FARZANA WELFARE ORGANIZATION (FWO)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of **Farzana Welfare Organization (FWO)**, which comprise the statement of financial position as at June 30, 2025, and the income and expenditure account and cash flow statement 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 the entity as at June 30, 2024 and of its financial performance for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

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 entity 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We also draw attention to note 1.2.1 which shows that the organization has not obtained tax exemption certificate from FBR, further the organization is not deducting withholding tax on payments to vendors or employees.

We draw attention to note 2.1 to 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 statement may not be suitable for another purpose. Our report is 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 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 approved accounting and reporting standards as applicable in Pakistan, 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 *entity;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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatement 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 Entity'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 Entity'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 Entity 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 internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Basharat Rasool.

Jasb & Associates

Chartered Accountants

Karachi

Dated: 30 SEP 2025

UDIN: AR202510452t0YQM4exD

FARZANA WELFARE ORGANIZATION (FWO)

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		(Rupees')	
EQUITY AND LIABILITIES			
GENERAL FUNDS			
Opening balance at the beginning of the year		2,335,193	2,667,591
Surplus / (deficit) for the year		3,106,118	(332,398)
		5,441,311	2,335,193
CURRENT LIABILITIES			
Other payables	4	50,000	35,000
TOTAL EQUITY AND LIABILITES		5,491,311	2,370,193
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,101,147	663,816
CURRENT ASSETS			
Deposits and prepayments	6	250,000	250,000
Cash and bank balances	7	3,140,164	1,456,377
		3,390,164	1,706,377
TOTAL ASSETS		5,491,311	2,370,193

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

FINANCE SECRETARY   GENERAL SECRETARY   CHAIRPERSON

FARZANA WELFARE ORGANIZATION (FWO)

INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		--------------(Rupees')--------------	
Income	8	13,925,739	12,476,440
Expenditure	9	(10,816,925)	(12,807,297)
Surplus/(deficit) for the year		3,108,814	(330,857)
Financial charges	10	(2,696)	(1,541)
Net surplus / (deficit) for the year		3,106,118	(332,398)

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

FINANCE SECRETARY

GENERAL SECRETARY

CHAIRPERSON

FARZANA WELFARE ORGANIZATION (FWO)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		------------(Rupees')------------	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus / (deficit) before taxation		3,106,118	(332,398)
Adjustments for :			
Depreciation		559,648	170,133
Surplus / (deficit) before working capital changes		3,665,766	(162,265)
Working Capital Changes			
Others Payables		15,000	20,000
Trade & Other Receivable		-	-
		15,000	
Net cash generated from /(used in) operating activities		3,680,766	(142,265)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of propert, plant & equipments		(1,996,980)	(123,790)
Net cash used in investing activities		(1,996,980)	(123,790)
Net (decrease)/increase in cash and bank balances (A+B)		1,683,786	(266,055)
Cash and cash equivalents at the beginning of the year		1,456,378	1,722,433
Cash and cash equivalents at the end of the year		3,140,164	1,456,378

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

FINANCE SECRETARY

GENERAL SECRETARY

CHAIRPERSON

FARZANA WELFARE ORGANIZATION (FWO)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. THE COMPANY AND ITS OPERATIONS

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

1.2 Other matters

1.2.1 The organization not deducting withholding tax from vendors payments.

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 reporting standards (AFRS) for small sized Entities (SSEs) issued by Institute of Chartered Accountant of Pakistan (ICAP).

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation Currency

These financial statements are presented in Pakistan Rupees which is Organization's functional and presentation currency.

2.4 Use of estimates and Judgments

The prepration of financial statements in conformity with AFRS for SSEs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experiance and various other factors that are beleived to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying vakues of the assets and liabilities taht 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 funds comprises of the accumulated surplus and deficit for which the SaCHA has specified an intention to support a particular aspect of activities togather 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 ceedit terms. Liabilities for trade and other amounts payable are measured at fair value of the consideration paid or paybale in future for goods and services.

3.3 Propert, Plant and equipment

Intitial Recognition

All items of Propert, Plant and equipment are initially recorded at cost.

Subsequest measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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. The diminishing balance method at the rates specified in notes 5.1 to the financial statements. Depreciation is charged on the assets from the month of its acqusition whereas no depreciation is charged in the month of disposal.

Disposal

The gain or loss arsing 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 regular basis. The effect of any changes in estimate is accounted for on prospective basis.

Impairment

The assets are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that 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 recognised in 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 revalution 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 recorgnises the reversal immediately in the statement of profit or loss, unless the asset is carried at revalued amount in accordance with revaluation model. Any reversal of an impairment loss of revalued asset is treated as revaluation increase.

3.4 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.

3.5 Cash and Bank balances

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

3.6 Revenue

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

3.7 Expenses

All expenses are recognized in the profit or loss account on accrual basis.

3.8 Financial Charges

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

		Note	2025	2024
			------------(Rupees')------------	
4	OTHER PAYABLES			
	Audit fee payable		50,000	35,000
			50,000	35,000
5	PROPERTY PLANT AND EQUIPMENT	5.1	2,101,147	663,816

5.1 PROPERTY, PLANT AND EQUIPMENT 2024

Depreciable Assets (Particular/Description)	COST				DEPRECIATION				WRITTEN DOWN VALUE AS ON 30 JUNE, 2024
	BALANCE AS ON IST JUY 2023	ADDITION DURRING THE YEAR	DISPOSALS DURRING THE YEAR	TOTAL AS ON 30 JUNE 2024	BALANCE AS ON IST JUY 2023	RATE	CHARGES FOR THE YEAR	TOTAL AS ON IST 30 JUNE 2023	
	Rupees				Rupees	%	Rupees		
Bedding	259,000			259,000	149,827.00	15%	16,376	166,203	92,797
Furniture and Fixture	214,000			214,000	123,795.00	15%	13,531	137,326	76,674
Computer & Accessories	605,760			605,760	305,498.00	30%	90,079	395,577	210,183
Water dispenser	20,000			20,000	11,570.00	15%	1,265	12,835	7,165
UPS and Solar plate	56,000			56,000	32,395.00	15%	3,541	35,936	20,064
Fans	36,000			36,000	20,825.00	15%	2,276	23,101	12,899
Washing machine	9,000			9,000	5,206.00	15%	569	5,775	3,225
Suing machine	33,650			33,650	18,296.00	15%	2,303	20,599	13,051
Ovens	10,000			10,000	5,785.00	15%	632	6,417	3,583
Security camras	300,000	123,790		423,790	173,544.00	15%	37,537	211,081	212,711
LCD	20,000			20,000	11,570.00	15%	1,265	12,835	7,165
Air cooler	12,000			12,000	6,942.00	15%	759	7,701	4,299
TOTAL- 2024	1,575,410	123,790		1,699,200	865,253		170,133	1,035,386	663,816

5.1 PROPERTY, PLANT AND EQUIPMENT- 2025

Depreciable Assets (Particular/Description)	COST				DEPRECIATION				WRITTEN DOWN VALUE AS ON 30 JUNE, 2025
	BALANCE AS ON IST JUY 2024	ADDITION DURRING THE YEAR	DISPOSALS DURRING THE YEAR	TOTAL AS ON 30 JUNE 2025	BALANCE AS ON IST JUY 2024	RATE	CHARGES FOR THE YEAR	TOTAL AS ON IST 30 JUNE 2025	
	Rupees				Rupees	%	Rupees		
Bedding	259,000		-	259,000	166,203	15%	13,920	180,123	78,877
Furniture and Fixture	214,000	409,980	-	623,980	137,326	15%	72,998	210,324	413,656
Computer & Accessories	605,760	860,000	-	1,465,760	395,577	30%	321,055	716,632	749,128
Water dispenser	20,000		-	20,000	12,835	15%	1,075	13,910	6,090
UPS and Solar plate	56,000		-	56,000	35,936	15%	3,010	38,946	17,054
Air Conditioner		150,000	1	149,999	-	15%	22,500	22,500	127,499
Fridge		95,000	-	95,000	-	15%	14,250	14,250	80,750
Fans	36,000		-	36,000	23,101	15%	1,935	25,036	10,964
Washing machine	9,000	80,000	-	89,000	5,775	15%	12,484	18,259	70,741
Sweing machine	33,650	132,000	-	165,650	20,599	15%	21,758	42,357	123,293
Ovens	10,000		-	10,000	6,417	15%	537	6,954	3,046
Security camras	423,790		-	423,790	211,081	15%	31,906	242,987	180,805
LCD	20,000	240,000	-	260,000	12,835	15%	37,075	49,910	210,090
Air cooler	12,000	30,000	-	42,000	7,701	15%	5,145	12,846	29,154
TOTAL- 2025	1,699,200	1,996,980		3,696,179	1,035,386		559,648	1,595,034	2,101,147

5.2 Depreciation has been charged to expenses.

		Note	2025	2024
			(Rupees)	
6	**DEPOSITS AND PREPAYMENTS**			
	Advances, deposits and prepayments		250,000	250,000
			250,000	250,000
7	**CASH AND BANK BALANCES**			
	Cash at bank		3,132,434	1,452,988
	Cash in hand		7,730	3,389
			3,140,164	1,456,377
8	**REVENUE**			
	Fund Received from Mr. Abdul Wahid Khoso		-	12,656,001
	Donations received		12,088,739	
	Donations in kind		1,837,000	-
			13,925,739	12,656,001
9	**EXPENSES**			
	Salaries to staff		2,761,000	2,628,000
	Rent expenses		1,562,100	1,420,500
	Printing & stationary		163,371	49,933
	Uniform & Liveries		58,800	-
	School fee		87,375	157,000
	Postage and courier charges		13,088	280
	Utility expenses		855,004	1,104,154
	Drinking water		12,180	58,480
	Communication		51,580	45,110
	Travelling and conveyance		156,000	295,250
	Furniture repair		3,000	-
	Machine repair		85,725	215,524
	Medical expense		6,069	9,443
	Boarding and lodging		93,570	165,000
	Depreciation		559,648	170,133
	Feeding / diet		3,180,359	4,568,725
	Audit fee		50,000	35,000
	Miscellaneous expenses		1,003,483	1,884,765
	Vocationl Parlor		114,573	-
			10,816,925	12,807,297
10	**FINANCIAL CHARGES**			
	Bank charges		2,696	1,541
			2,696	1,541

11 **COMPARATIVES**

Corresponding fingures has been rearranges and

12 **CONTINGENCIES AND COMMITMENTS**

13 **GENERAL**

Figures have been rounded off to the nearest rupees.

14 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements was authorized for issue by the Board of trustees as on 30 SEP 2025

FINANCE SECRETARY

GENERAL SECRETARY

CHAIRPERSON