INDEPENDENT AUDITOR'S REPORT

To members of ***KAUS-E-KAZAH WELFARE ORGANIZATION***

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of ***KAUS-E-KAZAH WELFARE ORGANIZATION*** which comprises of balance sheet of as at June 30, 2023 and related profit and 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 balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2023 and of the profit, its cash flows and changes in equity for the period then ended.

Basis of 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 disclosed in Auditor's Responsibilities for the audit of the Financial Statements section of our report. We were independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the relevant institute (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 audit opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs)' issued by IASB and the requirements of the Companies Act, 2017, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ALI ARSHAD & CO.
Cost & Management Accountants

However, future events or conditions may cause the company to cease to continue as 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 board of directors, 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.

We also provide board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Based upon our audit, we further report that in our opinion:

a) Proper books of accounts have been kept by the company as required by the companies Act, 2017(XIX of 2017);

b) The balance sheet, profit and loss account, together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns and are further in accordance with the accounting policies consistently applied;

c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the company business; and

d) No zakat was deductible under the Zakat and Ushr Ordinance, 1980(XVIII of 1980).

AliArshad & Co.

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Cost & Management Accountants

ALI ARSHAD & CO.
Cost and Management Accountants
Ali Arshad-ACMA

Date: December 28, 2023
Place: Islamabad

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.
Boards of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 an opinion. Reasonable level of assurance s a high level of assurance, but is not guaranteed that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatement 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, 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 of 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 Company 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 company'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 up to the dates of our auditor's report.

ALI ARSHAD & CO. Cost & Management Accountants

KAUS-E-KAZAH WELFARE ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	NOTES	2023 Rupees	2022 Rupees
PROPERTY AND ASSETS			
Property and equipment	3	12,642,767	14,836,539
		12,642,767	**14,836,539**
CURRENT ASSETS			
Receivables - considered doubtful	4	-	800,000
Advances, deposits and prepayments	5	376,999	349,452
Cash and bank balances	6	1,587,909	119,436
		1,964,908	**1,268,888**
		14,607,675	**16,105,427**
EQUITY AND LIABILITIES			
Capital Fund	7	11,735,402	13,300,123
Accumulated fund	8	2,822,272	2,692,704
		14,557,675	**15,992,827**
CURRENT LIABILITIES			
Accrued and other liabilities	9	50,000	112,600
Provision for Taxation		-	-
		50,000	**112,600**
CONTINGENCIES AND COMMITMENT	10		
		14,607,675	**16,105,427**

The annexed notes form an integral part of these accounts.

AH&Co.

KAUS-E-KAZAH WELFARE ORGANIZATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

	NOTES	2023 Rupees	2022 Rupees
GRANTS AND INCOME			
Reciepts	11	5,152,000	5,535,076
Amortization of Deferred Grant	7	1,564,720	1,564,720
EXPENDITURE			
Project Expense	12	(401,083)	(2,240,541)
Administration expenditure	13	(6,186,069)	(5,412,484)
		(6,587,152)	**(7,653,025)**
Taxation			
Surplus/(deficit) for the year transferred to accumulated fund		**129,568**	**(553,229)**

The annexed notes form an integral part of these accounts.

KAUS-E-KAZAH WELFARE ORGANIZATION
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees
Balance as at Jun 30 2022	2,692,704
Surplus/Deficit for the Year	129,568
Balance as at Jun 30 2023	2,822,272

The annexed notes form an integral part of these accounts.

1 THE ORGANISATION AND ITS STATUS

Kaus-e-Kazah welfare organiztion is a nonprofit organization under the Voluntary social welfare Agencies ordinance, 1961. The entity started its operations on July 26, 2003. The entity is involved in the sepcial education and vocational training on non commercial basis. The registered office (central office) of the entity is changed from Bosan Road Multan to House No. 188, Street No. 7, Phase -II, Gulrez housing scheme, Rawalpindi.

2 ACCOUNTING POLICIES

The significant accounting policies being followed are summarised below:

2.1 Statement of compliance and significant estimates

These financial statements have been prepared in accounts with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and financial Reporting standards for small-sized (SSEs) issued by the Institute of Chartered Accountants of Pakistan, which have been adopted volunatarily by the management.

2.2 Critical Accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Entity's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

2.3 Accounting convention

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

2.4 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of fixed assets consists of purchase price and attributable cost in bringing the assets to their working conditions.

Depreciation is calculated and charged to income statement by applying the rate mentioned in the respective note using straights line method so as to write off the cost of operation fixed over their useful live. Full month's depreciation is charged in the month of addition and no depreciation is charged in the month of disposal. Asset's residual values and useful lives are reviewed at each financial year end and adjusted for their intended use.

Normal repair and maintenance is charged to income statement as and incurred, whereas, major renewals and improvements are included in asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the entity and the cost of the items can be measured reliably. All other expenses are charged to income statements during the period in which they are incurred.

The Carrying amount of the assets is reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication that the carrying amount exceeds recoverable amount exists, an impairment loss is recognized in the income statements of the period.

2.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the statement of financial position. For the purpose of cash flow statements, cash and cash equivalents comprise cash in hand, cash at bank in current and saving accounts.

2.6 Government Grant

Restricted Grant
Grants related to income are recognized on a systematic basis as income over the periods necessary to match
Grants related to fixed assets are presented in the balance sheet by setting up the funds against capital
Unrestricted Grant
Geneal funds received from the donor are recognized when received

2.7 Revenue recognition

Revenue is recognized on accrual basis.

KAUS-E-KAZAH WELFARE ORGANIZATION
FIXED ASSETS SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

3 **Property, plant and equipment**

PARTICULARS		COST				DEPRECIATION					WRITTEN DOWN
		AS ON 01 JULY 22	ADDITIONS	(DELETIONS)	AS ON 30 JUNE 23	RATE %	AS ON 01 JULY 22	ON (DELETIONS)	FOR THE YEAR	AS ON 30 JUNE 23	VALUE AS ON 30 JUNE 23
School Building on leasehold land		15,647,203			15,647,203	10	2,347,080		1,564,720	3,911,800	11,735,403
Furniture and fixture		540,785	-	-	540,785	15	540,785	-		540,785	-
Office Equipment		860,387			860,387	15	860,387			860,387	-
Motor Vehicles		1,738,310	-	-	1,738,310	15	1,738,310	-		1,738,310	-
Books & Periodicals		6,561			6,561	15	6,561			6,561	-
Projects Equipment		3,465,263	80,000	-	3,545,263	20	1,928,847	-	709,053	2,637,899	907,364
2023		**22,258,509**	**80,000**	-	**22,338,509**	**90**	**7,421,970**	-	**2,273,773**	**9,695,743**	**12,642,767**
2022	**Rupees**	**22,258,509**	-		**22,258,509**		**5,164,197**		**2,257,773**	**7,421,970**	**14,836,539**

KAUS-E-KAZAH WELFARE ORGANIZATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
4 Recievables		
NBP Display and Production Center - considered doubtful	-	800,000
	-	**800,000**

5 ADVANCES, DEPOSITS AND PREPAYMENTS

Advance income tax*	316,999	316,999
Prepaid expense (Rent and Salary)	60,000	32,453
	376,999	**349,452**

6 CASH AND BANK BALANCES

Cash in hand	-	-
Cash at bank:		
Soneri Bank Limited Current Account *	1,563,350	3,641
Askari Bank Limited Current Account	24,559	115,795
	1,587,909	**119,436**

7 Capital Fund - School Building on Leasehold land

Balance at beginning of the year	13,300,123	14,864,843
Amortization for the year	(1,564,720)	(1,564,720)
Closing balance	**11,735,402**	**13,300,123**

This represents Grant received from the Consulate of Japan with HO in Karachi and treatment in the books will be to hold till project expiry in June 2024.

This grant contract was signed between the Consulate General of Japan and Kaus-e-Kazah Welfare Organization for the project for "Construction of primary girls school in Mehar, Dadhu Sindh" on 29th Jan, 2020. The grant was for ninety eight thousand nine hundred and sixty-nine Dollars (USD 98,969), or its local currency equivalent Pak Rupee (PKR 15,647,203) as of the date of the disbursement. Since the school building is completed the grant is treated as Capital Reserve and the relevant expenditure as deferred revenue Cost. SInce the buiding has been constructed over leasehold land for a period of twenty years. The grant has been transferred to Capital Reserve upon completion of School Building.

	2023 Rupees	2022 Rupees
8 ACCUMULATED FUND		
Balance at beginning	2,692,704	3,245,933
rnings for the year	129,568	(553,229)
Closing balance	**2,822,272**	**2,692,704**

9 ACCRUED AND OTHER LIABILITIES

Accrued Rent	-	62,600
Audit fee payable	50,000	50,000
	50,000	**112,600**

10 CONTINGENT LIABILITIES

Most of the grantor agencies, foreign as well as local, impose restrictions on utilization of funds and any alterations in use of funds without prior approval is disallowed. It is also required that the grantee should maintain all records related to the contract for a minimum period ranging between three to five years.

11 RECEIPTS

	2023 Rupees	2022 Rupees
Donations		
Donations From Individuals	2,226,500	1,152,328
Punjab Welfare Trust for the disabled	300,000	230,000
Reciepts as per Joint Operations Agreement	-	-
Total Donations	**2,526,500**	**1,152,328**
Grants		
Sindh Education Foundation	825,500	1,177,400
Junior Jinnah Trust	1,800,000	2,150,000
Caritas		230,000
Literacy Ilm-o-Hunar Project		595,348
Total Grant Revenues	**2,625,500**	**4,382,748**
Total Reciepts from Grants and Donations	5,152,000	5,535,076
Reciepts	**5,152,000**	**5,535,076**

12 PROJECT EXPENDITURE

	2023	2022
Program Expense		
Sindh Education Foundation Repairs expense	20,000	1,069,611
JJT Repair expense	-	69,190
Flood Relief and Food Rations	43,660	-
Ilm o Hunar literacy Project	20,000	10,395
Running cost of Girls Primary School Dadhu (Consulate General Of Japan Grant)	166,000	-
Fuel Cost borne by PWTD	115,965	141,143
Expense as Per Joint Ops Agreement	35,458	950,202
	401,083	**2,240,541**

13 ADMINISTRATION EXPENDITURE

	2023	2022
Salaries and Consultancies	1,401,526	1,689,300
Legal and Professional Fees	120,000	88,000
Utilities charges	143,912	89,437
Office supplies	209,579	131,424
Repair and maintenance	81,000	166,150
Audit fee	50,000	50,000
Printing and stationery	232,932	68,808
Travelling expenses	-	8,930
Communication expenses	27,500	20,340
Office rent	839,675	826,540
Bank charges	5,452	10,605
Miscellaneous	720	5,177
Depreciation	2,273,773	2,257,773
Doubtful Debts Written Off	800,000	-
	6,186,069	**5,412,484**

14 Impact of Global Warming On the Financial Statements

Once the Corona Virus receded, Global Warming has heavily affected Pakistan's economy, as recognized by Secretary General United Nations. Heavy rains have inundated many villages in Dadhu, Sindh and our School at Mehar is still surrounded by stagnant water all around.

15 Date of Authorization For Issue

The financial statements were authorized issued on ____________________ by the management commitee

16 Presentation Currency

The Financial statements have been presented in Pak Rupees, which is the NGO's presentation and fucntional Currency.Figures are rounded of to the nearest Rupee. The corresponding figures are rearranged/reclassified for the purpose of comparison in the financial statements. Appropriate disclosures are given in relevant notes in case of material rearrangement.

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