



WELFARE ASSOCIATION JARED

30

**Years of Struggle for
Social Change**

FINANCIAL STATEMENT FOR THE YEAR JUNE 30, 2021



ISHFAQ & TAYYABA
Chartered Accountants



ISHFAQ & TAY YABA

Chartered Accountants

Independent Auditor's Report to the Management Committee

Opinion

We have audited the annexed financial statements of **M/S WELFARE ASSOCIATION JAREI (WAJ)**, which comprise of Balance Sheet as at June 30, 2021, Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended and notes to the financial statements, including summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan for small sized entities, in the manner so required and respectively give a true and fair view of the state of the entity's affairs as at June 30, 2021 and of the profit and its cash flows for the year then ended.

Basis of Opinion

We conducted the audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further disclosed in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for small sized entities 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, management is responsible for assessing the entity's ability to continue as a going concern, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or cease operations, or has no realistic alternative but to do so.

Proprietor is responsible for overseeing the entity's 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 misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable level of assurance is a high level of assurance, but not guaranteed 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



ISHFAQ & TAYYABA

Chartered Accountants

audit 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 misstatements 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 firm's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw our 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 firm 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 presentations.

We communicate with the management 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.

Date: 14TH July, 2021
Place: Islamabad

Engagement Partner: Ishfaq Ahmed, FCA

Ishfaq & Tayyaba
Chartered Accountants



WELFARE ASSOCIATION JARED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	NOTES	2021 [RUPEES]	2020 [RUPEES]
NON CURRENT ASSETS			
Property, plant & equipment	4	764,992	796,615
CURRENT ASSETS			
Receivable from Donors	5	626,834	393,625
Advances, deposits & prepayments	6	1,075,765	1,003,697
Cash & bank balances		118,269	10,017
		1,820,868	1,407,339
		<u>2,585,860</u>	<u>2,203,954</u>
General Fund		2,781,622	2,781,622
Accumulated Surplus		(1,473,368)	(1,453,387)
		<u>1,308,254</u>	<u>1,328,235</u>
CURRENT LIABILITIES			
Accrual & other liabilities	7	305,410	875,719
Donors Restrected Fund		972,196	-
		1,277,606	875,719
		<u>2,585,860</u>	<u>2,203,954</u>

The annexed notes form an integral part of these financial statements.
Auditors's report is annexed.



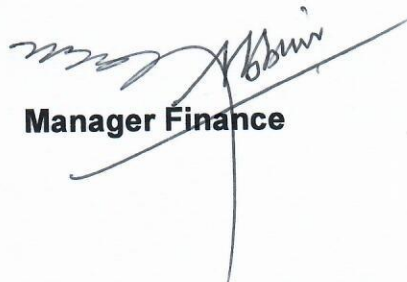
[Signature]
Manager Finance

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Executive Director

WELFARE ASSOCIATION JARED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDING JUNE 30, 2021

	NOTES	2021 [RUPEES]	2020 [RUPEES]
INCOME			
Grants from Donors		8,016,493	710,479
Other income		178,293	32,486
Total Income		8,194,786	742,965
EXPENDITURE			
Program Cost	9	8,016,493	1,198,024
Operational & Support cost	10	198,274	325,417
Total expenditure		8,214,767	1,523,441
EXCESS/(DEFICIT) OF INCOME OVER EXPENDITURE		(19,981)	(780,476)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the Period		-	-
EXCESS/ (DEFICIT) FOR THE YEAR		(19,981)	(780,476)
Accumulated Surplus Brought Forward		(1,453,387)	(672,911)
Accumulated Surplus Carried Down		(1,473,368)	(1,453,387)

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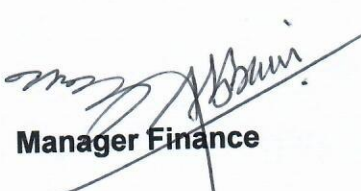

Manager Finance


Executive Director



**WALFARE ASSOCIATION JERAD
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING JUNE 30, 2021**

	NOTES	2021 [RUPEES]	2020 [RUPEES]
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (Deficit) for the Period/year		(19,981)	(780,476)
Adjustment for Non-cash items:			
Depreciation on property plant & equipment	4	52,623	54,779
Payable Against various activities		<u>32,642</u>	<u>(725,697)</u>
(Increase)/Decrease in current assets & current liabilities:			
Grants receivables		(233,209)	212,296
Advances, deposits & prepayments		(72,068)	(6,443)
Accrual & other liabilities		401,887	520,829
		96,610	726,682
Net cash flows from operating activities	A	<u>129,252</u>	<u>985</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Unrestricted Assets		-	-
Fixed Assets		(21,000)	(15,000)
Net cash flows from investing activities	B	<u>(21,000)</u>	<u>(15,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
General Fund Introduce (Members Contribution)		-	-
Net cash flows from financing activities	C	<u>-</u>	<u>-</u>
Cash flow during the period/year (A+B+C)		108,252	(14,015)
Cash and cash equivalent at the beginning of the year		10,017	24,032
Cash and cash equivalent at the end of the period/year		<u>118,269</u>	<u>10,017</u>


Manager Finance




Executive Director

WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
INCOME AND EXPENDITURE ACCOUNT

	Balance as at July-1-2020	Add: Funds received from donor during the year	Add: Interest earned during the year	Less: Opening Receivable	Add: Closing Receivables	Less: Transfer to Deferred Grant	Add: Other operating income	Add/(Less): Exchange Gain/(Loss)	Project exp	Less: Grant income recognized for the year as per expenditure incurred	Refund/ adjustment of un-spent balance	Closing Balance Restricted Fund 30-Jun-20
RESTRICTED GRANTS												
1 TDEA-Women's Enjoyment of Rights & Leadership (WRL)		3,229,058	-	-	-	-	-	-	2,617,018	2,617,018	-	612,0
2 TDEA-Excess to Women workers to Market (EWAM)		3,364,480	8,137	-	-	-	-	-	3,012,461	3,012,461	-	360,1
3 TDEA-Local Action for Democratic & Inclusive Respons(LDR)		1,368,514	-	-	304,521	-	-	-	1,673,035	1,673,035	-	
4 TDEA-Electoral Quality Inclusiveness in Pakistan(EQUIP)		391,666	-	-	322,313	-	-	-	713,979	713,979	-	
	-	8,353,718	8,137	-	626,834	-	-	-	8,016,493	8,016,493	-	972,1



WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2021

1 STATUS AND PRINCIPAL ACTIVITIES

Walfare 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, 2021**

4 PROPERTY, PLANT AND EQUIPMENTS

Description	C		T	Rate %	D E P R E C I A T I O N			WDV as at June 30, 2021
	As at July 01, 2020	Additions during the year	As at June 30, 2021		As at July 01, 2020	For the year	As at June 30, 2021	
Land	375,000		375,000	-	-		-	375,000
Buildings	500,000		500,000	10	135,500	37,000	172,500	327,500
Furniture & Fixture	70,466		70,466	20	30,471	7,999	38,470	31,996
Computer & Printers	-		-	-	-	-	-	-
Office Equipment	25,000	21,000	46,000	20	7,880	7,624	15,504	30,496
Generators	-	-	-		-		-	-
Vehicle	-	-	-		-		-	-
30-06-2021	970,466	21,000	991,466		173,851	52,623	226,474	764,992
30-06-2020	955,466	15,000	970,466		119,072	54,779	278,851	796,615



**WELFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2021**

	NOTE	2021 [RUPEES]	2020 [RUPEES]
5 Receivable from Donors			
LADIR Project		304,521	393,625
EQUIP Project		322,313	
		<u>626,834</u>	<u>393,625</u>
6 Advances, Deposits & Prepayments			
Micro Credit Advance		923,309	923,309
Withholding Tax		79,624	26,388
Security Deposit		54,000	54,000
Staff Operational Advances		18,832	-
		<u>1,075,765</u>	<u>1,003,697</u>
7 Accrual & other liabilities			
Payable to vendors		305,410	110,719
Salaries Payable		-	765,000
Income Tax Payable		-	-
		<u>305,410</u>	<u>875,719</u>
8 Actual Receipt			
TDEA WEREL		-	622,530
TDEA WABW		-	87,949
		<u>-</u>	<u>710,479</u>



WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2021

	NOTE	2021 [RUPEES]	2020 [RUPEES]
9 Program cost			
TDEA (WE RE Leaders)		2,617,018	721,143
TDEA (Women Action for Better Workplace)-EWAM		3,012,461	476,881
TDEA-Local Action for Inclusive Response to Covid-19 LDR		1,673,035	-
TDEA-Electoral Quality & Inclusiveness in Pakistan (EQUIP)		713,979	-
		8,016,493	1,198,024

10 Operational and Support Cost

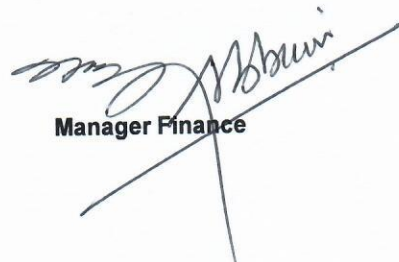
WAJ- Staff salaries & benefits	68,408	5,313
WAJ-Staff travel, Perdiem,board lodg.	-	154,600
WAJ- Office building rent & maintenance	-	4,234
WAJ-Utilities, electricity,gas,water	-	20,780
WAJ-Communication cost	2,870	5,752
WAJ-Office supplies	658	24,112
WAJ-Printing and stationery	250	3,100
WAJ- Equipment repair and maintenance	-	-
WAJ- Software dev cost	-	-
WAJ- vehicle running cost	-	-
WAJ-POL for generator	-	-
WAJ- Staff hiring and orientation	-	-
WAJ- Bank charges	36,465	12,747
WAJ-Depreciation charges	64,623	54,779
WAJ- Legal expenses	-	-
WAJ-Audit Fee & expenses	25,000	30,000
WAJ- Networking and linkages	-	10,000
	198,274	325,417

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.


Manager Finance


Executive Director

