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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPPR WELFARE FOUNDATION

Opinion

We have audited the annexed financial statements of “**IPPR WELFARE FOUNDATION**” (the Foundation), which comprise the statement of financial position as at June 30, 2023, statement of income and expenditure, statement of changes in funds and statement of cash flows for the period from May 25, 2023 to June 30, 2023, 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 Foundation as at 30 June, 2023 and its financial performance, and its cash flows for the period 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 Foundation 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.

Emphasis of Matter

We draw attention to Note 11 of the financial statements which describes that the financial statements are prepared for the first time after incorporation date i.e. May 25, 2023. Our opinion is not modified in respect of this matter.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Management Committee is responsible for the preparation of the financial statements in accordance with cash receipt and expenditure basis of accounting and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 statement 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 Foundation'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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.

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.

The engagement partner on the audit resulting in this independent auditors' report is CA Habib.


CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS)

Place: Islamabad


Dated: August 01, 2024

**IPPR WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

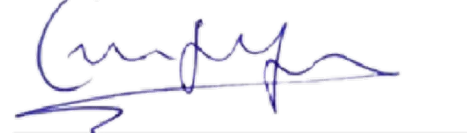
| | | 2023 |
|--------------------------------------|-------|--------------|
| | Notes | (Pak Rupees) |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property and equipment | 4 | - |
| CURRENT ASSETS | | |
| Cash and bank balances | 5 | - |
| | | <hr/> |
| | | - |
| | | <hr/> <hr/> |
| FUND AND LIABILITIES | | |
| Accumulated funds | | (2,275,340) |
| CURRENT LIABILITIES | | |
| Accrued and other liabilities | 6 | 2,275,340 |
| | | <hr/> |
| | | - |
| | | <hr/> <hr/> |
| CONTINGENCIES AND COMMITMENTS | 7 | |

The annexed notes from 1 to 12 form an integral part of these financial statements.

EXECUTIVE DIRECTOR



CHAIRPERSON



**IPPR WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD FROM MAY 25, 2023 TO JUNE 30, 2023**

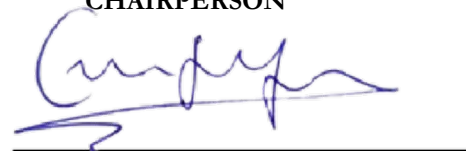
| | | For the Period from May 25, 2023 to June 30, 2023 (Pak Rupees) |
|-------------------------------|---|--|
| INCOME | | - |
| EXPENDITURE | | |
| Admin and operating expenses | 8 | 2,275,340 |
| Financial charges | 9 | - |
| | | 2,275,340 |
| Deficit before tax | | |
| Taxation | | - |
| DEFICIT FOR THE PERIOD | | (2,275,340) |

The annexed notes from 1 to 12 form an integral part of these financial statements.

EXECUTIVE DIRECTOR



CHAIRPERSON

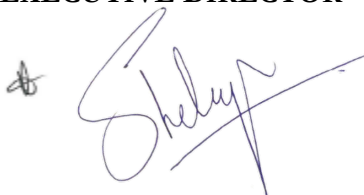


IPPR WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD FROM MAY 25, 2023 TO JUNE 30, 2023

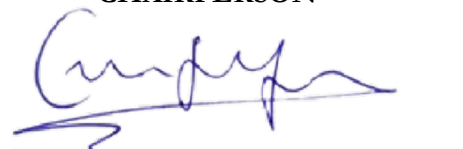
| | Funds | Surplus / (Deficit) | Total |
|-----------------------------|--------------|--------------------------------|--------------------|
| | | (Pak Rupees) | |
| Balance as at May 25, 2023 | - | - | - |
| Deficit for the period | - | (2,275,340) | (2,275,340) |
| Balance as at June 30, 2023 | - | (2,275,340) | (2,275,340) |

The annexed notes from 1 to 12 form an integral part of these financial statements.

EXECUTIVE DIRECTOR



CHAIRPERSON



**IPPR WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD FROM MAY 25, 2023 TO JUNE 30, 2023**

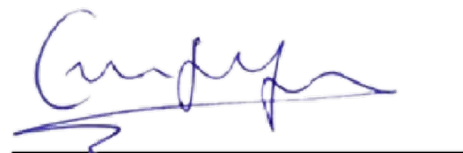
| | For the Period from May 25, 2023 to June 30, 2023 |
|--|--|
| | (Pak Rupees) |
| CASH FLOWS FORM OPERATING ACTIVITIES | |
| (Deficit) for the period | (2,275,340) |
| Adjustments for non cash items | - |
| Changes In Working Capital | |
| (Increase) /decrease in current assets | |
| Decrease in Advances, deposits and other receivables | - |
| Increase /Decrease) (Decrease) in current liabilities | |
| (Decrease) / increase in accrued and other liabilities | 2,275,340 |
| Net Cash Flows (used) in operating activities | - <hr/> <hr/> |
| CASH FLOWS FROM INVESTING ACTIVITIES | - <hr/> <hr/> |
| CASH FLOWS FROM FINANCING ACTIVITIES | - <hr/> <hr/> |
| Net Increase / (decrease) in cash and cash equivalents | - |
| Cash and cash equivalents at beginning of the year | - <hr/> |
| Cash and cash equivalents at end of the year | - <hr/> <hr/> |

The annexed notes from 1 to 12 form an integral part of these financial statements.

EXECUTIVE DIRECTOR



CHAIRPERSON



IPPR WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 25, 2023 TO JUNE 30, 2023

1 STATUS AND ITS OPERATION

IPPR Welfare Foundation was constituted under section 42 of the Companies Act, 2017 on 25th day of May 2023. Its primary objective is to act as a think tank for public policy in order to combine knowledge and policy making to impact further policy processes, create a framework to spur research, creative thinking, discussing and disseminating reflections and innovative proposals for effective implementation of development strategies at the country level. The registered office of the organization is situated in Islamabad, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of the guideline for accounting and financial reporting by non- Government organization issued by the Institute of Chartered Accountants of Pakistan and generally accepted accounting principles.

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

The functional currency of the organization is Pakistani rupee which is also its presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Operating Fixed Assets

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). Maintenance and normal repairs are charged to income as and when incurred. Major replacements are capitalized.

Gain and loss on disposal of property, plant and equipment, if any, are included in current income.

Depreciation / amortization is charged on all assets using Reducing Balance Method. Depreciation/amortization is charged on additions when the asset is available for use.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

3.2 Advances against expenses

Advances are disbursed to some employees for incurring expenses related to Project's activities. These advances are settled when the employees present the statement of actual expenditures incurred along with the supporting evidences.

3.3 Cash & Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise of cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are easily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.4 Revenue Recognition

Revenue is recognized as and when it is received.

3.5 Project expenses

Costs and expenditure are recognized as an expense on an accrual basis.

3.6 Receipts

-Donation is recognized as income on receipt basis

'-Donation in kind except for property, plant and equipment are recognized at the fair market value prevailing on the date when donation items are received

'-Income on investments and deposits is recognized on accrual basis.

3.7 Donations in Kind

Donations received in the form of property, plant and equipment are deferred and recognized in income and expenditure account over the useful life of the related assets.


**IPPR WELFARE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD FROM MAY 25, 2023 TO JUNE 30, 2023**

| | 2023 |
|---|--|
| 4 PROPERTY AND EQUIPMENT | |
| Property and equipment | - |
| 5 CASH AND BANK BALANCE | |
| Cash in hand | - |
| Cash at bank | - |
| | - |
| 6 ACCRUED AND OTHER LIABILITIES | |
| Salaries payable | 1,457,500 |
| Professional fee payable | 75,000 |
| Rent payable | 340,800 |
| Others | 402,040 |
| | <u>2,275,340</u> |
| 7 CONTINGENCIES AND COMMITMENTS | |
| There were no contingencies and commitments at end of the reporting period. | |
| | For the Period from May 25, 2023 to June 30, 2023 |
| 8 ADMIN AND OPERATING EXPENSES | |
| Salaries | 1,457,500 |
| Professional Fee | 75,000 |
| Utilities | 198,800 |
| Communication | 101,620 |
| Rent, Rates and Taxes | 340,800 |
| Accommodation Expenses | 101,620 |
| | <u>2,275,340</u> |
| 9 FINANCIAL CHARGES | |
| Financial charges | <u>-</u> |

10 GENERAL
 Figures have been rounded off to the nearest Rupee.

11 CORRESPONDING FIGURES
 The financial statements are prepared for the first time after incorporation on May 25, 2023. Accordingly, no comparative figures are presented.

12 DATE OF AUTHORIZATION
 The financial statements were authorized for issue on _____ by Board of
 Directors.

EXECUTIVE DIRECTOR  **CHAIRPERSON** 