



Certified by:
 Pakistan Centre for
Philanthropy

ANNUAL REPORT 2021



4/2/2016-FATF/INGO
GOVERNMENT OF PAKISTAN
MINISTRY OF INTERIOR

MOST IMMEDIATE

Islamabad, the 25th October, 2021

From: Muhammad Shafique
Section Officer (FATF/INGO)
Tel.051-9207026

To: ✓ Mr. Javed Iqbal,
Country Representative,
M/s Kokyo naki Kodomotachi (KnK), Japan
Office No. 301, 3rd Floor, Shah Tower, E-11/2,
Islamabad

Subject: RENEWAL OF MOU WITH KnK, JAPAN

Reference to the subject noted above and to inform you that Govt of Pakistan is pleased to renew the MoU of KnK Japan for the period of 01 year subject to the following conditions:

- i. M/s KnK, Japan will work with those NGOs who have signed MoU/ Registered with Economic Affairs Division.
- ii. The INGO will not use GPS/conduct any kind of survey unless sanctioned by the Govt of Pakistan and written permission is granted for the purpose.
- iii. The INGO will not employ any individual of Indian and Israeli Nationalities/origin.
- iv. The INGO shall follow government policies and terms & conditions of the MoU with Government of Pakistan in letter and spirit.

2. Duly signed MoU, in original is enclosed herewith.

Encl: As above


Section Officer (FATF/INGO)

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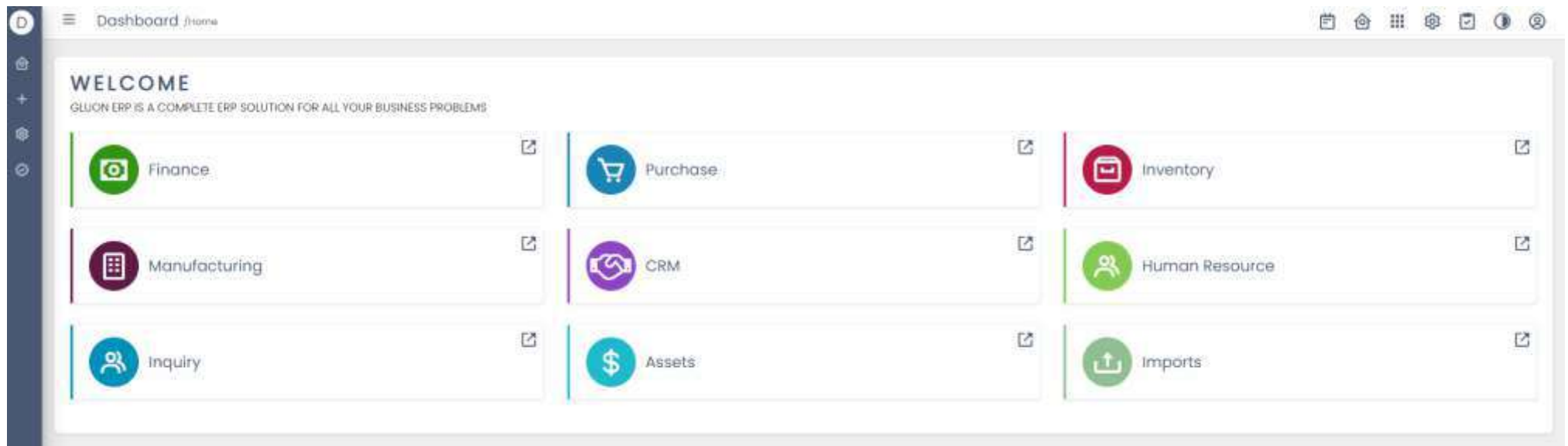
Humanitarian coordination

Case management



Management Information System (MIS)

KnK Japan moved to an online web-based information management system in the last quarter of year 2021 for data collection and reporting from partner. It is easier and user-friendly system to track activities and monitor the progress of partner organizations on field. It will be fully integrated into our project management cycle from the start of year 2022.



Contents

- 06 Message from Tokyo
- 07 Foreword From Pakistan
- 09 About KnK Japan
- 12 Education Plan KP
- 14 Education- A Catalyst for Change
- 24 The Impact that Local Communities can make
- 26 Beyond Ephemeral Change
- 30 Digital Classrooms
- 32 Water and Sanitation System
- 34 Covid-19
- 36 Coordination Meetings
- 38 M & E
- 40 Refugee Response Plan (RRP)
- 42 Financial Report



Message From Tokyo



Dear Friends, Partners and Supporters,

In these challenging times, KnK has been committed to supporting the vulnerable children to give them equal opportunities so they could live with the dignity that they deserve. Especially during this COVID-19 crisis, I believe our support is considered essential as the rights of the children are being deprived somewhere in this world even at this moment. Especially we are proud of our local staff and partners who come on site every day to ensure the children's safety and rights to education in our target 6 overseas countries.

In Pakistan since 2005 we have been working and seen much progress as well as tangible results in ensuring children's access to quality education. The number of children who have no access to school has been dramatically decreased and more children are now in school in the area we have worked. Yet despite these remarkable gains, there are disparities emerged across in this recent pandemic, revealing many children are still vulnerable to be put into the difficult situation.

You will read in this Annual Report about the results we were able to achieve that could not have been possible without amazing local staff, local partners, communities and governments that we work with. I would like to thank each of you for your commitment, dedication and support. Also it is now our collective responsibility to reach every child in difficulties. KnK is determined to take one more step towards

a better society where children can access to the right education and realize their full potential.

I would like to humbly ask our stakeholders for their continued support as we pursue the creation of the better world for every child.

Ayako OTAKE,
Managing Director,
Kokkyo naki Kodomotachi (KnK)

Foreword From Pakistan



Annual report for the year of 2021 explores the programmatic results achieved and major accomplishments attained during the past year. If we look back at the events unfolded in the world after the advent of COVID-19, a paradigm shift has occurred in every walk of life and the past year remained equally troubled due to frequent exercises of lockdowns and relaxations. However, this is also a reality that COVID-19 emergency has also pushed us on track of digitization of our organizational systems and processes by making us more accountable to our beneficiaries and partners.

The year of 2021 was significant in the sense that Ministry of Interior (MOI) awarded the “Renewal Certificate” after the expiry of its registration in Pakistan which is an important legal requirement to operate in Pakistan. The past year, KnK Japan saw the extensions in its thematic and geographic coverage. The organization was graced to “allowed to work” status from “Commissionerate Afghan Refugees (CAR)” Khyber Pakhtunkhwa which is mandated to work for the welfare and facilitation of the Afghan Refugees residing in Pakistan. With the withdrawal of United States from Afghanistan last year and emergence of new regime, Afghanistan is witnessing economic and social meltdown which is gradually turning into a humanitarian crisis as more Afghan refugees are expected to cross border to neighboring countries to avoid this situation. During the past year, KnK Japan also became part of Regional Refugee Response Plan (RRP) coordinated by UNHCR and will focus on a response to the educational needs at six (06) high density Afghan population districts in KP province of Pakistan.

Since KnK Japan considers education as a center to overall development so education remained the major programmatic intervention to provide children with a strong educational foundation and empower them to change a generation. During the past year, KnK Japan continued to provide the Safe and protective environment to the vulnerable children by contributing with the Government of Pakistan in the access, quality and community engagement. Programmatic intervention, “Improving

Access & Quality of Girl's Secondary Education in KP (Phase-I)” was successfully concluded and Phase-II of the same program was initiated in the month of December 2021.

Under this programmatic intervention, support was provided to the E&SED KP in improving the quality and access of girls' secondary education in districts of Abbottabad, Torghar and Mansehra of the KP province by upgrading existing primary schools to middle level and improving facilities of the existing girls' secondary schools. This intervention remained instrumental to transform the Government girls' secondary schools into model institutions which were then presented as a blueprint for the Government to replicate in other schools as well as to advocate for the policy changes for the better schools.

We have put advance analytics into actions to collect the data of hotspots areas where major population of out-of-school girls reside at secondary level. This has allowed us to design our interventions relevant to the needs of the right holders and to improve the efficiency of our programs and value for money under the framework of Government's needs and priorities. The organization will continue to complement the Education Sector Plan- 2020- 2025 of E&SED KP province in reforming the public-school system.

None of the achievements would have been possible without the amazing people that make” KnK Japan in Pakistan” a team. Similarly, we also heartily appreciate the ample support and work of our local partner, local communities and Govt's officials of Line departments who extended their supportive hand to enable us to achieve our objectives.

Lastly, I express my sincere wishes that all stakeholders involved with us, stay healthy and cope up well with the unprecedented challenges being faced by humanity in today's age.

Javed Iqbal
Country Representative (KnK-Japan)



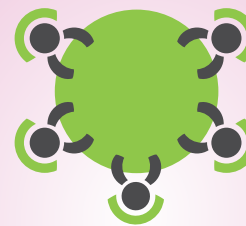
Year 2021 in Numbers



Direct Beneficiaries:
Approximately **3036**
female students from
04 target schools



Trained **88** teachers
Provided **01** multi-purpose hall
that is now used by **1,000**
students and **500** teachers



Trained **32** PTC members,
52 community & provincial
level advocacy groups



Indirect beneficiaries:
local residents
337,921

About KnK Japan

Who are We?

Kokkyo naki Kodomotachi (KnK, Children without Borders) Japan is a non-government humanitarian association established in Tokyo, Japan since 1997. The organization is working for underprivileged and calamity-stricken children and youth around the world.

We Envision a Society:

- where children can materialize their dreams and have access to education
- where healthy growth of the child is possible in a safe and secure environment
- where children grow to accept the differences, nourish friendship and grow together.



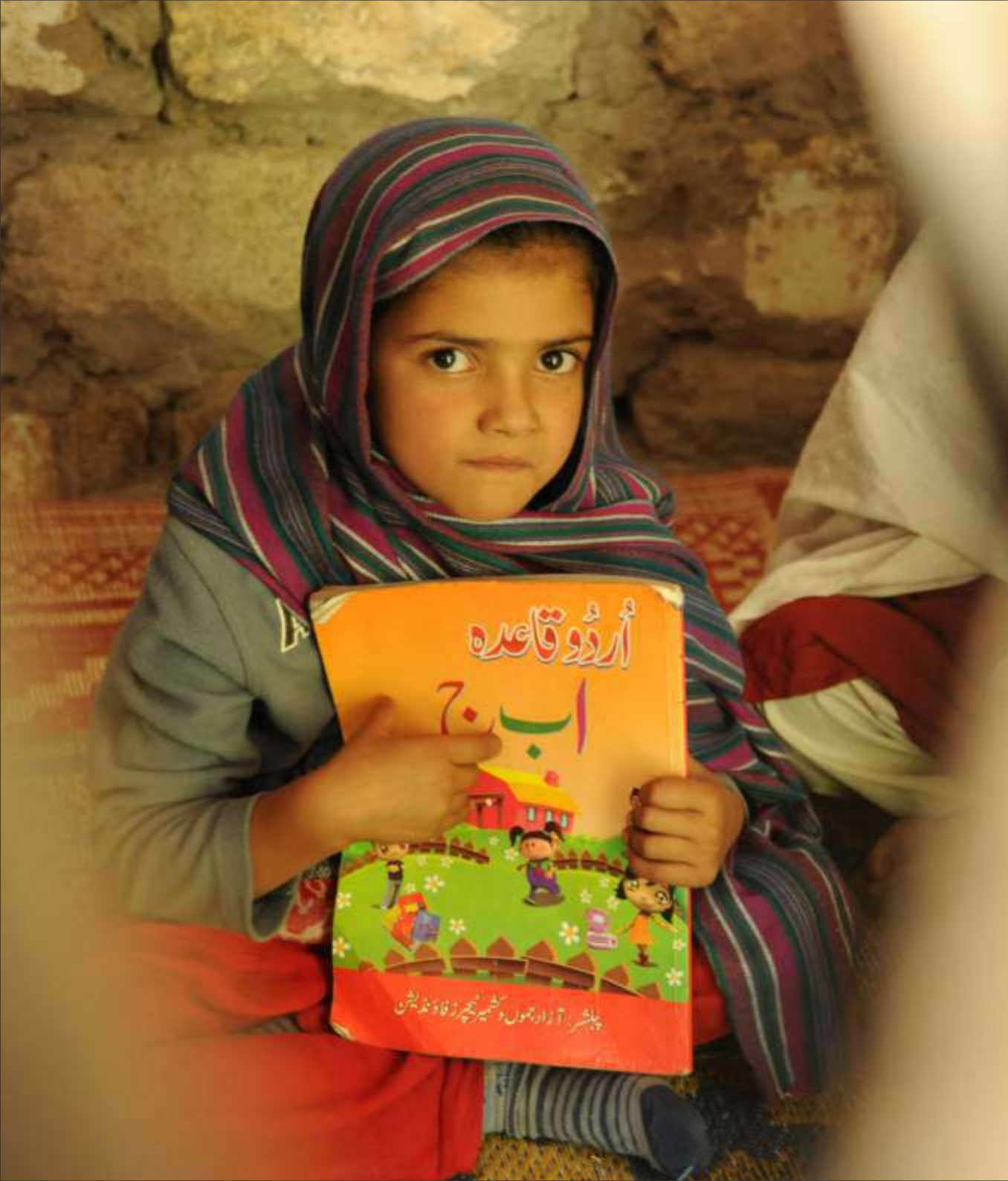
Values

Human Dignity: We believe that dignity is essential for organizational thriving. We build a relationship of trust and recognition not just within the organization but with our beneficiaries as well to uphold the value we adhere to human dignity.

Inclusiveness: We believe that we all have the power to change the circumstances around us. That's why we put utmost importance to include all in decision making for sustainable results.

Accountability: We serve people. We hold ourselves accountable for all actions & strongly believe in our responsibility towards our beneficiaries.





Mission

- To provide access to quality education without any discrimination of gender.
- To accelerate and amplify the advocacy efforts at community level where girls are most likely to miss out secondary education.
- To support children in conflict and disaster-prone areas to ensure access to education and opportunities for a better future.
- To provide opportunities of self-expression and training to build capacity of students and teachers for an enhanced learning environment in the classrooms.

EDUCATION SECTOR PLAN KP 2020/21-2024/25

Proposed Project is inline with KP Education Sector Plan 2020/21-2024/25

Access, Retention and Equity

- Registration of OOSG Undertake enrollment & Awareness campaigns
- Established new schools formal / non formal
- Rehabilitate schools Construct additional classrooms /schools
- Established NFBE centers
- Rehabilitation of wash facilities
- Provide incentivised education

Quality and relevance

- Introducing SMART Classrooms
- Train teachers and head teachers
- Making PTCs more active and impactful in schools
- Establish play areas in primary schools so that children have the chance to get out of the classroom during the school day.
- Continuo us foil ow-ups and professional development of teachers

Governance & Management

- Community engagement
- Evidence based planning and management
- Improve efficiency and effectiveness of Parent Teacher Councils through capacity building initiatives
- Sensitization training on education priorities and policies - Establishment of School Attendance Authorities at school level Strengthen district and provincial oversight of the activities of PTCs

KnK Japan works in tandem with the national priorities in the sector of education to contribute to the common goal of improving access and quality of education, especially for girls. KnK Japan realizes that improving access and quality of education in KP province is a mutual responsibility and task of government, civil society organizations and NGOs to produce long-term and sustainable results at provincial and national level. The findings of the Khyber Pakhtunkhwa Education Blueprint Vision 2018-23 shed some light on the challenges that the province faces to ensure that no children remain out-of-school.

Children in primary schools still struggle to enhance their basic literacy and numeracy skills and the drop-outs from Katchi grade through to the end of secondary education also put major barriers to improve quality of education.

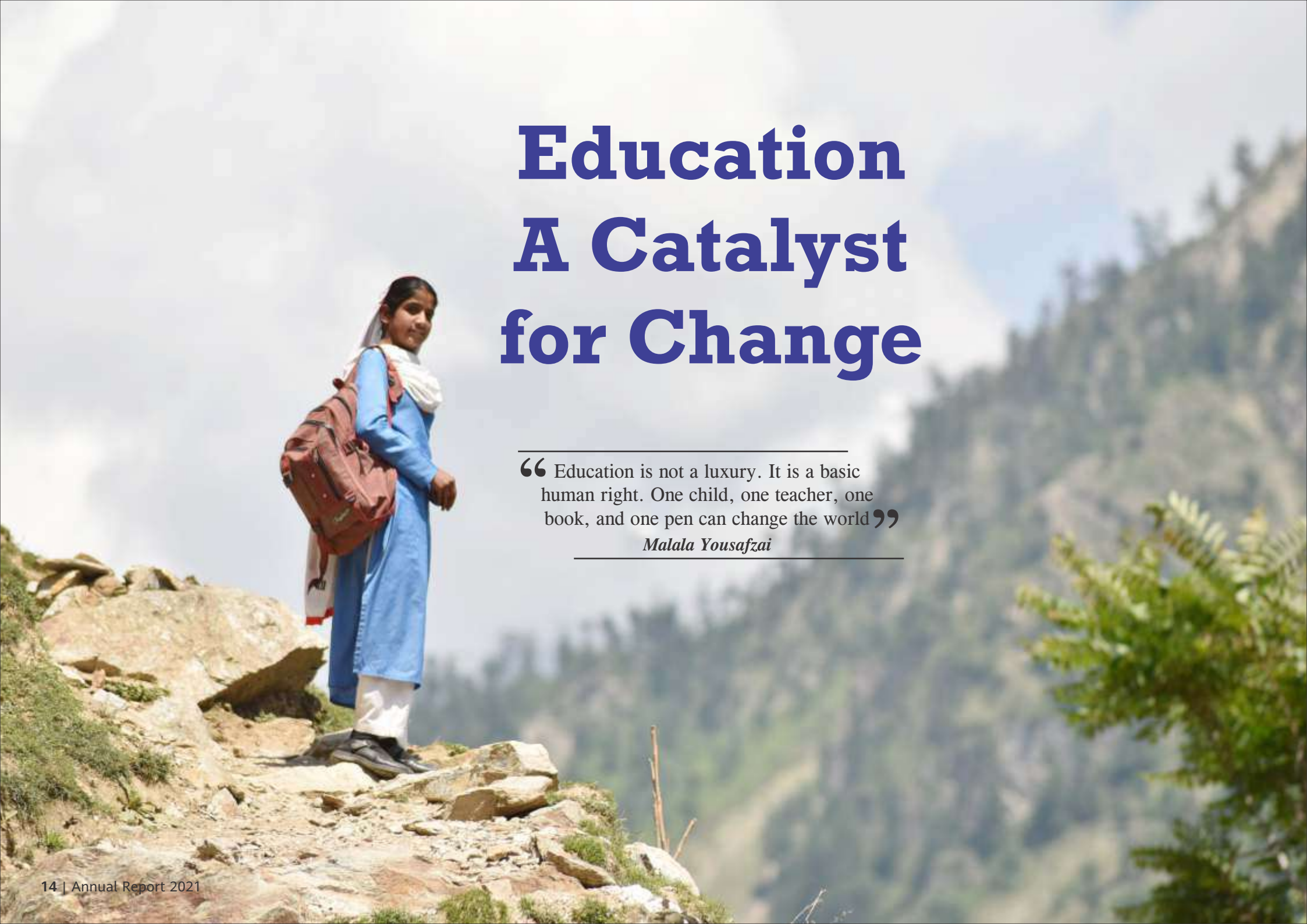
Under the thematic priorities identified in Education Sector Plan 2020-25, KnK Japan is working to improve access by providing school buildings and additional classrooms. Access remains one of the most obstinate hurdles for certain groups of children, including girls. This is more challenging for children in remote areas as there is no infrastructure for education that naturally exclude them from the process of learning.

This problem is more specifically related to demand and supply and coordinated and joint efforts of government as well as of non-profit organizations, especially those who are pursuing the same issue in the province, are required to increase access of children to schools. It has been reported extensively that this issue of accessibility effect girls more than boys.

KnK Japan, through effective networking and coordination with education department and government officials make informed decisions to produce the desired results. We coordinate with the education department to stay updated on the policy, new developments, and priorities of the government so that we can provide our technical support in the areas where gaps are identified.

In the past year, KnK Japan has built two (02) school buildings for girls in New Kalay and Judba (Torghar) for middle & secondary level education. We also built additional classrooms in GGHS Lora and GGHS Shinkiari to enhance their intake capacity of students to meet the target of increased enrolment. In addition to that, we focused on provision of life skill training to secondary school students, trained teachers and PTC members in three districts to increase their capacity and capability for greater accountability, better governance, management and improved academic outcome for the children. This report will give our readers a glimpse of our achievements, our work, commitment to education and human development and steps that we take to include all stakeholders to create a thriving impact for the future of girl's education in KP.





Education A Catalyst for Change

“ Education is not a luxury. It is a basic human right. One child, one teacher, one book, and one pen can change the world ”

Malala Yousafzai

The onus lies on the state to protect and safeguard education right so that no one is left out and every child has the same and equal opportunity to grow. KnK Japan firmly believes that children can change the future of Pakistan.

We work alongside government representatives, education department, and people who are socially active for the cause of education, particularly girls' education to amplify the demands to improve accessibility to schools. We provide financial and technical support so that regardless of the social status, education could become a reality for countless out-of-school children (OOSC). We also step in with our technical expertise to fill gaps in the areas of knowledge delivery so that better academic outcomes could be produced. At global level, Pakistan affirmed its commitment to Sustainable Development Goal (SDG) 4 that seeks to provide quality education to all. Education is an undisputed and uncontended indicator of national development.

SDG 4, which focuses on equitable quality education for all was adopted as a Tier 1 priority goal by Pakistan. However, despite only nine years remaining to 2030, the federal and provincial governments have not yet been able to prioritize their education budgeting as per SDG 4.

The constitution of Pakistan promotes right of education. According to article 25A and 37B, it is state's responsibility to provide free and compulsory education to all up to 16 sixteen years.

SDG 4
Article 25A
Article 37B (State of
Pakistan should
provide free and
compulsory education
to all up to 16 years)

Pakistan's Commitment to Right of Education





**Improving the
Access and
Quality of Girls'
Secondary
Education in
Khyber
Pakhtunkhwa**



GGMS Judba, Torghar



GGMS Newkalay Torgar



GGSS Lora, Abbottabad



GGSS Shinkhari





What are We Doing

KnK Japan shares government's vision of providing access to all children age between 5-16 years in KP province. In year 2021, we have achieved some tremendous results to improve access and quality of girl's education. We take a coordinated approach to address this issue by including all stakeholders in the process of consultation and implementation to ensure that all stakeholders, including government departments, KnK, partner organization, and the community take ownership and contribute towards the achievement of a common objective.

25 Classrooms provided

04 Offices Provided

01 Multipurpose Hall in Lora
Dropout rate Decreased to **3%**

15 Toilets Provided

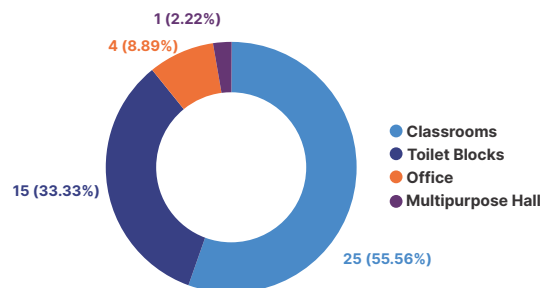
58 Public Schools in
District Lora benefitting
from Multipurpose Hall

Enrolled **1075** out-o- School Girls

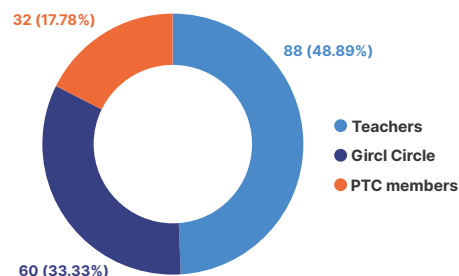
Improvement in Net Enrollment Rate

Middle School- **95%** Secondary School- **110%**

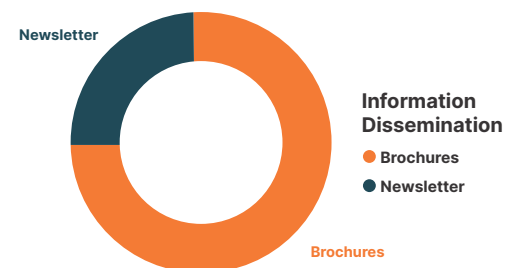
Infrastructure Provided by KnK Japan



Capacity Building: Numbers of Individuals Trained



Channels we used for information Dissemination



Case Study

Husna Bibi, daughter of Pashany, belongs to village Newkalay Hassan Zai, district Torgar. She is 14 years of age. Husna Bibi has four brothers and one sister. One of his brothers is married, who earns his living through labor. She has three younger brothers-two of whom are enrolled in grade-3 while one in grade-4. Her sister is too young, and of age two only. The father of Husna works as a laborer.

In her words "I always have had a dream to be a doctor. I love to get an education to achieve my ambition. I am currently studying at ALP center in Grade-6 in Newkalay which is a temporary arrangement for girls' education until facilities improvement/upgradation of girls' middle school Newkalay is completed. I came to know about the upgrading of girls' middle school in NewKalay through my friends, a few of whom are also married. I also got the inspiration from my married class-fellows to continue studies, and thought, if they could re-enroll in school even after getting married, why cannot I do the same. My father cannot afford to enroll me in any school-which is out of our village. I thought of myself as an unproductive and useless member of society. After deep thinking, I came to the conclusion, that education is the only way forward which can play a vital role to change our fate, which can serve as a pillar of strength in our life. Education is the only tool to get out of the vicious circle of poverty and get rid of the trap of illiteracy. Otherwise, no one can break the cycle of continued struggle with grazing animals & growing seeds in the farms-with a reward not equivalent to our hard work.

Having a dream is not so easy, but to achieve the dream is really an immense challenge. Besides faced with lack of opportunities, here we also have to encounter internal impediments. Being a daughter in an uneducated family, with no vision for educating their children, even no desire to improve their living standard or have amenities in life, we used to move on with existing taboos and socio-cultural barriers. There is no concept of educating girls in our village. If a few parents agreed to enroll their girls to schools, it is maximum up-to attainment of primary education. It is hard to convince parents, and other elder members in the family, to have an influential role in decision making. Females-in our society-have no right to take a decision on their own for their better future or have a say, be it education, marriage, or any other significant matter. In most of the cases, girls are only used as a tool to use-in a few hands. Backward environment, narrow-mindedness of the people living nearby, their gossip and irrational logics negatively impact female education, adding fuel to an already deteriorated situation. A long-term planning is needed, to upgrade primary schools to middle, middle to lower and higher secondary. On the other hand, a robust awareness campaign is the need of the hour to change the prevailing mind-set of the society. So that the dreams of many-like me-can be realized. I must admit that it is only education, which gave a vision to my eyes-added much needed energy-strengthened me to run after achievement of my goals".

Husna was pleased to know about the up gradation of primary school to middle and improvement of facilities to be provided by KnK Japan with the contributions of the people of Japan. She believes that this opportunity will provide her the much-needed wings to fly.



The Impact that Local Communities Can Make

According to the BISP survey, 39 percent of 11.7 million children in the age group of -16 are out of school. The data also reveals that 2.9 million girls are out-of-school, that is equal to 53 percent of the total 5.4 million girl population of the same age. This evinces a dire need to bring back these out-of-school girls to school to secure their future and provide them better opportunities for vocational advancement.

KnK Japan is working closely with FWA and government departments in KP to understand and implement the indigenous narrative of the local communities and the authorities to come up with a feasible and realistic solution because we see communities a part of the process, holding power and voice to bring the desired change.

We Set a Trajectory-
Meet education department to coordinate and formulate a strategy that directly addresses the need of the community

We Identify Change Agents- Real change is only possible when someone who knows the culture become part of the change we endeavor

We Sensitize communities- Formation of community advocacy groups (CAG) is important to integrate local narrative. We trained 40 members of CAG

We Provide Solution-
If accessibility & availability is the issue, then we offer a sustainable solution. We built schools in most remote areas

We Advocate
Nothing is more effective than advocacy that shakes the orthodox behavior of doing things. Our CAG members advocate for girls' education by conducting meetings with education department and local government representatives

We Never Give Up
Consistency defines our efforts. We never give up and instill the same feeling of mutual and shared responsibility in communities to produce desirable results. A project may end, but our communities are trained to demand accountability from government department.

Community Advocacy Groups an Epitome of Resolution

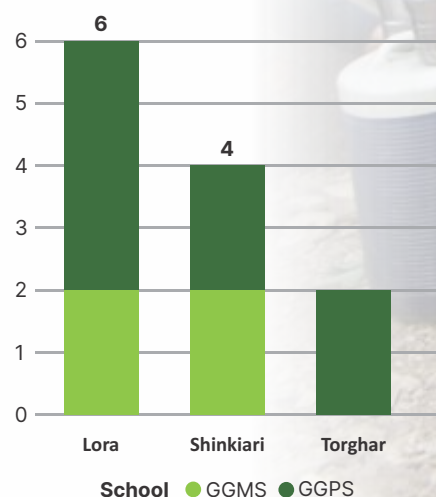
In the past year, KnK Japan formed four (04) community advocacy groups in four districts to mobilize support for girl's education and to raise awareness at the level of community for sustainable and effective results that could sustain and replicate in other districts of KP.

Before KnK intervention, no organized effort has been ever made by the community to produce some tangible results for girls' education. The upgradation of primary, middle, and secondary schools in Shinkiari, Lora and Torghar, and upgradation of secondary school to degree college in Shinkiari evince that anything can be achieved if efforts are exerted in the right direction. We are making headway in creating opportunities for girls to continue higher studies to pursue their dreams.

District	Schools	Status
Shinkiari	- GGMS Dadar - GGPS Labarkot - GGPS Dheri 2 - GGPS Chiiti Dheri	- GGMS upgraded to GGSS - GGPS upgraded to GGMS
Lora	- GGPS Seri Bakot - GGPS Bandi Mansoor - GGPS Sandu Gali - GGPS Barot - GGMS Bagh - GGMS Chamati	- GGPS upgraded to GGMS - GGMS upgraded to GGSS
Torghar	- GGPS Daur Maira - GGPS Bimble Akazai	- GGPS upgraded to GGMS



Schools Upgraded in 2021



Beyond Ephemeral Change





Capacity Building of Teachers, PTC & Girls Circle at Four Targeted Schools

KnK Japan believes that increasing the capacity of teachers can transpire into positive outcomes at classroom level that eventually helps children to be more focused and academically invested into studies. But what about the geographical areas where there is dearth of human resource? Girls education is a sensitive topic in hardcore areas like Torgar. Providing school building for education is not enough. Without capable teachers, the conduits of achieving progress for girls curtail considerably.

KnK Japan is not just building an edifice of education but also investing in the skills of secondary school girls. We believe that existence of secondary schools will be a source of educated teachers from within the district and will pave way for enrolling more out-of-school girls. Upon completion of studies, the students from these schools can educate more students thus filling the gap of human resource.

KnK Japan is setting a trajectory of sustainable resource mobilization from within the communities and providing solutions that are local and resonate with the needs of the communities. By providing an infrastructure of education in districts like Torghar, we are training future teachers from within the districts so that the challenge of human resource could be coped. We are working to promote a change that is not short-lived.

Trained 88 teachers in 04 schools on activity-based & inquiry-based learning.

During the year 2021, we have arranged capacity building sessions for teachers in GGHS Lora, GGHS Shinkari, GGPS New Kalay and GGPS Judba. Total 88 teachers were trained on modern pedagogical practices to improve learning experience of students in the classroom.

**Trained 88
teachers in 04
schools on
activity-based
& inquiry-based
learning.**

Awareness and Accountability- Capacity Building of Students and PTC

KnK also trained secondary students in the target districts to enhance their confidence and increase their knowledge about health and hygiene. A group of trained Girl Circle have worked as role model for other students, and they collectively organized events and disseminated their knowledge on the issue of health and hygiene. It has been an effective initiative to promote girls voice and give them confidence at early stages in the school to take leadership role.

KnK Japan has also enhanced the capacity of PTC in four districts to create an efficient accountable system at place where parents and the community members are fully aware about their responsibilities.

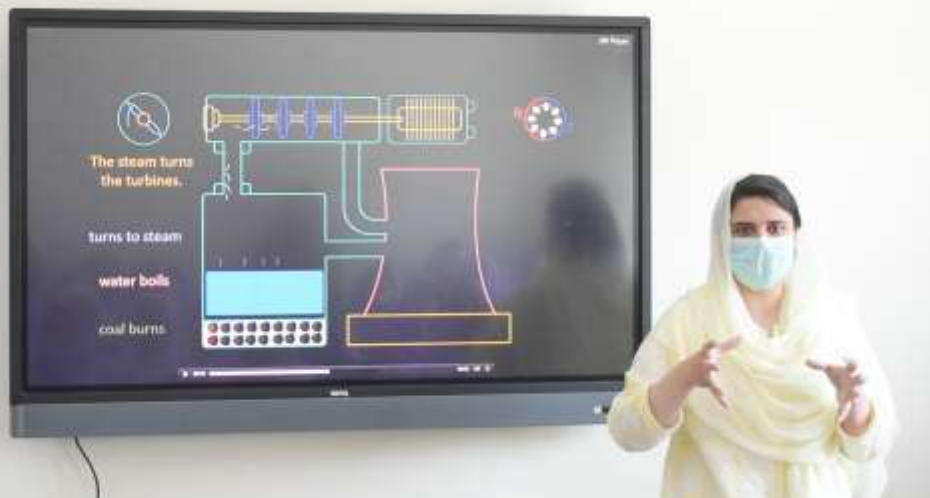


We sensitized 60 students on health and hygiene so that their confidence & self-awareness could increase, and message could pass on to other students. We want to create an enabling and safe environment for girl students in the schools.



Digital Classrooms





Digital Classrooms - Installation of Interactive White Board

KnK Japan in collaboration with Knowledge Platform introduced digital classroom in GGHS Lora and GGHS Shinkiari. Teachers from respective schools were trained on the use of interactive white board that is now used on rotational basis.

The introduction of digital classrooms has shown positive improvement in the behavior of students and teachers towards learning in the classrooms. This initiative has also been praised and acknowledged by education department





Water & Sanitation



KnK Japan has installed wash basins in the targeted secondary schools in Lora, Shinkiari, New Kalay & Judba to improve hygiene and sanitation facilities. We believe that providing safe and secure environment plays a decisive role in bringing back out-of-school girls, most of whom drop out due to unavailability of these basic facilities. A new water source in the form of water boring was also provided at GGSS Lora on account of severe water shortage.











Coordination Meetings with Education Department

KnK Japan in the past year has conducted several coordination meetings with education department KP, international non-profit organizations such as JEN Japan, Relief International, UNOPS and UNHCR to discuss different opportunities of partnership in the area of girl's education. These coordination meetings have been helpful to highlight the role of KnK Japan in the sector of education in KP, especially for girls' education.



M&E





A photograph of four young girls, likely of Afghan descent, wearing headscarves (black, black, patterned, and white). They are looking down at a book or document held by one of them. The background is a plain, light-colored wall.

Refugee Response Plan (RRP)

Afghanistan is currently facing the worst humanitarian crisis of all times. After August 2021, the future of the citizens of Afghanistan is not certain, and the consequence of the current situation in the country has directly impacted the vulnerable population. The country is facing serious risk of famine. People have gone to the extent that they are buying their own daughters for survival. This is not just heart wrenching but a moment in history where all humanitarian and development actors along with the governments of the states around the world should come up with full support.

Pakistan, before this newly emerged crisis, has been generously hosting 1.2 million registered Afghan refugees for four decades. According to UNHCR, more than 300,00 Afghan refugees have fled to Pakistan for safe abode after the turmoil of August 2021. In this situation, there is an urgent need for emergency response, which is only possible through effective coordination and planning of agencies.

KnK Japan has been issued NOC from States and Foreign Region Division (SAFRON) for RRP in 2021.

KnK Japan is expanding its outreach and year 2021 has been crucial as we showed keen interest in becoming part of UNHCR RRP in different districts of KP. KnK Japan is one of the 17 partner organizations for RRP that will commence its activities for refugee and host organizations in the sector of education.

KnK Japan has been issued NOC from States and Foreign Region Division (SAFRON) for RRP in 2021.



RRP Sector	Indicator	Activity	Population Type	Target
Education	Proportion of children enrolled in primary education	Enrollment of children in primary education support catch up classes for transition to mainstream education	Refugees/asylum seekers	1,084
			ACC card holders	3,252
			Host communities	3,794
Education	Proportion of population group enrolled in secondary education	Enrollment of children in secondary education	Refugees/asylum seekers	542
			ACC card holders	1,084
			Host communities	1,301
Education	# of individuals who received CBI for educational purposes	Cash based assistance provided for educational purposes	Refugees & Asylum seekers	5,000
Education	# of students supported through non-formal education/accelerated education/literacy programme	Support education of Afghan refugees through non-formal/ accelerated education/literacy programme	Refugees/asylum seekers	542
			ACC card holders	1,301
			Host communities	1,084
Education	# of educational facilities constructed or improved	Support construction/rehabilitation/renovation of educational facilities	Refugees/asylum seekers	216
			ACC card holders	1,301
			Host communities	1,409
Education	# of students and teachers provided with educational facilities	Provision of educational supplies (schools, teaches, students)	Refugees/asylum seekers	1,843
			ACC card holders	6,395
			Host communities	6,287
Education	# of teachers, community members and caregivers covered through capacity building	Capacity building of adolescent girls to improve livelihood options	Host community	400
		Training of teachers and other educational personnel	ACC card holders	100
			Host communities	200

Financial Report



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Islamabad-44000,
Pakistan.

INDEPENDENT AUDITORS REPORT TO THE COUNTRY REPRESENTATIVE

Opinion

We have audited the financial statements of KOKKYO NAKI KODOMOTACHI JAPAN (the Organization), which comprise the statement of financial position as at December 31, 2021, the statement of income and expenditure, the 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 Organization as at December 31, 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 *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards, and for such internal control as the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

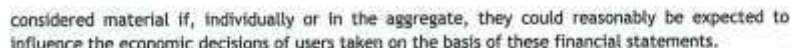
Those charged with governance are responsible for overseeing the Organization financial reporting process.

Auditors 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 auditors 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

Page - 1

BDO Ebrahim & Co. Chartered Accountants
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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 Organization'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 Organization'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 auditors report. However, future events or conditions may cause the Organization 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.

ISLAMABAD

DATED:

CHARTERED ACCOUNTANTS

Engagement Partner: Atif Riaz

BDO Ebrahim & Co., Chartered Accountants Page - 2

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KOKKYO NAKI KODOMOTACHI (KUK) JAPAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	4	1,295,490	377,639
Intangible asset	5	-	217,467
		<u>1,295,490</u>	<u>595,106</u>
CURRENT ASSETS			
Advance to Implementing Partner	6	8,056,799	11,748,649
Advance tax		144,424	101,191
Advances and prepayments	7	133,000	-
Cash and bank balances	8	1,952,503	44,279,456
		<u>10,286,726</u>	<u>56,129,296</u>
TOTAL ASSETS		<u><u>11,582,216</u></u>	<u><u>56,724,402</u></u>
FUNDS AND LIABILITIES			
Restricted funds	9	9,897,503	55,900,919
Deferred capital grant	10	1,295,490	595,106
		<u>11,192,993</u>	<u>56,496,025</u>
CURRENT LIABILITIES			
Accrued liabilities	11	389,223	228,377
TOTAL FUNDS AND LIABILITIES		<u><u>11,582,216</u></u>	<u><u>56,724,402</u></u>
CONTINGENCIES AND COMMITMENTS	12	-	-

The annexed notes from 1 to 18 form an integral part of these financial statements.

COUNTRY REPRESENTATIVE

MANAGING DIRECTOR (TOKYO JAPAN)



KOKKYO NAKI KODOMOTACHI (KnK) JAPAN
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Amortization of restricted funds	9	118,272,535	22,872,621
Amortization of deferred capital grant	10	490,054	83,478
		<u>118,762,589</u>	<u>22,956,099</u>
EXPENDITURE			
Direct program cost - Local Partner	13	108,476,156	16,289,094
Program support cost - KnK Japan	14	6,692,058	2,754,077
Administrative support cost - KnK Japan	14	3,594,375	3,912,928
		<u>118,762,589</u>	<u>22,956,099</u>
SURPLUS/(DEFICIT) FOR THE YEAR			
		<u>-</u>	<u>-</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

COUNTRY REPRESENTATIVE

MANAGING DIRECTOR (TOKYO JAPAN)



KOKKYO NAKI KODOMOTACHI (KnK) JAPAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus / (deficit) for the year		-	-
Adjustments for non-cash charges and other items:			
Restricted grant recognized		(118,272,535)	-
Deferred capital grant recognized		(490,054)	-
Depreciation		163,587	67,945
Amortization		24,989	15,533
Intangible Write off		301,478	-
Operating (loss)/profit before working capital changes		<u>(118,272,535)</u>	<u>83,478</u>
Working capital changes:			
(Increase) / Decrease in current assets:			
Grants to Implementing Partner		3,691,850	(10,002,322)
Advances and prepayments		(133,000)	89,000
Advance tax		(43,233)	(57,099)
		<u>3,515,617</u>	<u>(9,970,421)</u>
Increase / (Decrease) in current liabilities:			
Accrued and other payables		160,846	50,445
Net cash used in operating activities		<u>(114,596,072)</u>	<u>(9,836,498)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in operating fixed assets		(1,081,438)	(121,392)
Addition in intangibles		(109,000)	(233,000)
Net cash used in investing activities		<u>(1,190,438)</u>	<u>(354,392)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Restricted funds received		73,459,557	45,799,724
Deferred grant received		-	270,914
Net cash generated from financing activities		<u>73,459,557</u>	<u>46,070,638</u>
Net (decrease)/increase in cash and cash equivalents		<u>(42,326,953)</u>	<u>35,879,748</u>
Cash and cash equivalents at the beginning of the year		44,279,456	8,399,708
Cash and cash equivalents at the end of the year	8	<u>1,952,503</u>	<u>44,279,456</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

COUNTRY REPRESENTATIVE

MANAGING DIRECTOR (TOKYO JAPAN)





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