

**FARZANA WELFARE ORGANIZATION (FWO),
FAIRY HOME SUKKUR
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Independent Auditor's Report

Opinion

We have audited the financial statements of **FARZANA WELFARE ORGANIZATION (FWO), FAIRY HOME SUKKUR**, which comprises the statement of financial position as at June 30, 2023, statement of profit or loss 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 of the Society for the year ended June 30, 2023 are prepared, in all material respects, in accordance with the applicable accounting standard 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 its financial performance for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to note 2.1 of the financial statements, which describes the basis of accounting. These financial statements are prepared to assist the Society for submission of their financial position to the regulatory authority. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the society and should not be distributed to parties other than as mentioned above. Our opinion is not modified in respect of this matter.

Responsibilities of Managements and Those Charged with Governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the applicable accounting standard as applicable in Pakistan for small sized entities and for such internal control as 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 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 International Standards on Auditing (ISAs) 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, 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 Society's internal control.
- 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 Society'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 Society to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 Paragraph

The financial statements of FARZANA WELFARE ORGANIZATION (FWO), FAIRY HOME SUKKUR for the year ended June 30, 2022 were audited by Sarwars Chartered Accountants who has expressed unqualified opinion on the financial statements on September 27, 2022.

The engagement partner on audit resulting in this independent auditors' report is Shan Ibrahim.



Shan Ibrahim & Co
Chartered Accountants
Lahore

SHAN IBRAHIM AND CO.
CHARTERED ACCOUNTANTS

Place: Lahore

Date: November 30, 2023

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**FARZANA WELFARE ORGANIZATION (FWO)
FAIRY HOME SUKKUR,
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	NOTE	2023 (Rupees)	2022 (Rupees)
<u>EQUITY AND LIABILITIES</u>			
GENERAL FUND			
Opening balance at the beginning of the year		2,698,420	6,208,184
Less: Deficit for the year		(30,829)	(3,509,764)
		2,667,591	2,698,420
Trade and other payables	4	15,000	15,000
		2,682,591	2,713,420
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant & equipment	5	710,159	675,958
CURRENT ASSETS			
Trade and other receivables	6	250,000	250,000
Cash and bank balance	7	1,722,432	1,787,462
		1,972,432	2,037,462
		2,682,591	2,713,420

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




FINANCE SECRETARY


GENERAL SECRETARY


CHAIRPERSON

**FARZANA WELFARE ORGANIZATION (FWO)
FAIRY HOME SUKKUR,
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023**

	NOTE	2023 (Rupees)	2022 (Rupees)
Revenue	8	13,430,000	6,164,000
Expenses	9	(13,458,049)	(9,671,204)
Operating profit		<u>(28,049)</u>	<u>(3,507,204)</u>
Financial charges		(2,780)	(2,560)
Deficit for the year		<u><u>(30,829)</u></u>	<u><u>(3,509,764)</u></u>



FINANCE SECRETARY

GENERAL SECRETARY

CHAIRPERSON

FARZANA WELFARE ORGANIZATION (FWO)
FAIRY HOME SUKKUR,
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

	NOTE	2023 (Rupees)	2022 (Rupees)
Profit before taxation		(30,829)	(3,509,764)
Adjustment for non-cash item:			
Depreciation		201,019	168,125
		<u>170,190</u>	<u>(3,341,639)</u>
WORKING CAPITAL CHANGES			
Other payables		-	-
Trade and other receivables		-	-
		-	-
Net Cash from Operating Activities	A	<u><u>170,190</u></u>	<u><u>(3,341,639)</u></u>
CASH FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(235,220)	(90,520)
Net Cash Used in Investing Activities	B	<u><u>(235,220)</u></u>	<u><u>(90,520)</u></u>
Net increase/(decrease)in cash and bank balances	(A+B)	(65,030)	(3,432,159)
Cash and bank balances at the beginning of the year		1,787,462	5,219,621
Cash and bank balances at the end of the year		<u><u>1,722,432</u></u>	<u><u>1,787,462</u></u>

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



FINANCE SECRETARY

GENERAL SECRETARY

CHAIRPERSON

**FARZANA WELFARE ORGANIZATION (FWO)
FAIRY HOME SUKKUR,
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 STATUS AND Location

FARZANA WELFARE ORGANIZATION (FWO), FAIRY HOME SUKKUR, located at Banglow No. A 26 Near Mohalla Government Employees Society, Shirkpur Road, Sukkur is registered under the Societies Registration Act XXI of 1860.

2 BASIS OF PREPARATION

These financial statements have been prepared on accrual basis of accounting.

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Accounting and Financial Reporting Standard (AFRS) for Small Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

2.2 Basis of measurement

This financial statement has been prepared under the historical cost convention.

2.3 Functional and presentation currency

This financial statement are presented in Pakistan Rupees which is the Organization's functional and presentational currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with AFRS for SSEs requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, 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 the carrying values of assts and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 General Fund

The general fund comprises of the accumulated surplus and deficit for which the SaCHA has specified an intention to support a particular aspect of activities together with income accruing directly to those funds. Any surplus is held until it is fully expended.

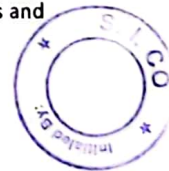
3.2 Trade and other payables

Trade payables are obligations under normal short-term credit terms. Liabilities for trade and other amounts payable are measured at fair value of the consideration paid or payable in future for goods and services.

3.3 Property, plant and equipment

Initial Recognition

All items of property, plant and equipment are initially recorded at cost.



FARZANA WELFARE ORGANIZATION (FWO)
FAIRY HOME SUKKUR,
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Subsequent measurement

Items of property, plant and equipment are measured using cost model at cost less subsequent accumulated depreciation and impairment losses, if any.

Depreciation

Depreciation is charged so as to write off the cost of assets (other than land) over their estimated useful lives, using the diminishing balance method at rates specified in note 5.1 to the financial statements. Depreciation is charged on the assets from the month of its acquisition whereas no depreciation is charged in the month of disposal.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Impairment

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

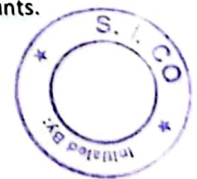
An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The CCF recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.5 Trade and other receivables

Trade and other receivables are measured at fair value of consideration received or receivable less an estimate made for doubtful receivables, if any based on a review of all outstanding amounts at the year end.

3.6 Cash and bank balances

Cash and bank balance are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and bank balance comprise cash in hand and with banks in current and saving accounts.



**FARZANA WELFARE ORGANIZATION (FWO)
FAIRY HOME SUKKUR,
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

3.7 Revenue

Income comprises Donations and Profit on Investment. It is measured by reference to the fair value of consideration received or receivable.

3.8 Expenses

All expenses are recognized in the income and expenditure account on accrual basis.

3.9 Financial charges

Financial charges comprise of interest accrued during the year on any loan or advances, and bank charges. Finance cost is recognized when incurred.



FARZANA WELFARE ORGANIZATION (FWO)
FAIRY HOME SUKKUR,
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	NOTE	2023 (Rupees)	2022 (Rupees)
4 TRADE AND OTHER PAYABLES			
Audit fee payable		15,000	15,000
		<u>15,000</u>	<u>15,000</u>
5 PROPERTY, PLANT & EQUIPMENT			
		<u>710,159</u>	<u>675,958</u>
6 TRADE AND OTHER RECEIVABLES			
Advances, deposits and prepayments		250,000	250,000
		<u>250,000</u>	<u>250,000</u>
7 CASH AND BANK BALANCE			
Cash at bank		1,720,326	1,786,522
Cash in hand		2,106	940
		<u>1,722,432</u>	<u>1,787,462</u>
8 REVENUE:			
Funds received from Indus Community Empowerment Foundation Sukkur		-	1,200,000
Funds received from Sindh Human Rights Commission		-	30,000
Funds received from Mr. Abdul Wahid Khoso		11,635,000	3,600,000
Funds received from Super Madina Group of Restaurants & Filling Stations		1,515,000	1,334,000
Other Donations		280,000	-
		<u>13,430,000</u>	<u>6,164,000</u>
9 EXPENSES			
Salaries to staff		2,686,950	1,863,000
Rent		1,283,500	1,200,000
Printing and stationery		321,896	19,429
Postage and courier charges		8,444	11,682
Utility expenses		319,283	242,747
Drinking water		72,210	51,230
Communication		29,560	49,140
Travelling and conveyance		1,050,971	924,288
Furniture repair		144,200	124,482
Electric repairs		57,142	48,810
Medical expenses		17,663	16,661
Boarding and lodging		5,367,497	3,769,818
Website charges		-	40,000
Depreciation	5.1	201,019	168,125
Miscellaneous Expenses		1,897,714	1,141,792
		<u>13,458,049</u>	<u>9,671,204</u>



FARZANA WELFARE ORGANIZATION (FWO)
 FAIRY HOME SUKKUR,
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

5.1 Property, plant and equipment

Depreciable Assets (Particulars/Description)	COST			DEPRECIATION			WRITTEN DOWN VALUE AS ON 30TH JUNE, 2022		
	BALANCE AS ON 1ST JULY, 2021 RUPEES	ADDITIONS DURING THE YEAR RUPEES	DISPOSALS DURING THE YEAR RUPEES	TOTAL AS ON 30TH JUNE, 2022 RUPEES	BALANCE AS ON 1ST JULY, 2021 RUPEES	RATE %		CHARGE FOR THE YEAR RUPEES	
Bedding	259,000	-	-	259,000	107,895	15%	22,665	130,561	128,439
Furniture and fixtures	214,000	-	-	214,000	89,148	15%	18,728	107,876	106,124
Computer and accessories	280,020	90,520	-	370,540	93,789	30%	83,025	176,814	193,726
Water dispenser	20,000	-	-	20,000	8,332	15%	1,750	10,082	9,918
UPS and solar plate	56,000	-	-	56,000	23,329	15%	4,901	28,229	27,771
Fans	36,000	-	-	36,000	14,997	15%	3,150	18,147	17,853
Washing machine	9,000	-	-	9,000	3,750	15%	788	4,537	4,463
Suing machine	33,650	-	-	33,650	12,398	15%	3,188	15,586	18,064
Ovens	10,000	-	-	10,000	4,166	15%	875	5,041	4,959
Security cameras	300,000	-	-	300,000	124,974	15%	26,254	151,228	148,772
LCD	20,000	-	-	20,000	8,332	15%	1,750	10,082	9,918
Air cooler	12,000	-	-	12,000	4,999	15%	1,050	6,049	5,951
TOTAL - 2022	1,249,670	90,520	-	1,340,190	496,107	-	168,175	664,232	675,958

5.2 Depreciation has been charged to expenses (2022: same as mentioned).

S.I.C
 18/06/2023

FARZANA WELFARE ORGANIZATION (FWO)
 FAIRY HOME SUKKUR,
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

5.1 Property, plant and equipment

Depreciable Assets (Particulars/Description)	COST				DEPRECIATION				WRITTEN DOWN VALUE AS ON 30TH JUNE, 2022
	BALANCE AS ON 1ST JULY, 2021	ADDITIONS DURING THE YEAR	DISPOSALS DURING THE YEAR	TOTAL AS ON 30TH JUNE, 2022	BALANCE AS ON 1ST JULY, 2021	RATE	CHARGE FOR THE YEAR	TOTAL AS ON 30TH JUNE, 2022	
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	%	RUPEES	RUPEES	
Bedding	259,000	-	-	259,000	130,561	15%	19,266	149,827	109,173
Furniture and fixtures	214,000	-	-	214,000	107,876	15%	15,919	123,795	90,205
Computer & accessories	370,540	235,220	-	605,760	176,814	30%	128,684	305,498	300,262
Water dispenser	20,000	-	-	20,000	10,082	15%	1,488	11,570	8,430
UPS and solar plate	56,000	-	-	56,000	28,229	15%	4,166	32,395	23,605
Fans	36,000	-	-	36,000	18,147	15%	2,678	20,825	15,175
Washing machine	9,000	-	-	9,000	4,537	15%	669	5,207	3,793
Suing machine	33,650	-	-	33,650	15,586	15%	2,710	18,295	15,355
Ovens	10,000	-	-	10,000	5,041	15%	744	5,785	4,215
Security cameras	300,000	-	-	300,000	151,228	15%	22,316	173,544	126,456
LCD	20,000	-	-	20,000	10,082	15%	1,488	11,570	8,430
Air cooler	12,000	-	-	12,000	6,049	15%	893	6,942	5,058
TOTAL - 2023	1,340,190	235,220	-	1,575,410	664,232	-	201,019	865,251	710,159



FARZANA WELFARE ORGANIZATION (FWO)
FAIRY HOME SUKKUR,
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10 FINANCIAL CHARGES

Bank charges	2,720	2,560
	<u>2,720</u>	<u>2,560</u>

11 COMPARATIVES

Corresponding figures have been rearranged and reclassified wherever necessary to reflect more appropriate presentation of events & transactions for the purpose of comparison. There are no such changes in the comparative figures which effect the financial results of the company.

12 CONTINGENCIES & COMMITMENTS

There are no capital commitments or contingent liabilities as at the statement of financial position date.

13 GENERAL

The figures have been rounded off to the nearest rupee.

14 Date of authorization for issue

These financial statements were authorized for issue by the board of trustees as on

NOVEMBER 28, 2023




FINANCE SECRETARY


GENERAL SECRETARY


CHAIRPERSON

CERTIFICATE OF REVISED REGISTRATION OF SOCIETIES

ACT XXI OF 1860

REGISTRATION NO. SK/ 1917 OF 2018-2019

I hereby certify that **FARZANA WELFARE ORGANIZATION (FWO)**

BUNGALOW NO:A-26 SUKKUR CO-OPERATIVE HOUSING SOCIETY SUKKUR

has this day been registered under the Societies Registration Act XXI of 1860.

Given under my hand at **Sukkur** this **TWENTY SEVENTH** day of **OCTOBER Two THOUSAND TWENTY TWO**.



**(KIFAYAT HUSSAIN LASHARI)
PROVINCIAL ASSISTANT REGISTRAR
JOINT STOCK COMPANIES
SUKKUR REGION SUKKUR**