KOU-E-KKAZAH WELFARE ORGANIZATION

Statements of Accounts for The Year Ended 30 June 2019

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Independent Auditor's Report to the Management Committee

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Kous-E-Kazah Welfare Organization (NGO), which comprise the statement of financial position as at 30 June 2019, and the income and expenditure account, statement of changes in general fund 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 Kous-E-Kazah Welfare Organization as at 30 June 2019, and its financial performance and its changes in general fund for the year then ended in accordance with the accounting policies followed by such NGOs as described in note 2 to the financial statements.

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 NGO 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 accounting policies followed by such NGOs as described in note 2 to the financial statements, and for such internal control as the Management Committee determine 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 is responsible for assessing the NGOs 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 NGO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the NGOs 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 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 NGO's internal control.

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

Other Matter

The financial statements for the year ended 30 June 2018 were audited by another firm of Chartered Accountants who expressed an unqualified opinion as on 02 October 2018.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: Rashid Rahman Mir

LAHORE: 0 8 FEB 2020

KOUS-E-KAZAH WELFARE ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	NOTES	2019 Rupees	2018 Rupees
PROPERTY AND ASSETS			
Property and equipment	3	1,404,988	649,302
CURRENT ASSETS			
Receivables	4	575,000	-
Advances, deposits and prepayments	5	192,395	2,156,097
Cash and bank balances	6	180,488	35,311
		947,883	2,191,408
		2,352,871	**2,840,710**
EQUITY AND LIABILITIES			
Accumulated fund	7	2,038,566	2,476,295
CURRENT LIABILITIES			
Short term loan	8	200,000	-
Accrued and other liabilities	9	114,305	364,415
		314,305	364,415
CONTINGENCIES AND COMMITMENTS	10		
		2,352,871	**2,840,710**

The annexed notes 1 to 14 form an integral part of these financial statements.

Fauzia Mykheel

EXECUTIVE COORDINATOR

PRESIDENT

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KOUS-E-KAZAH WELFARE ORGANIZATION
INCOME OR EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	NOTES	2019 Rupees	2018 Rupees
GRANTS AND INCOME			
Receipts	11	6,941,868	9,760,270
EXPENDITURE			
Project expenditure	12	4,105,214	8,174,777
Administration expenditure	13	3,274,383	1,482,532
		7,379,597	9,657,309
Surplus/(deficit) for the year transferred to accumulated fund		(437,729)	102,961

The annexed notes 1 to 14 form an integral part of these financial statements.

Fauzia Mohseed
EXECUTIVE COORDINATOR

PRESIDENT

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KOUS-E-KAZAH WELFARE ORGANIZATION
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Rupees
Balance as at June 30, 2017	2,373,334
Surplus / (deficit) for the year	102,961
Balance as at June 30, 2018	2,476,295
Surplus / (deficit) for the year	(437,729)
Balance as at June 30, 2019	2,038,566

The annexed notes 1 to 14 form an integral part of these financial statements.

EXECUTIVE COORDINATOR **PRESIDENT**

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KOUS-E-KAZAH WELFARE ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 THE ORGANISATION AND ITS STATUS

Kous-e-Kazah Welfare Organization is a NGO registered with Social Welfare & Bait ul Mal Punjab under the Voluntary Social Welfare Agencies (Registration Controls) Ordinance, 1961. The entity started its operations on July 26, 2003. The entity is involved in the special education and vocational training on non commercial basis. The registered office (central office) of the entity is House No. 188, Street No. 7, Phase - II, Gulrez housing scheme, Rawalpindi.

2 ACCOUNTING POLICIES

The significant accounting policies being followed are summarized below:

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and financial Reporting standards for small-sized entities (SSEs) 2006 issued by the Institute of Chartered Accountants of Pakistan, which have been adopted voluntrily by the management.

2.2 Critical Accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards require 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 experiences, 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 or expenditure account by applying the rate mentioned in the respective note using straight line method so as to write off the cost of the assets over their useful lives. 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 or expenditure account as and when 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 or expenditure account 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 indication exists that the carrying amount exceeds recoverable amount, an impairment loss is recognized in the financial statements.

2.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the statement of financial position. These consist of cash in hand, cash at bank in current and saving accounts.

2.6 Revenue recognition

Revenue is recognized on accrual basis.

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3 Property, plant and equipment

PARTICULARS		COST					DEPRECIATION				WRITTEN DOWN
		AS ON 01 JULY 18	ADDITIONS	(DELETIONS)	AS ON 30 JUNE 19	RATE %	AS ON 01 JULY 18	ON (DELETIONS)	FOR THE YEAR	AS ON 30 JUNE 19	VALUE AS ON 30 JUNE 19
Furniture and fixture		540,785	-	-	540,785	15	429,168	-	81,118	510,286	30,499
Office equipment		860,387	-	-	860,387	15	860,387	-	-	860,387	-
Motor Vehicles		1,738,310	-	-	1,738,310	15	1,200,626	-	260,746	1,461,372	276,938
Books & periodicals		6,561	-	-	6,561	15	6,561	-	-	6,561	-
Projects equipment		-	1,258,510	-	1,258,510	20	-	-	160,959	160,959	1,097,551
2019	Rupees	**3,146,043**	**1,258,510**	-	**4,404,553**		**2,496,742**	-	**502,823**	**2,999,565**	**1,404,988**
2018	Rupees	**2,427,042**	**719,000**	-	**3,146,042**		**2,074,421**	-	**422,319**	**2,496,741**	**649,302**

KOUS-E-KAZAH WELFARE ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees

4 RECEIVABLES

	2019	2018
Grants & Assistance		
National Bank of Pakistan	500,000	-
Punjab Welfare Trust for Disabled	75,000	
	575,000	-

5 ADVANCES, DEPOSITS AND PREPAYMENTS

	2019	2018
Advance income tax	192,395	206,599
Advances and deposits	-	1,949,498
	192,395	2,156,097

6 CASH AND BANK BALANCES

	2019	2018
Cash in hand	178,989	-
Cash at bank:		
Current Account	1,499	35,311
	180,488	**35,311**

7 ACCUMULATED FUND

	2019	2018
Opening balance	2,476,295	2,373,334
Surplus / (deficit) for the year	(437,729)	102,961
Closing balance	**2,038,566**	**2,476,295**

8 SHORT TERM LOAN

	2019	2018
Short term loan	200,000	-

The loan is taken from Akhuwat Foundation and it is interest free. It will be repaid within a period of 12 months after the financial year end.

9 ACCRUED AND OTHER LIABILITIES

	2019	2018
Audit fee payable	34,800	-
Other payables	30,505	364,415
Payroll liabilities	49,000	-
	114,305	**364,415**

10 CONTINGENCIES & COMMITMENTS

The NGO is not exposed to any contingent liability and has not made any capital commitment at the statement of financial position date. (2018: Nil)

		2019 Rupees	2018 Rupees
11	**RECEIPTS**		
	Donations		
	From individuals	817,515	200,000
	Punjab Welfare Trust for the Disabled	225,000	-
	Receipt as per Joint Operations Agreement	155,600	-
		1,198,115	200,000
	Grants & Assistance		
	National Bank of Pakistan	2,550,000	-
	The Citizens Foundation	2,675,574	-
	Punjab Skills Development Fund	313,179	-
	From PWD	75,000	-
	Accumulated grants	-	9,560,270
	From Madani Madrassa	50,000	
	From Dicovery School System	80,000	
		5,743,753	9,560,270
		6,941,868	**9,760,270**
12	**PROJECT EXPENDITURE**		
	Programme expenses		
	National Bank of Pakistan	306,500	-
	The Citizens Foundation	396,610	-
	Punjab Skills Development Fund	45,824	-
	Expense as per Joint Operations Agreement	3,324,380	-
	Others	31,900	
	Accumulated expenditure	-	8,174,777
		4,105,214	**8,174,777**

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13 ADMINISTRATION EXPENDITURE

	2019 Rupees	2018 Rupees
Salaries and benefits	1,495,166	140,731
Legal and professional charges	15,000	51,712
Utilities	136,123	96,474
Office supplies	51,112	61,794
Repair and maintenance	42,500	18,427
Audit fee	34,800	20,000
Printing and stationery	60,200	18,267
Medical expenses	27,462	53,625
Travelling and conveyance	36,500	50,895
Communication	60,000	38,129
Office rent	799,000	500,000
Boarding and lodging	9,500	3,000
Bank charges	4,197	7,159
Depreciation	502,823	422,319
	3,274,383	**1,482,532**

14 PRESENTATION

The Financial Statements have been presented in Pak Rupees, which is also the NGO's presentation and functional currency. Figures are rounded off to the nearest Rupees. The corresponding figures are re-grouped/re-arranged for the purpose of comparison. Appropriate disclosure is given in relevant note in case of material rearrangement.

Fauzia Mgheel

EXECUTIVE COORDINATOR

PRESIDENT

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