

# **Rising Sun Education and Welfare Society**

Financial statements for the year ended  
30 June 2017



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## **Independent Auditors' Report to the Executive Committee**

### **Opinion**

We have audited the financial statements of **Rising Sun Education and Welfare Society** ("the Society"), which comprise the statement of financial position as at 30 June 2017 and the income and expenditure account, statement of changes in accumulated fund 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, the balance sheet of the Society as at 30 June 2017 and its income and expenditure account, the statement of changes in accumulated fund and its cash flows for the year then ended in accordance with approved accounting standard for Not for Profit Organization 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 management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting standard for Not for Profit Organization as applicable in Pakistan, 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, the management is 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

12/11/17



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.



KPMG Taseer Hadi & Co.

Lahore

Date: 28 October 2017

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



# Rising Sun Education & Welfare Society

## Balance Sheet

As at 30 June 2017

	2017			2016	
	General fund	Capital grant fund	Endowment fund	Consolidated fund	Consolidated fund
	Rupees -----				
<b>Funds</b>	67,221,078	199,439,087	4,000,000	270,660,165	248,879,276
<b>Represented by:</b>					
<b><u>Non current assets</u></b>					
Property and equipment	29,247,842	174,222,417	-	203,470,259	117,015,960
Capital work-in-progress	4,939,191	9,139,690	-	14,078,881	78,496,058
Long term investment	-	-	1,500,000	1,500,000	1,500,000
	34,187,033	183,362,107	1,500,000	219,049,140	197,012,018
<b><u>Current assets</u></b>					
Advances and other receivables	5,749,617	-	-	5,749,617	10,115,832
Short term investments	14,848,492	-	-	14,848,492	10,182,138
Cash and bank balances	23,261,563	16,076,980	2,500,000	41,838,543	41,670,582
	43,859,672	16,076,980	2,500,000	62,436,652	61,968,552
<b><u>Current liabilities</u></b>					
Trade and other payables	10,825,627	-	-	10,825,627	10,101,294
<b>Net current assets</b>	<b>33,034,045</b>	<b>16,076,980</b>	<b>2,500,000</b>	<b>51,611,025</b>	<b>51,867,258</b>
<b>Contingencies and commitments</b>					
<b>Net assets</b>	<b>67,221,078</b>	<b>199,439,087</b>	<b>4,000,000</b>	<b>270,660,165</b>	<b>248,879,276</b>

Note

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

*Pervez Tanwaz*

*Pervez Tanwaz*  
President

*Pervez Tanwaz*  
General Secretary

Lahore

Rising Sun Education & Welfare Society  
Income and Expenditure Account  
For the year ended 30 June 2017

For the year ended 30 June 2017

	Note	2017 Rupees	2016 Rupees
<b>Income</b>			
Grants - restricted		7,310,761	13,592,903
Grants - Punjab welfare trust	14	4,994,000	1,351,000
Less: Property and equipment purchased / transferred to deferred income / capital grant fund		(3,650,000)	-
		1,344,000	1,351,000
Donations	15	74,931,904	69,627,124
Less: Property and equipment purchased / transferred to deferred income / capital grant fund		(15,742,893)	(16,541,467)
		59,189,011	53,085,657
Zakat		30,317,679	34,218,360
Parents contribution		10,288,510	8,259,715
Other income	16	6,199,685	4,883,509
Amortization of capital grant	4.2	7,709,499	5,015,661
		122,359,145	120,406,805
<b>Expenditure</b>			
Salaries wages and other benefits		62,405,310	50,399,514
Leave encashment		1,335,107	1,004,887
Over time		13,953	51,102
Employees social security expense		680,339	936,774
Employees Old-Age Benefits Institution		653,985	434,796
Stipend		1,466,603	1,707,114
Teaching aids and material		181,047	106,541
Printing and stationery		1,545,263	1,343,069
Vocational expenses		337,365	437,182
Sports and cultural activities		50,377	73,718
Visits, meetings and entertainment		1,236,908	3,256,645
Legal and professional expenses		1,885,200	4,144,635
Internet, computer and website expenses		1,087,062	114,068
Utility bills		1,989,258	2,092,160
Repair, maintenance and other running expences		2,949,609	1,428,665
Vehicle running and maintenance		2,283,116	2,100,583
Transportation (hired vehicles)		6,603,026	8,195,225
Hide campaign		286,675	86,600
Bank charges		10,644	18,302
Medicine Purchases		3,149	12,438
Others		3,522,114	2,892,961
Audit fee	12.1	-	-
<b>Resource and development activities</b>			
Salaries, wages and other benefits		1,677,200	1,641,204
Incentive		2,874,900	2,943,600
Postage and communication		534,426	643,821
Travelling and conveyance		22,930	28,055
Fund raising events		489,941	273,640
Printing and stationery		137,050	158,000
		5,736,447	5,688,320
<b>Depreciation</b>			
Depreciation - capital grant fund	4.2	7,709,499	5,015,661
Depreciation - owned assets	4.2	2,522,387	1,726,848
		10,231,886	6,742,509
		106,494,443	93,267,808
Net surplus		15,864,702	27,138,997

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

NOTES 18

*Perveen Tarowab*  
President

*Abdullah Durrani*  
General Secretary