

**Charity Right Welfare Association
Financial Statements
For the year ended June 30, 2019**

Independent auditors' report to the Managing Committee

We have audited the accompanying financial statement of **Charity Right Welfare Association** which comprise of statement of financial affairs as at June 30, 2019, statement of financial activities, statement of changes in accumulated fund for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Managing Committee is responsible for the preparation and fair presentation of this financial statement in accordance with the approved accounting standards as applicable in Pakistan and for such internal control as the Managing Committee determines is necessary to enable the preparation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

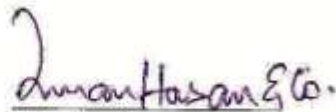
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Managing Committee, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the statement of financial affairs of **Charity Right Welfare Association** as at **June 30, 2019**, statement of financial activities for the period then ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: **07 OCT 2019**
Karachi


Chartered Accountants
Syed Imran H. Zaidi

CHARITY RIGHT WELFARE ASSOCIATION
STATEMENT OF FINANCIAL AFFAIRS
AS AT 30 JUNE, 2019

| | | June 30, 2019 | June 30, 2018 |
|--|-------|------------------|------------------|
| | Notes | <u>RUPEES</u> | <u>RUPEES</u> |
| NON CURRENT ASSETS | | | |
| Property and equipment | 5 | 1,429,424 | 442,747 |
| CURRENT ASSETS | | | |
| Advance tax | | 23,810 | 21,593 |
| Prepayments and Deposits | | 517,000 | 44,000 |
| Cash and bank balances | 6 | 9,049,218 | 13,873,419 |
| | | 9,590,028 | 13,939,012 |
| | | 11,019,452 | 14,381,759 |
| ACCUMULATED FUNDS AND LIABILITIES | | | |
| Accumulated funds | | 10,912,952 | 14,381,759 |
| Current Liabilities | | 106,500 | - |
| | | 11,019,452 | 14,381,759 |

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



PRESIDENT



GENERAL SECRETARY

CHARITY RIGHT WELFARE ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 30 JUNE, 2019

| | | June 30, 2019 | June 30, 2018 |
|---|-------|---------------|---------------|
| | Notes | <u>RUPEES</u> | <u>RUPEES</u> |
| FUND | | | |
| Funds utilized | 7 | 31,222,229 | 28,771,089 |
| | | 31,222,229 | 28,771,089 |
| EXPENSES | | | |
| Expenditure | 8 | 31,222,229 | 28,771,089 |
| | | 31,222,229 | 28,771,089 |
| SURPLUS / (DEFICIT) FOR THE PERIOD | | - | - |

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



PRESIDENT



GENERAL SECRETARY

CHARITY RIGHT WELFARE ASSOCIATION
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE PERIOD ENDED 30 JUNE, 2019

| | | 2019 | | | | |
|--------------|---|---|---|-------------------|-------------------------|-------------------|
| | Opening as on July 1, 2018 Rupees | Fund received for expenses Rupees | Contribution from management Rupees | Total Rupees | Fund utilized Rupees | 2019 Rupees |
| Fund | 14,381,759 | 27,753,422 | | 42,135,181 | (31,222,229) | 10,912,952 |
| Total | 14,381,759 | 27,753,422 | - | 42,135,181 | (31,222,229) | 10,912,952 |
| | | 2018 | | | | |
| | Opening as on July 1, 2017 Rupees | Fund received for expenses Rupees | Contribution from management Rupees | Total Rupees | Fund utilized Rupees | 2018 Rupees |
| Funds | 13,060,911 | 30,091,937 | | 43,152,848 | (28,771,089) | 14,381,759 |

The annexed notes form an integral part of these financial statement. *Mrs*



 PRESIDENT



 GENERAL SECRETARY

CHARITY RIGHT WELFARE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE, 2019

1 STATUS AND NATURE OF ACTIVITIES

The **Charity Right Welfare Association** is a non government and non profit organization, is created on 25th January 2016 and registered under the Societies Registration Act, XXI of 1860. The registered office is situated at 205, Continental Trade Centre, Block No. 8, Clifton, Karachi. The main object of the association is to reform and rehabilitate the homeless children and to promote education.

2 STATEMENT OF COMPLIANCE

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention and accrual basis of accounting except as otherwise disclosed in the accounting policies below.

2.2 Basis of preparation

These financial statements have been prepared in accordance with the requirements of the "Guideline For Accounting and Financial Reporting By Non-Government Organizations (NGOs) Non-Profit Organizations (NPOs)" issued by the Institute of Chartered Accountants of Pakistan (ICAP).

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to financial activities on straight line method so as to charge cost of an asset over its useful life, at rates mentioned in note to these financial statements.

Depreciation on additions is charged from the month in which an asset is put-to-use and on disposals, up to the month immediately preceding the disposals. Maintenance and normal repairs are charged to statement of financial activities as and when incurred.

Residual values and useful lives are reviewed at each statement of financial affairs date, if expectations differ from previous estimates.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged on straight line basis and on full year basis whereby full year amortisation is charged in the year of acquisition and no amortisation is charged in the year of disposal.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial affairs at recoverable amount. For the purpose of cash flow statement, cash and cash equivalents represents cash at bank in current account.

3.4 Creditors, accrued and other liabilities:

Creditors, accrued and other liabilities are recognised at cost which is the fair value of the consideration to be paid in future for goods and services. The recoverable amount is equal to fair value.

3.5 Deferred capital grant

Funds utilised for capital expenses are transferred from accumulated fund account to the deferred capital grant account, with an amount equal to the annual charge for depreciation on assets purchased being realised from this account and reflected as 'Grant income realised against assets' in the statement of financial activities.

3.6 Taxation

Charity Right Welfare Association is a not for profit organisation, therefore its total income except those arising from business activity is exempt from tax under sub clause (3) of clause 58 of Part I of Second Schedule to the Income Tax Ordinance, 2001.

3.7 Foreign currency transactions

Foreign currency transactions are recognised or accounted for into Pakistan Rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the exchange rate prevalent at the statement of financial affairs date. Exchange gains and losses on foreign currency translations are recognised in the statement of financial activities.

3.8 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is set off and the net amount is reported in the financial statements if Charity Right Welfare Association has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expense arising from such assets and liabilities are also set off accordingly.

3.9 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which Charity Right Welfare Association operates. The financial statements are presented in Pakistan Rupees, which is the functional and presentation currency of Charity Right Welfare Association.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved guidelines as referred to in note 2.2 to these financial statements requires the use of certain significant accounting estimates. It also requires management to exercise its judgment in the process of applying Charity Right Welfare Association's accounting policies.

Assumptions and estimates in determining the useful life and residual value of property, plant equipment and intangible assets involve a higher degree of judgment or complexity and are significant to the financial statements.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

5 Property and equipment

| Description | 2019 | | | RATE % | Accumulated depreciation | | | | Net book value June 30, 19 |
|-------------------------|-----------------------|----------------------------|------------------------|-----------|--------------------------|------------------------|-------------|------------------------|----------------------------------|
| | Cost | | | | As at July 1, 2018 | Charge for the year | Adjustments | As at June 30, 2019 | |
| | As at July 1, 2018 | Additions / (Deletions) | As at June 30, 2019 | | | | | | |
| ----- R U P E E S ----- | | | | | | | | | |
| Equipment | 547,691 | 785,226 | 1,332,917 | 20% | 164,980 | 266,585 | - | 431,565 | 901,354 |
| Furniture & Fixtures | 68,985 | 527,793 | 596,608 | 10% | 8,940 | 59,669 | - | 68,618 | 528,030 |
| | <u>616,676</u> | <u>1,312,929</u> | <u>1,929,605</u> | | <u>173,929</u> | <u>326,252</u> | <u>-</u> | <u>500,181</u> | <u>1,429,424</u> |

| Description | 2018 | | | RATE % | Accumulated depreciation | | | | Net book value June 30, 18 |
|-------------------------|-----------------------|----------------------------|------------------------|-----------|--------------------------|------------------------|-------------|------------------------|----------------------------------|
| | Cost | | | | As at July 1, 2017 | Charge for the year | Adjustments | As at June 30, 2018 | |
| | As at July 1, 2017 | Additions / (Deletions) | As at June 30, 2018 | | | | | | |
| ----- R U P E E S ----- | | | | | | | | | |
| Equipment | 277,212 | 279,479 | 547,691 | 20% | 55,442 | 109,538.20 | - | 164,981 | 382,710 |
| Furniture & Fixtures | 20,500 | 48,485 | 68,985 | 10% | 2,030 | 6,888.50 | - | 8,949 | 60,037 |
| | <u>297,712</u> | <u>318,964</u> | <u>616,676</u> | | <u>57,472</u> | <u>116,437</u> | <u>-</u> | <u>173,929</u> | <u>442,747</u> |

| | June 30, 2019 | June 30, 2018 |
|--------------------------------|-------------------|-------------------|
| | Rupees | Rupees |
| 6 Cash and bank balance | | |
| Cash in hand | 1,662,562 | 1,505,044 |
| Cash at bank | 7,386,656 | 12,368,375 |
| | <u>9,049,218</u> | <u>13,873,419</u> |
| 7 Fund utilized | <u>31,222,229</u> | <u>28,771,089</u> |
| 8 Expenditure | | |
| Ration Distribution | 9,381,714 | 12,600,108 |
| School Feeding Expenses | 10,970,906 | 8,262,903 |
| Salaries and allowances | 4,311,762 | 3,464,453 |
| Qurbani in Tharparker District | 2,739,840 | 2,339,330 |
| Cartage and labour | 922,566 | 932,648 |
| Visit Expense | 812,654 | 453,253 |
| Advertising & Marketing Exp | 21,000 | 39,729 |
| Office rent | 924,000 | 160,000 |
| Bank Charges | 5,391 | 6,430 |
| Printing and stationary | 46,890 | 47,384 |
| Utility expenses | 83,445 | 55,786 |
| Communication Expenses | 47,549 | 62,660 |
| Website Development | 12,410 | 13,150 |
| School fee | 211,781 | 29,900 |
| Entertainment Expense | 80,579 | 64,780 |
| Repair and maintenance | 156,232 | 73,694 |
| Legal and professional Charges | 19,440 | 19,244 |
| Vehicle Maintenance | 51,000 | 28,700 |
| Postages & Mailing | 5,830 | 500 |
| Misc Purchases | 90,988 | - |
| Depreciation | 326,252 | 116,437 |
| | <u>31,222,229</u> | <u>28,771,089</u> |

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9 Authorization

These financial statements were authorized for issue on 07 OCT 2019 by management committee.

10 General

Figures have been rounded off to the nearest rupee.



PRESIDENT



GENERAL SECRETARY