



M. Asif Jamil & Co

Chartered Accountants

Independent Auditor's Report to the Management Committee

Opinion

We have audited the financial statements of “WELFARE ASSOCIATION JARED (WAJ)”, which comprise the Balance Sheet as June 30, 2019, and the “statement of income and expenditure account, 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 respects, the financial position of “WELFARE ASSOCIATION JARED (WAJ)”, as at June 30, 2019, and its financial performance and “*its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in 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 Management Committee 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 Management Committee 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 Committee determine(s) 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, *Management Committee are responsible for assessing the 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 Management Committee or to cease operations, or has no realistic alternative but to do so.*

Those charged with governance are responsible for overseeing the Management Committee 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



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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 organization internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

M. Asif Jamil & Co.

Aug 22, 2019

Peshawar

M.ASIF JAMIL & Co

CHARTERED ACCOUNTANTS



WELFARE ASSOCIATION JARED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	NOTES	2019 [RUPEES]	2018 [RUPEES]
NON CURRENT ASSETS			
Property, plant & equipment	4	836,394	864,893
CURRENT ASSETS			
Receivable from Donors	5	605,921	459,369
Advances, deposits & prepayments	6	997,254	962,974
Cash & bank balances		24,032	446,211
		1,627,207	1,868,554
		<u>2,463,601</u>	<u>2,733,447</u>
General Fund		2,781,622	2,751,023
Accumulated Surplus		(672,911)	(648,566)
		<u>2,108,711</u>	<u>2,102,457</u>
CURRENT LIABILITIES			
Accrual & other liabilities	7	354,890	630,990
		<u>354,890</u>	<u>630,990</u>
		<u>2,463,601</u>	<u>2,733,447</u>

The annexed notes form an integral part of these financial statements.
 AUDITORS' REPORT OF EVEN DATE ANNEXED.

PESHAWAR
 'AUGUST 22, 2019


 MEMBER


 MEMBER

WELFARE ASSOCIATION JARED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDING JUNE 30, 2019

	NOTES	2019 [RUPEES]	2018 [RUPEES]
INCOME			
Grants from Donors	8	2,285,097	3,369,698
Other Income		1,131,699	4,619
Total Income		3,416,796	3,374,317
EXPENDITURE			
Program Cost	9	2,285,097	3,369,698
Operational & Support cost	10	1,156,044	244,269
Total expenditure		3,441,141	3,613,967
EXCESS/(DEFICIT) OF INCOME OVER EXPENDITURE		(24,345)	(239,650)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the Period		-	-
EXCESS/ (DEFICIT) FOR THE YEAR		(24,345)	(239,650)
Accumulated Surplus Brought Forward		(648,566)	(408,916)
Accumulated Surplus Carried Down		(672,911)	(648,566)

The annexed notes form an integral part of these financial statements.
 AUDITORS' REPORT OF EVEN DATE ANNEXED.

PESHAWAR
 'AUGUST 22, 2019


 MEMBER


 MEMBER

WALFARE ASSOCIATION JERAD
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING JUNE 30, 2019

	NOTES	2019 [RUPEES]	2018 [RUPEES]
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (Deficit) for the Period/year		(24,345)	(239,650)
<i>Adjustment for Non-cash items:</i>			
Depreciation on property plant & equipment	4	59,099	59,973
Payable Against various activities		-	-
		<u>34,754</u>	<u>(179,677)</u>
(Increase)/Decrease in current assets & current liabilities:			
Grants receivables		(146,552)	(459,369)
Advances, deposits & prepayments		(34,280)	(962,974)
Accrual & other liabilities		(276,100)	630,990
		(456,932)	(791,353)
Net cash flows from operating activities	A	<u>(422,178)</u>	<u>(971,030)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Unrestricted Assets		-	-
Fixed Assets		(30,600)	(924,866)
Net cash flows from investing activities	B	<u>(30,600)</u>	<u>(924,866)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
General Fund Introduce (Members Contribution)		30,600	1,835,692
Net cash flows from financing activities	C	<u>30,600</u>	<u>1,835,692</u>
Cash flow during the period/year (A+B+C)		(422,178)	(60,204)
Cash and cash equivalent at the beginning of the year		446,211	506,415
Cash and cash equivalent at the end of the period/year		<u>24,032</u>	<u>446,211</u>

PESHAWAR



DIRECTOR



CHIEF EXECUTIVE

1 STATUS AND PRINCIPAL ACTIVITIES

Welfare Association Jerad (WAJ) is non government, not for profit and non political organization registered with Directorate of Social Welfare of Government of Khyber Pukhtoon Khuwa under the Voluntary Social Welfare Agencies (Registration and Control Ordinance) 1961 in 1989. The organization is working for uplift of vulnerable communities. The main objective of Welfare Association are to work for community development, democracy and governance, child welfare protection of human rights. The principal office of entity is situated in Jared.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with guidelines for accounting and financial reporting by non Government Organizations (NGO's, / Non profit Organizations (NPOs) as issued by Institute of Chartered Accountants of Pakistan (ICAP).

2.2 Functional and presentation currency

These financial statements are presented in Pak rupees which is (WAJ) reporting and Functional currency.

2.3 Significant estimates

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

Judgment made by management in the application of approved accounting standard that have significant effect on the financial statements and estimates with significant risk of material misstatement in the next year mainly relates to the useful lives and residual values of Property plant and Equipments, Intangible assets and provision for impairment.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises acquisition and other directly attributable cost. Depreciation is calculated using diminishing balance method at the rates specified in note 4.

Depreciation is charged in the month of acquisition while no depreciation is charged in the month of disposal.

Renewals and replacements are recognized in the carrying amount of the property and equipment if it is probable that future embodied economic benefits will flow to (WAJ). Other maintenance and repairs are charged to the income and expenditure account. Gain or loss on disposal is taken to the income and expenditure account.

3.3 Impairment

The carrying amounts of (WAJ) assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount of such asset is estimated.

The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount of an asset or a cash generating unit exceeds its estimated recoverable amount. Impairment losses / reversal of impairment losses are recognized in the income and expenditure account.

3.4 Grant for revenue expenditure

Amounts received for ongoing administrative expenses are recognized as restricted and unrestricted fund. An amount equivalent to the expenses incurred during the period is transferred to income and expenditure account and the remaining unspent amount is included in the restricted fund balance.

3.4.1 Revenue

Revenue is recognized when received

3.5 Funds received

(WAJ) normally receives funds from Donor's via bank. Exceptions are received as per terms and conditions specified by the donor.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and cash at bank.

3.7 Creditors and other liabilities

Creditors and other liabilities are carried at amortized cost which is the fair value of the consideration to be paid in future for goods and services received.

3.8 Provisions

Provisions are recognized in the balance sheet when (WAJ) has a present legal or constructive obligation as a result of past events, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

3.9 Offsetting financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if (WAJ) has a legal enforceable right to set-off the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.10 Taxation

As (WAJ) is working as a non profit organization and all receipts are from its donors to meet the running expenses. Therefore provision for taxation is not required to incorporate in these accounts. The office is also exempt from tax under clause 58 of the Second Schedule to the Income Tax Ordinance, 2001.

3.11 Receivables

Receivables are carried at cost less provision for impairment, if any. Known impaired receivables are written off, while debts considered doubtful of recovery are fully provided for.

**WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2019**

4 PROPERTY, PLANT AND EQUIPMENTS

Description	C		Rate %	D E P R E C I A T I O N			WDV as at June 30, 2019
	As at July 01, 2018	As at June 30, 2019		As at July 01, 2018	For the year	As at June 30, 2019	
Land	375,000	375,000	-	-	-	-	375,000
Buildings	500,000	500,000	10	50,000	45,000	95,000	405,000
Furniture & Fixture	39,866	70,466	20	7,973	12,499	20,472	49,994
Office Equipment	10,000	10,000	20	2,000	1,600	3,600	6,400
30-06-2019	924,866	955,466		59,973	59,099	119,072	836,394
30-06-2018	-	924,866		-	59,973	59,973	864,893

WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2019

	NOTE	2019 [RUPEES]	2018 [RUPEES]
5 Receivable from Donors			
TDEA-CVP		-	357,308
PENNY APPEAL PAKISTAN		-	83,861
ILM-Possible		605,921	18,200
		<u>605,921</u>	<u>459,369</u>
6 Advances, Deposits & Prepayments			
Micro Credit Advance		923,309	939,309
Withholding Tax		19,945	3,665
Security Deposit		54,000	20,000
		<u>997,254</u>	<u>962,974</u>
7 Accrual & other liabilities			
Accounts Payable		354,890	327,927
Sales Tax Payable		-	208,164
Income Tax Payable		-	94,899
		<u>354,890</u>	<u>630,990</u>

WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2019

	NOTE	2019 [RUPEES]	2018 [RUPEES]
9 Program cost			
TDEA CVP		1,277,040	2,007,637
Penny Appeal Pakistan		-	1,343,861
ILMP-II		1,008,057	18,200
		2,285,097	3,369,698

10 Operational and Support Cost			
WAJ- Staff salaries & benefits		810,000	56,621
WAJ-Staff travel, Perdiem,board lodg.		90,001	-
WAJ- Office building rent & maintenance		67,000	9,450
WAJ-Utilities, electricity,gas,water		49,115	
WAJ-Communication cost		25,433	5,400
WAJ-Office supplies		5,930	29,437
WAJ-Printing and stationery		11,050	23,139
WAJ- Equipment repair and maintenance		4,605	-
WAJ- Software dev cost		-	-
WAJ- vehicle running cost		-	-
WAJ-POL for generator		-	-
WAJ- Staff hiring and orientation		-	-
WAJ- Bank charges		18,811	23,249
WAJ-Depreciation charges		59,099	59,973
WAJ- Legal expenses		-	-
WAJ-Audit Fee & expenses		-	37,000
WAJ- Networking and linkages		15,000	-
		1,156,044	244,269

11 AUTHORIZATION
 These financial statements have been authorized by the Board of Directors on.....

12 GENERAL
 -Figures have been rounded off to the nearest of Rupees.

PESHAWAR
 'AUGUST 22, 2019


 MEMBER MEMBER