

A.G. Habib & Co.

Chartered Accountants



AUDITORS' REPORT TO THE MEMBERS OF GENERAL BODY

We have audited the annexed balance sheet of Nishat Welfare Organization, as at 30th June, 2013 and the related Income and Expenditure Account, Cash Flow Statement and Statement of Change in Net Assets together with the notes forming part thereof, (here – in – after referred to as the financial statements) for the year then ended.

It is the responsibility of the management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as Applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly in all material respects the financial position of Nishat Welfare Organization, as at 30th June, 2013 and of its Surplus, Cash Flow and Change in Net Assets for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.



A.G HABIL & CO.
Chartered Accountants

Engagement Partner.
Abdul Ghaffar
September 2nd , 2013
Karachi.

Karachi Office: 11/1 Hajee Mansion Shahrah-e-Liaquat (Frere Road), Adjacent to Govt. Woman College, Above Alfa Corporation, Karachi-75200
Ph: 021-32633948, Cell: 0331-3638017, 0313-2342017

E-mail: siryousuf99@yahoo.co.uk aghabibco@gmail.com, Web: www.aghabibco.com

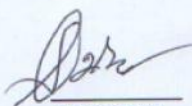
Hyderabad Office: Plot No. 219, Block-D, Saddat Colony, Unit No. 9, Latifabad, Hyderabad.



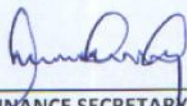
NISHAT WELFARE ORGANIZATION
BALANCE SHEET
AS AT 30 JUNE 2013

	Notes	2013 Rupees	2012 Rupees
ASSETS			
Non-current assets			
Property and equipment, net	3	793,782	405,973
Current assets			
Cash and cash equivalents	4	44,706	113,014
Other receivable	5	614,171	508,701
Total assets		1,452,659	1,027,688
LESS: LIABILITIES			
NET ASSETS		1,452,659	1,027,688
REPRESENTED BY:			
General fund	6	1,007,829	972,809
Surplus for the year		431,591	35,020
		1,439,420	1,007,829
Deferred credit		13,239	19,859
		1,452,659	1,027,688
Contingencies and Commitments	7		

The annexed notes form an integral part of these statements.


PRESIDENT
PRESIDENT
Nishat Welfare Organization
Hyderabad, Sindh, Pakistan




FINANCE SECRETARY
FINANCE SECRETARY
Nishat Welfare Organization
Hyderabad, Sindh, Pakistan.



NISHAT WELFARE ORGANIZATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 Rupees	2013 Rupees
INCOME			
Donation		5,416,201	9,662,952
Amortization of deferred credit	2.6	6,620	9,929
Total income		5,422,821	9,672,881
EXPENDITURE			
General and administrative expenses	8	4,991,230	9,637,861
Surplus for the year		431,591	35,020

The annexed notes form an integral part of these statements.

PRESIDENT
PRESIDENT
Nishat Welfare Organization
Hyderabad, Sindh, Pakistan

FINANCE SECRETARY
FINANCE SECRETARY
Nishat Welfare Organization
Hyderabad, Sindh, Pakistan.

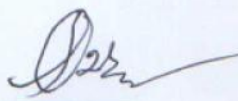


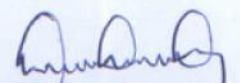


NISHAT WELFARE ORGANIZATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 Rupees	2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		431,591	35,020
Adjustment for:			
Depreciation	3	138,090	153,119
Amortization of deferred credit		(6,620)	(9,929)
Net cash used before changes in working capital		131,470	143,190
Changes in assets and liabilities - net		(105,470)	(363,701)
Net cash used in operating activities		457,591	(185,491)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(525,899)	(149,900)
Net cash used in investing activities		(525,899)	(149,900)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in Cash and Cash equivalents		(68,308)	(335,391)
Cash and Cash equivalents at the beginning of the year		113,014	448,405
Cash and Cash equivalents at the end of the year		44,706	113,014

The annexed notes form an integral part of these statements.


PRESIDENT
PRESIDENT
Nishat Welfare Organization
Hyderabad, Sindh, Pakistan


FINANCE SECRETARY
FINANCE SECRETARY
Nishat Welfare Organization
Hyderabad, Sindh, Pakistan.





NISHAT WELFARE ORGANIZATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 Rupees	2012 Rupees
Net assets as at 01 July		1,007,829	972,809
Surplus for the year		431,591	35,020
Net assets as at 30 June		1,439,420	1,007,829

The annexed notes form an integral part of these statements.

PRESIDENT
PRESIDENT
Nishat Welfare Organization
Hyderabad, Sindh, Pakistan

FINANCE SECRETARY
FINANCE SECRETARY
Nishat Welfare Organization
Hyderabad, Sindh, Pakistan.



**NISHAT WELFARE ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. ORGANIZATION AND ITS OPERATIONS

The Nishat Welfare Organization (NWO) has been registered in District Hyderabad (Pakistan) under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961, on 18th July 2007 vide registration number DO-SW, CDD(H)/VA-794. The NWO is non-political, non-sectarian voluntary welfare organization.

The main objectives of the organization are:

- (a) To address social, cultural and economic problems of the communities to contribute towards national development.
- (b) To facilitate provision of basic civic amenities, such as micro financing, education, health, environment, agriculture, communication, employment, water supply and sanitation, etc.
- (c) To alleviate poverty with emphasis upon uplift of socioeconomic condition of women, children and helpless poor persons. Also, providing legal support to them in every walk of life.
- (d) To strengthen and enhance the capacity and efficiency of the existing institutions (public and private) by developing sense of self-help and collaboration to improve the quality of life in general.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies which have been adopted in the preparation of these financial statements are as follows:

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provision or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Accounting convention

These financial statements have been prepared on historical cost convention.

2.3 Property and equipment

These are stated at cost less accumulated depreciation. Depreciation is charged using reducing balance method on the useful life of the assets. Depreciation is charged on addition of assets from the month of addition to the month of deletion or disposal of such assets.

2.4 Revenue recognition

Revenue is recognized on accrual basis.

2.5 Donation

Donation of fixed assets, if received, are recorded at their fair value.

2.6 Deferred credit

Donated assets are recorded at the fair value by crediting the deferred credit account. Deferred credit balance is amortized to the income and expenditure account on the useful life of the related assets using reducing balance method.

2.7 Taxation

The income of the organization is exempt under clause 60 of part 1 of second schedule to the Income Tax Ordinance, 2001.

3. PROPERTY AND EQUIPMENT

Particulars	Cost			Rate of depreciation charge	Accumulated depreciation			Written down value as on 30.06.2013
	As on 01.07.2012	Addition/ (Deletion)	As on 30.06.2013		As on 01.07.2012	For the year	As on 30.06.2013	
Rupees.....			%Rupees.....			
Office Building	-	432,894	432,894	5	-	12,626	12,626	420,268
Furniture & fixture	122,600	67,505	190,105	20	35,713	27,188	62,901	127,204
Office equipment	507,710	25,500	533,210	30	188,624	98,276	286,900	246,310
Total 2013	630,310	525,899	1,156,209		224,337	138,090	362,427	793,782
Total 2012	480,410	149,900	630,310		71,218	153,119	224,337	405,973



Depreciation for the year:

Month Start	Months	Furniture & Fixture @ 20%		Office Equipment @ 30%		Office Building @ 5%	
		Cost	Depreciation for the year	Cost	Depreciation for the year	Cost	Depreciation for the year
Opening Balance Net	12	86,887	17,377	319,086	95,726	-	-
Jul-11	12	-	-	-	-	-	-
Aug-11	11	24,300	4,455	-	-	-	-
Sep-11	10	-	-	-	-	-	-
Oct-11	9	-	-	-	-	-	-
Nov-11	8	18,905	2,521	-	-	-	-
Dec-11	7	24,300	2,835	-	-	432,894	12,626
Jan-12	6	-	-	-	-	-	-
Feb-12	5	-	-	-	-	-	-
Mar-12	4	-	-	25,500	2,550	-	-
Apr-12	3	-	-	-	-	-	-
May-12	2	-	-	-	-	-	-
Jun-12	1	-	-	-	-	-	-
Total		154,392	27,188	344,586	98,276	432,894	12,626

4. CASH AND CASH EQUIVALENTS

	2013 Rupees	2012 Rupees
Cash in hand	44,654	21,481
Cash at bank	52	91,533
	<u>44,706</u>	<u>113,014</u>

5. OTHER RECEIVABLE

This represents advances given at the end of the year.

6. GENERAL FUND

This represents the net assets transferred to NWO at the time of establishment as a registered organization as adjusted by subsequent surplus or deficit.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2012 (30 June 2011: Nil).

8. GENERAL AND ADMINISTRATIVE EXPENSES

	2013 Rupees	2012 Rupees
Salaries expenses	2,265,000	3,591,259
Purchases for Flood Relief	-	1,517,000
Relief Work	23,000	-
Transportation expenses	10,565	235,740
Photocopies	32,072	22,433
Travelling expenses	165,579	323,994
Medicines expenses	-	285,469
Entertainment expenses	124,077	220,177
POL expenses	523,006	624,572
Vehicle charges	769,680	1,209,700
Miscellaneous expenses	30,835	24,317
Audit fee	-	-
Advertisement expenses	-	51,326
Stationery expenses	75,477	144,275
Office rent	269,000	316,000
Telephone charges/Communication Exp.	377,094	97,648
Courier charges	6,230	3,231
Repair maintenance	37,090	387,340
Labour Charges	15,500	-
Depreciation	138,090	153,119
Utilities Expense	19,599	63,723
Electricity	-	-
Printing	43,410	-
Seminar, Trainings, Workshops	-	348,050
Consultancy	40,000	-
Bank charges	25,926	18,488
	<u>4,991,230</u>	<u>9,637,861</u>

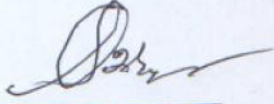


9. DATE OF AUTHORISATION

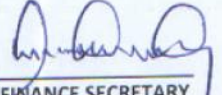
The financial statements have been approved and authorized for issue on 02 Sep. 2013 in the meeting of members of General Body.

10. GENERAL

Figures have been rounded off to the nearest rupee.



PRESIDENT
PRESIDENT
Nishat Welfare Organization
Hyderabad, Sindh. Pakistan



FINANCE SECRETARY
FINANCE SECRETARY
Nishat Welfare Organization
Hyderabad, Sindh. Pakistan

