

**INDEPENDENT AUDITOR'S REPORT
TO THE MANAGEMENT OF
IPPR WELFARE FOUNDATION**

Opinion

We have audited the financial statements of "IPPR WELFARE FOUNDATION" (THE Company), which comprise the statement of financial position as at June 30, 2024 and the statement of income & expenditure, the statement of changes in fund, the statement of cash flows 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 statement of financial position, the statement of income & expenditure, the statement of changes in fund, and the statement of cash flows together with the notes forming part thereof, give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the SURPLUS, the changes in fund 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 Standard 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 Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 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.

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.

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 (XIX of 2017);
- b) the statement of financial position, the statement of income & expenditure, the statement of changes in Fund, and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with books of account and returns;





- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company' business; and
- d) no zakat was deductible by the Company under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Place: Islamabad
Dated: August 29, 2024
UDIN: AR202410349JfUjnZB2X



CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS)

IPPR WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

ASSETS	Note	2024 -----Pak Rupees-----	2023
NON-CURRENT ASSETS			
Property and equipment	4	31,548	
CURRENT ASSETS			
Taxation-net	5	-	-
Cash and bank balances	6	11,421,589	-
		11,421,589	-
		<u>11,453,137</u>	<u>-</u>
FUND AND LIABILITIES			
ACCUMULATED FUND		(1,554,245)	(2,275,340)
CURRENT LIABILITIES			
Accrued and other liabilities	7	12,897,340	2,275,340
Taxation-net	5	110,042	-
		13,007,382	2,275,340
		<u>11,453,137</u>	<u>-</u>
CONTINGENCIES AND COMMITMENTS		8	

The annexed notes from 1 to 15 form an integral part of these financial statements.



EXECUTIVE DIRECTOR



CHAIRPERSON

**IPPR WELFARE FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024**

		June 30, 2024	For the Period from May 25, 2023 to June 30, 2023
	Note	-----Pak Rupees-----	
GRANT INCOME			
Grants	9	16,315,848	-
Less: Program expenses	10	<u>(13,063,989)</u>	<u>-</u>
		3,251,859	-
EXPENDITURE			
Operating expenses	11	(2,880,352)	(2,275,340)
Financial charges	12	(962)	-
Other income	13	<u>554,498</u>	<u>-</u>
Surplus / (deficit) before tax		925,043	(2,275,340)
Taxation		(203,948)	-
Surplus / (deficit) for the year / period		<u><u>721,095</u></u>	<u><u>(2,275,340)</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.


EXECUTIVE DIRECTOR


CHAIRPERSON

**IPPR WELFARE FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

Fund	Surplus / (Deficit)	Total
-----Pak Rupces-----		
Balance as at 25 May 2023	-	-
Deficit for the period	(2,275,340)	(2,275,340)
Balance as at 30 June 2023	<u>(2,275,340)</u>	<u>(2,275,340)</u>
Balance as at 01 July 2023	(2,275,340)	(2,275,340)
Surplus for the year	721,095	721,095
Balance as at 30 June 2024	<u><u>(1,554,245)</u></u>	<u><u>(1,554,245)</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



EXECUTIVE DIRECTOR



CHAIRPERSON

**IPPR WELFARE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	June 30, 2024	For the Period from May 25, 2023 to June 30, 2023
Note	-----Pak Rupees-----	
CASH FLOWS FORM OPERATING ACTIVITIES		
Surplus / (deficit) for the year / period	925,043	(2,275,340)
Adjustments for non cash items:		
Depreciation	4 3,452	
	<u>928,495</u>	<u>(2,275,340)</u>
Changes In Working Capital		
(Increase)/decrease in current assets	-	-
Increase / (decrease) in current liabilities	10,622,000	2,275,340
Increase / (decrease) in accrued and other liabilities	10,622,000	2,275,340
Less: Tax paid	<u>(93,906)</u>	
Net Cash Flows generated in Operating Activities	<u>11,456,589</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets purchased	4 (35,000)	
Net cash flows used in investing activities	<u>(35,000)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase in cash and cash equivalents	11,421,589	
Cash and cash equivalents at beginning of the year	-	-
Cash and cash equivalents at end of the year	6 <u><u>11,421,589</u></u>	<u><u>-</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.


EXECUTIVE DIRECTOR


CHAIRPERSON

**IPPR WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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 Pakistan 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.



**IPPR WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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 Accounting convention

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

3.7 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.

3.8 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.

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IPPR WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY AND EQUIPMENT

PARTICULARS	Computer & Accessories	Office Equipment	Total
Cost			
Balance at 25 May 2023	-	-	-
Additions	-	-	-
Balance at 30 June 2023	-	-	-
Balance at 01 July 2023	-	-	-
Additions	35,000	-	35,000
Balance at 30 June 2024	35,000	-	35,000
Accumulated Depreciation			
Balance at 25 May 2023	-	-	-
Charge for the period	-	-	-
Balance at 30 June 2023	-	-	-
Balance at 01 July 2023	-	-	-
Charge for the year	3,452	-	3,452
Balance at 30 June 2024	3,452	-	3,452
Carrying Amounts:			
At 30 June 2024	31,548	-	31,548
At 30 June 2023	-	-	-
Rates of depreciation	33.33%		

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IPPR WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	-----Pak Rupees-----	
5 TAXATION-NET		
Advance tax	-	-
Provision for tax	110,042	-
	<u>110,042</u>	<u>-</u>
5.1 The movement of advance tax is as follows:		
Opening balance	-	-
Add: Tax deducted during the year	93,906	-
Less: Adjusted against provision for the year	(93,906)	-
Closing balance	<u>-</u>	<u>-</u>
5.2 The movement of provision for tax is as follows:		
Opening balance	-	-
Add: Provision for the year	203,948	-
Less: Adjusted against advance tax	(93,906)	-
Closing balance	<u>110,042</u>	<u>-</u>
6 CASH AND BANK BALANCES		
Cash in hand	-	-
Cash at bank - Current Account	50,061	-
Cash at bank - Saving Account	11,371,528	-
	<u>11,421,589</u>	<u>-</u>
7 ACCRUED AND OTHER LIABILITIES		
Salaries payable	1,457,500	1,457,500
WHT tax on salaries payable	367,500	-
Legal and professional	75,000	75,000
Rent payable	340,800	340,800
Audit fee payable	75,000	-
Program expenses payable	10,179,500	-
Others	402,040	402,040
	<u>12,897,340</u>	<u>2,275,340</u>
8 CONTINGENCIES AND COMMITMENTS		
There were no contingencies and commitments at end of the reporting period.		



**IPPR WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 -----Pak Rupees-----	2023
9 GRANT INCOME			
Grant income		<u>16,315,848</u>	<u>-</u>
		<u>16,315,848</u>	<u>-</u>
10 PROGRAM EXPENSES			
Program expenses		<u>13,063,989</u>	<u>-</u>
		<u>13,063,989</u>	<u>-</u>
11 OPERATING EXPENSES			
Salaries		2,535,000	1,457,500
Legal and professional charges		-	75,000
Utilities		67,840	198,800
Communication		-	101,620
Rent, rates and taxes		-	340,800
Entertainment		39,060	-
Auditor's remuneration	11.1	75,000	-
Depreciation		3,452	-
Miscellaneous		160,000	101,620
		<u>2,880,352</u>	<u>2,275,340</u>
11.1 Auditor's remuneration represents audit fee.			
12 FINANCIAL CHARGES			
Financial charges		<u>962</u>	<u>-</u>
		<u>962</u>	<u>-</u>
13 OTHER INCOME			
Profits on deposits		<u>554,498</u>	<u>-</u>
		<u>554,498</u>	<u>-</u>

14 GENERAL

Figures have been rounded off to the nearest Rupee.

15 AUTHORIZATION OF FINANCIAL STATEMENTS

These Financial Statements were approved by the Board of Directors for issuance on August 29, 2024


EXECUTIVE DIRECTOR


CHAIRPERSON