



WELFARE ASSOCIATION JARED

Financial Statements for the year 2022-23



ISHFAQ & TAYYABA
Chartered Accountants



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Independent Auditor's Report

To the Trustees of Welfare Association Jared (WAJ)

Report on the Financial Statements

Opinion

We have audited the annexed financial statements of **M/s Welfare Association Jared (WAJ)**, which comprise of statement of financial position as at June 30, 2023, statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a 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, 2023 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.

Management is responsible for overseeing the entity's financial reporting process.



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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 auditor's report that includes our opinion. Reasonable level of assurance is a high level of assurance, but is 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 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:

Place: Islamabad

Engagement Partner: Ishfaq Ahmed, FCA

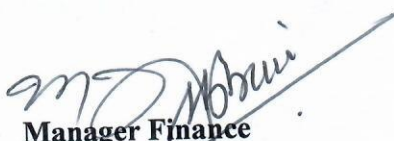
Ishfaq & Tayyaba
Chartered Accountants

ADVISORY • ASSURANCE •

WELFARE ASSOCIATION JARED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	NOTES	2023 [RUPEES]	2022 [RUPEES]
NON CURRENT ASSETS			
Property, plant & equipment	4	782,639	744,704
CURRENT ASSETS			
Receivable from Donors	5	1,286,684	651,815
Advances, deposits & prepayments	6	245,450	228,747
Cash & bank balances		468,824	345,706
		2,000,958	1,226,268
		<u>2,783,597</u>	<u>1,970,972</u>
General Fund		2,085,575	1,858,313
Accumulated Surplus		(1,574,715)	(1,538,710)
		<u>510,860</u>	<u>319,603</u>
CURRENT LIABILITIES			
Accrual & other liabilities	7	1,291,083	628,335
Donors Restrected Fund		981,654	1,023,034
		<u>2,272,737</u>	<u>1,651,369</u>
		<u>2,783,597</u>	<u>1,970,972</u>

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


Manager Finance


Executive Director

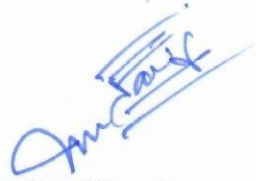


**WELFARE ASSOCIATION JARED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDING JUNE 30, 2023**

	NOTES	2023 [RUPEES]	2022 [RUPEES]
INCOME			
Grants from Donors		20,781,673	14,863,734
Other income		293,005	199,704
Total Income		21,074,678	15,063,438
EXPENDITURE			
Program Cost	8	20,781,673	14,863,734
Operational & Support cost	9	329,010	265,046
Total expenditure		21,110,683	15,128,780
EXCESS/(DEFICIT) OF INCOME OVER EXPENDITURE		(36,005)	(65,342)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the Period		-	-
EXCESS/ (DEFICIT) FOR THE YEAR		(36,005)	(65,342)
Accumulated Surplus Brought Forward		(1,538,710)	(1,473,368)
Accumulated Surplus Carried Down		(1,574,715)	(1,538,710)

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


Manager Finance


Executive Director



WALFARE ASSOCIATION JERAD

CONSOLIDATED NOTES TO THE ACCOUNTS

INCOME AND EXPENDITURE ACCOUNT

Restricted
Grants

GL Code	RESTRECTED GRANTS	Balance as at July-1- 2022	Add: Funds received 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 expenditures	Less: Grant Income recognized for the year as per expenditure incurred	Refund/ adjustment of un-spent balance	Closing Balance in Restricted Fund 30-Jun-2023
4004	TDEA-Excess to Women workers to Market (EWAM)	120,817	67,600	-	-	-	-	-	-	100,000	100,000	-	88,417
4005	TDEA-Women's Enjoyment of Rights & Leadership (WRL)	849,156	4,695,105	-	-	-	-	-	-	4,723,897	4,723,897	-	820,364
4015	TDEA-Electoral Quality Inclusiveness in Pakistan(EQUIP)	-	4,577,180	-	-	96,268	-	-	-	4,673,448	4,673,448	-	-
4017	CFLI-Canadian funds for Local initiatives in Kaghan Valley Tehsil Balakot	53,061	-	-	-	-	-	-	-	-	-	-	53,061
4018	TDEA-Enhancing Women Political & Electrol Process EWPEP	-	5,119,575	-	-	-	-	-	-	5,119,575	5,119,575	-	-
4019	Flood Affecties in District Kohistan	-	4,344,149	-	-	1,190,416	-	-	-	5,534,565	5,534,565	-	-
4020	Strengthening Citizen's Engagement in Accountability CPDI	-	650,000	-	-	-	-	-	-	630,188	630,188	-	19,812
		1,023,034	19,453,609	-	-	1,286,684	-	-	-	20,781,673	20,781,673	-	981,654



WALFARE ASSOCIATION JERAD
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING JUNE 30, 2023

	NOTES	2023 [RUPEES]	2022 [RUPEES]
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (Deficit) for the Period/year		(36,005)	(65,342)
<i>Adjustment for Non-cash items:</i>			
Depreciation on property plant & equipment	4	65,065	51,488
Payable Against various activities		<u>-</u>	<u>-</u>
		29,060	(13,854)
(Increase)/Decrease in current assets & current liabilities:			
Grants receivables		(634,869)	(24,981)
Advances, deposits & prepayments		(16,703)	847,018
Accrual & other liabilities		662,748	322,925
		11,176	1,144,962
Net cash flows from operating activities	A	<u>40,236</u>	<u>1,131,108</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Unrestricted Assets		-	-
Fixed Assets		(103,000)	(31,200)
Net cash flows from investing activities	B	<u>(103,000)</u>	<u>(31,200)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
General Fund Introduce (Members Contribution)		185,882	(872,471)
Net cash flows from financing activities	C	<u>185,882</u>	<u>(872,471)</u>
Cash flow during the period/year (A+B+C)		123,118	227,437
Cash and cash equivalent at the beginning of the year		345,706	118,269
Cash and cash equivalent at the end of the period/year		<u>468,824</u>	<u>345,706</u>

[Signature]
Manager Finance



[Signature]
Executive Director

WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2023

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, children 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 for 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 reporting 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 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 financial statements and estimates with significant risk of material misstatement in the next year mainly relates to 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 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.

3.41 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 legally 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 expense. 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, 2023

4 PROPERTY, PLANT AND EQUIPMENTS

Description	C O S T			Rate %	D E P R E C I A T I O N			WDV as at June 30, 2023
	As at July 01, 2022	Additions during the year	As at June 30, 2023		As at July 01, 2022	For the year	As at June 30, 2023	
Land	375,000		375,000	-	-	234,725	375,000	
Buildings	500,000		500,000	10	205,250	59,700	265,275	
Furniture & Fixture	89,666	14,000	103,666	20	48,709	-	43,966	
Computer & Printers	-	89,000	-	-	-	48,602	-	
Office Equipment	58,000		147,000	20	24,003	-	98,398	
Generators	-		-		-	-	-	
Vehicle	-		-		-	-	-	
30/06/2023	1,022,666	103,000	1,125,666		277,962	343,027	782,639	
30/06/2022	991,466	31,200	1,022,666		226,474	277,962	744,704	
	(31,200)	(71,800)	(103,000)	-	(51,488)	(65,065)	(37,935)	



WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2023

	NOTE	2023 [RUPEES]	2022 [RUPEES]
5 Receivable from Donors			
EQUIP Project		96,268	323,151
SMF Project		-	99,719
EWPEP Project		-	228,945
IDEA-Kohistan flood		1,190,416	
		<u>1,286,684</u>	<u>651,815</u>
6 Advances, Deposits & Prepayments			
Withholding Tax		166,450	126,635
Security Deposit		54,000	54,000
Others Receivables		-	20,000
Staff Operational Advances		25,000	28,112
		<u>245,450</u>	<u>228,747</u>
7 Accrual & other liabilities			
Others Payable		1,291,083	580,035
Salaries Payable		-	48,300
Income Tax Payable		-	-
		<u>1,291,083</u>	<u>628,335</u>



WALFARE ASSOCIATION JERAD
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING JUNE 30, 2023

	NOTE	2023 [RUPEES]	2022 [RUPEES]
8 Program cost			
TDEA (WE RE Leaders)		4,723,897	3,989,245
TDEA (Women Action for Better Workplace)-EWAM		100,000	2,464,497
TDEA-Electoral Quality & Inclusiveness in Pakistan (EQUIP)		4,673,448	3,202,544
Strengthening Media Freedom and Civic Space in Pakistan		-	1,770,646
Canadian Funds For Local Initiatives in Kaghan Valley		-	3,207,857
Enhancing Women's Political and Electoral Participation		5,119,575	228,945
Flood Affecties in Kohistan-IDEA		5,534,565	-
Strengthening Citizen's Engagement-CPDI		630,188	-
		20,781,673	14,863,734

9 Operational and Support Cost

WAJ- Staff salaries & benefits	145,292	24,000
WAJ-Staff travel, Perdiem,board lodg.	8,777	22,370
WAJ- Office building rent & maintenance	-	14,990
WAJ-Utilities, electricity,gas,water	27,870	30,166
WAJ-Communication cost	7,959	9,908
WAJ-Office supplies	25,618	23,065
WAJ-Printing and stationery	-	11,480
WAJ- Equipment repair and maintenance	3,000	13,520
WAJ- Software dev cost	-	-
WAJ- vehicle running cost	-	-
WAJ-POL for generator	-	-
WAJ- Staff hiring and orientation	-	-
WAJ- Bank charges	20,428	29,059
WAJ-Depreciation charges	65,066	51,488
WAJ- Legal expenses	-	-
WAJ-Audit Fee & expenses	25,000	15,000
WAJ- Networking and linkages	-	20,000
	329,010	265,046

10 AUTHORIZATION

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

11 GENERAL

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

