

INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of Rising Sun Education & Welfare Society

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Rising Sun Education and Welfare Society** (the Society), which comprise the statement of financial position as at June 30, 2022, and the income and expenditure account, the statement of changes in accumulated funds, 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 Society as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Sized Entities issued by International Accounting Standard Board as applicable in Pakistan and Accounting standard 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 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 Board of Directors for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 controls as the society determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

CAK

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Rahman**

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In preparing the financial statements, the Executive Committee 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.

The executive committee is responsible for overseeing the Society's financial reporting process.

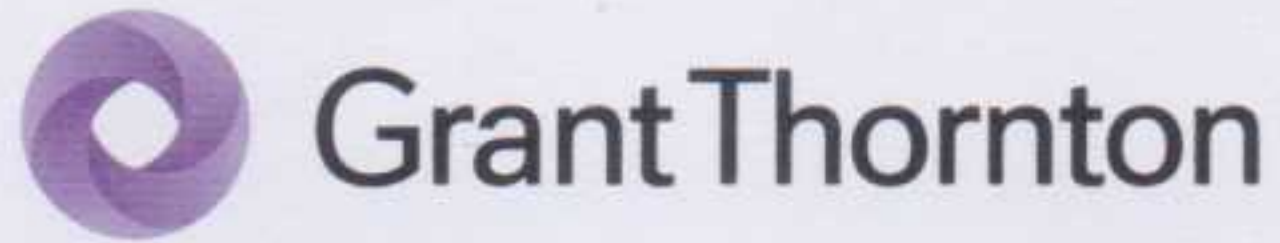
Auditor's Responsibilities for the Audit of the Financial Statements

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.

6/11/21



We communicate with those charged with governance, 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 Anjum Rahman
Grant Thornton Anjum Rahman
Chartered Accountants
Lahore

Dated: January 14, 2023

Name of Engagement Partner: Imran Afzal

UDIN: AR202210212092wFMuTt

Rising Sun Education & Welfare Society

Statement of Financial Position

As at 30 June 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
<u>Non-current assets</u>			
Property and equipment	4	261,333,561	268,935,369
Capital work-in-progress		-	-
		261,333,561	268,935,369
<u>Current assets</u>			
Advances, deposits and other receivables	5	6,741,144	7,748,890
Short term investments	6	98,715,589	40,596,950
Cash and bank balances	7	23,628,937	52,337,966
		129,085,670	100,683,806
		390,419,231	369,619,175
FUNDS AND LIABILITIES			
<u>Funds</u>			
General Fund		53,073,784	44,570,220
Restricted Funds		59,529,485	37,834,045
Endowment Fund		23,401,301	19,451,301
		136,004,570	101,855,566
<u>Non Current liabilities</u>			
Deferred Grants-capital assets	8	232,931,662	243,144,446
<u>Current liabilities</u>			
Trade and other payables	9	21,482,999	24,619,163
		390,419,231	369,619,175
Contingencies and Commitments	10		

The attached notes, 1 to 21, form an integral part of these financial statements.

4/10/22

Lahore

Perveen Tawwab.
President

Shawar Zaidi
General Secretary

Rising Sun Education & Welfare Society

Income and Expenditure Account

For the year ended 30 June 2022

		2022			2021
Note	General Funds	Restricted Funds (DHA & Other)	Restricted Funds (Zakat)	Total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Income					
Grants - restricted	-	7,754,099	-	7,754,099	-
Grants - Punjab Welfare Trust	12 2,275,000	-	-	2,275,000	1,344,000
Donations	13 79,062,018	19,002,600	-	98,064,618	89,820,727
Zakat	14 -	-	44,778,865	44,778,865	52,908,645
Parents contribution	16,113,375	-	-	16,113,375	9,808,640
Other income	15 14,309,333	-	-	14,309,333	7,316,515
Amortization of deferred grants	4.2 11,130,284	-	-	11,130,284	11,462,757
	122,890,010	26,756,699	44,778,865	194,425,574	172,661,284
Direct expenses	16 (76,087,224)	(15,852,244)	(23,083,425)	(115,022,893)	(130,761,132)
Gross Surplus	46,802,786	10,904,455	21,695,440	79,402,681	41,900,152
General and administrative expenses	17 (37,388,941)	(10,904,455)	-	(48,293,396)	(23,647,780)
Other expenses	18 (910,281)	-	-	(910,281)	(844,792)
Net Surplus / (Deficit) for year	8,503,564	-	21,695,440	30,199,004	17,407,580

The attached notes, 1 to 21, form an integral part of these financial statements.

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Lahore

Perveen Tawwab.
President

Sheraz Tumb
General Secretary