

INDEPENDENT AUDITOR'S REPORT

To the trustees of CRADLE WELFARE ORGANIZATION
Report on the Audit of the Financial Statements,

Opinion

We have audited the annexed financial statements of **CRADLE WELFARE ORGANIZATION** (the TRUST), which comprise the **BALANCE SHEET** n as at June 30, 2023; **INCOME AND EXPENDITURE ACCOUNT** and the **CASH FLOW** for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the **BALANCE SHEET** n as at June 30, 2023; **INCOME AND EXPENDITURE ACCOUNT** and the **CASH FLOW** for the year then ended together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 in the manner so required and respectively give a true and fair view of the state of the TRUST affairs as at June 30, 2023 and of the profit, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with 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 Company 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(and for such internal control as management determines 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 is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Company's 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. Misstatements 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 Company'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 Company'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 Company to cease to continue as a going concern.

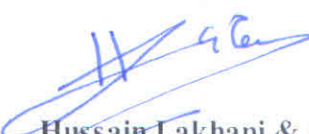
Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017
- b) BALANCE SHEET as at June 30, 2023; INCOME AND EXPENDITURE ACCOUNT and the CASH FLOW for the year then ended together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).


Hussain Lakhani & Co
Chartered Accountants,
Mohammad Hussain Lakhani

Date: 9TH OCTOBER, 2023
Karachi
UDIN NO. AR 202310313KNuBAPZO\ow



CRADLE WELFARE ORGANIZATION

BALANCE SHEET
AS ON 30TH JUNE, 2023

Current Assets

	2023	2022
Cash in hand	1,256,310	1,987,755
Bank Deposit	12,322,995	8,610,065
Loan/Advance	15,000	70,000
Investment	3,000,000	-
	16,594,305	10,667,820

Non Current Assets

Office Furniture	261,929	261,929.00
Racks and Cupboard	136,627	62,037
Land	7,800,000	7,800,000
Machines and Equipments	414,199	294,399
Building & Construction	1,650,730	835,200
Accumulated depreciation	(327,624)	-
	9,935,861	9,253,565
	26,530,166	19,921,385

GENERAL FUND 18,596,757 16,697,978

WAJIBA FUND OPENING BALANCE

Surplus Current Year	3,223,407	
	4,710,002	3,223,407
	7,933,409	3,223,407
	26,530,166	19,921,385



PRESIDENT



TRUSTEE

CRADLE WELFARE ORGANIZATION

INCOME STATEMENT

FOR THE YEAR ENDING 30TH JUNE,2023

	2023	2022
Donation Nafila	13,458,371	14,544,069
Expense		
Salary	3,486,749	2,805,007
Stationary	199,463	254,736
Lunch & Events	530,243	528,854
Uniform & Shoes	44,655	33,890
Utilities	226,857	209,489
Repair and Maint.	671,226	295,384
Hands Pumps	3,110,780	5,595,575
Eid Gifts	59,170	62,480
Iftar Dastarkhawan	352,030	352,366
Entertainment	33,837	199,058
Bank Charges	1,177	1,020
Promotion	92,050	750
Website Maintenance	132,655	17,600
Appliances	38,571	158,200
Cartage	28,968	8,932
Misc.	1,000,000	285,050
Legal Charges	70,126	96,465
Conveyance	214,670	207,658
Sadqa	802	71,700
Grocery	158,939	122,850
Rent Case	28,000	110,000
Tax Consultant charges		35,000
Cholistan Water		60,000
Masjid Construction	751,000	3,230,934
Depreciation Expense	327,624	-
Total Expenditure	11,559,592	14,742,998
Surplus / (Deficit) Transferred to General Fund	1,898,779	(198,929)



PRESIDENT



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CRADLE WELFARE ORGANIZATION
CASH FLOW STATEMENT

FOR THE YEAR ENDING 30TH JUNE, 2023

Cash Flow from Operating Activities

Surplus/Deficit 1,898,779
 Add: Depreciation 327,624
 Increase/(Decrease) in Loan and Advances 55,000
 Net Cash provided by operating activities **2,281,403**

Cash Flow from Investing Activities

Fixed Assets Acquired (1,009,920)
 Net Cash used in investing activities (1,009,920)

Cash Flow from Financing Activities

Wajiba Fund surplus 4,710,002
 Short term investment (3,000,000)
 Net Cash used in financing activities **1,710,002**

Net Increase/(Decrease) in Cash and Cash Equivalents

Cash & Cash Equivalents at the beginning of the year 2,981,485
 Cash & Cash Equivalents at the end of the year **10,597,820**
 Cash & Cash Equivalents at the end of the year **13,579,305**



PRESIDENT



TRUSTEE

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 LEGAL STATUS

The CRADLE WELFARE ORGANIZATION was registered on 05-09-2012, Registration No. PCSW (S)1364-A under the Voluntary Social welfare Agencies (Registration and Control) Ordinance, 1961 with the Directorate of Social Welfare, Government of Sindh.

2 NATURE OF ACTIVITIES

The main activities of the Organization are to provide medical, social welfare and educational facilities. In 2009, the Organization inaugurated the Karachi and decided to undertake all activities through its Gharo project and discontinued, TB clinic and other projects.

3 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 "Guideline for Accounting and Financial Reporting by Non-Government Organizations (NGOs) / Non-Profit Organizations (NPOs)" (the Guidelines) issued by the institute of Chartered Accountants of Pakistan (ICAP).

4 ACCOUNTING CONVENTION

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

5 SIGNIFICANT ACCOUNTING POLICIES

5.1 PROPERTY & EQUIPMENT

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to income applying the reducing balance method. Full year's depreciation is charged in the year of addition, however, no depreciation is charged on assets in the year of disposal.

Normal repairs and maintenance are charged to income and expenditure account as and when they are required. Gain or loss on disposal of fixed assets, if any, is included in the income and expenditure account

5.2 INVESTMENTS - HELD-TO-MATURITY

These are initially measured at fair value inclusive of transaction costs and subsequent to initial recognition.

5.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash in hand and with banks.

5.4 ACCRUED EXPENSES

Accrued liabilities are carried at cost which is the fair value of the consideration to be paid in future for the goods / services received, whether or not billed to the Organization.



6 WAJIBA FUND

Donation Received	14,236,508	8,296,069
Ration Expense	955,309	862,957
Dowry	40,000	
Relief	1,445,691	
Medical Treatment	257,135	124,127
Qurbani Expense	6,378,031	3,282,550
Books	450,340	803,028
	9,526,506	5,072,662
Transferred to Wajiba Fund	4,710,002	3,223,407



PRESIDENT



TRUSTEE