

## **MAHBOOB SHEIKH & Co.**

*Chartered Accountants*

Near Auto Plaza, Dera Adda,

L.M.Q. Road, Multan (Pakistan)

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### **INDEPENDENT AUDITOR'S REPORT TO THE MANAGING BODY**

#### **Opinion**

We have audited the financial statements of **PAKISTAN RURAL WORKERS SOCIAL WELFARE ORGANIZATION (PRWSWO)** which comprise of the statement of financial position as at June 30, 2021 and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows 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 Organization as at June 30, 2021, and of its financial performance and its cash flows 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 Organization 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 Statements**

The management is responsible for the preparation of the financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan and for such internal control as the management 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, the management is responsible for assessing the Organization 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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization financial reporting process.

#### **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 decision of users taken on the basis of these financial statements.

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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 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 omission, 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 Organization internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 condition that may cast significant doubt on the Organization'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 condition may cause the Organization 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.

*Mahboob*

**MAHBOOB SHEIKH AND COMPANY**  
**CHARTERED ACCOUNTANTS**

Engagement Partner: Mahboob Ahmad Sheikh

Dated: October 02, 2021

Location: Multan




PAKISTAN RURAL WORKERS SOCIAL WELFARE ORGANIZATION (PRWSWO)  
 BAHAWALPUR DIVISION, BAHAWALPUR  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2021

|   | Note | 2021<br>Rupees   | 2020<br>Rupees |
|---|------|------------------|----------------|
| <b>ASSETS</b>   |      |                  |                |
| <b>Non-Current Assets</b>                             |      |                  |                |
| Property and equipment                                | 6    | 473,845          | 63,225         |
| <b>Current Assets</b>                                 |      |                  |                |
| Advances, deposits, prepayments and other receivables | 7    | 264,702          | 264,702        |
| Cash and bank balances                                | 8    | 1,730,344        | 328,569        |
|   |      | 1,995,046        | 593,271        |
|   |      | <u>2,468,891</u> | <u>656,496</u> |
| <b>FUND AND LIABILITIES</b>                           |      |                  |                |
| General fund  |      | 1,243,572        | 64,878         |
| <b>Current Liabilities</b>                            |      |                  |                |
| Trade and other payables                              | 9    | 1,225,319        | 591,618        |
| Contingencies and commitments                         | 10   | -                | -              |
|   |      | <u>2,468,891</u> | <u>656,496</u> |

The annexed notes from 01 to 16 form an integral part of these financial statements.

  
 PRESIDENT

  
 EXECUTIVE DIRECTOR

  
 SECRETARY FINANCE

PAKISTAN RURAL WORKERS SOCIAL WELFARE ORGANIZATION (PRWSWO)  
 BAHAWALPUR DIVISION, BAHAWALPUR  
 STATEMENT OF INCOME AND EXPENDITURE  
 FOR THE YEAR ENDED 30 JUNE 2021

|   | Note | 2021<br>Rupees          | 2020<br>Rupees        |
|---|------|-------------------------|-----------------------|
| <b>INCOME</b>                           |      |                         |                       |
| Grant income                            | 11   | 12,711,555              | 6,282,558             |
| Other income                            |      | -                       | -                     |
|   |      | <u>12,711,555</u>       | <u>6,282,558</u>      |
| <b>EXPENDITURE</b>                      |      |                         |                       |
| Administrative and operational expenses | 12   | (11,532,861)            | (5,382,619)           |
| Surplus/ (deficit) before taxation      |      | <u>1,178,694</u>        | <u>899,939</u>        |
| Taxation                                |      | -                       | -                     |
| <b>Surplus/ (deficit) for the year</b>  |      | <u><u>1,178,694</u></u> | <u><u>899,939</u></u> |

The annexed notes from 01 to 16 form an integral part of these financial statements.

  
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 EXECUTIVE DIRECTOR

  
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PAKISTAN RURAL WORKERS SOCIAL WELFARE ORGANIZATION (PRWSWO)  
 BAHAWALPUR DIVISION, BAHAWALPUR  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2021

| Note   | 2021<br>Rupees   | 2020<br>Rupees |
|--|------------------|----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                     |                  |                |
| Surplus/ (deficit) before taxation                             | 1,178,694        | 899,939        |
| Adjustment for non-cash items:                                 |                  |                |
| Depreciation   | 87,150           | 16,199         |
| Finance cost   | 87,150           | 17,274         |
| Cash flow from operations before working capital changes       | 1,265,844        | 917,213        |
| <b>(Increase)/ decrease in current assets</b>                  |                  |                |
| Advances, deposits, prepayments and other receivables          |                  | (259,826)      |
| <b>(Decrease)/ increase in current liabilities</b>             |                  |                |
| Trade and other payables                                       | 633,701          | (400,765)      |
| Net cash generated from/ (used in) operations                  | 1,899,545        | 256,622        |
| Finance cost paid  | -                | (1,075)        |
| <b>Net cash generated from/ (used in) operating activities</b> | <b>1,899,545</b> | <b>255,547</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                     |                  |                |
| Increase / Decrease Fixed Assets                               | (497,770)        | -              |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                     |                  |                |
| Net increase/ (decrease) in cash and cash equivalents          | 1,401,775        | 263,952        |
| Cash and cash equivalents at beginning of the year             | 328,569          | 64,617         |
| Cash and cash equivalents at end of the year                   | <b>1,730,344</b> | <b>328,569</b> |

The annexed notes from 01 to 16 form an integral part of these financial statements.



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PAKISTAN RURAL WORKERS SOCIAL WELFARE ORGANIZATION (PRWSWO)  
BAHAWALPUR DIVISION, BAHAWALPUR  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 30 JUNE 2021

*Rupees*

Balance as at 30 June 2019  
Transfer of balance of closed projects  
Surplus/(Deficit) for the year ended 30 June 2020  
Balance as at 30 June 2020  
Surplus/(Deficit) for the year ended 30 June 2021  
Balance as at 30 June 2021

| GENERAL FUND | TOTAL     |
|--------------|-----------|
| (843,466)    | (843,466) |
| 8,405        |           |
| 899,939      | 899,939   |
| 64,878       | 64,878    |
| 1,178,694    | 1,178,694 |
| 1,243,572    | 1,243,572 |



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**PAKISTAN RURAL WORKERS SOCIAL WELFARE ORGANIZATION (PRWSWO)  
BAHAWALPUR DIVISION, BAHAWALPUR  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

Pakistan Rural Workers Social Welfare Organization (PRWSWO) was registered on February 2, 1998 under the Voluntary Social Welfare Agencies (VSWA) Registration and Control Ordinance, 1961 (XLVI of 1961). The registered office of the organization is situated at House No. 73, Street No.4, Qasim Town, Bahawalpur. It is a non-profit, non-governmental and non-political developmental organization struggling to aware, organize and help marginalized people in realizing their developmental, civil and the basic human rights.

**2 BASIS OF PREPARATION**

**2.01 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standard as applicable in Pakistan. Approved accounting standards comprise of accounting standard for NPO's issued by Institute of Chartered Accountants of Pakistan.

**3 FUNCTIONAL AND PRESENTATION CURRENCY**

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

**4 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

**5 SIGNIFICANT ACCOUNTING POLICIES**

**5.01 Property and equipment**

Operating fixed assets are stated at cost less accumulated depreciation.

Depreciation is taken to Income and expenditure account applying reducing balance method to write-off the cost over estimated remaining useful life of assets. Full year's depreciation is charged on additions while no depreciation is charged in the year of disposals. The gain or loss on disposal or retirement of an asset is recognized as an income or expense.

**5.02 Cash and cash equivalents**

Cash in hand and at bank are carried at cost. The cash and cash equivalents are subject to insignificant risk of change in value.

**5.03 Trade and other payables:**

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

**5.04 Grants and donations**

Grants and donations are recognized in accordance with the International Accounting Standards.

**5.05 Revenue recognition**

Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Organization.

**6 PROPERTY AND EQUIPMENT**

| PARTICULARS             | COST             |                      |                  | RATE % | DEPRECIATION     |               |                  | WRITTEN DOWN VALUE AS ON 30-06-2021 |
|-------------------------|------------------|----------------------|------------------|--------|------------------|---------------|------------------|-------------------------------------|
|                         | AS ON 01-07-2020 | ADDITION/ (DELETION) | AS ON 30-06-2021 |        | AS ON 01-07-2020 | FOR THE YEAR  | AS ON 30-06-2021 |                                     |
| Furniture and fixtures  | 121,887          | -                    | 121,887          | 15%    | 82,813           | 5,861         | 88,674           | 33,213                              |
| Air conditioner         | 6,485            | -                    | 6,485            | 15%    | 4,407            | 312           | 4,719            | 1,766                               |
| Generator               | 6,480            | -                    | 6,480            | 15%    | 4,402            | 312           | 4,714            | 1,766                               |
| Computer and equipments | 135,602          | -                    | 135,602          | 30%    | 115,607          | 5,999         | 121,606          | 13,996                              |
| 30-Jun-2021             | <b>270,454</b>   | -                    | <b>270,454</b>   | -      | <b>207,229</b>   | <b>12,484</b> | <b>219,713</b>   | <b>50,741</b>                       |
| 30-Jun-2020             | <b>270,454</b>   | -                    | <b>270,454</b>   | -      | <b>191,030</b>   | <b>16,199</b> | <b>207,229</b>   | <b>63,225</b>                       |

**6.01 Depreciation charge for the year as follows:**

|   | 2021<br>Rupees | 2020<br>Rupees |
|---|----------------|----------------|
| Administrative and operational expenses | 12,484         | 16,199         |
|   | <b>12,484</b>  | <b>16,199</b>  |

| PARTICULARS     | COST             |                      |                  | RATE % | DEPRECIATION     |               |                  | WRITTEN DOWN VALUE AS ON 30.06.2021 |
|-----------------|------------------|----------------------|------------------|--------|------------------|---------------|------------------|-------------------------------------|
|                 | AS ON 30.06.2020 | ADDITION/ (DELETION) | AS ON 30.06.2021 |        | AS ON 30.06.2020 | FOR THE YEAR  | AS ON 30.06.2021 |                                     |
| Cell phone      | -                | 68,500               | 68,500           | 15%    | -                | 10,275        | 10,275           | 58,225                              |
| Bicycle         |                  | 14,800               | 14,800           | 15%    |                  | 2,220         | 2,220            | 12,580                              |
| Projector       |                  | 52,000               | 52,000           | 15%    |                  | 7,800         | 7,800            | 44,200                              |
| Water Dispensor |                  | 17,000               | 17,000           | 15%    |                  | 2,550         | 2,550            | 14,450                              |
| CCTV Camera     |                  | 66,420               | 66,420           | 15%    |                  | 9,963         | 9,963            | 56,457                              |
| Tablet          |                  | 26,300               | 26,300           | 15%    |                  | 3,945         | 3,945            | 22,355                              |
| Voice Recorder  |                  | 6,500                | 6,500            | 15%    |                  | 975           | 975              | 5,525                               |
| Laptop          |                  | 140,000              | 140,000          | 15%    |                  | 21,000        | 21,000           | 119,000                             |
| Sound System    |                  | 13,600               | 13,600           | 15%    |                  | 2,040         | 2,040            | 11,560                              |
| UPS             |                  | 26,500               | 26,500           | 15%    |                  | 3,975         | 3,975            | 22,525                              |
| UPS Batteries   |                  | 30,000               | 30,000           | 15%    |                  | 4,500         | 4,500            | 25,500                              |
| Intercom        |                  | 36,150               | 36,150           | 15%    |                  | 5,423         | 5,423            | 30,727                              |
| 31-03-2021      | -                | <b>497,770</b>       | <b>497,770</b>   | -      | -                | <b>74,666</b> | <b>74,666</b>    | <b>423,104</b>                      |

**0.01 Depreciation charge for the year as follows:**

|   | 30.06.2021<br>Rupees |
|---|----------------------|
| Administrative and operational expenses | 74,666               |
|   | <b>74,666</b>        |

  
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|  | 2021<br>Rupees    | 2020<br>Rupees         |
|--|-------------------|------------------------|
| <b>7 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b> |                   |                        |
| Loan and advances  | 264,702           | 264,702                |
|  | <u>264,702</u>    | <u>264,702</u>         |
| <b>8 CASH AND BANK BALANCES</b>                                |                   |                        |
| Cash in hand   | 1,401             | 120,125                |
| Cash at bank   | 1,728,943         | 208,444                |
|  | <u>1,730,344</u>  | <u>328,569</u>         |
| <b>9 TRADE AND OTHER PAYABLES</b>                              |                   |                        |
| Trade and other payables                                       | 1,225,319         | 591,618                |
|  | <u>1,225,319</u>  | <u>591,618</u>         |
| <b>10 CONTINGENCIES AND COMMITMENTS</b>                        |                   |                        |
| Contingencies as at balance sheet date were Nil (2020: Nil).   |                   |                        |
| Commitments as at balance sheet date were Nil (2020: Nil).     |                   |                        |
| <b>11 GRANT INCOME</b>   |                   |                        |
| - Projects   |                   |                        |
| SELP Project -(TDEA/UNDP)                                      | 152,841           | -                      |
| ILO  | 559,580           | 350,000                |
| OXFAM  | 7,655,121         | 276,788                |
| UN-OHCHR   | 2,267,955         | -                      |
| LADIR  | 1,664,890         | 5,466,558              |
| MRGE   | 33,964            | 142,556                |
| PRWSWO Main Account  | 377,204           | 46,656                 |
|  | <u>12,711,555</u> | <u>6,282,558</u>       |
| <b>12 ADMINISTRATIVE AND OPERATIONAL EXPENSES</b>              | <b>Note</b>       | <b>2021<br/>Rupees</b> |
|  |                   | <b>2020<br/>Rupees</b> |
| Salaries and other benefits                                    |                   | 5,034,666              |
| P.O BOX FEE  |                   | 2,199,285              |
| Charity Commission Fee   |                   | 1,000                  |
| Hygein Items Expesce   |                   | 10,000                 |
| Transport (NRC)  |                   | 10,000                 |
| Entertainment / Refreshment                                    |                   | 116,411                |
| Radio Talkshow   |                   | 9,000                  |
| Press Conference Expense                                       |                   | 106,965                |
| Community Meeting Expense                                      |                   | 9,000                  |
| NRC Facilitation Expense                                       |                   | 26,142                 |
| MRV Facilitation Expense                                       |                   | 49,900                 |
| Journalist Training  |                   | 10,000                 |
| Advocacy Events Expense  |                   | 9,800                  |
| Volunteers Expense   |                   | 149,970                |
| Tax Expense  |                   | 276,340                |
| IEC Expense  |                   | 5,000                  |
| Staff Orientation Meeting                                      |                   | 13,450                 |
| PRA Training   |                   | 274,950                |
| Study Circles Expense  |                   | 204,410                |
| Rent A Car Expense   |                   | 75,000                 |
| 16 days of Activism Expense                                    |                   | 9,900                  |
|  |                   | 210,100                |
|  |                   | 287,757                |
|  |                   | 289,726                |
|  |                   | 66,330                 |
|  |                   | 892,290                |
|  |                   | 120,100                |
|  |                   | 1,135,640              |
|  |                   | -                      |
|  |                   | -                      |

|                                     |           |                   |                  |
|-------------------------------------|-----------|-------------------|------------------|
| Documentary Expense                 |           | 150,000           | -                |
| PCP Certification fee               |           | 175,400           | -                |
| Awareness Raising Seminar           |           | 987,805           | -                |
| Workshop of Local NGOs / CBOs       |           | 466,155           | -                |
| Training of Community Activist      |           | 204,550           | -                |
| Bi Monthly Meeting                  |           | 93,520            | -                |
| Communication                       |           | 129,740           | -                |
| Community meeting expenses          |           | 9,000             | -                |
| Office rent                         |           | 343,666           | 56,000           |
| Office Supplies                     |           | 41,330            | -                |
| Printing and stationery             |           | 224,068           | -                |
| BCI Member Ship Fee                 |           | 19,400            | 17,300           |
| Audit Fee                           |           | 120,000           | 7,350            |
| Travelling expense                  |           | 314,200           | 1,075            |
| Utility expenses                    |           | 139,861           | -                |
| Bank charges                        |           | 47,085            | -                |
| Depreciation                        | 6.01      | 87,150            | 16,199           |
|                                     |           | <u>11,532,861</u> | <u>5,382,619</u> |
| <b>12.01 Auditors' remuneration</b> | <b>50</b> | <b>11,532,811</b> |                  |
| Audit fee                           |           | 50,000            | 70,000           |
| Out of pocket expenses              |           | -                 | -                |
|                                     |           | <u>50,000</u>     | <u>70,000</u>    |

  
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**13 COMPATIVES**

Comparative Figures has been revised and restated wherever required for better Presentation.

**14 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE**

There were no non adjusting events after the balance sheet date.

**15 AUTHORIZATION OF FINANCIAL STATEMENTS**

These financial statements have been approved and authorized for issue on October 02, 2021.

**16 GENERAL**

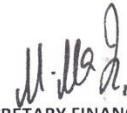
- Figures have been rounded off to the nearest of rupee, unless otherwise stated.
- Corresponding figures have been rearranged/ reclassified, wherever necessary, to facilitate comparison.



PRESIDENT



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