b>	

*100%*  
*Annual*

**SMALL EFFORTS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

2023                      2022  
 ----Rupees----

**4 COMPUTER AND EQUIPMENT**

**Cost**

Opening balance	1,612,776	957,066
Addition during the year	-	131,000
Transfer from intangibles	-	524,710
Deletion	-	-
Closing balance	<u>1,612,776</u>	<u>1,612,776</u>

**Accumulated Depreciation**

Opening balance	774,755	286,262
Addition during the year	251,406	436,022
Transfer from intangibles	-	52,471
Deletion	-	-
Closing balance	<u>1,026,161</u>	<u>774,755</u>

**Written Down Value**

	<u>586,615</u>	<u>838,021</u>
--	----------------	----------------

**Depreciation rate**

	30%	30%
--	-----	-----

**5 INTANGIBLES**

**Cost**

Opening balance	-	524,710
Addition during the year	-	-
Transfer to Computer & Equipment	-	(524,710)
Deletion	-	-
Closing balance	<u>-</u>	<u>-</u>

**Accumulated Amortization**

Opening balance	-	-
Addition during the year	-	52,471
Transfer to Computer & Equipment	-	(52,471)
Deletion	-	-
Closing balance	<u>-</u>	<u>-</u>

**Written Down Value**

	<u>-</u>	<u>-</u>
--	----------	----------

**6 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**

Advances to employees - unsecured	-	-
Advances to others - unsecured	-	-
Advance tax	-	-
Prepayments	1,705,857	220,857
	<u>1,705,857</u>	<u>220,857</u>

**7 CASH AND BANK BALANCES**

Cash in hand	4,665	6,026
Cash at banks:		
Local currency - current accounts	7,837,045	9,940,931
Foreign currency - saving account	-	-
	<u>7,837,045</u>	<u>9,940,931</u>
	<u>7,841,710</u>	<u>9,946,957</u>

*Abhil.*  
*Amara*



SMALL EFFORTS TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2023

8 RESTRICTED FUND

Projects	Clean Water Projects	Administrative	Administrative Zaka	Poverty Alleviation Projects	Village Enabling Project	Healthcare (Jhelum)	Healthcare (Al Ahad Welfare Trust)	Qurbani	Zakat	Zakat MBL	Sadqa MBL	Feed the Hungry Project	Agricultural Project	Disaster Relief	Orphanages and School Support	Total
Balance as at 1st July 2022	1,955,028	-	-	2,267,000	905,297	(69,415)	-	6,082	702,990	-	-	-	1,567,534	(2,074)	2,736,750	10,069,192
Reclassification of unrestricted fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Received	9,475,750	2,486,700	-	-	-	5,510,000	2,230,000	3,036,225	-	2,625,000	275,000	4,252,500	1,427,250	36,504,075	11,301,250	79,123,750
Total funds available for use	11,430,778	2,486,700	-	2,267,000	905,297	5,440,585	2,230,000	3,042,307	702,990	2,625,000	275,000	4,252,500	2,994,784	36,502,001	14,038,000	89,192,942
Released to revenue	(9,123,504)	(1,431,164)	(31,668)	(800,000)	-	(5,206,730)	(2,200,000)	(3,391,000)	(375,700)	(1,399,000)	(60,000)	(4,147,686)	(1,738,450)	(37,565,186)	(12,840,310)	(80,310,398)
Reclassification of Fund	-	-	-	-	(905,297)	-	-	-	-	-	-	-	-	905,297	-	-
Transferred to deferred capital grants-net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(9,123,504)	(1,431,164)	(31,668)	(800,000)	(905,297)	(5,206,730)	(2,200,000)	(3,391,000)	(375,700)	(1,399,000)	(60,000)	(4,147,686)	(1,738,450)	(36,659,889)	(12,840,310)	(80,310,398)
Balance as 30th June 2023	2,307,274	1,055,536	(31,668)	1,467,000	-	233,855	30,000	(348,693)	327,290	1,226,000	215,000	104,814	1,256,334	(157,888)	1,197,690	8,882,544
Balance as at 1st July 2021	(226,124)	-	-	1,248,000	(868,765)	(1,075,111)	-	(29,468)	600,700	-	-	-	3,085,534	276,606	7,565,000	7,959,370
Reclassification of unrestricted fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Received	6,713,750	-	-	2,130,000	4,060,450	9,269,900	-	1,019,550	2,536,200	-	-	-	-	600,000	4,237,750	30,567,600
Total funds available for use	6,487,626	-	-	3,378,000	3,191,685	8,194,789	-	990,082	3,136,900	-	-	-	3,085,534	876,606	11,802,750	41,143,972
Released to revenue	(4,532,598)	-	-	(1,111,000)	(2,286,388)	(8,133,204)	-	(984,000)	(2,433,910)	-	-	-	(1,518,000)	(878,680)	(9,066,000)	(30,943,780)
Transferred to deferred capital grants-net	-	-	-	-	-	(131,000)	-	-	-	-	-	-	-	-	-	(131,000)
	(4,532,598)	-	-	(1,111,000)	(2,286,388)	(8,264,204)	-	(984,000)	(2,433,910)	-	-	-	(1,518,000)	(878,680)	(9,066,000)	(31,074,780)
Balance as 30th June 2022	1,955,028	-	-	2,267,000	905,297	(69,415)	-	6,082	702,990	-	-	-	1,567,534	(2,074)	2,736,750	10,069,192

CG 4/1.  
Jumara

**SMALL EFFORTS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	----Rupees----	
<b>9 DEFERRED CAPITAL GRANT</b>		
Opening balance	838,020	1,143,042
Transferred from Restricted grant	-	131,000
Charged to profit and loss	<u>(251,406)</u>	<u>(436,022)</u>
	<u>586,614</u>	<u>838,020</u>
<b>10 ACCRUED AND OTHER LIABILITIES</b>		
Withholding tax payable	263,622	8,352
Auditor's remuneration	53,400	45,000
Salaries payable	-	40,000
Other	348,000	5,270
	<u>665,022</u>	<u>98,622</u>
<b>11 CONTINGENCIES AND COMMITMENTS</b>		
There were no contingencies and commitments as at June 30, 2023 (2022 : Nil)		
<b>12 CLEAN WATER PROJECTS</b>		
Payroll expense	2,605,000	2,150,000
Bad debts	-	46,218
Labour charges	-	-
Other direct expenditure	6,568,504	4,011,773
	<u>9,173,504</u>	<u>6,207,991</u>
<b>13 POVERTY ALLEVIATION PROJECT</b>		
Donations for small startups	850,000	1,111,000
	<u>850,000</u>	<u>1,111,000</u>
<b>14 VILLAGE ENABLING PROJECT</b>		
Payroll expense	-	1,577,500
Travel expenditure - for girls	-	220,000
Bad debts	-	53,706
Utilities	-	10,000
Other direct expenditure	-	-
	<u>-</u>	<u>1,861,206</u>
<b>15 DISASTER RELIEF</b>		
Direct expenses	34,170,829	878,680
Labour Expenses	272,000	
Logistics/freight/Courier	1,730,000	
Meal & Entertainment	100,000	
Printing & Stationery	852,357	
Travel & Fuel- National	440,000	
Bad debts	-	-
	<u>37,565,186</u>	<u>878,680</u>
<b>16 QURBANI PROJECT</b>		
Direct Expenditure	3,391,000	984,000
	<u>3,391,000</u>	<u>984,000</u>
<b>17 AGRICULTURAL PROJECT</b>		
Payroll expense	512,000	478,000
Other direct expenditure	1,226,450	1,040,000
	<u>1,738,450</u>	<u>1,518,000</u>
<b>18 HEALTH CARE PROJECT</b>		
<b>Jhelum:</b>		
Payroll expense	4,627,000	3,714,000
Other direct expenditure	579,730	4,419,204
Depreciation expense	251,406	436,022

*K.K.H.*  
*Gumera*



**SMALL EFFORTS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

Amortization expense	-	-
<b>Al Ahad Welfare Trust:</b>		
Other direct expenditure	<u>2,200,000</u>	<u>-</u>
	<u>7,658,136</u>	<u>8,569,226</u>
<b>19 ZAKAT</b>		
<b>Others:</b>		
Direct Expenditure	370,200	648,517
Other Expenditure	5,500	10,000
<b>Zakat MBL:</b>		
Direct Expenditure	1,299,000	
<b>Sadqa MBL:</b>		
Direct Expenditure	60,000	
	<u>1,734,700</u>	<u>658,517</u>
<b>20 ORPHANGES AND SCHOOLS SUPPORT</b>		
Other direct expenditure	<u>12,840,310</u>	<u>9,166,000</u>
	<u>12,840,310</u>	<u>9,166,000</u>
<b>21 FEED THE HUNGRY PROJECT</b>		
Direct Expenses	<u>4,147,686</u>	<u>-</u>
	<u>4,147,686</u>	<u>-</u>
<b>22 ADMINISTRATIVE EXPENSES</b>		
Administrative Expense borne by Mr. Zaka Ul Mustafa	31,668	
<b>Other General Expenses:</b>		
Office expenses	6,000	11,820
Consultancy fee	70,200	-
Bank charges	16,103	6,441
Auditors' remuneration	70,000	60,000
Travel and tour	-	-
Bad debts	15,000	5,920
Entertainment	-	13,490
Freight & Courier	-	2,320
Payroll expense	1,216,000	270,000
Printing & Stationary	7,340	960
Transportation	30,521	54,231
	<u>1,462,832</u>	<u>425,182</u>

**23 GENERAL**

- Figures in the financial statements have been rounded off to the nearest rupee.
- The comparative figures have been reclassified for fair presentation

**24 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Trustees in their meeting held on 25<sup>th</sup> Oct 2023

  
\_\_\_\_\_  
CHAIRMAN

  
\_\_\_\_\_  
TRUSTEE