

**Rising Sun Education & Welfare Society**

**Financial statements**

**for the year ended 30 June 2019**



KPMG Taseer Hadi & Co.  
Chartered Accountants  
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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 2019 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 in all material respects, the financial position of the Society as at 30 June 2019 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 and International Financial Reporting Standards for Small and Medium-sized Entities 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 and International Financial Reporting Standards for Small and Medium-sized Entities 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 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.

KPMGTH





KPMG Taseer Hadi & Co.

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.

Lahore

Date: 24 December 2019

*KPMG Taseer Hadi & Co.*  
KPMG Taseer Hadi & Co.  
Chartered Accountants  
( Bilal Ali)

Rising Sun Education & Welfare Society  
Statement of Financial Position  
As at 30 June 2019

	Note	2019 Rupees	2018 Rupees
<b>ASSETS</b>			
<u>Non-current assets</u>			
Property and equipment	4	194,033,412	204,975,604
Capital work-in-progress	5	81,121,764	45,853,346
Long term investment		-	-
		275,155,176	250,828,950
<u>Current assets</u>			
Advances deposits and other receivables	6	6,630,277	5,723,150
Short term investments	7	32,150,721	20,009,873
Cash and bank balances	8	34,690,767	47,929,609
		73,471,765	73,662,632
		348,626,941	324,491,582
<b>FUNDS AND LIABILITIES</b>			
<u>Funds</u>			
General Fund		65,781,775	70,647,456
Endowment Fund		4,000,000	4,000,000
		69,781,775	74,647,456
<u>Non Current liabilities</u>			
Deferred Grant-Capital Asset	9	252,066,279	228,834,169
<u>Current liabilities</u>			
Trade and other payables	10	26,778,887	21,009,957
Contingencies and commitments	11		
		348,626,941	324,491,582

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

18/6/19

Lahore

Perveen Tawwal  
President

Shahid Tawwal  
General Secretary



Rising Sun Education & Welfare Society  
Income and Expenditure Account  
For the year ended 30 June 2019

		2019			2018
	Note	Unrestricted Funds	Restricted Funds	Total	Total
		Rupees	Rupees	Rupees	Rupees
<b>Income</b>					
Grants - restricted		-	-	-	
Grants - Punjab welfare trust	13	1,299,000	-	1,299,000	3,742,550
		1,299,000	-	1,299,000	3,742,550
Donations	14	52,763,813	18,225,500	70,989,313	60,370,895
Zakat		33,510,230	-	33,510,230	32,424,467
Parents contribution		16,678,320	-	16,678,320	14,428,555
Other income		5,612,852	-	5,612,852	5,137,706
Amortization of deferred grant	4.1	8,189,279	-	8,189,279	8,466,078
		118,053,494	18,225,500	136,278,994	124,570,251
<b>Expenditure</b>					
Salaries wages and other benefits		72,993,090	17,013,959	90,007,049	77,947,998
Leave encashment		1,577,627	217,252	1,794,879	1,586,374
Over time		30,005	10,002	40,006	49,544
Employees social security expense		423,371	102,637	526,008	-
Employees Old-Age Benefits Institution		568,096	137,582	705,678	600,600
Stipend		2,716,183	657,931	3,374,113	1,738,958
Teaching aids and material		108,391	34,310	142,701	164,161
Printing and stationery		753,570	208,070	961,640	1,016,709
Vocational expenses		664,321	147,178	811,499	911,668
Sports and cultural activities		199,805	66,205	266,010	105,741
Visits, meetings and entertainment		170,448	53,257	223,705	147,922
Legal and professional expenses		124,500	41,500	166,000	192,574
Internet, computer and website expenses		183,516	53,952	237,468	439,877
Utility bills		2,236,736	603,039	2,839,775	2,479,178
Repair, maintenance and other running expences		2,124,680	447,637	2,572,317	2,555,163
Vehicle running and maintenance		2,805,635	845,026	3,650,661	2,452,626
Transportation (hired vehicles)		4,534,827	1,095,516	5,630,343	6,338,075
Hide campaign		226,958	75,652	302,610	288,840
Bank charges		2,939	979	3,918	16,752
Medicine Purchases		2,195	188	2,383	4,616
Realized loss on investment		2,095,884	-	2,095,884	280,580
Unrealized loss on investment		331,440	-	331,440	1,500,589
Others		994,742	242,668	1,237,410	805,132
Audit fee	12.1	-	-	-	-
Salaries, wages and other benefits		2,603,560	-	2,603,560	1,701,200
Incentive		2,420,306	806,769	3,227,075	3,812,250
Postage and communication		496,562	154,740	651,302	463,943
Travelling and conveyance		1,858	452	2,310	43,544
Fund raising events and other advertisement expenses		4,521,944	-	4,521,944	1,884,688
Printing and stationery		3,710	-	3,710	500
Advertisement & publicity		54,500	-	54,500	-
		10,102,440	961,961	11,064,401	7,906,125
<b>Depreciation</b>					
Depreciation - Donated assets	4.1	8,189,279	-	8,189,279	8,466,078
Depreciation - owned assets	4.1	3,967,498	-	3,967,498	3,147,993
		12,156,777	-	12,156,777	11,614,071
		118,128,175	23,016,500	141,144,675	121,143,873
Excess of income over (expenditure)		(74,681)	(4,791,000)	(4,865,681)	3,426,378
Net surplus		(74,681)	(4,791,000)	(4,865,681)	3,426,378

12.1 The external audit of the Society is conducted on honorary basis.

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

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Lahore

Perman Tawab  
President

Shah Tawab  
General Secretary