

**INDUS CRAFTS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
ASSETS			
Non-current assets			
Fixed assets	4	81,962	433,712
Long term investments	5	10,200,000	10,200,000
		10,281,962	10,633,712
Current assets			
Stock in hand - finished handicrafts		1,135,992	1,525,027
Debtors		53,027	123,441
Advances to staff and supplier		79,044	24,519
Accrued interest on investment		113,483	113,178
Deposits and prepayment	6	132,000	132,000
Advance tax		1,317,617	1,233,054
Cash and bank balances	7	65,480	27,525
		2,896,643	3,178,744
Total assets		13,178,605	13,812,456
GENERAL FUND & LIABILITIES			
General fund		(1,955,087)	(1,761,461)
Endowment fund		10,000,000	10,000,000
		8,044,913	8,238,539
Current liabilities			
Trade and other payables	8	5,133,692	5,385,969
Provision for taxation		-	187,948
		5,133,692	5,573,917
		13,178,605	13,812,456

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

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Chairman / Chief Executive



Director

**INDUS CRAFTS FOUNDATION
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
INCOME			
Grants	10	-	-
EXPENDITURE			
Donor's expenditure	9	-	(4,920)
Other operating expenditures	11	(1,975,619)	(1,726,883)
		(1,975,619)	(1,731,803)
Other income	12	<u>1,827,426</u>	<u>1,667,332</u>
Loss before taxation		(148,193)	(64,471)
Taxation			
- current		(22,843)	-
- prior		(22,590)	-
		(45,433)	-
Loss after taxation		<u>(193,626)</u>	<u>(64,471)</u>

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

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Chairman / Chief Executive



Director

INDUS CRAFTS FOUNDATION
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	General fund	Profit/Loss for the year	Total
----- (Rupees) -----			
As at June 30, 2020	(1,696,990)	-	(1,696,990)
Loss for the year	-	(64,471)	(64,471)
Transfer to general fund	(64,471)	64,471	-
Balance as at June 30, 2021	(1,761,461)	-	(1,761,461)
Profit for the year	-	(193,626)	(193,626)
Transfer to general fund	(193,626)	193,626	-
Balance as at June 30, 2022	(1,955,087)	-	(1,955,087)

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

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Chairman / Chief Executive



Director

**INDUS CRAFTS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(148,193)	(64,471)
Adjustments for non cash items		
Depreciation	<u>351,750</u>	351,750
	<u>203,557</u>	287,279
Working capital changes		
Decrease in debtors	70,414	(96,111)
Decrease in advance to staff and supplier	(54,525)	(24,000)
Decrease in accrued interest on investment	(305)	(309)
Decrease / (increase) in stock in hand	389,035	148,709
Increase in accrued and other payables	(252,277)	15,016
	<u>152,342</u>	43,305
Tax paid	(84,563)	(372,940)
	<u>271,336</u>	(42,356)
CASH FLOWS FROM INVESTING ACTIVITIES		
Grant utilized for purchase of fixed asset	-	-
Disposal of investment in Term Deposit Receipts	-	-
Investment made in Term Deposit Receipts	-	-
Net cash used in investing activities (B)	<u>271,336</u>	(42,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in cash and cash equivalents (A+B+C)	<u>271,336</u>	(42,356)
Cash and cash equivalents at the beginning of the year	27,525	69,881
Cash and cash equivalents at the end of the year	<u>298,861</u>	27,525

The annexed notes from 1 to 16 forms an integral part of these financial statements.

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**INDUS CRAFTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. STATUS AND NATURE OF BUSINESS

Indus Crafts Foundation is a company limited by Guarantee, incorporated in Pakistan under section 42 of the repealed Companies Ordinance, 194 on June 04, 2012. The company's registered office is located at Khairpur Mirs Sindh, Pakistan. The principal activity of the company is to promote handicrafts, poverty alleviation and women empowerment. The organization is a not-for-profit association in accordance with section 42 of the repealed Companies Ordinance, 1984.

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPO) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2. Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given here under.

2.3. Functional and presentation currency

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

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2.4. Significant accounting estimates and judgements

The preparation of financial information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably, on the following bases:

(a) Grant income

The grant is recognized as income over the period necessary to match the with the related costs, for which they are intended to compensate, on a systematic basis.

(b) Sales of goods

Sale of goods is recognised when the goods are delivered and the risk and rewards of ownerships have passed to the customer.

(c) Interest income

Profit on saving account is recognized on receipt basis.

3.2. Property, plant and equipment

These are stated at cost less accumulated depreciation, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Depreciation on additions is charged for the full month in which an asset is available for use and on deletions, upto the month of immediately preceding the month of deletion.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Gain or loss on disposal, if any, is included in statement of profit or loss.

3.3. Intangible assets

Intangible assets acquired having finite useful life are capitalized at cost and stated at cost less amortization. The rate of amortization is 33% applying straight line method.

Amortization on additions is charged from the month during which the asset is put to use or acquired. For disposals during the year, amortizations is charged upto the month preceding the month of disposal.

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3.4. Investments

Investments are classified as held to maturity, which are securities with a fixed maturity that the Fund has the intention and ability to hold until maturity.

All investments are initially recorded at cost. Held to maturity investments are subsequently carried at amortized cost using the effective interest rate method.

Profit on investment is accrued on the basis of effective yield of respective investments and is shown net of tax with held, if any.

3.5. Stock in hand

Stocks are valued at the lower of cost and net realizable value except for stock in transit which is valued at invoice price and related expenses incurred up to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less net of estimated cost of completion and selling expenses.

3.6. Taxation

Current tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

Deferred tax, where applicable, is accounted for using the balance sheet method.

3.7. Trade and other receivables

Trade and other receivables are stated at estimated realizable value after each debt has been considered individually.

3.8. Cash and cash equivalent

Cash and cash equivalents comprised cash in hand & cash with banks on savings and current accounts.

3.9. Accrued and other payable

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

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4 FIXED ASSETS

Description	June 30, 2022							
	Cost			Accumulated Depreciation			W.D.V	Rate %
	Balance as at July 01, 2021	Additions during the year	Balance as at June 30, 2022	Balance as at July 01, 2021	Charged for the year	Balance as at June 30, 2022	Balance as at June 30, 2022	Rate %
Office equipment	1,877,017	-	1,877,017	1,723,449	142,285	1,865,734	11,283	25%
Office furniture	1,399,791	-	1,399,791	1,119,647	209,465	1,329,112	70,679	20%
Vehicles	765,965	-	765,965	765,965	-	765,965	-	20%
Total	4,042,773	-	4,042,773	3,609,061	351,750	3,960,811	81,962	

Description	June 30, 2021							
	Cost			Accumulated Depreciation			W.D.V	Rate %
	Balance as at July 01, 2020	Additions during the year	Balance as at June 30, 2021	Balance as at July 01, 2020	Charged for the year	Balance as at June 30, 2021	Balance as at June 30, 2021	Rate %
Office equipment	1,877,017	-	1,877,017	1,581,164	142,285	1,723,449	153,568	25%
Office furniture	1,399,791	-	1,399,791	910,182	209,465	1,119,647	280,144	20%
Vehicles	765,965	-	765,965	765,965	-	765,965	-	20%
Total	4,042,773	-	4,042,773	3,257,311	351,750	3,609,061	433,712	RA.

		Note	2022 Rupees	2021 Rupees
5	LONG TERM INVESTMENTS			
	This represents TDRs from NRSP Microfinance Bank carrying profit at 6 - 4 % per annum with maturity period of 3 years.			
6	DEPOSIT AND PREPAYMENT			
Security deposits			60,000	60,000
Prepaid rent			72,000	72,000
			132,000	132,000
7	CASH AND BANK BALANCES			
Cash in hand			19,735	18,829
Cash at banks				
- saving account			45,745	8,696
			65,480	27,525
	Saving account carries interest rate ranging from _____ to _____ (2020: 4% to 6%) per annum.			
8	TRADE AND OTHER PAYABLES			
Auditors' fee			54,000	200,000
Salaries and wages payable			3,071,720	2,936,720
Withholding tax payable			-	44,214
Other payable			1,212,767	1,331,387
Provident fund deductions			395,205	395,205
Security deposits from shops			400,000	400,000
Bank overdraft			-	78,443
			5,133,692	5,385,969

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10 DEFERRED GRANTS

	NARA Fund 9.1	Development Fund 9.2	NCFC 9.3	BBSYDP 9.4	SEF Fund 9.5	Grants From Local 9.6	Total
----- (Rupees) -----							
Balance as at June 30, 2020	-	-	-	-	-	-	-
Grants received from Government	-	-	-	-	-	-	-
Grants utilized during the year	-	-	-	-	-	(4,920)	(4,920)
Balance as at June 30, 2021	-	-	-	-	(4,920)	-	(4,920)
Grants received from Government	-	-	-	-	-	-	-
Grants utilized during the year	-	-	-	-	-	-	-
Balance as at June 30, 2022	-	-	-	-	(4,920)	-	(4,920)

9.1 NARA Crafts person capacity building and handicraft promotion. This represents grant received from the Government of Sindh for the purpose of development of the handicrafts sector of Khairpur District.

9.2 This represents grant received from Government of Sindh for the purpose of capacity building, handicraft promotion and development of handicraft sector of Khairpur District.

9.3 Nara Crafts Finishing Center (NCFC) grant received from district administration Khairpur for the purpose to create sustainable livelihood opportunities for craft persons of the district through utilization of their folk wisdom and skill through design development and finishing of the products items according to national & international market demand level in khairpur.

9.4 Benazir Bhutto Shaheed Youth Development Program (BBSYDP) grant received from Government of Sindh for the purpose to enable the trainee to make creative designs in Embroidery and prepare dresses by using these embroidery stitches. Identifying new opportunities in crafts, textile art and fashion and design markets. Produce trainees capable of designing embroidery by different stitches.

9.5 The project is an initiative of sindh government through Sindh Education Foundation (SEF) to promote education in rural areas of sindh. ICF is part of Adult Adolescent Learning and Training Program (AALTP) of SEF that focuses of the non formal basic education of the adults (man and women) who were unable to go to school in their childhood. Through this program regular classes are conducted on improving multiple subjects i-e english, maths etc to improve their skills and facilitate them to improve their quality of life.

9.6 This represents grant received from local government

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	2022 Rupees	2021 Rupees
9.1 SEF fund		
Printing and photocopying	-	2,220
Stationary for SEF centres	-	-
Transportation to learners	-	-
Rent expense	-	-
Salary to project staff	-	2,700
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	-	4,920
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11 OTHER OPERATING EXPENSES

Periodicals and newspapers	5,750	4,850
Exhibition expenses	146,280	10,000
Freight and transportation	-	11,500
Legal and professional fees	49,540	40,000
Office stationary	2,070	2,440
Office supplies	36,425	24,090
POL expenses	10,200	39,565
Postage and mailing service	24,631	24,084
Printing and copying	16,439	8,084
Rental expenses	18,000	-
Repair and maintenance	78,816	48,785
Utilities expenses	48,664	35,250
Advertising expenses	502	29,950
Bank charges	2,665	2,495
Miscellaneous expenses	45,385	2,970
Salaries and wages expenses	1,009,793	945,500
Boarding and lodging	4,000	17,200
Local TA claims	-	8,370
Meeting and refreshment	3,710	1,500
Travel and meetings - other	24,000	8,600
Packaging expense	42,999	9,900
Depreciation	351,750	351,750
Audit fee	54,000	100,000
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	1,975,619	1,726,883
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12 OTHER INCOME

Interest income on PLS account	8,024	1,788
Interest income on TDR investment	1,377,002	1,377,544
Rent from shops	350,400	288,000
Others	92,000	-
	1,827,426	1,667,332

12.1 Income / (loss) from sales of handicraft - net

Sales	680,660	389,499
Less: Cost of sales		
Opening balances	1,525,027	1,673,736
Net purchases	291,625	240,790
Closing balances	(1,135,992)	(1,525,027)
	680,660	389,499

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13 FINANCIAL INSTRUMENTS

	Amortised cost		Total	
	2022	2021	2022	2021
	----- (Rupees) -----			
Financial assets				
Debtors	53,027	123,441	53,027	123,441
Long term investment	10,200,000	10,200,000	10,200,000	10,200,000
Accrued interest on investment	113,483	113,178	113,483	113,178
Deposits	60,000	60,000	60,000	60,000
Cash and Bank balances	65,480	27,525	65,480	27,525
	10,491,990	10,524,144	10,491,990	10,524,144

Financial liabilities

Trade and other payables

2022	2021
Number	Number

14 NUMBER OF EMPLOYEES

The average number of employees working for the company during the year are as follows:

Total employees of the Company	7	18
Average employees of the Company	13	17

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15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in a meeting held on _____.

16 GENERAL

All the figures have been rounded off to the nearest rupees.



Chairman / Chief Executive



Director