

**Charity Right Welfare Association
Financial Statements
For the year ended June 30, 2018**

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, 2018, statement of financial activities, statement of changes in accumulated fund for the year 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 presents fairly, in all material respects, the statement of financial affairs of **Charity Right Welfare Association** as at **June 30, 2018**, statement of financial activities for the year ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: 26 DEC 2018
Karachi

 UHY Hassan Naeem & Co.
Chartered Accountants
Imran Iqbal

CHARITY RIGHT WELFARE ASSOCIATION
STATEMENT OF FINANCIAL AFFAIRS
AS AT 30 JUNE, 2018

		June 30, 2018	June 30, 2017
	Notes	<u>RUPEES</u>	<u>RUPEES</u>
NON CURRENT ASSETS			
Property and equipment	5	442,747	240,220
CURRENT ASSETS			
Advance tax		21,593	38,389
Prepayments and Deposits		44,000	-
Other receivable	6	-	320,000
Cash and bank balances	7	13,873,419	12,462,303
		13,939,012	12,820,692
		<u>14,381,759</u>	<u>13,060,911</u>
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds		14,381,759	13,060,911
		<u>14,381,759</u>	<u>13,060,911</u>

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



PRESIDENT



GENERAL SECRETARY

**CHARITY RIGHT WELFARE ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE, 2018**

		June 30,2018	June 30,2017
	Notes	<u>RUPEES</u>	<u>RUPEES</u>
FUND			
Funds utilized	8	28,771,089	14,373,662
		28,771,089	14,373,662
EXPENSES			
Expenditure	9	28,771,089	14,373,662
		28,771,089	14,373,662
SURPLUS / (DEFICIT) FOR THE PERIOD		-	-

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

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PRESIDENT



GENERAL SECRETARY

CHARITY RIGHT WELFARE ASSOCIATION
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE, 2018

		2018					
	Opening as on July 1, 2017 Rupees	Fund received for expenses Rupees	Contribution from management Rupees	Total Rupees	Fund utilized Rupees	2018 Rupees	
Fund	13,060,911	30,091,937	-	43,152,848	(28,771,089)	14,381,759	
Total	13,060,911	30,091,937	-	43,152,848	(28,771,089)	14,381,759	
		2017					
	Opening as on July 1, 2016 Rupees	Fund received for expenses Rupees	Contribution from management Rupees	Total Rupees	Fund utilized Rupees	2017 Rupees	
Funds	-	27,434,573		27,434,573	(14,373,662)	13,060,911	

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



PRESIDENT



GENERAL SECRETARY

CHARITY RIGHT WELFARE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2018

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.

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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	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 —			— R U P E E S —					
Equipment	277,212	270,479	547,691	20%	55,442	109,538	-	164,980	382,711
Furniture & Fixtures	30,500	48,485	68,985	10%	2,050	6,899	-	8,949	60,037
	<u>297,712</u>	<u>318,964</u>	<u>616,676</u>		<u>57,492</u>	<u>116,437</u>	<u>-</u>	<u>173,929</u>	<u>442,747</u>

Description	2017			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 —			— R U P E E S —					
Equipment	-	277,212	277,212		-	55,442	-	55,442	221,770
Furniture & Fixtures	-	30,500	30,500		-	2,050	-	2,050	18,030
		<u>297,712</u>	<u>297,712</u>		<u>-</u>	<u>57,492</u>	<u>-</u>	<u>57,492</u>	<u>240,220</u>

June 30, 2018 **June 30, 2017**
Rupees **Rupees**

6 Other receivable

Undeposited Funds

- 320,000

7 Cash and bank balance

Cash in hand

1,505,044 914,673

Cash at bank

12,368,375 11,547,630

13,873,419 12,462,303

8 Fund utilized

28,771,089 14,373,662

9 Expenditure

Ration Distribution

12,600,108 9,061,197

School Feeding Expenses

8,262,903 2,671,283

Salaries and allowances

3,464,453 1,307,278

Qurabani in Tharparker District

2,339,330 -

Cartage and labour

932,648 670,933

Visit Expense

453,253 221,656

Advertising & Marketing Exp

39,729 120,750

Office rent

160,000 90,000

Bank Charges

6,430 44,584

Printing and stationary

47,384 31,053

Utility expenses

55,786 21,540

Communication Expenses

62,660 19,200

Website Development

13,150 17,100

School fee

29,900 14,700

Entertainment Expense

64,780 10,050

Repair and maintenance	73,694	6,845
Staff Training	-	3,000
Legal and professional Charges	19,244	3,000
Vehicle Maintenance	28,700	2,000
Postages & Mailing	500	-
Depreciation	116,437	57,492
	<u>28,771,089</u>	<u>14,373,662</u>

10 Authorization

These financial statements were authorized for issue on 26 DEC 2018 by management committee.

11 General

Figures have been rounded off to the nearest rupee.



PRESIDENT



GENERAL SECRETARY