

**FARZANA WELFARE ORGANISATION (FWO)  
AUDITED FINACIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

ATTION  
House,  
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**Independent Auditors' Report to the Members of Society**

**Opinion**

We have audited the annexed financial statements of **FARZANA WELFARE ORGANIZATION (FWO), FAIRY HOME SUKKUR** (the Society), which comprise the statement of financial position as at June 30, 2022, the statement of profit or loss, the statement of cash flow 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 purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of cash flow together with the notes forming part thereof in accordance with Revised Accounting and Financial Reporting Standards for Small Sized Entities (ARRS for SSEs) issued by Institute of Chartered Accountants of Pakistan in 2015, in the manner so required and respectively give a true and fair view of the state of the Society's affairs as at June 30, 2022, of its loss and cash flow for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the generally accepted auditing principles 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 Society 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 Statement**

The Society is responsible for the preparation of the financial statement in accordance with Revised Accounting and Financial Reporting Standards for Small Sized Entities (ARRS for SEEs) and Accounting Standards for Not for Profit Organizations issued by Institute of Chartered Accountants of Pakistan and for such internal control as the Society determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, Society is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Society 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 financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 the generally accepted auditing principles as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud

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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 the generally accepted auditing principles 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 statement, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Society 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 statement 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 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 Paragraph

The financial statements for the year ended June 30, 2021 were audited by Naeem & co Chartered Accountants who has expressed an unmodified opinion on these financial statements on August 28, 2021. The engagement partner on audit resulting in this independent auditor's report is Shan Ibrahim.

  
SARWARS  
CHARTERED ACCOUNTANTS



Place: Lahore  
Date: September 27, 2022

FARZANA WELFARE ORGANIZATION (FWO)  
FAIRY HOME SUKKUR,

STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30TH, 2022

	NOTE	2022 (Rupees)	2021 (Rupees)
<b>EQUITY AND LIABILITIES</b>			
<b>GENERAL FUND</b>			
Opening balance at the beginning of the year		6,208,184	6,078,590
Add: Surplus for the year transferred from statement of profit or loss		(3,509,764)	129,594
		2,698,420	6,208,184
<b>NON CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
	4	15,000	15,000
<b>TOTAL</b>		<b>2,713,420</b>	<b>6,223,184</b>
<b>ASSETS</b>			
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	5	675,958	753,563
<b>CURRENT ASSETS</b>	6	2,037,462	5,469,621
<b>TOTAL</b>		<b>2,713,420</b>	<b>6,223,184</b>

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 FINANCIAL POSITION  
AS AT JUNE 30TH, 2022

	NOTE	2022 (Rupees)	2021 (Rupees)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>GENERAL FUND</b>			
Opening balance at the beginning of the year		6,208,184	6,078,590
Add: Surplus for the year transferred from statement of profit or loss		(3,509,764)	129,594
		2,698,420	6,208,184
<b>NON CURRENT LIABILITIES</b>		-	-
<b>CURRENT LIABILITIES</b>	4	15,000	15,000
<b>TOTAL</b>		<b>2,713,420</b>	<b>6,223,184</b>
<b><u>ASSETS</u></b>			
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	5	675,958	753,563
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<b>TOTAL</b>		<b>2,713,420</b>	<b>6,223,184</b>

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**FARZANA WELFARE ORGANIZATION (FWO)  
FAIRY HOME SUKKUR,**

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30TH, 2022**

	NOTE	2022 (Rupees)	2021 (Rupees)
Revenue	7	6,164,000	6,753,745
Expenses	8	(9,671,204)	(6,562,116)
Operating Profit		<u>(3,507,204)</u>	<u>191,629</u>
Less: Financial Charges		(2,560)	(62,035)
Net Surplus for the year credited to the General Fund		<u><u>(3,509,764)</u></u>	<u><u>129,594</u></u>



**FINANCE SECRETARY**

**GENERAL SECRETARY**

**CHAIRPERSON**

FARZANA WELFARE ORGANIZATION (FWO)  
FAIRY HOME SUKKUR,

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30TH, 2022

NOTE	2022 (Rupees)	2021 (Rupees)
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	(3,509,764)	129,594
Adjustment for non-cash item:		
Depreciation	168,125	179,931
	168,125	179,931
Operating profit before working capital changes	(3,341,639)	309,525
<b>WORKING CAPITAL CHANGES</b>		
(INCREASE)/DECREASE IN CURRENT ASSETS	-	-
INCREASE/(DECREASE) IN CURRENT LIABILITIES	-	-
Cash generated from operations	(3,341,639)	309,525
Net Cash from Operating Activities	(3,341,639)	309,525
<b>CASH FROM INVESTING ACTIVITIES</b>		
(Increase) Fixed capital expenditure	(90,520)	(255,020)
Disposal of fixed assets	-	-
Net Cash Used in Investing Activities	(90,520)	(255,020)
<b>CASH FROM FINANCING ACTIVITIES</b>		
Net Cash Used in Financing Activities		
Net increase/(decrease) in cash and bank balances	(3,432,159)	54,505
Cash and bank balances at the beginning of the year	5,219,621	5,165,115
Cash and bank balances at the end of the year	1,787,462	5,219,621

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

  
FINANCE SECRETARY

  
GENERAL SECRETARY

  
CHAIRPERSON



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**1 STATUS AND Location**

FARZANA WELFARE ORGANIZATION (FWO), FAIRY HOME SUKKUR, located at Banglow No. A 41 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.





**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**3.3 Property, plant and equipment**

**Initial Recognition**

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

**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.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

3.4 Stock

These are stated at lower of cost and net realizable value. The cost is determined as follow:

Finished Goods

Weighted average cost method

3.5 Trade debts 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 cash equalients

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

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 intrset accrued during the year on any loan or advances, and bank charges. Finance cost is recongnized when incured.

3.10 Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.



FARZANA WELFARE ORGANIZATION (FWO)  
FAIRY HOME SUKKUR,

NOTES TO THE FINANCIAL STATEMENTS  
AS AT JUNE 30TH, 2022

Note No. 5.1  
FIXED ASSETS - TANGIBLE

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	ADJUSTMENTS		TOTAL AS ON 30TH JUNE, 2022
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	%	RUPEES	RUPEES	RUPEES	RUPEES
Bedding	259,000	-	-	259,000	107,895	15%	22,666	-	130,561	128,439
Furniture and Fixtures	214,000	-	-	214,000	89,148	15%	18,728	-	107,876	106,124
Computer & 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 & 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
<b>TOTAL - 2022</b>	<b>1,249,670</b>	<b>90,520</b>	<b>-</b>	<b>1,340,190</b>	<b>496,107</b>	<b>-</b>	<b>168,125</b>	<b>-</b>	<b>664,232</b>	<b>675,958</b>



Depreciable Assets (Particulars/Description)	COST			DEPRECIATION			WRITTEN DOWN VALUE AS ON 30TH JUNE, 2021		
	BALANCE AS ON 1ST JULY, 2020	ADDITIONS DURING THE YEAR	DISPOSALS DURING THE YEAR	TOTAL AS ON 30TH JUNE, 2021	BALANCE AS ON 1ST JULY, 2020	RATE		CHARGE FOR THE YEAR	TOTAL AS ON 30TH JUNE, 2021
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	%	RUPEES	RUPEES	RUPEES
Bedding	259,000	-	-	259,000	81,229	15%	26,666	107,895	151,105
Furniture and Fixtures	214,000	-	-	214,000	67,116	15%	22,033	89,148	124,852
Computer & Accessories	25,000	255,020	-	280,020	13,975	30%	79,814	93,789	186,232
Water Dispenser	20,000	-	-	20,000	6,273	15%	2,059	8,332	11,668
UPS & Solar Plate	56,000	-	-	56,000	17,563	15%	5,766	23,329	32,671
Fans	36,000	-	-	36,000	11,291	15%	3,706	14,997	21,003
Washing Machine	9,000	-	-	9,000	2,823	15%	927	3,750	5,250
Suing Machine	33,650	-	-	33,650	8,647	15%	3,750	12,398	21,252
Ovens	10,000	-	-	10,000	3,136	15%	1,030	4,166	5,834
Security Cameras	300,000	-	-	300,000	94,088	15%	30,887	124,974	175,026
LCD	20,000	-	-	20,000	6,273	15%	2,059	8,332	11,668
Air Cooler	12,000	-	-	12,000	3,764	15%	1,235	4,999	7,001
<b>TOTAL - 2021</b>	<b>994,650</b>	<b>255,020</b>	<b>-</b>	<b>1,249,670</b>	<b>316,176</b>	<b>-</b>	<b>179,931</b>	<b>496,107</b>	<b>753,563</b>



**FARZANA WELFARE ORGANIZATION (FWO)  
FAIRY HOME SUKKUR,**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30TH, 2022**

	2022 (Rupees)	2021 (Rupees)
<b>CURRENT LIABILITIES</b>		
Audit Fee Payable	15,000	15,000
	<u>15,000</u>	<u>15,000</u>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Tangible assets - as per note No. 5.1 attached	<u>675,958</u>	<u>753,563</u>
<b>CURRENT ASSETS</b>		
Advances, Deposits and Prepayments	250,000	250,000
<b>Cash at Bank:</b>		
Allied Bank	666,523	2,137,612
NRSP Microfinance Bank	1,119,999	3,021,807
Cash in Hand	940	60,202
	<u>2,037,462</u>	<u>5,469,621</u>
<b>REVENUE:</b>		
Funds received from Sukkur Municipal Corporation		500,000
Funds received from Indus Community Empowerment Foundation Sukkur	1,200,000	
Funds received from Sindh Human Rights Commission	30,000	25,000
Funds received from Mr. Abdul Wahid Khoso	3,600,000	
Funds received from Super Madina Group of Restaurants & Filling Stations	1,334,000	3,000,000
Donations and Monthly Subscriptions		3,228,745
	<u>6,164,000</u>	<u>6,753,745</u>
<b>EXPENSES:</b>		
Salaries to Staff	1,863,000	1,278,600
Rent	1,200,000	983,270
Printing and Stationery	19,429	144,835
Postage & Courier Charges	11,682	24,849
Utility Expenses	242,747	225,900
Drinking Water	51,230	38,660
Communication	49,140	47,180
Travelling and Conveyance	924,288	511,496
Building Repair & Maintenance		142,380
Furniture Repair	124,482	5,000
Electric Repairs	48,810	
Medical Expenses	16,661	6,057
Boarding and Lodging	3,769,818	2,127,732
Website Charges	40,000	40,000
Depreciation	168,125	179,931
Miscellaneous Expenses	1,141,792	806,226
	<u>9,671,204</u>	<u>6,562,116</u>



9- **FINANCIAL CHARGES**  
Bank charges and withholding tax

2,560      62,035

10- **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.

11- **CONTINGENCIES & COMMITMENTS**

There are no capital commitments or contingent liabilities as at the Statement of Financial Position date.

12- **Date of authorization for issue**

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

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13- **GENERAL**

The figures have been rounded off to the nearest rupee.



  
FINANCE SECRETARY

  
GENERAL SECRETARY

  
CHAIRPERSON