

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of **Vocational Welfare Society For Mental Retarded (Registered) Karachi**, as at June 30, 2019, including the statement of financial position, the statement of income and expenditure, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in accordance with the information provided as at June 30, 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with normal accounting practice.

In preparing the financial statements, Management is responsible for assessing the organization'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 management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.


Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to check that the financial statements are prepared in accordance with the information and explanations provided.

We audited the financial statement as per scope agreed with the management of the organization and report that the financial statement conforms with the information and explanation provided by the management.




Sandhu & Co.

Chartered Accountants
Muhammad Hussain Lakhani

Date: 12.5 NOV 2019
Karachi:

**VOCATIONAL WELFARE SOCIETY
FOR MENTALLY RETARDED (REGISTERED) KARACHI
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30,2019**

	Notes	2019 ----- Rupees -----	2018
ASSETS			
Non current assets			
Property, plant and equipment	4	2,037,642	1,971,991
Long term deposit		6,000	6,000
Investment in property		4,778,125	4,778,125
Therapy & Rehabilitation Centre (Work in progress)		6,542,104	2,650,409
		13,363,871	9,406,525
Currents Assets			
Cash and bank balance	5	3,372,487	5,258,295
Total assets		16,736,358	14,664,820
FUND AND LIABILITIES			
General fund			
Opening balance		9,646,366	8,463,869
(Excess of expenditure over income) /excess of income over expenditure		(594,009)	1,182,497
		9,052,357	9,646,366
Therapy & Rehabilitation Centre		6,334,001	4,800,000
Research Centre Fund		300,000	-
SDG's Awareness Program Fund		400,000	-
Youth Development Program Fund		300,000	-
		7,334,001	4,800,000
Current liabilities			
Accrued expenses		350,000	45,000
Loan from Mr.Zeeshan Siddiqui		-	173,454
		350,000	218,454
Total funds and liabilities		16,736,358	14,664,820

The annexed notes from 1 to 8 form an integral part of these financial statements.



SECRETARY



TREASURER

**VOCATIONAL WELFARE SOCIETY
FOR MENTALLY RETARDED (REGISTERED) KARACHI
STATEMENT OF INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019	2018		Note	2019	2018
	-----	Rupees	-----		-----	Rupees	-----
EXPENDITURE				INCOME			
Advertisement and publicity		20,310	666,968	Donation		5,484,636	9,340,146
Art and drawing program		243,353	355,060	Donation in kind		859,842	671,213
Academic education program		126,000	182,000	Zakat		6,122,000	5,933,630
Awareness program			-				
Audit fee		20,000	15,000			12,466,478	15,944,989
Bank charges		7,958	33,100				
Computer expense		30,460	59,165	Excess of expenditure over income		594,009	-
Conveyance		3,130	19,280				
Creative work program		84,000	23,820				
Donation			-				
Depreciation		358,349	347,478				
Electricity bill		137,369	126,661				
Entertainment expense		11,119	13,360				
Evening program		3,121,782	2,193,747				
Function expense		203,023	251,504				
Gardening expense		186,540	215,190				
Generator expense		29,992	160,372				
Health and nutrition		480,000	550,000				
Internet expense		11,000	12,500				
Miscellaneous expense		264,742	135,084				
Medical		500	10,125				
Physical therapy program		125,000	260,000				
Postage		176,843	364,571				
Photostat		21,173	39,378				
Research and development		960,000	1,969,750				
Printing and stationary		144,835	288,565				
Picnic		-	-				
Repair and maintenance - building		191,774	97,269				
Repair and maintenance - vehicle		153,364	230,785				
Skill development project		221,000	234,000				
Special education		639,000	546,000				
Staff salary		2,469,500	2,905,000				
Staff welfare		117,232	186,693				
School activities			-				
Spreading hope		492,000	310,490				
Spreading education		210,050	232,425				
Theray & Rehailitation Centre		249,040	-				
Telephone expense		106,267	138,080				
Transportation account		990,546	988,121				
Training seminar		10,646	-				
Uniform		69,122	80,100				
Women empowerment program		358,168	507,633				
Zoo expense		15,300	13,218				
		13,060,487	14,762,492				
Excess of income over expenditure		-	1,182,497				
		13,060,487	15,944,989			13,060,487	15,944,989

The annexed notes from 1 to 8 form an integral part of these financial statements.

SECRETARY

TREASURER

**VOCATIONAL WELFARE SOCIETY
FOR MENTALLY RETARDED (REGISTERED) KARACHI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1 STATUS AND NATURE OF BUSSINESS

The Society was registered in Pakistan under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961 on November 13, 1971.

The objectives of the Society is providing welfare and charitable services to the poor and needy people in Pakistan.

The registered office of the Society is situated at Adjacent, APWA College Compound ,Karimabad, F.B.Area, Karachi.

2 BASIS OF PREPARATION

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 Revised Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of Measurement

The accounts have been prepared under the historical cost convention

2.3 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupee (PKR) which is the Society's functional currency.

2.4 Use of Estimates and Judgments

The preparation of these financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where required assumptions and estimates are significant to the Society's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
a) Useful lives of depreciable assets	3.1
b) Impairment of assets	3.2

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, Plant and Equipment

These are stated at cost less accumulated depreciation. Depreciation charge is based on the reducing balance method. Full year's depreciation is charge on additions during the year while no depreciation is charged on assets disposed off during the year.

The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other operating income or expense. Maintenance and normal repairs are charged to income. Major renewals and improvements are capitalized.

Expenditure incurred subsequent to the initial acquisition of assets are capitalized only when it increases the future economic lives embodied in the items of property, plant and equipment.

3.2 Impairment

The carrying amount of the Society's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated and accordingly an impairment loss is recognized in the profit and loss account for the carrying amount of the asset that exceeds its recoverable amount.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash in hand and balances at banks which are subject to an insignificant risk of change in value.

3.4 Trade payables, accrued and other liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.5 Provisions

A provision is recognized in the balance sheet when the Society has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to current best estimate.

3.6 Financial assets and liabilities

Financial assets and financial liabilities are recognized when the Society becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are initially measured at cost which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

3.7 Income recognition

Income is recognised to the extent it is probable that the economic benefits will flow to the Society and the income can be measured reliably. Income is measured at the fair value of the consideration received or receivable.

4 PROPERTY, PLANT AND EQUIPMENT

NAME OF THE ASSETS	W.D.V.AS ON 01.07.2018	ADDITION / DELETION	TOTAL AS ON 30.06.2019	RATE	DEPRECIATION FOR THE YEAR	W.D.V.AS ON 30.06.2019
	-----Rupees-----			%	-----Rupees-----	
Building	66,532	-	66,532	10	6,653	59,878
Furniture	201,340	39,500	240,840	15	36,126	204,714
Educational Equipment	40,865	-	40,865	15	6,130	34,735
Office Equipment	16,623	156,000	172,623	15	25,894	146,730
Electric equipment	-	28,500	28,500	15	4,275	24,225
Computer	14,736	-	14,736	30	4,421	10,315
Motor Vehicle	1,551,170	-	1,551,170	15	232,676	1,318,495
Water Cooler	22,051	-	22,051	15	3,308	18,743
Generator	670	200,000	200,670	15	30,100	170,569
Motor Cycle	52,244	-	52,244	15	7,837	44,408
Printer	445	-	445	30	134	312
Wheel Chairs	5,314	-	5,314	15	797	4,518
	1,971,991	424,000	2,395,991		358,349	2,037,642

Notes

2019

2018

----- Rupees -----

5 CASH AND BANK BALANCE

Cash in hand	119,736	144,321
Cash at bank:		
- Current account	3,252,751	5,113,974
	<u>3,372,487</u>	<u>5,258,295</u>

6 RELATED PARTY TRANSACTION

The related parties comprise of entities over which the Trustees are able to exercise significant influence and key management employees. The Society has a policy whereby all transactions with related parties, are entered into at arm's length prices using the method as approved by the Board of Trustees. There were no transactions with the related parties at the year end.

	2019	2018
Zeeshan Siddiqui	-	173,454

7 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Trustees in their meeting held on 25 NOV 2019.

8 GENERAL

Figures have been rearranged and reclassified where necessary and have been rounded off to the nearest rupee.



 SECRETARY



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