M/S. VOCATIONAL WELFARE SOCIETY FOR MENTALLY RETARDED

INCOME AND EXPENDITURE
FINANCIALS STATEMENTS

FOR THE YEAR ENDED
AS AT JUNE 30, 2025

SHAHID HABIB & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the trustees of VOCATIONAL WELFARE SOCIETY FOR MENTALLY RETARDED

Opinion

We have audited the annexed financial statements of **VOCATIONAL WELFARE SOCIETY FOR MENTALLY RETARDED** (the welfare Society), which comprise the statement of financial position as at June 30, 2025, and the income and expenditure account and a summary of significant accounting policies and other explanatory information ('the financial statements'), 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, the accompanying financial statements present fairly, in all material aspects, the financial position of organization as at June 30, 2025 and of its financial performance in accordance with the approved accounting and reporting standards as applicable in Pakistan.

Basis of 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 / Institute of Cost and Management Accountants (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 Governance 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 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.

Those charged with governance are 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.

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism 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.

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

SHAHID HABIB & CO. ★ Chartered Accountants

SHAHID HABIB & CO.
Chartered Accountants

Place: Karachi
Date: January 10, 2025

UDIN: AR202510310m102SQMEg

VOCATIONAL WELFARE SOCIETY FOR MENTALLY RETARDED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		----------Rupees----------	
ASSETS			
Non current assets			
Property, plant and equipment	4	**9,136,710**	8,366,961
Current assets			
Cash and bank balance	5	**7,440,546**	2,845,110
TOTAL ASSETS		**16,577,256**	11,212,071
FUNDS AND LAIBILITY			
General funds			
Opening balance		**11,168,871**	11,540,237
Excess of expenditure over income		**(2,134,815)**	(371,366)
		9,034,056	11,168,871
Current liabilities			
Accrued expenses		**43,200**	43,200
Loan from members		**2,500,000**	-
Assistive Device-DEPD		**5,000,000**	-
		7,543,200	43,200
TOTAL EQUITY AND LIABILITIES		**16,577,256**	11,212,071

The annexed notes from 1 to 7 form an integral part of these financial statements.

SECRETARY **TREASURER**

VOCATIONAL WELFARE SOCIETY FOR MENTALLY RETARDED
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2025

EXPENDITURE	2025	2024
	----Rupees----	
Advertisement and publicity	**7,300**	127,500
Art and drawing program	**45,000**	61,235
Audit fee	**43,200**	43,200
Computer expense	**215,550**	91,899
Conveyance	**35,082**	22,060
Creative work program	**275,000**	289,500
Bank charges	**69**	1,377
Depreciation	**1,059,369**	970,788
Entertainment expense	**14,100**	47,030
Function expense	**99,200**	293,166
Gardening expense	**37,000**	90,524
Generator expense	**16,600**	434,618
Health and nutrition	**1,800,000**	1,200,000
Hunarmand program	**784,900**	1,222,530
Internet expense	**26,000**	24,100
Miscellaneous expense	**418,945**	577,680
Legal & professional charges	**-**	40,000
Postage expense	**210**	9,790
Photostat expense	**6,396**	13,100
Resource and development	**1,695,000**	1,400,000
Printing and stationary	**137,135**	35,136
Repair & maintenance - building	**130,149**	1,226,680
Repair and maintenance - vehicle	**196,855**	135,450
Special education	**1,250,000**	778,000
Shariah fee	**162,000**	172,350
Staff salary	**1,540,000**	3,512,500
Staff welfare	**92,390**	117,310
Sports activities	**20,000**	20,300
Spreading hope	**378,290**	332,250
Occupational Therapy	**215,000**	-
SDG's awareness	**-**	47,500
Therapy and rehabilitation center	**4,568,700**	3,279,845
Telephone expense	**38,688**	99,280
Transportation expense	**481,391**	336,216
Training seminar	**265,000**	57,800
ABA Therapy	**445,000**	-
Umeed care program	**61,600**	591,600
Assistive Devices-DEPD	**5,000,000**	-
Consultancy Fee	**590,000**	250,000
Dastkaar Program	**540,000**	1,236,820
	22,691,119	19,189,134

INCOME	2025	2024
	------Rupees------	
Donation income	**7,141,914**	12,641,768
Donation in kind	**1,906,000**	1,214,000
Zakat	**6,508,390**	4,962,000
Assistive Devices-DEPD	**5,000,000**	-
	20,556,304	18,817,768
Excess of expenditure over income	**2,134,815**	371,366
	22,691,119	19,189,134

The annexed notes from 1 to 7 form an integral part of these financial statements.

SECRETARY

TREASURER

VOCATIONAL WELFARE SOCIETY FOR MENTALLY RETARDED
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	EXCESS OF EXPENDITURE OVER INCOME	TOTAL
Balance as on July 01, 2023	11,540,237	11,540,237
Deficit for the year	(371,366)	(371,366)
Balance as on june 30, 2024	11,168,871	11,168,871
Deficit for the year	**(2,134,815)**	**(2,134,815)**
Balance as on june 30, 2025	**9,034,056**	**9,034,056**

The annexed notes from 1 to 7 form an integral part of these financial statements.

SECRETARY

TREASURER

VOCATIONAL WELFARE SOCIETY FOR MENTALLY RETARDED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 STATUS AND NATURE OF BUSINESS

The Society was registered in Pakistan under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961 on November 13, 1971.

The Objective of the Society is providing welfare and charitable services to poor and needy.

The registered office of the society is situated at Adjacent APWA college Compound, Karimabad, F.B Area Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of Revised Accounting and Financial Reporting Standard for Small-sized Entities (SSE/s)' issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments held at fair value through profit or loss which are measured at fair value and as stated in respective policy notes.

These financial statements have been prepared under the accrual basis of accounting except for cash flow information.

2.3 Critical assumptions and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where required assumptions and estimates are significant to the organization's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
a) Useful lives of depreciable assets	3.1
b) Provision for taxation	3.8
c) Impairment of assets	3.16

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

3.1 Property, plant and equipment

Property, plant and equipment including all additions are stated at cost or revalued amount less accumulated depreciation and impairment loss, if any.

Depreciation is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note 4 to the financial statements.

Full depreciation is charged in the year when the assets are acquired while no depreciation is charged in the year in which the asset is disposed off.

The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other operating income or expense. Maintenance and normal repairs are charged to income. Major renewals and improvements are capitalized. Gain and loss on disposal are taken to income.

The assets residual value and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Expenditure incurred subsequent to the initial acquisition of assets are capitalized only when it increases the future economic lives embodied in the items of property, plant and equipment.

3.2 Investments

Initial measurement

Investments are recognized initially at cost which is the fair value of the consideration given for it including transaction cost except for investment carried at fair value through profit and loss.

Subsequent measurement

The other investments made by the organization are classified for the purpose of measurement into the following categories:

Financial assets at fair value through profit or loss

Investments made for generating profit from short term fluctuation in prices, are measured at fair value and resulting gains and losses are included in the net profit and loss for the period.

Available for sale investments

These are the investments that do not fall under held for trading, loans and receivables or held to maturity and are stated at fair values, with any resultant gain or loss recognized as separate component of equity until investments are sold, disposed off or until the investments are determined to be impaired, at which time the accumulated gain or loss previously reported in equity is included in profit and loss account.

Held to maturity investments

Investments with fixed or determinable payments and fixed maturity that the organization has the positive intent and ability to hold to maturity, are measured at amortized cost.

Loans and receivable

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those that the organization intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the organization upon initial recognition designates as at fair value through income statement; (b) those that the organization upon initial recognition designates as available for sale; or (c) those for which the organization may not recovers substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

Subsequent to initial measurement loans and receivables are measured at amortized cost using the effective interest method. Gains/Losses arising on remeasurement of loans and receivables are taken to the income statement.

Gain or loss is also recognized in income statement when loans and receivables are derecognized or impaired, and through the amortization process.

Derecognition

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the organization has transferred substantially all risks and rewards of ownership.

3.3 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less repayments, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the profit and loss account over the period of the borrowings on an effective mark-up basis.

3.4 Borrowing costs

Borrowing costs are interest or other costs incurred by the organization in connection with the borrowing of funds. Borrowing cost that is directly attributable to a qualifying asset is capitalized as part of cost of that asset. All other borrowing costs are charged to profit and loss account in the period in which they incurred.

3.5 Provisions

A provision is recognized in the balance sheet when the organization has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to current best estimate.

3.6 Trade debts

Trade debts and other receivables are stated at cost less impairment losses, if any.

3.7 Trade and other payables

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in future for goods and services.

3.8 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits and rebates available, if any.

3.9 Revenue recognition

- Revenue is recognized when donation and charity are received.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash and balances at bank which are subject to an insignificant risk of change in value.

3.11 Foreign currency translation

Transactions in foreign currencies are accounted for in rupee at the rate of exchange prevailing on the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the balance sheet date are expressed in rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are taken to the profit and loss account.

3.12 Presentation and functional currency

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

3.13 Transactions with related parties

All transactions with related parties are carried out by the organization at arm's length price basis.

3.14 Financial assets and liabilities

Financial assets and financial liabilities are recognized when the organization becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are initially measured at cost which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

3.15 Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the organization has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Impairment

The carrying amount of the organization's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated and accordingly an impairment loss is recognized in the profit and loss account for the carrying amount of the asset that exceeds its recoverable amount.

4 PROPERTY, PLANT AND EQUIPMENT

Description	Written down value			Rate	Depreciation	W.D.V
	As at July 1, 2024	Addition/Disposal	As at June 30, 2025	%	For the year	as at June 30, 2025
	----------Rupees----------					
Building	35,358	-	35,358	10	3,536	**31,822**
Therapy and rehabilitation center	4,733,358	1,156,017	5,889,375	10	588,938	**5,300,438**
Sensory Therapy unit	453,789	-	453,789	10	45,379	**408,410**
Occupational therapy unit	1,234,128	-	1,234,128	10	123,413	**1,110,715**
Furniture	150,482	-	150,482	15	22,572	**127,910**
Educational equipment	15,412	-	15,412	15	2,312	**13,100**
Office equipment	49,413	-	49,413	15	7,412	**42,001**
Air condition	58,835	-	58,835	15	8,825	**50,010**
Electronic equipment	37,057	166,000	203,057	15	30,459	**172,599**
Motor vehicle	222,633	-	222,633	15	33,395	**189,238**
Solar	1,281,110	507,100	1,788,210	10	178,821	**1,609,389**
Generator	75,682	-	75,682	15	11,352	**64,330**
Motor Cycle	19,703	-	19,703	15	2,955	**16,748**
June 30, 2025	8,366,961	1,829,117	10,196,079		1,059,369	9,136,710
June 30, 2024	**6,375,431**	**2,962,318**	**9,337,749**		**970,788**	**8,366,961**



	Note	2025	2024
		----------Rupees----------	

5 CASH AND BANK BALANCE

Cash in hand	**34,627**	1,019,426
Habib Metropolitan Bank	**5,476,487**	1,416,487
Allied bank limited	**2,963**	2,963
Muslim commercial bank	**1,926,469**	406,234
	7,440,546	2,845,110

6 DATE OF AUTHORIZATION

These financial statements were authorised for issue by the Board of Trustees in their meeting held on _____.

7 GENERAL

The figures have been rounded off to the nearest rupee.

SECRETARY

TREASURER