

RIZO TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

		2022	2021
	Note	(Rupees)	(Rupees)
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Operating assets	5	15,911,792	1,158,875
Intangible assets	6	5,555,687	-
		21,467,480	1,158,875
<u>CURRENT ASSETS</u>			
Inventories	7	394,677	72,019
Advances, deposits and prepayments	8	13,932,961	3,570,022
Other receivables	9	139,000	-
Cash and bank balances	10	102,715,499	60,895,595
		117,182,137	64,537,636
<u>TOTAL ASSETS</u>		<u>138,649,617</u>	<u>65,696,511</u>
<u>FUND & LIABILITIES</u>			
<u>FUND</u>			
Accumulated fund		<u>132,017,732</u>	<u>61,967,619</u>
<u>CURRENT LIABILITIES</u>			
Accrued and other payables	11	4,109,345	1,206,352
Provision for taxation		2,522,540	2,522,540
		6,631,885	3,728,892
<u>CONTINGENCIES AND COMMITMENTS</u>	12	-	-
<u>TOTAL FUND & LIABILITIES</u>		<u>138,649,617</u>	<u>65,696,511</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

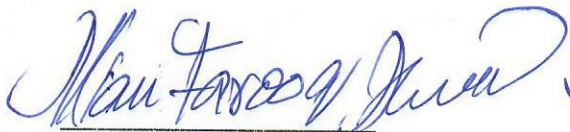

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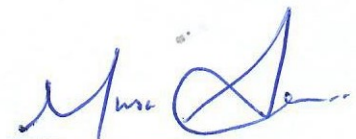

SECRETARY FINANCE

RIZO TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Note</u>	<u>Restricted Fund Rupees</u>	<u>General Fund Rupees</u>	<u>2022 Rupees</u>	<u>2021 Rupees</u>
Income					
Donations - in cash	13	42,918,550	172,957,015	215,875,565	113,507,906
Donations - in kind	14	-	1,163,981	1,163,981	1,276,728
		<u>42,918,550</u>	<u>174,120,996</u>	<u>217,039,546</u>	<u>114,784,634</u>
Expenditure					
Operating expenses	15	24,889,410	99,689,221	124,578,631	45,188,133
Administrative expenses	16	-	21,518,356	21,518,356	9,461,556
Finance cost		-	892,446	892,446	343,056
		<u>24,889,410</u>	<u>122,100,023</u>	<u>146,989,433</u>	<u>54,992,745</u>
Surplus before taxation		<u>18,029,140</u>	<u>52,020,973</u>	<u>70,050,113</u>	<u>59,791,889</u>
Taxation	17	-	-	-	1,441,938
Surplus for the year		<u>18,029,140</u>	<u>52,020,973</u>	<u>70,050,114</u>	<u>58,349,952</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.


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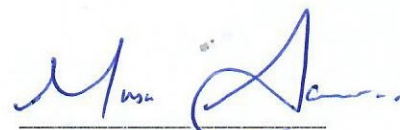

SECRETARY FINANCE

RIZO TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Restricted Fund	General Fund	Accumulated Fund
	----- (Rupees) -----		
Balance as at June 30, 2020	-	3,617,668	3,617,668
Surplus for the year	34,539,989	23,809,962	58,349,951
Balance as at June 30, 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

The annexed notes from 1 to 20 form an integral part of these financial statements.

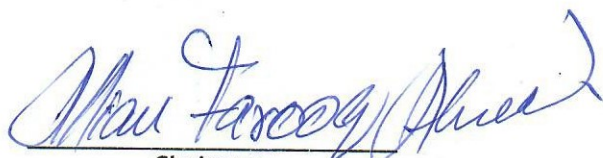

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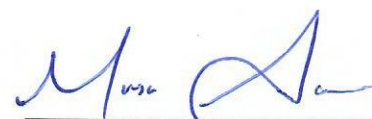

SECRETARY FINANCE

RIZQ TRUST
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees)	(Rupees)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Surplus before taxation	70,050,113	59,791,889
Adjustments of non-cash items:		
Less: Donated material recognized as expense	(1,163,981)	(14,979,516)
Add: Distribution of donated material recognized as expense	1,163,981	14,979,516
Depreciation and amortization	1,379,176	302,841
	<u>71,429,289</u>	<u>60,094,730</u>
Changes in working capital:		
Increase in current assets		
Inventories	(322,658)	(72,019)
Advances, deposits and prepayments	(10,362,939)	(3,536,031)
Other receivables	(139,000)	-
Increase in current liabilities		
Accrued and other payables	2,902,993	1,060,102
Cash generated from operations	<u>63,507,685</u>	<u>57,546,782</u>
Income taxes paid	-	-
Net cash generated from operating activities	<u>63,507,685</u>	<u>57,546,782</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Payments for acquisition of operating assets	(16,132,093)	(82,400)
Payments for development of intangibles	(5,555,687)	-
Net cash used in investing activities	<u>(21,687,780)</u>	<u>(82,400)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents	41,819,904	57,464,382
Cash and cash equivalents at beginning of the year	60,895,595	3,431,212
Cash and cash equivalents at end of the year	<u>102,715,499</u>	<u>60,895,595</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.


Chairman


SECRETARY FINANCE

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND OPERATIONS

- 1.1 The Rizq Trust ("the Trust") was registered on February 13, 2020 under the Trust Act, 1882, with the objective to establish, run and manage food banks to distribute food at subsidized rates or free of cost to underprivileged people, provision of health awareness and promotion especially among poor and oppressed communities.
- 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, 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 Bachao:

Rizq Bachao marks the flagship program of Rizq and the one that helped the Trust set foot in the ground of philanthropy. This program helps to channelize excess food produced across different points of the supply chain to deserving people so that it does not get wasted.

Rizq Ration:

Rizq Ration is a food safety program which provides families enrolled on our incubation list with enough food supplies to make the family food secure for an entire month. The selection of beneficiaries is done after a rigorous evaluation through a poverty scorecard. Priority is given to widows, senior citizens, differently abled people and orphans.

Rizq Daig:

This program is used to distribute one time meal to deserving people in the Rizq verified communities. The food is distributed through our network of partner NGOs.

Rizq Khana:

This program is also used to prepare and distribute meals to deserving people on different locations of Lahore.

- 1.3 The registered office of the Trust is located at 40-Commercial Area, Cavalry Ground, Lahore.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with 'Accounting Standard for Not for Profit Organizations (NPOS).

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.

RIZO TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4.2 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. 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.

For a contributed asset, cost is considered to be fair value at the date of contribution. Full depreciation is charged for the month of purchase and no depreciation is charged for the month in which an asset is disposed off.

4.3 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.

All intangibles are measured at cost less accumulated amortization. The amortization is charged using reducing balance method.

4.4 Inventories

Inventory of contributed material is initially recognized at fair value. Inventory items that are held for distribution at no or normal charges are measured at the lower of cost and net realizable value.

4.5 Revenue Recognition

Contributions from donors are recognized as revenue 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 revenue 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.

4.6 Donation In Kind

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

4.7 Grant Recognition

The grant amount is made a part of revenue on the receipt basis.

4.8 General Fund

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

Restricted Fund

This is a fund created to fulfill the obligations imposed by the donors and to fulfill the aim and objectives of the Trust as approved by the Board of Trustees.

4.9 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.

4.10 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.

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4.11 Donation Recognition

Donations are recognized when it is probable that the economic benefits associated with the transactions will flow to the trust and the amount of donation can be measured reliably.

4.12 Expenditures

Expenditures on various social activities are recorded by the Trust when they are incurred.

4.13 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).

4.14 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.

4.15 Taxation

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.

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5 Operating assets

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		As at July 1, 2021	For the year	As at June 30, 2022	
<i>Leased Assets:</i>									
Building	-	5,652,308	-	5,652,308	10%	-	(224,444)	(224,444)	5,427,864
<i>Owned Assets:</i>									
Vehicles	-	5,282,035	-	5,282,035	15%	-	(478,083)	(478,083)	4,803,952
IT equipment	649,500	709,860	-	1,359,360	30%	(201,686)	(245,118)	(446,804)	912,556
Furniture and fixture	496,400	1,303,981	-	1,800,381	15%	(71,094)	(94,394)	(165,488)	1,634,894
Electrical equipment	-	3,183,909	-	3,183,909	15%	-	(294,275)	(294,275)	2,889,634
Office equipment	341,200	-	-	341,200	15%	(55,445)	(42,863)	(98,308)	242,892
Total	1,487,100	16,132,093	-	17,619,193		(328,225)	(1,379,176)	(1,707,401)	15,911,792

Class of assets	FOR THE YEAR ENDED JUNE 30, 2021								
	Cost				Depreciation Rate	Accumulated Depreciation			Net Book Value
	As at July 1, 2020	Additions	Deletions	As at June 30, 2021		As at July 1, 2020	For the year	As at June 30, 2021	
IT equipment	626,000	23,500	-	649,500	30%	(15,650)	(186,036)	(201,686)	447,814
Furniture and fixture	437,500	58,900	-	496,400	15%	(5,469)	(65,625)	(71,094)	425,306
Office equipment	341,200	-	-	341,200	15%	(4,265)	(51,180)	(55,445)	285,755
Total	1,404,700	82,400	-	1,487,100		(25,384)	(302,841)	(328,225)	1,158,875

6 Intangible assets

Class of assets	FOR THE YEAR ENDED JUNE 30, 2022								
	Cost				Amortization Rate	Accumulated Amortization			Net Book Value
	As at July 1, 2021	Additions	Deletions	As at June 30, 2022		As at July 1, 2021	for the period	As at June 30, 2022	
Rizq App	-	2,848,266	-	2,848,266	5%	-	-	-	2,848,266
Website	-	2,707,422	-	2,707,422	5%	-	-	-	2,707,422
Total	-	5,555,687	-	5,555,687		-	-	-	5,555,687

6.1 The development of intangibles was completed on 30 June 2022 so no amortization recorded in the financial statements.

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
7 Inventories			
Food items		321,309	72,019
Other consumables		73,368	-
		<u>394,677</u>	<u>72,019</u>
8 Advances, deposits and prepayments			
Security deposits		370,000	200,000
Advance to vendors		12,978,822	2,826,883
Advances to employees		41,000	-
Advance income tax		543,139	543,139
		<u>13,932,961</u>	<u>3,570,022</u>
9 Other receivables			
TCS receivables	9.1	139,000	-
		<u>139,000</u>	<u>-</u>
9.1 This includes the donations collected by TCS from donors on behalf of Rizq Trust.			
	Note	2022 (Rupees)	2021 (Rupees)
10 Cash and bank balances			
Cash at bank - current account		102,588,516	60,822,328
Cash in hand		126,983	73,267
		<u>102,715,499</u>	<u>60,895,595</u>
11 Accrued and other payables			
Accrued liabilities		1,976,351	986,157
Withholding tax		198,164	59,320
Other payables		1,514,830	-
Audit fee payable		420,000	160,875
		<u>4,109,345</u>	<u>1,206,352</u>
12 Contingencies and commitments			
There are no contingencies and commitments as at June 30, 2022 (June 30, 2021: NIL).			

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
13 Donations - in cash			
<i>General fund</i>			
RIZQ Ration program		74,779,551	57,371,654
RIZQ Daig program		12,433,720	5,936,284
RIZQ Relief program		36,032,926	4,002,602
RIZQ Qurbani program		12,552,000	6,638,817
RIZQ Bachao program		580,240	850
RIZQ General Fund		36,578,578	5,017,710
		<u>172,957,015</u>	<u>78,967,917</u>
<i>Restricted fund</i>			
RIZQ Khana program		3,639,750	-
RIZQ Relief program		39,278,800	34,539,989
		<u>42,918,550</u>	<u>34,539,989</u>
		<u>215,875,565</u>	<u>113,507,906</u>

13.1 These funds have been received from different donors across the country and abroad. These fund are utilized in different relief programs being carried out under the Trust.

	Note	2022 (Rupees)	2021 (Rupees)
14 Donations - in kind			
Food donations	14.1	<u>1,163,981</u>	<u>1,276,728</u>
		<u>1,163,981</u>	<u>1,276,728</u>

14.1 These include food donations from various organizations of which fair value can reasonably be estimated. 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	2022 (Rupees)	2021 (Rupees)
15 Operating expenses			
<i>General funds:</i>			
RIZQ Ration program		62,053,902	19,226,328
RIZQ Daig program		7,994,227	3,502,429
RIZQ Relief program		11,900,209	8,544,996
RIZQ Bachao program		5,372,259	4,800,000
RIZQ Qurbani program		10,503,925	6,881,905
RIZQ Youth program		1,864,698	-
Other direct operating costs		-	2,232,475
		<u>99,689,221</u>	<u>45,188,133</u>
<i>Restricted funds:</i>			
RIZQ Khana program		9,185,130	-
RIZQ Ration program		12,457,070	-
RIZQ Relief program		3,247,210	-
		<u>24,889,410</u>	<u>-</u>
		<u>124,578,631</u>	<u>45,188,133</u>

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

15.1 The Trust has been operating a food bank in Lahore since its inception and established a new food bank in Karachi during the 2022 where excess food from various hotels, restaurants and other food organizations is collected, segregated and then distributed among the needy families. The Trust also distributes rations through these food banks. The Trust started a Rizq Khana program during 2022 in which the Trust established a kitchen in Lahore to prepare food and distribute on different locations of the city. The Trust also performs the relief activities in different areas of the country.

15.2 The operating expenses of the Trust's various programmes are classified as follows:

	Note	2022 (Rupees)	2021 (Rupees)
Cost of food items consumed	15.3	104,084,323	34,517,597
Donation- in kind consumption		1,163,980	1,276,728
Salaries and benefits		10,331,830	6,266,446
Delivery charges		3,521,868	1,310,783
Other charges		3,646,521	1,050,550
Rent		1,830,109	766,029
		<u>124,578,631</u>	<u>45,188,133</u>
15.3 Cost of food items consumed			
Opening stock		72,016	-
Purchases		104,333,616	34,589,613
Closing stock		(321,309)	(72,016)
		<u>104,084,323</u>	<u>34,517,597</u>
	Note	2022 (Rupees)	2021 (Rupees)
16 Administrative expenses			
Salaries, wages and other		8,436,892	4,883,540
Fee & subscription		718,037	776,668
Marketing expenses		4,690,733	498,361
Rents, rates & taxes		911,627	816,528
Utilities cost		833,728	728,149
Printing and stationery		225,622	108,770
Repair and maintenance		354,285	266,195
Legal and professional fee		894,200	157,500
Travelling & conveyance		1,836,287	219,728
Entertainment		549,187	412,511
Auditors' remuneration	16.1	420,000	160,875
Depreciation		1,379,176	302,841
Miscellaneous expenses		268,582	129,890
		<u>21,518,356</u>	<u>9,461,556</u>
16.1 Auditors' remuneration			
Audit fee		400,000	144,788
Auditors' out of pocket expenses		20,000	16,088
		<u>420,000</u>	<u>160,875</u>

RIZQ TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

17 Provision for 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.

18 Transactions with related

There were no related party transactions during the year.

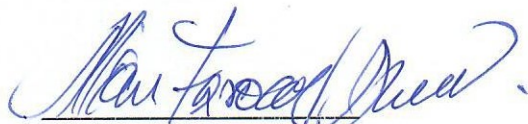
19 Date of authorization for issue


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

9 Feb 2023.

20 General

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


Chairman


SECRETARY FINANCE