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IHSAN TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

EY Ford Rhodes
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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the accompanying financial statements of **Ihsan Trust** (the Trust), which comprise of the statement of financial position as at **31 December 2020**, and the income and expenditure account, the statement of changes in accumulated fund and the statement of cash flows for the year then ended, and the notes to financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at **31 December 2020**, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting standards for Not for Profit Organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

Basis for 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 Standard Board for Accountants' Code of Ethics for professional Accountants as adopted by the Institute of the 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 Trustees for the Financial Statements

The management 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Trustees are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibility 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.



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

Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Date: 11 January 2022


Karachi

IHSAN TRUST
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	Note	2020	2019
ASSETS			
NON-CURRENT ASSETS			
Long term loans	4	329,939,778	324,406,998
Investments in sukuks	5	58,530,000	491,000
		388,469,778	324,897,998
CURRENT ASSETS			
Investments	6	198,123,079	143,540,347
Current portion of long term loans	4	74,040,881	50,568,900
Tax recoverable	18	15,636,319	14,082,069
Receivable from wasil foundation		3,564,379	3,564,379
Accrued income		654,238	752,918
Bank balances	7	59,233,900	117,206,247
		351,252,796	329,714,860
TOTAL ASSETS		739,722,574	654,612,858
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities		276,900	355,500
NET ASSETS		739,445,674	654,257,358
EQUITY			
FUND ACCOUNT			
Unrestricted			
Cede contribution		1,000	1,000
Accumulated surplus		94,644,948	108,814,046
		94,645,948	108,815,046
Restricted			
Donation fund	8	2,878,169	-
Zakat fund	9	7,639,031	-
Qarz e Hasna fund - deferred contribution	10	634,282,526	545,442,312
		644,799,726	545,442,312
		739,445,674	654,257,358
Contingencies & commitments			

The annexed notes 1 to 22 form an integral part of these financial statements.


 Trustee


 Trustee

IHSAN TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2020

Note	Unrestricted	Restricted			2020	2019
	General Fund	Donation	Zakat	Qarz e Hasna		
INCOME						
Unrestricted donations	9,785,679	-	-	-	9,785,679	14,082,546
Restricted donations	-	29,929,059	15,381,601	-	45,310,660	-
Profit on investments	6,191,451	-	-	-	6,191,451	5,960,576
Profit on savings account	-	171,934	168,386	-	340,320	-
Dividend income	8,864,753	-	-	-	8,864,753	7,733,776
Transfers from restricted fund	-	-	-	-	-	-
				2,479,576	2,479,576	1,451,606
	24,841,884	30,100,993	15,549,987	2,479,576	72,972,440	29,228,504
EXPENDITURE						
Allowance for delays in recoveries of long term loans	-	-	-	2,479,576	2,479,576	1,451,606
Donations	32,941,592	-	-	-	32,941,592	1,803,435
Ration donated	-	27,221,694	7,909,826	-	35,131,520	-
Auditor's remuneration	120,000	-	-	-	120,000	118,500
Salary expenses	4,375,241	-	-	-	4,375,241	4,307,200
Legal and professional charges	-	-	-	-	-	-
Other operating expenses	82,688	1,130	1,130	-	84,948	344,122
	(37,519,521)	(27,222,824)	(7,910,956)	(2,479,576)	(75,132,877)	(8,024,863)
OTHER INCOME						
Unrealised (loss) / gain on revaluation of investments	(1,491,461)	-	-	-	(1,491,461)	7,177,578
(Deficit) / Surplus before taxation	(14,169,098)	2,878,169	7,639,031	-	(3,651,898)	28,381,219
Taxation	-	-	-	-	-	-
Net (deficit) / surplus for the year transferred to 'Fund Account	(14,169,098)	2,878,169	7,639,031	-	(3,651,898)	28,381,219

The annexed notes 1 to 22 form an integral part of these financial statements.



Trustee

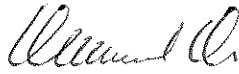


Trustee

IHSAN TRUST
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Unrestricted		Restricted			Total
	Cede Contribution	Accumulated Surplus	Donation	Zakat	Qarz e Hasna	
	Rupees					
Balance as at December 31, 2018	1,000	80,432,827	-	-	492,542,312	572,976,139
Surplus for the year	-	28,381,219	-	-	-	28,381,219
Additions	-	-	-	-	52,900,000	52,900,000
Balance as at December 31, 2019	1,000	108,814,046	-	-	545,442,312	654,257,358
(Deficit) / Surplus for the year	-	(14,169,098)	2,878,169	7,639,031	-	(3,651,899)
Additions	-	-	-	-	91,319,790	91,319,790
Transferred to Income and Expenditure Account	-	-	-	-	(2,479,576)	(2,479,576)
Balance as at December 31, 2020	1,000	94,644,948	2,878,169	7,639,031	634,282,526	739,445,673

The annexed notes 1 to 22 form an integral part of these financial statements.



Trustee

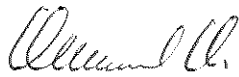



Trustee

IHSAN TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020	2019
		-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (utilised in) / generated from operations	19	(27,128,754)	9,581,031
CASH FLOW FROM INVESTING ACTIVITIES			
Investments made during the year		(108,530,000)	-
Investments redeemed during the year		491,000	85,053,821
Dividend received		3,372,612	3,496,592
Finance income received		5,949,841	7,145,814
Net cash (outflow) / inflow from investing activities		(98,716,547)	95,696,227
CASH FLOW FROM FINANCING ACTIVITIES			
Loans advanced during the year		(31,484,460)	(49,460,274)
Deferred contributions received during the year		99,357,415	52,900,000
Net cash inflow from financing activities		67,872,955	3,439,726
Net (decrease) / increase in cash and cash equivalents		(57,972,347)	108,716,984
Cash and cash equivalent at the beginning of the year		117,206,247	8,489,263
Cash and cash equivalents at the end of the year		59,233,900	117,206,247

The annexed notes 1 to 22 form an integral part of these financial statements.



Trustee



Trustee

IHSAN TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND ACTIVITIES

1.1 Ihsan Trust (the Trust), is a charitable trust formed on January 7, 2010 under the provision of Trust Act 1882, for charitable and public welfare purposes. The status of the Trust as a non-profit organization has been approved by the Commissioner of Income Tax, vide letter No. CIR/Legal Division/RTO/KYC/09/2834 dated March 13, 2010. The continuing validity of the Trust's approval under section 2(36) of the Income Tax Ordinance, 2001 read with Rule 214 of the Income Tax Rules, 2002 is subject to the conditions as laid down in Rule 217 of the Income Tax Rules, 2002. The registered office of the Trust is situated at Shop No. 4, Plot No.COM-7/1, Block No. 2, K.D.A. Scheme No. 5, Clifton, Karachi. The charitable and public welfare purposes referred to above shall be as follows:

- (a) The advancement, promotion, encouragement and propagation of education and skill development and for such purposes the Trustees may set up educational institutions, technical training and work centers, make advances (Qarz e Hasna), payments or donations and grant scholarships, stipends or otherwise to poor and needy individuals studying in schools and colleges or any educational, vocational, commercial or technical institutions.
- (b) Promotion of Islamic culture amongst muslims through Islamic education and creation of Islamic awareness through arranging educational courses in order to preach teachings of Islam and for this purpose, granting stipends, scholarships and loans.
- (c) Improvement and betterment of public health and hygiene, immediate medical relief and rehabilitation of the sick and affectees of any natural disaster or calamity, and for that purpose initiation, sponsoring and financing of health schemes, setting up of hospitals, dispensaries etc.
- (d) Establishment and operation of orphanages and organization of social welfare works to help disabled and senior citizens.
- (e) Rural development.
- (f) Arrangement and financing of marriages of poor and needy girls.
- (g) Financial assistance of indebted poor people.
- (h) Aid and technical help for economic uplift of the poor and needy.
- (i) Any other object of general public utility and welfare.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of Revised Accounting and Financial Reporting Standard for Small-Sized Entities (Revised AFRS for SSEs) and Accounting Standards for Not for Profit Organisations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

3.2 Restricted funds

Under the deferral method, restricted contributions received for the purpose of Qarz e Hasna are accumulated as deferred contributions. Such contributions may be utilised for loans to students and for expenses of one or more future periods. These are recognized as revenue in the same period or periods as the related expenses are recognized.

Restricted funds which are received for the purpose of Donation and Zakat are recognised as an income of the relevant restricted fund and related expenses are recognised in the period in which these are incurred.

3.3 Unrestricted funds

Funds received for granting general donations or normal operations of the Trust, without any restrictions, are classified as unrestricted funds. These donations are recognised as income when received in the general fund. The expenses incurred against such funds are recognised in the income and expenditure account as and when incurred.

3.4 Investments

3.4.1 Classification, recognition and measurement

The Trust initially measures its financial assets at fair value. Subsequently these are measured at amortized cost, except for investments in equity instruments / mutual fund. Investments in equity instruments that are quoted in an active market is measured at fair value and investments in equity instruments that do not have active market is measured at cost less impairment, if any. Investment in mutual funds are measured at net assets value and accordingly changes in fair value is recognized in income and expenditure account.

3.4.2 Derecognition

Investments are derecognised when the right to receive cash flows from the investments have expired, have been realized or transferred and the Trust has transferred substantially all risks and rewards of ownership.

On disposal, the difference between net disposal proceeds and the carrying amount is recognized as income / expense.

3.5 Long-term loans

Long-term loans are stated at cost. Loans considered irrecoverable are written off. Allowances are made against those loan which are delayed beyond their term as per the policy of the Trust.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

3.7 Provisions

Provisions are recognized in the balance sheet when the Trust has a present legal or constructive obligation as a result of past events and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made. Provisions are reviewed periodically and adjusted to reflected the current best estimates.

3.8 Taxation

The Trust is eligible for hundred percent (100%) tax credits on taxes payable by the Trust under clause (a) of sub-section 2 of Section 100C of the Income Tax Ordinance, 2001.

3.9 Income recognition

- Donations received without any specific conditions are recognised on a receipt basis.
- Donations received withany specific conditions are recognised in the same period or periods as the related expenses are are recognised.
- Donations received in kind are recognised at fair value.
- Profit on savings account is recognised on an accrual basis.
- Profit on certificate of islamic investments is recognised on an accrual basis.
- Profit on sukuks is recognised on an accrual basis.
- Gain or loss arising on sale of investments is included in the income and expenditure account.

3.10 Offsetting of assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Trust has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expense arising from such assets and liabilities are also offset accordingly.

3.11 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Trust's functional and presentation currency.



4. LONG TERM LOANS	Note	2020		2019	
		-----Rupees-----			
Loans at the beginning of the year		377,051,529		327,591,255	
Loans disbursed during the year		87,313,166		102,700,740	
	4.1	<u>464,364,695</u>		<u>430,291,995</u>	
Less: Recovery of loans		(55,828,829)		(53,240,466)	
		<u>408,535,866</u>		<u>377,051,529</u>	
Less: Current portion of long-term loans		(74,040,881)		(50,568,900)	
		<u>334,494,985</u>		<u>326,482,629</u>	
Less: Provision against long-term loans		(4,555,207)		(2,075,631)	
		<u><u>329,939,778</u></u>		<u><u>324,406,998</u></u>	

- 4.1 These represent unsecured loans advanced as Qarz e Hasna mainly to various deserving and needy students to finance their tuition expenses. The Trust has entered into Memorandums of Understanding (MOUs) with educational institutions and students for a period ranging between two to five years.

5. INVESTMENTS IN SUKUKS - AT AMORTIZED COST

2020		2019		2020		2019	
-----Number of units-----				-----Rupees-----			
-	491	Fatima Fertilizers		-		491,000	
-	-	GOP 20-GIS VRR-18	5.1	25,000,000		-	
-	-	GOP 21-GIS VRR-19	5.2	25,000,000		-	
1,706	-	K-Electric	5.3	8,530,000		-	
				<u>58,530,000</u>		<u>491,000</u>	

- 5.1 These carry mark up at the rate of 5.95 to 6.63% (2019: Nil) having maturity of April, 2025.

- 5.2 These carry mark up at the rate of 7.1 to 7.6% (2019: Nil) having maturity of May, 2025.

- 5.3 These carry mark up at the rate of Kibor + 1.7 % (2019: Nil) having maturity of August, 2027.

6. INVESTMENTS

2020		2019		2020		2019	
-----Number of units-----				-----Rupees-----			

Investments in Sukuks - At Amortized Cost

491	491	Fatima Fertilizers	6.1	491,000		491,000	
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Investments in Mutual Funds - At Fair Value

-	60	Meezan Cash Fund - Related party		-		3,097	
193,408	184,988	Meezan Islamic Fund - Related party		13,886,161		13,493,060	
961,452	65	Meezan Islamic Income Fund - Related party		50,007,112		3,398	
1,060,134	1,031,905	Meezan Asset Allocation Fund - Related party		62,634,757		61,602,826	
136,971	136,971	Meezan Energy Fund - Related Party		8,421,394		8,421,394	
-	1,131,996	NBP Islamic Sarmaya Izaafa Fund		-		17,498,455	
-	3,902,507	NBP Islamic Savings Fund		-		37,939,599	
5,742,015	-	NBP Riba Free Savings Fund		60,054,163		-	
1,945	1,780	MCB Islamic Income Fund		189,679		172,810	
2,049	1,912	UBL Ameen Islamic Asset Allocation Fund		232,747		217,181	
				<u>195,426,013</u>		<u>139,351,820</u>	

Investments in REITs - At Fair Value

2,000,000	2,000,000	Doimen City REIT - Listed		22,249,654		22,249,654	
		Less: Unrealized accumulated loss on revaluation of investments		(20,043,588)		(18,552,127)	
				<u>198,123,079</u>		<u>143,540,347</u>	

- 6.1 These carry mark up at the rate of Kibor + 1.1% (2019: Kibor + 1.1%) having maturity of November, 2021.

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7. BANK BALANCES

	Note	2020	2019
		----- Rupees -----	
Saving Accounts	7.1	<u>59,233,900</u>	<u>117,206,247</u>

7.1 Saving accounts are maintained with Meezan Bank Limited, a related party, and carry rate of return ranging from 2.75% to 7.43% (2019: 5% to 7.06%) per annum.

8. DONATION FUND - RESTRICTED FUND

This balance represent donations received by the Trust during the current year from the related parties, Meezan Bank Limited and general public. This shall be used in providing ration to the deserving people who got affected due to global pandemic of COVID-19 under Ration distribution scheme and accordingly has been categorized as restricted fund and has been recognized as direct increase in the net assets under section 6.60 of Accounting Standard for Not for Profit organization.

The balance is represented by:

	2020	2019
	----- Rupees -----	
Bank balances	2,854,506	-
Withholding tax	23,663	-
	<u>2,878,169</u>	<u>-</u>

9. ZAKAT FUND - RESTRICTED FUND

This balance represent donations received by the Trust during the current year from general public. This shall be used in providing ration to the deserving people who met the Zakat criteria and have gotten affected due to global pandemic of COVID-19 under Ration distribution scheme and accordingly has been categorized as restricted fund and has been recognized as direct increase in the net assets under section 6.60 of Accounting Standard for Not for Profit organization.

The balance is represented by:

	2020	2019
	----- Rupees -----	
Bank balances	7,616,056	-
Withholding tax	22,975	-
	<u>7,639,031</u>	<u>-</u>

10. QARZ E HASNA FUND - DEFERRED CONTRIBUTION

This balance represent donations received by the Trust over the years from the related parties, Meezan Bank and Al Meezan Investment Management Company Limited. This shall be used in providing loans to the students under Qarz e Hasna scheme and accordingly has been categorized as restricted fund and has been recognized as direct increase in the net assets under section 6.35 of Accounting Standard for Not for Profit organization. This is revolving fund as repayments received from the loans will be reused for fresh disbursements to the students. Any difference between the grant amount and loans can be invested in shares and securities or can be kept in the bank accounts as per the needs an requirements of the Trust.

As per the instructions of donors, income generated from such investments can be utilised for general purpose by the Trust.

The funds disbursed / allocated from the restricted funds as interest free loan (Qarz e Hasna) are reflected and disclosed in the note 4 of these financial statements.

The balance is represented by:

		2020	2019
		----- Rupees -----	
Loans and advances	4	403,980,659	374,975,898
Investments	10.1	198,123,079	143,540,347
Bank balances		32,178,788	26,926,067
		<u>634,282,526</u>	<u>545,442,312</u>

10.1 Investments

Opening	143,540,347	218,828,644
Investments during the year	55,073,732	-
Divestments during the year	(491,000)	(75,288,297)
Closing	<u>198,123,079</u>	<u>143,540,347</u>

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	2020	2019
	----- Rupees -----	
11. UNRESTRICTED DONATIONS		
Nafa Islamic		
Al-Baraka Bank (Pakistan) Limited	4,850,000	5,144,144
Dubai Islamic Bank	-	1,000,000
UBL Funds	2,500,000	1,691,378
Takaful Pakistan Limited	400,000	-
Pak National Distributor	-	37,946
Hamdard Foundation Pakistan	-	799,151
Habib University Foundation	-	5,000,000
The I-Care Foundation	321,000	-
MCB Arif Habib	-	162,179
Miscellaneous donation	461,440	690,000
	<u>1,253,239</u>	<u>1,009,354</u>
	<u>9,785,679</u>	<u>15,534,152</u>
12. PROFIT ON INVESTMENTS		
Income on Investments	2,613,422	2,626,242
Income on Savings Accounts	3,062,202	3,700,552
Capital Gain on Sale of Investments	515,827	(366,218)
	<u>6,191,451</u>	<u>5,960,576</u>

This represents the income earned on investments pertaining to the unrestricted fund and Qarz e Hasna restricted fund. As per the instructions of donors of Qarz e Hasna restricted fund, income generated from such investments can be utilised for general purpose by the Trust.

	2020	2019
	----- Rupees -----	
13. DIVIDEND INCOME		
Dividend Income from Mutual Funds	6,564,753	4,453,776
Dividend Income from Dolmen City REIT	2,300,000	3,280,000
	<u>8,864,753</u>	<u>7,733,776</u>

14. TRANSFERS FROM RESTRICTED FUND

This represents the amount that has been transferred from Qarz e Hasna restricted fund to Income and Expenditure Account to the extent of related expenses incurred during the year.

	2020	2019
	----- Rupees -----	
15. DONATIONS		
Name of Institutions		
IBA National Talent Hunt Programme	32,677,345	-
Fatimid Foundation	-	150,000
SM Sohail Trust	-	42,000
Fins Pharma	-	586,075
Indus Copy House	-	106,360
Hira Foundation School	-	919,000
Liaquat National Hospital	264,247	-
	<u>32,941,592</u>	<u>1,803,435</u>
16. AUDITOR'S REMUNERATION		
Audit fee	100,000	100,000
Out of pocket expenses	20,000	18,500
	<u>120,000</u>	<u>118,500</u>
17. OTHER OPERATING EXPENSES		
Donation Boxes	-	254,170
Travelling expenses	2,669	5,300
Communication charges	12,500	17,510
Website development charges	57,500	57,500
Bank charges	7,754	5,142
Other charges	4,525	4,500
	<u>84,948</u>	<u>344,122</u>

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18. TAXATION

The income of the Trust is exempt from tax for the tax year 2019 under section 100C of the Income Tax Ordinance, 2001. As per Section 100C, non-profit organisations, trusts or welfare organisations as mentioned in sub section 2 of section 100C shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum and final tax payable under any of the provisions of the Income Tax Ordinance, 2001, subject to the following conditions, namely:

- (a) return has been filed;
- (b) tax required to be deducted or collected has been deducted or collected and paid; and
- (c) withholding tax statements for the immediately preceding tax year have been filed.

The operations of the Trust fall within the purview of clause (a) of sub-section 2 of Section 100C of the Income Tax Ordinance, 2001 and the Trust intends to comply with the above-mentioned requirements, hence the Trust will be eligible to claim tax credit equal to 100 percent of the tax payable by the Trust and consequently no charge has been recognised in these financial statements for the year ended December 31, 2020.

Tax withheld by different banks and Asset Management Companies as stated in the financial statements as Tax Recoverable will be claimed as refundable by the Trust in their returns.

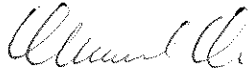
	Note	2020	2019
		----- Rupees -----	
19. CASH (UTILISED IN) / GENERATED FROM OPERATIONS			
(Deficit) / Surplus before taxation		(14,169,098)	28,381,219
Adjustments for:			
Profit on savings account		(3,402,522)	(3,700,552)
Profit on investment		(2,613,422)	(2,626,242)
Dividend income		(8,864,753)	(7,733,776)
Capital loss on sale of investments - net		(515,827)	366,218
Provision against long term loans		2,479,576	1,451,606
Unrealised gain on revaluation of investments		1,491,461	(7,177,578)
Working capital changes	19.1	(11,425,487)	(19,420,324)
		(1,534,170)	620,136
		<u>(27,128,754)</u>	<u>9,581,031</u>
19.1 Working Capital Changes			
Decrease / (Increase) in Current Assets			
Short term financing		-	1,024,044
Tax recoverable		(1,554,250)	(1,870,158)
Accrued Income		98,680	1,813,248
(Decrease) / Increase in Current Liabilities			
Accrued and other liabilities		(78,600)	(346,998)
		<u>(1,534,170)</u>	<u>620,136</u>
20. RELATED PARTY TRANSACTIONS			
20.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Trustees, Meezan Bank Limited (MBL), and funds managed by Al-Meezan Investment Management Limited (a subsidiary company of Meezan Bank Limited) are considered to be related parties of the Trust.			
20.2 Transactions during the year:		2020	2019
		----- Rupees -----	
Profit on savings account		6,191,451	3,700,552
Profit on certificates of Islamic Investment		-	2,310,532
Donations received from Al-Meezan Management Investments Limited		7,500,000	13,000,000
Donations received from Meezan Bank Limited		104,791,000	39,900,000
Redemption of 66 mutual fund units (2019: 66,927 units)		3,381	3,587,965
Profit on sale of mutual funds units		-	246,557
Dividend from mutual funds reinvested into 36,659 units (2019: Nil)		1,677,112	-
Purchase of 961,381 mutual fund units (2019: 105 units)		50,003,381	6,491

21. DATE OF AUTHORIZATION

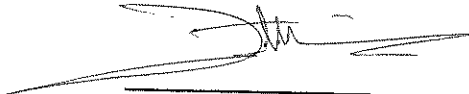
These financial statements were authorized for issue on 11 JAN 2022 by the trustees of the Trust.

22. GENERAL

Certain figures in these financial statements have been rearranged / reclassified for better presentation, the effect of which is immaterial. Figures have been rounded off to the nearest rupee.



Trustee



Trustee