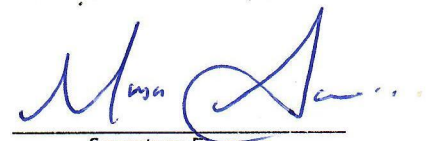


RIZQ TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Operating assets	5	58,301,006	15,911,792
Intangible assets	6	4,738,050	5,555,688
		63,039,056	21,467,480
CURRENT ASSETS			
Inventories	7	2,822,487	394,677
Advances, deposits and prepayments	8	13,001,972	13,932,961
Other receivables	9	19,171,315	139,000
Cash and bank balances	10	170,912,041	102,715,499
		205,907,815	117,182,137
TOTAL ASSETS		268,946,871	138,649,617
FUNDS & LIABILITIES			
FUNDS			
Accumulated fund		242,663,218	132,017,732
NON-CURRENT LIABILITIES			
Deferred grants	11	19,213,431	-
CURRENT LIABILITIES			
Accrued and other payables	12	4,547,682	4,109,345
Provision for taxation		2,522,540	2,522,540
		7,070,222	6,631,885
CONTINGENCIES AND COMMITMENTS			
TOTAL FUNDS & LIABILITIES		268,946,871	138,649,617

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


Chairman


Secretary Finance

RIZQ TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

		Restricted Fund Rupees	General Fund Rupees	2023 Rupees	2022 Rupees
Income					
Donations - in cash	14	83,402,018	455,546,440	538,948,458	215,875,565
Donations - in kind	15	-	84,359,117	84,359,117	1,163,981
		83,402,018	539,905,557	623,307,576	217,039,546
Expenditure					
Operating expenses	16	96,692,347	364,829,830	461,522,178	124,578,631
Administrative expenses	17	-	50,782,933	50,782,933	21,518,356
Finance cost		-	1,353,990	1,353,990	892,446
		96,692,347	416,966,753	513,659,100	146,989,433
Other Income	18	-	997,011	997,011	-
		-	997,011	997,011	-
Surplus before taxation		(13,290,329)	123,935,815	110,645,486	70,050,113
Taxation	19	-	-	-	-
Surplus for the year		(13,290,329)	123,935,815	110,645,486	70,050,113

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


Chairman

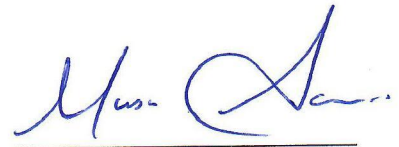

Secretary Finance

RIZQ TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2023

Restricted Fund	General Fund	Accumulated Fund	
----- (Rupees) -----			
Balance as at July 01, 2021	34,539,989	27,427,630	61,967,619
Surplus for the year	18,029,140	52,020,973	70,050,113
Balance as at June 30, 2022	52,569,129	79,448,603	132,017,732
(Deficit)/Surplus for the year	(13,290,329)	123,935,815	110,645,486
Balance as at June 30, 2023	39,278,800	203,384,418	242,663,218

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


Chairman



Secretary Finance

RIZQ TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023 (Rupees)	2022 (Rupees)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Surplus before taxation	110,645,486	70,050,113
Adjustments of non-cash items:		
Less: Donated material recognized as expense	-	(1,163,981)
Add: Distribution of donated material recognized as expense	-	1,163,981
Add: Depreciation	5,756,441	1,379,176
Add: Amortization	1,167,637	-
Add: Loss on disposal	480,361	-
	<u>7,404,439</u>	<u>1,379,176</u>
Surplus before working capital changes	118,049,926	71,429,289
Effect on cash flow due to working capital changes:		
(Increase)/Decrease in inventories	(2,427,809)	(322,658)
(Increase)/Decrease in advances, deposits and prepayments	930,989	(10,362,939)
Increase/(Decrease) in other receivables	(19,032,315)	(139,000)
Increase/(Decrease) in accrued and other payables	438,337	2,902,993
	<u>(20,090,798)</u>	<u>(7,921,604)</u>
Cash generated from operations	97,959,127	63,507,685
Income taxes paid	-	-
Net cash inflow from operating activities	97,959,127	63,507,685
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Deferred grants	19,213,431	-
Payments for acquisition of operating assets	(48,626,016)	(16,132,093)
Payments for development of intangibles	(350,000)	(5,555,687)
Net cash outflow from investing activities	(29,762,585)	(21,687,780)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net cash generated from financing activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Net increase in cash and cash equivalents	68,196,542	41,819,904
Cash and cash equivalents at beginning of the year	102,715,499	60,895,595
Cash and cash equivalents at end of the year	170,912,041	102,715,499

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


Chairman


SECRETARY FINANCE

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND OPERATIONS

1.1 The Rizq Trust ("the Trust") was registered on February 13, 2020 under the Trust Act, 1882 (repealed,) later re-registered on June 29, 2022 under the Punjab Trusts Act 2020, with the objective to research and execute the programs related to food insecurity, nutritional enrichment and health awareness. The registered office of the Trust is located at 380 B-Faisal Town, Lahore.

1.2 The Trust is a people-powered social enterprise focused on making food philanthropy convenient for those who want to manifest compassion and food accessible for those in need.

Rizq mobilizes and enables various stakeholders in the food ecosystem, including donors, young individuals, corporates, grassroots organizations, farmers and community networks to fight the root causes of hunger to promote food justice and create self-sustaining communities. In order to provide different access channels to relevant stakeholders, the Trust has designed multiple programs which cater to a particular aspect of food insecurity.

Rizq Relief:

Under the program ad-hoc relief activities, national calamity programs, Ramzan iftars, Qurbani activities, Rizq Bachao program, Ration and Daig distributions are managed.

GroRizq:

This program aims to uplift disenfranchised small farmers by providing them with high-quality inputs and agri extension services, conducting capacity-building trainings, and building market linkages.

Rizq Khana:

Rizq Khana is a program which provides healthy cooked meals to low income individuals and communities, at various public points through a network of food carts operated by RIZQ.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with 'Accounting Standard for Not for Profit Organizations (NPOS)' and 'Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSEs)' as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Basis of Measurement

These financial statements have been prepared under historical cost convention.

3.2 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupees (Rupees), which is also the Trust's functional currency.

3.3 Going Concern Assumption

These financial statements have been prepared on going concern basis without any adjustments to assets and liabilities based on operation results and future projections. The management is also confident of generating surplus fund through streamlining the operations of the Trust.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Accounting

The financial statements of the Trust have been prepared on the accrual basis of accounting and accordingly reflects all significant receivables, payables, and other liabilities.

4.2 Estimation Uncertainty

The preparation of financial statements, in conformity with the approved accounting standards, requires the use of certain critical accounting estimates. It also requires the management to examine its judgment in the process of applying the Trust's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experiences, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Trust's financial statements and where judgment was exercised in the application of relevant accounting policies are estimation of depreciation on operating fixed assets of the Trust.

4.3 Cash and Cash Equivalent

Cash and cash equivalents comprises cash in hand, cash at bank on current, saving and deposit accounts and other short term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

4.4 Accrued and Other Payables

Liabilities for accrued and other payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

4.5 Operating Assets

Operating assets are recognized as an asset, if and only if it is probable that, future economic benefits associated with the item will flow to the trust, and the cost of the item can be measured reliably. For a contributed asset, cost is considered to be fair value at the date of contribution. Operating assets are stated at cost less accumulated depreciation. Depreciation on leased operating assets is charged on straight line method and on owned operating assets charged on reducing balance method to write off the cost of an asset over its estimated useful life at the rates mentioned in note 5.

Full depreciation is charged for the month of purchase and no depreciation is charged for the month in which an asset is disposed off.

4.6 Intangible Assets

Expenditure incurred to acquire/ build an intangible asset is capitalized as an intangible asset and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using straight line method over a period of 5 years.

4.7 Research and Development Cost

All research cost is recognized as an expense in the year incurred. Development costs are recognized as an intangible if, and only if: (a) the technical feasibility of completing the asset exists, (b) the intention to complete the asset exists, (c) management has the ability to use or sell the asset, d) the asset will generate future economic benefits by use or sell, (e) there is availability of adequate resources to complete and (f) the cost of development of the asset can be reliably measured.

4.8 Inventories

Inventory of contributed material is initially recognized at fair value. Inventory items that are held for consumption/ distribution at are measured at the lower of weighted average cost and net realizable value.

4.9 Income Recognition

Income is recognised when it is probable that the economic benefits associated with the transaction will flow to the Trust and the amount of income can be measured reliably. Contributions from donors are recognized as income using "Restricted Fund method". In this method, restricted contributions are recognized as restricted fund due to the restrictions on these donations relevant to specific activities of the Trust. All other donations are treated as general fund.

Contributed material or services are recognized as income if and only if the fair value of these contributions can reliably be measured. The materials and services are used in the normal course of the Trust's operations and would otherwise have been purchased.

4.10 Donation In Kind

Donated assets and other non-cash donations are recorded as contributions at their fair values at the date of donation.

4.11 Restricted Fund

This includes any funds received by the Trust but could not be spent and treated as Income during the year due to any obligation placed by the donor.

4.12 General Fund

This is a general purpose unrestricted fund. All donations other than those for specific purpose are recognized in this fund.

4.13 Expenditures

Expenditures are recognised in income and expenditure account when they are incurred.

4.14 Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the income and expenditure account except to the extent that it relates to items recognised directly in fund balance, in which case it is recognized directly in fund balance.

Tax liability is the amount of tax payable on taxable income for the year using tax rates enacted or substantively enacted by the reporting date. Provision for taxation is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any.

4.15 Related Party Transactions

Transactions with related parties are priced at comparable uncontrolled market price. Parties are said to be related if they are able to influence the operating and financial decision of the Trust and vice versa keeping in view the definition of related party as defined in Guideline for Accounting and Financial Reporting by Non-Government Organizations (NGOs) / Non-Profit Organizations (NPOs).

5 Operating assets

Class of assets	FOR THE YEAR ENDED JUNE 30, 2023									
	Cost			Depreciation Rate	Accumulated Depreciation			Net Book Value		
	As at July 1, 2022	Additions	Deletions		As at June 30, 2023	Disposal during the year	For the year Depreciation		As at June 30, 2023	
Leased Assets:										
Building	5,652,308	2,290,379	348,502	10%	(224,444)	60,988	(615,797)	(779,253)	6,814,932	
Owned Assets:										
Machinery	-	1,280,366	-	15%	-	-	(80,485)	(80,485)	1,199,881	
Vehicles	5,282,035	38,872,516	-	15%	(477,622)	-	(3,681,523)	(4,159,145)	39,995,406	
IT equipment	1,398,360	2,224,562	80,600	30%	(450,300)	45,189	(527,565)	(932,676)	2,609,646	
Furniture and fixture	1,503,181	2,179,464	180,131	15%	(246,296)	64,540	(277,782)	(454,538)	3,047,976	
Electrical equipment	1,856,728	1,778,729	69,000	15%	(211,751)	27,155	(303,850)	(488,446)	3,078,011	
Kitchen equipment	1,926,581	-	-	15%	(96,988)	-	(274,439)	(371,427)	1,555,154	
Total	17,619,193	48,626,016	678,233		(1,707,401)	197,872	(5,756,441)	(7,265,970)	58,301,006	

5.1 Assets amounting Rs. 1,926,581 and corresponding accumulated depreciation of Rs. 96,988 have been reclassified from IT equipment, furniture and fixtures, and office equipment to kitchen equipment.

Class of assets	FOR THE YEAR ENDED JUNE 30, 2022									
	Cost			Depreciation Rate	Accumulated Depreciation			Net Book Value		
	As at July 1, 2021	Additions	Deletions		As at June 30, 2022	Disposal during the year	For the year Depreciation		As at June 30, 2022	
Leased Assets:										
Building	-	5,652,308	-	10%	-	-	(224,444)	(224,444)	5,427,864	
Owned Assets:										
Vehicles	-	5,282,035	-	15%	-	-	(478,083)	(478,083)	4,803,952	
IT equipment	649,500	709,860	-	30%	(201,686)	-	(245,118)	(446,804)	912,556	
Furniture and fixture	496,400	1,303,981	-	15%	(71,094)	-	(94,394)	(165,488)	1,634,894	
Electrical equipment	-	3,183,909	-	15%	-	-	(294,275)	(294,275)	2,889,634	
Office equipment	341,200	-	-	15%	(55,445)	-	(42,863)	(98,308)	242,892	
Total	1,487,100	16,132,093	-		(328,225)	-	(1,379,176)	(1,707,401)	15,914,792	

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6 Intangible assets

Class of assets	Cost				FOR THE YEAR ENDED JUNE 30, 2023		Accumulated Amortization		Net Book Value	
	As at July 1, 2022	Additions	Deletions	As at June 30, 2023	Amortization Rate	As at July 1, 2022	Disposal during the year	For the period Amortization		As at June 30, 2023
	Rizq App	2,848,267	-	-	2,848,267	20%	-	-		569,653
Website	2,707,421	350,000	-	3,057,421	20%	-	-	597,984	597,984	
Total	5,555,688	350,000	-	5,905,688		-	-	1,167,637	1,167,637	
									4,738,050	

Class of assets	Cost				FOR THE YEAR ENDED JUNE 30, 2022		Accumulated Amortization		Net Book Value	
	As at July 1, 2021	Additions	Deletions	As at June 30, 2022	Amortization Rate	As at July 1, 2021	Disposal during the year	For the period Amortization		As at June 30, 2022
	Rizq App	-	2,848,267	-	2,848,267	20%	-	-		-
Website	-	2,707,421	-	2,707,421	20%	-	-	-	-	
Total	-	5,555,688	-	5,555,688		-	-	-	-	
									5,555,688	

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

14.1 Details of General Fund

RIZQ Ration program	-	74,779,551
RIZQ Daig program	-	12,433,720
RIZQ Relief program	230,308,141	36,032,926
RIZQ Qurbani program	-	12,552,000
RIZQ Bachao program	-	580,240
RIZQ General Fund	126,588,103	36,578,578
RIZQ Khana program	10,874,040	-
GroRizq Program	87,776,156	-
	<u>455,546,440</u>	<u>172,957,015</u>

14.2 Details of Restricted Fund

RIZQ Khana program	-	3,639,750
RIZQ Relief program	51,761,889	39,278,800
GroRizq Program	31,640,129	-
	<u>83,402,018</u>	<u>42,918,550</u>

14.2.1 These funds have been received from different donors across the country and abroad. These funds are received by the organization but could not be spent and treated as income during the year due to any restrictions placed by the donor. These fund will be utilized in different programs as specified by the donor.

	Note	2023 (Rupees)	2022 (Rupees)
15 Donations - in kind			
Food donations	15.1	<u>84,359,117</u>	<u>1,163,981</u>
		<u><u>84,359,117</u></u>	<u><u>1,163,981</u></u>

15.1 These include food donations from various organizations and individuals of which fair value can reasonably be estimated. Majority of such donations were received during the flood relief operations. Apart from these, food donations are also received from about 20-25 organizations and distributed among needy families however due to Trust's inability to reasonably estimate the fair value for various reasons, those donations have not been assigned any value.

	Note	2023 (Rupees)	2022 (Rupees)
16 Operating expenses			
General funds:			
RIZQ Ration program		-	62,053,902
RIZQ Daig program		-	7,994,227
RIZQ Relief program		292,749,290	11,900,209
RIZQ Bachao program		-	5,372,259
RIZQ Qurbani program		-	10,503,925
RIZQ Youth program		-	1,864,698
RIZQ Khana program		13,708,954	-
GroRizq Program		58,371,586	-
		<u>364,829,830</u>	<u>99,689,221</u>
Restricted funds:			
RIZQ Khana program		13,290,329	9,185,130
RIZQ Ration program		-	12,457,070
RIZQ Relief program		51,761,889	3,247,210
GroRizq Program		31,640,129	-
		<u>96,692,347</u>	<u>24,889,410</u>

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
16.1 Operating expenses			
Cost of food items consumed	16.2	410,196,174	105,248,303
Salaries and benefits		19,230,473	10,331,830
Delivery charges		7,190,651	3,521,868
Travel and lodging		3,354,975	-
Fuel Expenses		2,357,358	-
Repair and maintenance		2,190,072	-
Rent		1,980,712	1,830,109
Meals and entertainment		1,047,517	-
Marketing expenses		845,732	-
Utilities		822,198	-
Printing and stationary		214,270	-
Other charges		12,092,046	3,646,521
		<u>461,522,178</u>	<u>124,578,631</u>

16.2 Cost of food items consumed			
Opening stock		321,309	72,016
Purchases		328,285,960	104,333,616
Donations in kind		84,359,117	1,163,980
Closing stock		(2,770,212)	(321,309)
		<u>410,196,174</u>	<u>105,248,303</u>

16.3 The Trust has renamed its foodbank in Lahore as RizqHub, which is used as a central premises to manage all the operations and inventories. Rizq Kitchen facility is also located within RizqHub to prepare and distribute food for RizqKhana program and some relief activities.

During the year, the trust has reclassified its chart of accounts and categorized Ration program, Daig program, Bachao program and Qurbani program under the RIZQ Relief Program.

Trust is also operating a food bank in Karachi where excess food from various hotels, restaurants and other food organizations is collected, segregated and then distributed among the needy families.

During the year, the Trust has introduced a GroRizq program, in which agricultural inputs were procured and distributed among the farmers of flood hit areas, technical support was also made part of the program to increase the crop yield.

During the year, majority relief operations were focused towards flood relief activities.

	Note	2023 (Rupees)	2022 (Rupees)
17 Administrative expenses			
Salaries, wages and other		16,780,631	8,436,892
Fee & subscription		650,428	718,037
Marketing expenses		7,951,602	4,690,733
Rents, rates & taxes		2,478,192	911,627
Utilities cost		1,005,592	833,728
Printing and stationary		151,259	225,622
Repair and maintenance		3,167,229	354,285
Legal and professional fee		2,439,500	894,200
Travelling & conveyance		7,030,430	1,836,287
Entertainment		820,175	549,187
Auditors' remuneration	17.1	480,000	420,000
Depreciation		5,756,441	1,379,176
Amortization		1,167,637	-
Loss on disposal of fixed assets		480,361	-
Insurance expense		423,455	-
Miscellaneous expenses		-	268,582
		<u>50,782,933</u>	<u>21,518,356</u>

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

17.1 Auditors' remuneration

Audit fee		460,000	400,000
Auditors' out of pocket expenses		20,000	20,000
		<u>480,000</u>	<u>420,000</u>

18 Other Income

Grow rizq	18.1	992,511	-
Scrap sale		4,500	-
		<u>997,011</u>	<u>-</u>

18.1 The trust has initiated a "GroRizq" program, whereby fertilizers and seeds are provided to the needy farmers as donations. However, incase of healthy crop, the farmers are encourage to repay the entire value of fertilizers and seeds, at current market rates. This amount represents the difference between the value of fertilizers and seeds provided and the amount returned from the farmers during the year.

19 Taxation

The Trust is registered as Not-For-Profit organization under section 2(36) of the Income Tax Ordinance, 2001 since January 29, 2021. Therefore, the income of the Trust after the said date is subject to hundred percent tax credit under section 100C of Income Tax Ordinance, 2001.

20 Transactions with related

There were no related party transactions during the year.

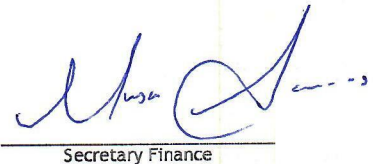
21 Date of authorization for issue

These financial statements were authorized for issue by the Board of Trustees in their meeting held on 21-FEB-2024

22 General

Figures in these financial statements have been rounded off to nearest rupee.


Chairman


Secretary Finance