

**KHWENDO KOR
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**



PrimeGlobal
An Association of Independent Accounting Firms

Zahid Jamil & Co.
Chartered Accountants
An Independent Member Firm of Prime Global



Independent auditor's report to the Board of Directors of Khwendo Kor

Opinion

We have audited the financial statements of Khwendo Kor (the Society) which comprise the statement of financial position as at 31 December 2021, and the income and expenditure statement, statement of changes in funds and statement of cash flows for the year then ended, 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 the Society as at 31 December 2021, and its financial performance and its cash flows for the year then 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 Society 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.

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

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board of Directors determine 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, the Board of Directors are responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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:

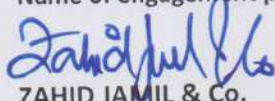
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Society'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 Society'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 Society 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 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.

Date: **30 JUL 2022**

Place of signature: Peshawar

Name of engagement partner: Syed Ali Hasnain Shah



ZAHID JAMIL & Co.


CHARTERED ACCOUNTANTS

KHWENDO KOR
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	NOTE	2021 -----RUPEES-----	2020
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property and equipment	4	52,629,364	54,788,351
Investment in subsidiary	5	5,000,000	5,000,000
		57,629,364	59,788,351
CURRENT ASSETS			
Loan and advances	6	3,000,000	3,000,000
Investment - held to maturity	7	21,000,000	19,000,000
Deposits, prepayments and other receivables	8	4,252,995	4,343,929
Cash and bank balances	9	56,061,226	42,624,777
		84,314,221	68,968,706
TOTAL ASSETS		141,943,585	128,757,057
<u>FUNDS AND LIABILITIES</u>			
FUNDS			
Accumulated surplus		87,972,222	85,632,637
Restricted grants	10	851,301	38,958,537
NON-CURRENT LIABILITIES			
Revolving fund		50,157,842	167,843
Staff security		401,134	401,134
CURRENT LIABILITIES			
Accrued and other payables	12	2,561,086	3,596,906
TOTAL FUNDS AND LIABILITIES		141,943,585	128,757,057
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes, from 1 to 25, form an integral part of these financial statements.


 CHIEF EXECUTIVE

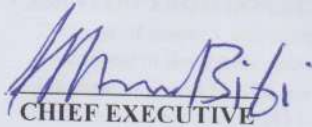

 CHAIR PERSON

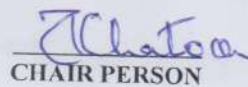

 MANAGER FINANCE

KHWENDO KOR
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 -----RUPEES-----	2020
INCOME			
Grants	14	115,919,278	38,149,557
Profit on investments and bank deposits	15	3,377,760	2,276,540
Other income	16	1,155,829	63,322
		<u>120,452,867</u>	<u>40,489,419</u>
EXPENDITURE			
Project activity cost	17	(99,988,125)	(37,472,675)
Project support cost	18	(5,015,016)	(2,680,455)
Operating surplus / (deficit)		<u>15,449,726</u>	<u>336,289</u>
Administrative expenses	19	(13,110,141)	(4,847,136)
Surplus / (deficit) for the year before taxation		<u>2,339,585</u>	<u>(4,510,848)</u>
Provision for taxation	20	-	-
Surplus / (deficit) for the year after taxation		<u>2,339,585</u>	<u>(4,510,848)</u>

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CHIEF EXECUTIVE



CHAIR PERSON

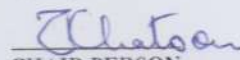

MANAGER FINANCE

KHWENDO KOR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE	2021	2020
	----RUPEES----	
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	2,339,585	(4,510,848)
Adjustments for non-cash items:		
Depreciation	2,501,734	3,081,638
Restricted grants income	(105,397,352)	(36,474,646)
Capital cost adjustment	(1,716,600)	-
Gain on sale of fixed assets	(567,228)	(63,322)
	<u>(105,179,446)</u>	<u>(33,456,330)</u>
Operating surplus / (deficit) before working capital changes	(102,839,861)	(37,967,178)
(INCREASE)/ DECREASE IN CURRENT ASSETS		
Loan receivable - micro finance	-	-
Deposits, prepayments and other receivables	90,934	1,613,482
	<u>90,934</u>	<u>1,613,482</u>
INCREASE/ (DECREASE) IN CURRENT LIABILITIES		
Accrued and other payables	(1,035,820)	(286,761)
Revolving fund	49,989,999	-
Staff security	-	(1,338,932)
	<u>(53,794,748)</u>	<u>(37,979,389)</u>
Net cash used in operating activities	(53,794,748)	(37,979,389)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	4 (510,518)	(3,304,278)
Investment in fixed term deposits	(2,000,000)	(4,000,000)
Purchase of shares of BEE Services (Pvt.) Limited	-	-
Loan to BEE Services (Pvt.) Limited	-	4,000,000
Proceeds from sale of fixed assets	735,000	157,500
	<u>(1,775,518)</u>	<u>(3,146,778)</u>
Net cash used in investing activities	(1,775,518)	(3,146,778)
CASH FLOW FROM FINANCING ACTIVITIES		
Grant refunded	7 (313,092)	(24,404,116)
Restricted grants received	69,319,806	73,446,937
	<u>69,006,714</u>	<u>49,042,821</u>
Net cash inflow from financing activities	69,006,714	49,042,821
Net increase/(decrease) in cash and cash equivalents	13,436,449	7,916,651
Cash and cash equivalents at the beginning of the year	42,624,777	34,708,126
Cash and cash equivalents at the end of the year	56,061,226	42,624,777

The annexed notes, from 1 to 25, form an integral part of these financial statements.


 CHIEF EXECUTIVE

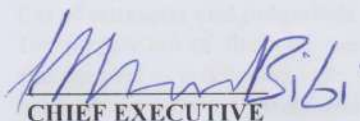

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 MANAGER FINANCE

KHWENDO KOR
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Funds		
	Unrestricted	Restricted	Total
	-----RUPEES-----		
Balance at 01 January 2020	90,143,484	26,390,362	116,533,846
Surplus/ (deficit) for the year	(4,510,848)	36,972,291	32,461,444
Grant refunded during the year	-	(24,404,116)	(24,404,116)
Balance at 31 December 2020	85,632,637	38,958,537	124,591,174
Balance at 01 January 2021	85,632,637	38,958,537	124,591,174
Surplus/ (deficit) for the year	2,339,585	(36,077,546)	(33,737,961)
Capital cost adjustment	-	(1,716,600)	(1,716,600)
Grant refunded during the year	-	(313,092)	(313,092)
Balance at 31 December 2021	87,972,222	851,299	88,823,521

The annexed notes, from 1 to 25, form an integral part of these financial statements.


 CHIEF EXECUTIVE


 CHAIR PERSON


 MANAGER FINANCE

KHWENDO KOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 THE ORGANIZATION AND ITS OPERATIONS

"Khwendo Kor" was formed in February 1993 and is registered under the Societies Act, 1860. Khwendo Kor is a Pashto word means "Sister's Home". KK is a non-profit, non-government organization working for the welfare and up-lift of women and children living in rural areas of Khyber Pakhtunkhwa Pakistan.

These financial statements are the separate financial statements of the organization in which investment in subsidiary organization is accounted for at cost and is not consolidated. As of reporting date the organization has the following subsidiary:

Subsidiary	% of shareholding	
	2021	2020
BEE Services (Pvt.) Ltd	100%	100%

2 BASIS OF PREPARATION

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 International Financial Reporting Standard for Small-Sized Entities (IFRS for SSEs) issued by the International Accounting Standards Board (IASB) as notified by SECP and Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention.

2.3 Functional and presentation currency

These financial statements are prepared in Pakistani Rupees which is the organization's functional and presentation currency.

2.4 Use of estimates and judgments

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, revenue and expenses. The estimates and associated assumptions and judgments 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 ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

2.5 Impairment

The carrying amounts of the organization's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists the recoverable amount of assets is estimated. Impairment is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are charged to income and expenditure account.

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3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

These are stated at cost less depreciation and impairment loss, if any. Depreciation is charged on written down value at the rates specified in note 4. Rates applied are as mentioned in finance manual of the organization. Cost of equipment comprises of purchase price and other directly attributable cost.

The organization charges depreciation on all additions to equipment from the year the asset becomes available for use. No depreciation is charged for the year in which equipment is disposed off/ discarded.

Renewals and replacements are recognized in the carrying amount of the equipment if it is probable that future embodied economic benefits will flow to the organization. Other maintenance and repairs are charged to the income and expenditure account. Gain and loss on disposal is taken to the income and expenditure account.

3.2 Financial assets and liabilities

Financial assets and liabilities are recognized when the organization becomes a party to the contractual provisions of the instrument. All financial assets and 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.

3.3 Investment and loan

Investment in and loan advanced to subsidiary are stated at cost.

3.4 Investment in fixed term deposit

Investment in fixed term deposit is stated at cost.

3.5 Loan, advances and other receivables

Loan, advances and other receivables are initially recognized at invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful recovery.

3.6 Staff retirement benefits

The organization operates EOBI as per the labour law of Government of Pakistan.

3.7 Accrued and other liabilities

Accrued and other liabilities are carried at their amortized cost, which approximates fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank.

3.9 Provisions

Provisions are recognized when the organization has a legal or constructive obligation as a result of past event and 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 reflect current best estimate.

3.10 Interest free loan

Interest free loan has been issued to the targeted beneficiaries under the PPAF-IFL programme and is stated at cost.

21

3.11 Revenue recognition

Unrestricted / General fund

Revenue from donations, philanthropist, and own generation of resources are recognized on actual receipts basis.

Return on deposits is accrued on a time proportion basis by reference to the principle outstanding and the applicable rate of return.

Restricted Funds

Grants received for specific purposes and interest thereon are classified as restricted grants. Such grants are transferred to income as grants to the extent of actual expenditure incurred there against. Unspent portion of such grants are reflected as restricted grants in the balance sheet. Expenditure incurred against grant committed but not received is accrued and recognised in income and is reflected as receivable from donors.

3.12 Taxation

No provision for taxation has been made in these accounts as the income of the organization is eligible for tax credit equal to one hundred percent under sub section 2(e) of section 100 C of the Income Tax Ordinance, 2001 being an organization not for profit.

3.13 Related party transactions

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as outside party transactions using valuation modes as admissible, except as determined under the agreement or otherwise approved by Board of Directors.

3.14 Investments

Investments are classified as follows:

i) Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturities, which the organization has the positive intent and ability to hold to maturity, are classified as held-to-maturity investments.

These are initially recognised at cost, which is the fair value of the consideration given, plus transaction costs.

After initial measurement, these are measured at amortized cost using the effective interest rate methods, less impairment, if any.

ii) Available-for-sale investments

These are initially measured at cost which is the fair value of consideration given plus transaction costs. After initial measurement, these are measured at fair value less impairment, if any. Unrealised gain and losses on revaluation of these investments are recognised as income, until the investment is derecognised, at which time cumulative gain or loss is recognised in the income and expenditure account for the period.

Premium or discount on debt securities, classified as available-for-sale and held-to-maturity, is amortized using the effective interest rate method, and taken to the income and expenditure account.

3.15 Off-setting

Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial Position, if the Company has a legally enforceable right to set-off the recognized amounts, and intends either to settle these on a net basis, or to realize the assets and settle the liabilities, simultaneously.

20

4 PROPERTY AND EQUIPMENT

2021	COST				Rate	ACCUMULATED DEPRECIATION			WRITTEN	
	As at 01 Jan, 2020	Additions	Disposal	As at 31 Dec, 2021		As at 01 Jan, 2020	Charge for the year	Adjustment / Disposal	As at 31 Dec, 2021	DOWN VALUE
	Rupees					Rupees			As at 31 Dec, 2021	
Land	21,225,150	-	-	21,225,150	-	-	-	-	21,225,150	
Building	34,836,257	485,418	-	35,321,675	5%	9,244,958	1,303,836	-	10,548,794	24,772,881
Vehicles	13,936,328	-	(1,000,000)	12,936,328	20%	9,124,162	762,433	(832,228)	9,054,367	3,881,961
Office equipment	1,748,494	9,100	-	1,757,594	10%	1,168,116	58,948	-	1,227,064	530,530
Computers	5,073,599	16,000	-	5,089,599	30%	4,540,084	164,855	-	4,704,939	384,660
Furniture & fixtures	1,136,451	-	-	1,136,451	10%	804,131	33,232	-	837,363	299,088
Electrical equipment	4,146,250	-	-	4,146,250	10%	2,468,117	167,813	-	2,635,930	1,510,320
Other fixed assets	420,221	-	-	420,221	30%	384,830	10,617	-	395,447	24,774
	<u>82,522,750</u>	<u>510,518</u>	<u>(1,000,000)</u>	<u>82,033,268</u>		<u>27,734,399</u>	<u>2,501,734</u>	<u>(832,228)</u>	<u>29,403,904</u>	<u>52,629,364</u>

2020	COST				Rate	ACCUMULATED DEPRECIATION			WRITTEN	
	As at 01 Jan, 2019	Additions	Disposal	As at 31 Dec, 2020		As at 01 Jan, 2019	Charge for the year	Adjustment / Disposal	As at 31 Dec, 2020	DOWN VALUE
	Rupees					Rupees			As at 31 Dec, 2020	
Land	21,225,150	-	-	21,225,150	-	-	-	-	21,225,150	
Building	34,836,257	-	-	34,836,257	5%	7,898,048	1,346,910	-	9,244,958	25,591,299
Vehicles	10,632,050	3,304,278	-	13,936,328	20%	7,921,120	1,203,042	-	9,124,162	4,812,166
Office equipment	1,748,494	-	-	1,748,494	10%	1,103,630	64,486	-	1,168,116	580,378
Computers	5,585,099	-	(511,500)	5,073,599	30%	4,728,757	228,649	(417,322)	4,540,084	533,515
Furniture & fixtures	1,136,451	-	-	1,136,451	10%	767,206	36,925	-	804,131	332,320
Electrical equipment	4,146,250	-	-	4,146,250	10%	2,281,658	186,459	-	2,468,117	1,678,133
Other fixed assets	420,221	-	-	420,221	30%	369,664	15,167	-	384,830	35,391
	<u>79,729,972</u>	<u>3,304,278</u>	<u>(511,500)</u>	<u>82,522,750</u>		<u>25,070,083</u>	<u>3,081,638</u>	<u>(417,322)</u>	<u>27,734,399</u>	<u>54,788,351</u>

5 INVESTMENT IN BEE SERVICES (PVT.) LIMITED

This represents investment made in shares of BEE services (Pvt.) Limited amounting to Rs. 5 million (50,000 shares of Rs. 100 each), representing 100% issued shares of BEE services (Pvt) Limited.

	NOTE	2021 -----RUPEES-----	2020
6 LOAN AND ADVANCES			
Loan to BEE Services (Pvt.) Limited	6.1	3,000,000	3,000,000
6.1 LOAN TO BEE SERVICES (PVT.) LIMITED			
This represents the remaining loan amounting to Rs. 3 million to BEE Services (Pvt.) Limited as extension to the loan agreement for a interest free loan for a period till 30th June 2023.			
7 INVESTMENT - HELD TO MATURITY			
This represents fixed term deposit made in Meezan Bank Limited amounting to Rs. 21 million on June 03, 2021 under PLS basis.			
8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances	8.1	494,173	182,738
Securities, deposits and prepayments		20,000	661,450
Advance tax		-	573,865
Interest free loan		1,500,000	-
Other receivables		666,047	1,353,101
Income tax refund due from government		1,572,775	1,572,775
		<u>4,252,995</u>	<u>4,343,929</u>
8.1 ADVANCES			
Official advances		396,219	36,708
Personal advances		97,954	146,030
		<u>494,173</u>	<u>182,738</u>
9 CASH AND BANK BALANCES			
Cash in hand		-	8,000
Cash at bank:			
Current accounts	9.1	242,649	10,405,460
Saving accounts	9.1	55,818,577	32,211,318
		<u>56,061,226</u>	<u>42,616,777</u>
		<u>56,061,226</u>	<u>42,624,777</u>
9.1 Cash at bank			
Head office		55,950,037	34,027,349
Peshawar region		6,227	5,800
Mansehra region		48,033	48,033
Karak region		4,666	4,579
D.I Khan region		22,225	21,365
Upper Dir region		747	8,480,360
Bannu region		9,599	9,599
Kohat region		19,692	19,692
		<u>56,061,226</u>	<u>42,616,777</u>

25

Khwendo Kor
Donor Wise Funds Reconciliations
For the year ended Dec 31, 2021

Annexure A

Note 10 DESCRIPTION	Restricted Funds Balances				Restricted Funds Balances				Restricted Funds Balances			TOTAL Restricted Fund
	DIL	PPAF PPR-Batch-63 PPR-Batch-71	PPAF LACIP	PPAF Covid-19	PPAF IFL	MRGE	SEBCON	NCA- GBV	NCA- PB	Others		
Grants / Funds received	-	-	55,732,665	-	2,624,475	730,449	-	-	8,364,425	-	-	67,452,015
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Bank profit	-	-	297,911	-	1,559,410	10,471	-	-	-	-	-	1,867,792
	-	-	56,030,576	-	4,183,885	740,920	-	-	8,364,425	-	-	69,319,806
EXPENDITURE												
Programme activity cost												
Direct staff	-	-	7,242,408	-	1,456,992	360,000	-	-	4,319,928	-	-	13,379,328
Education	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Economic empowerment	-	-	-	-	213,226	-	-	-	-	-	-	213,226
Civil rights	-	-	-	-	-	500,109	-	-	4,465,795	-	-	4,965,904
Viable village	-	-	81,823,878	-	-	-	-	-	-	-	-	81,823,878
Humanitarian	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	89,066,286	-	1,670,218	860,109	-	-	8,785,723	-	-	100,382,336
Project support cost												
Programme support cost	-	-	3,084,782	35	597,336	143,022	-	-	1,189,842	-	-	5,015,016
Administrative Cost	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	3,084,782	35	597,336	143,022	-	-	1,189,842	-	-	5,015,016
Total expenditure - transferred to income and expenditure account	-	-	92,151,068	35	2,267,554	1,003,131	-	-	9,975,565	-	-	105,397,352
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit) for the period	-	-	(36,120,492)	(35)	1,916,332	(262,210)	-	-	(1,611,140)	-	-	(36,077,546)
Accumulated surplus/(deficit) b/f	8,463	(796,522)	35,025,122	253,903	1,147,685	568,914	223,105	152,492	2,351,386	23,990	-	38,958,538
Capital cost adjustment	-	-	-	-	(1,147,685)	(568,914)	-	-	-	-	-	(1,716,599)
Grant refunded	-	-	-	(313,092)	-	-	-	-	-	-	-	(313,092)
Fund balances at Dec. 31, 2021	8,463	(796,522)	(1,095,370)	(59,224)	1,916,332	(262,210)	223,105	152,492	740,246	23,990	-	851,301

Khwendo Kor
Unrestricted Funds Balances
For the year ended Dec 31, 2021

Annexure - B

DESCRIPTION	Note	TOTAL Un-Restricted Fund
MISC REVENUE		
Zoie Bibi School		229,060
Donations to DD		442,266
Chashmaie School		75,600
Musa Khel School		11,100
Meezan Bank Limited		200,000
EHD Skills Center		129,330
FROK - UK		9,043,650
Dasterkhuwan - C-19		390,919
OTHER INCOME		
Bank profit Investment		1,240,183
Bank profit Other		269,785
Gain on disposal		567,228
Scrap items disposed off		85,400
Staff Conveyance and Donations		166,542
Other Income		115,479
		12,966,543
EXPENDITURE		
Program cost		
Project cost		
Direct staff		3,219,646
Education		1,704,794
Economic Empowerment		355,947
Humanitarian		316,402
	Sub Total	5,596,789
Project support cost		
Office Supplies and Maintenance		51,506
Office Stationery		12,548
Utilities		143,564
Vehicle POL		32,900
Vehicle Maintenance		118,652
Membership and Registrations		30,000
Property Tax		437,400
Tax Consultancy Fee		356,681
Other Consultancy Fee		265,936
Daily allowances		830
FBR Penalty		585,710
Building Repairing		184,845
Annual Audit Fee		170,000
Bank Charges and WHT		253,343
	Sub Total	2,643,915
Administrative Cost		
Depreciation		2,501,734
	Sub Total	2,501,734
	Total Expenditure	10,742,437
Surplus / (deficit) for the period		2,224,106
Accumulated surplus/(deficit) b/f		85,632,637
Surplus/ (deficit) at Dec. 31, 2021		87,856,742

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	NOTE	2021 -----RUPEES-----	2020
11 REVOLVING FUND			
Fund from PPAF-IFL		49,989,999	-
Fund from KK		167,843	167,843
		<u>50,157,842</u>	<u>167,843</u>
12 ACCRUED AND OTHER PAYABLES			
Staff salaries		-	348,576
Teachers' salaries		-	47,733
Income tax withheld		461,596	968,471
EOBI		23,130	510
Audit fee		170,000	170,000
Other payables		1,906,360	2,061,616
		<u>2,561,086</u>	<u>3,596,906</u>
13 CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitments as at 31 December 2021 involving the organization.			
14 GRANTS			
<i>Restricted</i>			
Development in Literacy - DIL		-	351
<i>Pakistan Poverty Alleviation Fund</i>			
PPR-Batch-63 & 71		-	-
LACIP		92,151,068	10,551,221
Covid-19		35	16,823,204
Interest Free Loan (IFL)		2,267,554	-
MRG		1,003,131	-
<i>Norwegian Church Aid - NCA</i>			
NCA- GBV		-	4,264
NCA- PB		9,975,565	9,095,606
		-	-
<i>Unrestricted</i>			
Zoie Bibi School		229,060	100,000
Donations to DD		442,266	-
Chashmaie School		75,600	-
Musa Khel School		11,100	-
Meezan Bank Limited		200,000	-
EHD Skills Center		129,330	-
FROK - UK		9,043,650	-
Dasterkhuwan - C-19		390,919	-
Miscellaneous		-	1,574,911
		<u>115,919,278</u>	<u>38,149,557</u>
15 PROFIT ON INVESTMENTS AND BANK DEPOSITS			
Bank profit		2,137,577	173,954
Investment income from fixed term deposit		1,240,183	2,102,586
		<u>3,377,760</u>	<u>2,276,540</u>

20

	NOTE	2021 -----RUPEES-----	2020
16 OTHER INCOME			
Staff Conveyance and donations		166,542	-
Scrap sales		85,400	-
Gain on disposal of fixed assets		567,228	63,322
Miscellaneous		115,479	-
Write off payables		221,180	-
		<u>1,155,829</u>	<u>63,322</u>
17 PROJECT ACTIVITY COST			
Viable village		81,823,878	8,273,668
Staff salaries		9,914,744	7,858,766
Civil rights		4,965,904	3,622,923
Education		2,293,024	1,402,820
Economic empowerment		674,173	318,827
Humanitarian		316,402	15,971,676
Staff Capacity Building		-	23,995
		<u>99,988,125</u>	<u>37,472,675</u>
18 PROJECT SUPPORT COST			
Vehicle (POL)		2,398,114	1,038,043
Electricity		666,405	379,104
Office rent		423,500	145,000
Office supplies and maintenance		420,293	275,251
Meeting & conferences		343,738	90,002
Withholding tax on bank profit		280,168	140,074
Withholding tax on cash withdrawals		237,914	4,124
Printing & stationery		175,506	156,019
Bank charges		69,378	4,653
Telephone, internet, & communication		-	190,452
Vehicle rent		-	257,733
		<u>5,015,016</u>	<u>2,680,455</u>
19 ADMINISTRATIVE EXPENSES			
Staff salaries		5,991,000	-
Receivable writeoff		737,989	-
Security deposits writeoff		661,450	-
FBR penalty		585,710	-
Advance tax write off		573,865	-
Property tax		437,400	7,000
Tax consultancy services		356,681	90,000
Other consultancy		265,936	434,780
WHT on profit		222,979	283,121
Repair and maintenance		184,845	93,687
Annual audit fee		170,000	170,000
Vehicles - POL		151,552	47,714
Utilities		143,564	7,376
Office supplies and maintenance		51,506	308,911

20

NOTE	2021	2020
	----RUPEES----	
Membership and registrations	30,000	90,782
Bank charges	18,718	24,357
Office stationery	12,548	-
WHT on cash withdrawal	11,833	-
Daily allowance	830	-
Office rent	-	48,056
Miscellaneous expenses	-	2,599
Ijarah rentals	-	157,116
Depreciation	2,501,734	3,081,638
	<u>13,110,141</u>	<u>4,847,136</u>

20 PROVISION FOR TAXATION

The organization has been established as a non-profit organization under Societies Act 1860 and has obtained the status of Non Profit Organization under the section 2 (36) of the Income Tax Ordinance 2001. Hence according to section 100C of Income Tax Ordinance 2001, the organization is allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final tax payable under any of the provisions of the Ordinance. Hence, no provision for taxation has been recorded.

21 RELATED PARTY TRANSACTIONS

Related parties include associated organisations, directors and key management personnel. Transactions with associated organisations are as follows:

Name and nature of relationship

Wholly owned company

BEE Services (Pvt.) Ltd 100% shares are held by Khwendo Kor.

Nature of transactions

Investment in shares of BEE Services (Pvt) Ltd 50,000 @ 100 each	5,000,000	5,000,000
Loan advanced to BEE Services (Pvt) Limited	3,000,000	3,000,000

22 FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility and oversight of the organization's risk management framework. The Board is also responsible for developing and monitoring the organization's risk management policies.

Performance Risk

Performance risk represents the financial loss to organization that would occur due to non-compliance of the key performance indicators or conditions associated with the financing agreements between Khwendo Kor and sponsoring donor entities.

Credit Risk

Credit risk represents the financial loss that would be recognised at the reporting date if a counterparty fails to perform as contracted. The organization's credit risk exposures are categorised under the following headings:

no

NOTE

	2021	2020
	----RUPEES----	

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

	2021	2020
	----RUPEES----	
Bank balances	56,061,226	42,624,777
	56,061,226	42,624,777

Budgetary control risk

Budgetary control risk represents the risk that the organization would not be able to fulfil the embedded conditions regarding preparation of budget and effective control measures in order to keep expenditures in line with the approved budget.

Liquidity risk

Liquidity risk results from organization's potential inability to meet its financial liabilities, e.g. settlement of borrowings, paying its suppliers and employees. The responsibility of liquidity risk management rests with the organization's Board of Directors, and their approach in this regard is to ensure that the organization always has sufficient liquidity to meet its liabilities when they become due, without incurring unacceptable losses or risking damage to the organization's reputation. Beyond effective net working capital and cash management, the organization mitigates liquidity risk by arranging short-term financing from highly rated financial institutions.

23 NUMBER OF EMPLOYEES

Total number of employees at the end of the year were 16 (2020: 25). Average number of employees during the year were 23 (2020: 12).

24 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors on

30 JUL 2022

25 GENERAL

Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE


CHAIRPERSON


MANAGER FINANCE