

**Rising Sun Education and Welfare Society**

Financial statements for the year ended  
30 June 2010



KPMG Taseer Hadi & Co.  
Chartered Accountants  
201-Office Block  
Siddiq Trade Centre  
72-Main Boulevard, Gulberg-II  
Lahore, Pakistan

Telephone + 92 (42) 3578 1751 - 6  
Fax + 92 (42) 3578 1757  
Internet www.kpmg.com.pk

## Auditors' Report to the Executive Committee

We have audited the annexed balance sheet of **Rising Sun Education & Welfare Society ("the Society")** as at 30 June 2010 and the related income and expenditure account and statement of changes in fund balances together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

It is the responsibility of the Society's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the Society as at 30 June 2010 and of its excess of income over expenditure for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Lahore

Date 2 OCT 2010

KPMG Taseer Hadi & Co.  
Chartered Accountants  
(Kamran Iqbal Yousafi)

# Rising Sun Education & Welfare Society

## Balance Sheet

As at 30 June 2010.

		General fund 2010 Rupees	Property, plant and equipment fund 2010 Rupees	Consolidated 2010 Rupees	Consolidated 2009 Rupees
<b>Funds</b>		<u>17,783,936</u>	<u>78,676,294</u>	<u>96,460,230</u>	<u>77,491,268</u>
<b>Represented by:</b>					
<b>Non current assets</b>					
Property, plant and equipment					
Operating assets	4.1	9,514,059	5,260,344	14,774,403	11,940,095
Capital work in progress	4.2	-	73,246,004	73,246,004	67,478,547
		<u>9,514,059</u>	<u>78,506,348</u>	<u>88,020,407</u>	<u>79,418,642</u>
<b>Current assets</b>					
Investment in Defence Saving Certificates		76,000	-	76,000	76,000
Advances and other receivables	5	199,292	662,432	861,724	315,936
Cash and bank balances	6	13,029,625	26,162	13,055,787	2,315,865
		<u>13,304,917</u>	<u>688,594</u>	<u>13,993,511</u>	<u>2,707,801</u>
<b>Current liabilities</b>					
Creditors, accrued and other liabilities	7	(5,035,040)	(518,648)	(5,553,688)	(4,635,175)
<b>Non current assets</b>		<u>8,269,877</u>	<u>169,946</u>	<u>8,439,823</u>	<u>(1,927,374)</u>
		<u>17,783,936</u>	<u>78,676,294</u>	<u>96,460,230</u>	<u>77,491,268</u>

The attached notes 1 to 12 form an integral part of these accounts.

18/07/10

Lahore

  
President

  
General Secretary

Rising Sun Education & Welfare Society  
Income and Expenditure Account  
For the year ended 30 June 2010

	Note	Consolidated	
		2010 Rupees	2009 Rupees
<b>Income</b>			
Grants (Punjab Welfare Trust)		3,237,267	1,737,268
Donations	8	22,844,193	12,548,164
Zakat		8,316,416	10,508,580
Grants other Govt. Institution Trust for voluntary organization		-	25,000
		577,000	-
Parents contribution		2,858,925	2,643,923
Other income	9	8,346,585	1,636,126
Amortization of deferred income	4.1	17,157	15,917
		<u>46,197,542</u>	<u>29,114,978</u>
<b>Expenditure</b>			
Salaries, wages and other benefits		17,027,259	13,741,778
Stipend		405,671	285,200
Purchases			
Uniforms		11,900	66,062
Books		103,116	30,991
Medicines		2,566	33,818
		117,582	130,871
Teaching aids and material		1,506	400
Teacher's training		1,829,222	111,868
Travelling allowance		1,150	17,310
Stationery		110,736	135,462
Printing and publishing		128,190	426,550
Vocational training		231,297	187,076
Sports and cultural activities		19,053	101,129
Visits, meetings and entertainment		77,147	53,437
Postage and courier expenses		49,725	39,700
Internet, computer and website expenses		86,444	11,950
Utility bills		609,822	552,561
Repair and maintenance		153,403	64,896
Vehicle running and maintenance		460,791	260,844
Transportation (hired vehicles)		3,151,905	2,772,537
Rent, rates and taxes		-	150
Legal and professional expenses		-	-
Diesel for generator		116,537	94,974
Freight expenses		7,780	1,600
Fee and subscription		80,000	-
Hide campaign		45,224	76,043
Bank charges		11,315	2,346
Resource and development activities			
Incentives		980,408	-
Visits, meetings and entertainment		-	485,052
Postage and communication		116,025	267,300
Zakat campaigns		-	701,500
Printing and stationery		173,390	585,380
Internet, computer and website expenses		86,444	-
Fund raising events		66,015	409,500
Media advertisement		-	267,928
		1,422,282	2,716,660
Depreciation	4.1	1,067,383	969,809
		<u>27,211,424</u>	<u>22,914,802</u>
<b>Excess of income over expenditure</b>		<u>18,986,118</u>	<u>6,200,176</u>

The attached notes 1 to 12 form an integral part of these accounts.

MAHMOUD MA

Lahore:

  
President

  
General Secretary

Rising Sun Education & Welfare Society  
Statement of Changes in Fund Balances  
For the year ended 30 June 2010

	Note	General fund Rupees	Property, plant and equipment fund Rupees	Consolidated Rupees
Fund balances as at 01 July 2008		4,911,672	66,395,337	71,307,009
Amortization for the year	4.1	-	(15,917)	(15,917)
Excess of income over expenditure for the year		6,200,176	-	6,200,176
Inter fund transfer		(6,219,030)	6,219,030	-
<b>Fund balances as at 01 July 09</b>		<b>4,892,818</b>	<b>72,598,450</b>	<b>77,491,268</b>
Amortization for the year	4.1	-	(17,157)	(17,157)
Excess of income over expenditure for the year		18,986,118	-	18,986,118
Inter fund transfer		(6,095,000)	6,095,000	-
<b>Fund balances as at 30 June 2010</b>		<b>17,783,936</b>	<b>78,676,294</b>	<b>96,460,230</b>

The attached notes 1 to 12 form an integral part of these accounts.

11/07/10 9:48

Lahore:

  
President

  
General Secretary

# Rising Sun Education & Welfare Society

## Notes to the accounts

For the year end 30 June 2010

### 1 Legal status and nature of business

Rising Sun Education & Welfare Society was registered in Pakistan on 30 July 1995 under the Voluntary Social Welfare Agencies Ordinance, 1961 as a non profit organization. Its registered office is situated at 97/8 Nisar Colony, Lahore Cantt. The primary purpose of the Society is to establish state of art educational institutions for the education, training and rehabilitation of mentally handicapped special children.

### 2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

### 3 Significant accounting policies

#### 3.1 Accounting convention

These accounts have been prepared under the historical cost convention.

#### 3.2 Funds

##### 3.2.1 General fund

This is an unrestricted fund. Utilization of this fund is not restricted to any specific purpose.

##### 3.2.2 Property, plant and equipment fund

This is a restricted fund. Initially items of property, plant and equipment donated to the Society are credited to this fund at approximate market value of comparable items of property, plant and equipment. Grants and donations, specifically for the acquisition of property, plant and equipment are also credited to this fund in addition to any allocation made by the Executive Committee from the general fund.

#### 3.3 Operating assets

These are stated at cost less accumulated depreciation. Depreciation is charged to income and expenditure account on reducing balance method by applying rates as disclosed in note 4.1.

Maintenance and normal repairs are charged to income as and when incurred. Proceeds from sale of fixed assets are included in the income currently.

Operating assets received as grants are stated at fair value at the date of receipt. Fair value is established with reference to the market value of comparable asset.

#### 3.4 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss, if any.

#### 3.5 Revenue recognition

##### *Grants related to income*

Grants related to income are recognized on a systematic basis as income over the periods necessary to match them with related expenses incurred in accordance with terms of the respective project agreements.

18/07/10 9.44

*Grants related to assets*

Grants related to assets are credited to the property, plant and equipment fund. An amount equivalent to the depreciation for each year on such assets is credited to income and expenditure account in the same year in which the depreciation is charged.

*Bank profit*

Profit on bank deposits is recognized on accrual basis.

*Others*

Donations and parents contribution are recognized when these are received or when a formal pledge has been made by an institutional donor.

**3.6 Receivables**

Grant receivable are carried at an amount equal to reimburseable project expenses incurred in accordance with the project agreement agreed upon between the Society and the respective donor agencies.

**3.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and bank balances.

**3.8 Provisions**

Provisions are recognized when the Society has a present obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

**3.9 Foreign currencies**

Foreign currency transactions are converted into Pak Rupees using the rates prevailing on the date of transaction while monetary assets and liabilities are converted into Pak Rupees using the rates of exchange prevailing at the balance sheet date.

Exchange gains and losses on conversion are charged to income.

**3.10 Accrued expenses and other liabilities**

Accrued expenses and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

**3.11 Taxation**

The income of Society is exempt from levy of tax under clause (c) of sub-section 36 of section 2 of the Income Tax Ordinance, 2001. Accordingly, no provision for taxation has been made in the financial statements.

	<i>Note</i>	<b>2010 Rupees</b>	<b>2009 Rupees</b>
<b>4 Property, plant and equipment</b>			
Operating assets	4.1		
Donated assets		<b>5,260,344</b>	5,143,255
Owned assets		<b>9,514,059</b>	6,796,840
		<b>14,774,403</b>	11,940,095
Capital work in progress	4.2	<b>73,246,004</b>	67,478,547
		<b>88,020,407</b>	79,418,642

*NOTING ALL.*

*AK*

*JL*

4.1 Operating assets

	COST				DEPRECIATION				Net book value as at 30 June 2010
	As at 01 July 2009	Additions/ (deletions) during the year	As at 30 June 2010	Rate %	As at 01 July 2009	For the year	Deletion/ Transfer	As at 30 June 2010	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	
<b>Donated assets</b>									
Free hold land	5,000,000	-	5,000,000	0	-	-	-	-	5,000,000
Furniture and fixture	197,800	-	197,800	10	54,545	14,326	-	68,871	128,930
Air conditioners		134,245	134,245	15	-	2,831	-	2,831	131,414
<b>2010</b>	<b>5,197,800</b>	<b>134,245</b>	<b>5,332,045</b>		<b>54,545</b>	<b>17,157</b>	<b>-</b>	<b>71,702</b>	<b>5,260,344</b>
<b>2009</b>	<b>5,197,800</b>	<b>-</b>	<b>5,197,800</b>		<b>38,628</b>	<b>15,917</b>	<b>-</b>	<b>34,545</b>	<b>5,143,255</b>
<b>Owned assets</b>									
Land	118,917	-	118,917	0	-	-	-	-	118,917
Building	3,531,664	-	3,531,664	5	929,193	131,124	-	1,060,317	2,491,347
Vocational training equipment	440,637	57,480	498,117	10	197,861	28,525	-	226,386	271,731
Furniture and fixture	1,764,185	1,914,342	3,678,727	10	733,092	148,207	-	881,299	2,797,428
Office equipment	1,359,559	1,795,422	3,154,981	15	778,600	302,245	-	1,080,845	2,074,136
Vehicles	6,723,020	-	6,723,020	20	4,522,395	440,125	-	4,962,520	1,760,500
<b>2010</b>	<b>13,957,982</b>	<b>3,767,444</b>	<b>17,725,426</b>		<b>7,161,141</b>	<b>1,050,226</b>	<b>-</b>	<b>8,211,367</b>	<b>9,514,059</b>
<b>2009</b>	<b>14,552,739</b>	<b>(594,757)</b>	<b>13,957,982</b>		<b>6,820,777</b>	<b>953,892</b>	<b>(613,527)</b>	<b>7,161,142</b>	<b>6,796,840</b>
<b>Total 2010</b>	<b>19,155,782</b>	<b>3,901,689</b>	<b>23,057,471</b>		<b>7,215,686</b>	<b>1,067,583</b>	<b>-</b>	<b>8,283,068</b>	<b>14,774,403</b>
<b>Total 2009</b>	<b>19,750,539</b>	<b>(594,757)</b>	<b>19,155,782</b>		<b>6,859,405</b>	<b>969,809</b>	<b>(613,527)</b>	<b>7,215,687</b>	<b>11,940,095</b>

Note 2009 Rupees

Depreciation charge attributable to capital grants  
Depreciation charge attributable to owned assets

4.2 Capital work in progress

Civil work	73,174,712	65,357,346
Advances to contractors	71,292	2,121,202
<b>4.2.1 Civil work</b>	<b>73,246,004</b>	<b>67,478,548</b>
Opening balance	65,357,346	60,182,353
Add: Additions during the year	7,887,366	7,296,194
	<b>73,174,712</b>	<b>67,478,547</b>

This represents the expenditure incurred for construction of Institute for Special Children on plot No. 544/2, Sector-XX, Phase-III, DEHA Lahore Cantt. The Society has only necessary rights of this plot.

*ASSTANT MAN*

*AC*

*2*

	Note	2010 Rupees	2009 Rupees
<b>5 Advances and other receivables</b>			
Profit receivable on DSC's		265,994	254,736
Advances to staff - unsecured, considered good		202,295	5,500
Advances to suppliers and contractors		337,735	
Others ( PSO as security of fuel cards )		55,700	55,700
		<u>861,724</u>	<u>315,936</u>
<b>6 Cash and bank balances</b>			
Cash in hand		1,313	4,348
Cash at bank			
Current accounts - local currency		12,914,266	2,211,863
Saving accounts - foreign currency		140,208	99,654
		<u>13,054,474</u>	<u>2,311,517</u>
		<u>13,055,787</u>	<u>2,315,865</u>
<b>7 Creditors, accrued and other liabilities</b>			
Securities - refundable		2,601,074	2,229,467
Payable to contractor		988,022	800,965
Accrued expenses		1,953,774	1,586,731
Tax deducted at source		10,818	18,012
		<u>5,553,688</u>	<u>4,635,175</u>
<b>8 Donations</b>			
Donations in cash		15,787,786	11,565,714
Donations in kind		96,000	20,700
Members		38,000	13,000
Sponsorship		6,922,407	948,750
		<u>22,844,193</u>	<u>12,548,164</u>
<b>9 Other income</b>			
Sales income	9.1	2,492,203	348,727
Profit on bank accounts		30,642	11,257
Profit on Defence Saving Certificate		11,258	254,736
Teachers training workshop		5,118,000	
Staff van fare		285,300	224,700
Profit on sale of fixed assets			333,527
Others		409,182	463,179
		<u>8,346,585</u>	<u>1,636,126</u>

9.1 This represents income generated from sales of handicrafts, uniforms, books and hides.

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

10 Breakup of income and expenditures

	MGP 2010 Rupees	DHA 2010 Rupees	Consolidated 2010 Rupees
<b>Income</b>			
Grants (Punjab Welfare Trust)	1,065,267	2,172,000	3,237,267
Donations	-	22,844,193	22,844,193
Zakat	-	8,316,416	8,316,416
Trust for voluntary organization	-	577,000	577,000
Parents contribution	731,655	2,127,270	2,858,925
Other income	154,220	8,192,365	8,346,585
Amortization of deferred income	-	17,157	17,157
	<u>1,951,142</u>	<u>44,246,400</u>	<u>46,197,542</u>
<b>Expenditure</b>			
Salaries, wages and other benefits	4,400,693	12,626,566	17,027,259
Stipend	73,687	331,984	405,671
Purchases			
Uniforms	1,900	10,000	11,900
Books	-	103,116	103,116
Medicines	768	1,798	2,566
	2,668	114,914	117,582
Teaching aids and material	1,506	-	1,506
Teacher's training	-	1,829,222	1,829,222
Travelling allowance	-	1,150	1,150
Stationery	3,023	107,713	110,736
Printing and publishing	-	128,190	128,190
Vocational training	21,261	210,036	231,297
Sports and cultural activities	458	18,595	19,053
Visits, meetings and entertainment	7,611	69,536	77,147
Postage and courier expenses	-	49,725	49,725
Internet, computer and website expenses	-	86,444	86,444
Utility bills	63,904	545,918	609,822
Repair and maintenance	22,821	130,582	153,403
Vehicle running and maintenance	141,636	319,155	460,791
Transportation (hired vehicles)	-	3,151,905	3,151,905
Diesel for generator	-	116,537	116,537
Freight expenses	-	7,780	7,780
Fee and subscription	-	80,000	80,000
Hide campaign	-	45,224	45,224
Bank charges	-	11,315	11,315
Resource and development activities			
Incentives	-	980,408	980,408
Printing and stationery	-	173,390	173,390
Internet, computer and website expenses	-	86,444	86,444
Postage and courier expenses	-	116,025	116,025
Fund raising events	-	66,015	66,015
	-	1,422,282	1,422,282
Depreciation	-	1,067,383	1,067,383
	<u>4,739,268</u>	<u>22,472,156</u>	<u>27,211,424</u>
<b>Excess of (expenditure over income) / income over expenditure</b>	<u>(2,788,126)</u>	<u>21,774,244</u>	<u>18,986,118</u>

10.1 Income and expenditure has been allocated on actual basis.

11/02/16 MA

*[Handwritten signature]*

*[Handwritten signature]*

11 Date of authorization

These financial statements were authorised for issue in the Executive Committee meeting held on \_\_\_\_\_.

12 General

Figures have been rounded off to the nearest rupee.

14-07-2018

Lahore:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
General Secretary