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Independent Auditor's Report to the Executive Committee of Rising Sun Education & Welfare Society

Opinion

We have audited the financial statements of **Rising Sun Education & Welfare Society**, which comprise the statement of financial position as at **June 30, 2021**, and the income and expenditure account, the statement of changes in accumulated funds, the cash flow statement and notes to accounts, 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 Rising Sun Education & Welfare Society as at June 30, 2021, and its financial performance and its cash flows for the year ended in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards for Small and Medium Sized Entities issued by International Accounting Standard Board as applicable in Pakistan and Accounting standards for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan.

Basis for Opinion

We conducted our audit in accordance with 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 Executive Committee is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standard for Small and Medium sized entities issued by International Accounting Standard Board as applicable in Pakistan and Accounting standard for Not for Profit Organization issued by the Institute of Chartered Accountants of Pakistan, and for such internal control as the Society 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 Executive Committee is responsible for assessing the the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

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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.

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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.

Grant Thornton Ayaz Ali Kalwar
Chartered Accountants

Date: December 11, 2021

Lahore.

Engagement Partner: Imran Afzal

Rising Sun Education & Welfare Society

Statement of Financial Position

As at 30 June 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
<u>Non-current assets</u>			
Property and equipment	4	268,935,369	266,140,340
Capital work-in-progress	5	-	6,850,396
		268,935,369	272,990,736
<u>Current assets</u>			
Advances, deposits and other receivables	6	7,748,890	7,728,494
Short term investments	7	46,543,703	29,163,756
Cash and bank balances	8	52,337,966	42,754,559
		106,630,559	79,646,809
		375,565,928	352,637,545
FUNDS AND LIABILITIES			
<u>Funds</u>			
General Fund		44,570,220	64,996,685
Restricted Funds		37,834,045	-
Endowment Fund		19,451,301	4,000,000
		101,855,566	68,996,685
<u>Non Current liabilities</u>			
Deferred Grants-capital assets	9	243,144,446	254,003,903
<u>Current liabilities</u>			
Trade and other payables	10	30,565,916	29,636,957
		375,565,928	352,637,545
Contingencies and Commitments	11		

The attached notes 1 to 22 form an integral part of these financial statements.

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Lahore

Perveen Tawwal
President

Shahid Tawwal
General Secretary

Rising Sun Education & Welfare Society

Income and Expenditure Account

For the year ended 30 June 2021

		2021			2020
Note	General Funds	Restricted Funds (DHA & Other)	Restricted Funds (Zakat)	Total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Income					
Grants - restricted	-	-	-	-	-
Grants - Punjab Welfare Trust	13 1,344,000	-	-	1,344,000	1,299,000
Donations	14 69,471,427	20,349,300	-	89,820,727	79,568,784
Zakat	15 -	-	52,908,645	52,908,645	39,451,349
Parents contribution	9,808,640	-	-	9,808,640	18,591,715
Other income	16 7,316,515	-	-	7,316,515	5,836,677
Amortization of deferred grants	4.1 11,462,757	-	-	11,462,757	11,478,376
	99,403,339	20,349,300	52,908,645	172,661,284	156,225,901
Direct expenses	17 (95,624,020)	(20,062,512)	(15,074,600)	(130,761,132)	(129,838,293)
Gross Surplus	3,779,319	286,788	37,834,045	41,900,152	26,387,608
General and administrative expenses	18 (23,360,992)	(286,788)	-	(23,647,780)	(24,860,414)
Other expenses	19 (844,792)	-	-	(844,792)	(2,312,284)
Net Surplus / (Deficit) for year	(20,426,465)	-	37,834,045	17,407,580	(785,090)

The attached notes 1 to 22 form an integral part of these financial statements.

5/11/21

Lahore

Pamir Tawwal
President

Shahid Tawwal
General Secretary