

## AUDITORS' REPORT TO MANAGEMENT COMMITTEE

### Opinion

We have audited the financial statements of **RS WELFARE FOUNDATION**, which comprise the statement of financial position as at **June 30, 2024**, the statement of income and expenditure and the statement of cash flows for the year then ended, and notes to the financial statements.

In our opinion the accompanying financial statements present fairly, in all material respects the financial position of **RS WELFARE FOUNDATION** as at June 30, 2024 and its financial performance for the year then ended in accordance with the approved accounting and reporting standards as applicable in 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the management committee 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 committee is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as 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, management committee is responsible for assessing the management committee'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 Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the management committee's financial reporting process.

### Auditors' 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 auditors'



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 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 management committee'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 management committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the management committee 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.

*PKF Fraud*

**PKF F.R.N.T.S**  
**Chartered Accountants**  
Engagement Partner: Zulfiqar Ahmed Nasir

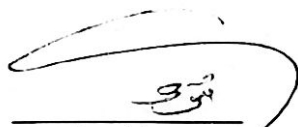
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**Sialkot**  
**Date: 7<sup>th</sup> September, 2024**

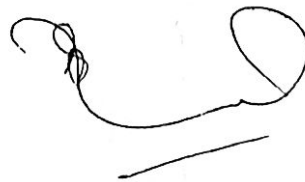
RS WELFARE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2024

ASSETS	Note	2024	2023
		-----Rupees-----	
<b>NON CURRENT ASSETS</b>			
Property and equipment	4	270,638,513	9,932,464
<b>CURRENT ASSETS</b>			
Cash and bank balances	5	2,037,497	117,930,313
<b>TOTAL ASSETS</b>		<u>272,676,010</u>	<u>127,862,777</u>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS AND RESERVES</b>			
Restricted funds	6	257,783,867	118,965,464
Unrestricted funds	6	11,139,782	8,855,313
<b>TOTAL FUNDS</b>		<u>268,923,649</u>	<u>127,820,777</u>
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other payables	7	3,752,361	42,000
<b>TOTAL FUNDS AND LIABILITIES</b>		<u>272,676,010</u>	<u>127,862,777</u>

The annexed notes from 1 to 10 form an integral part of these accounts.

  
President

  
General Secretary



RS WELFARE FOUNDATION,  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 -----Rupees-----	2023
<b>INCOME</b>			
Receipts from members	8	40,400,000	46,197,100
Project expense		(32,431,878)	(30,160,961)
Gross surplus of Income over expenses		<u>7,968,122</u>	<u>16,036,139</u>
<b>Administrative Expenses</b>			
Admin Salary		(4,110,356)	(2,198,400)
Printing and stationery		(244,304)	(580,401)
Advertisement expenses		(169,150)	(13,050)
Donations		(32,500)	(1,831,290)
Audit fee		(50,000)	(42,000)
Repair & maintenance		(41,123)	(85,860)
Vehicle running expenses		(100,350)	(95,472)
Bank charges		(14,412)	(6,691)
Utility expenses		(258,804)	-
Miscellaneous Expense		(662,654)	(1,034,592)
Surplus for the year transferred to general fund		<u><u>2,284,469</u></u>	<u><u>10,148,383</u></u>

The annexed notes from 1 to 10 form an integral part of these accounts.



President



General Secretary



RS WELFARE FOUNDATION  
 STATEMENT OF CASH FLOW  
 FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 -----Rupees-----	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before tax		2,284,469	10,148,383
<b>Adjustments for non cash and non operating items:</b>			
<b>Increase in current liabilities:</b>			
Increase in Payables		3,710,361	(1,418,242)
<b>Net cash generated from operations</b>		<u>5,994,830</u>	<u>8,730,141</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure for operating fixed assets		(20,825,180)	(8,595,833)
Expenditure for capital work in progress		(240,362,467)	-
<b>Net cash used in investing activities</b>		<u>(261,187,647)</u>	<u>(8,595,833)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in funds		139,300,000	117,628,833
<b>Net cash flow generated from financing activities</b>		<u>139,300,000</u>	<u>117,628,833</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(115,892,816)</u>	<u>117,763,141</u>
Cash and cash equivalents at the beginning of the year		117,930,313	167,172
<b>Cash and cash equivalents at the end of the year</b>	5	<u><u>2,037,497</u></u>	<u><u>117,930,313</u></u>

The annexed notes from 1 to 10 form an integral part of these accounts.

  
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 President

  
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 General Secretary

  
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**RS WELFARE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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**1 THE ORGANIZATION AND ITS OPERATION**

RS Welfare Foundation (the Foundation) was registered under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961 (XLVI of 1961) on May 26, 2010. The Objectives of the Foundation is to promote women education, help needy people, widows and orphans and to construct centers for providing quality education. The Foundation is supported by personal donations of the members of the Executive Council. The Foundation is domiciled in Pakistan and its registered office is located at Shakargarh Road, Tehsil Zafarwal, District Narowal.

**2 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**3 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- Accounting Standard for Not-for-Profit Organizations issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and Provisions of and directives issued under the section 7 of Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961 (XLVI of 1961)

**3.1 Accounting Convention**

These financial statements have been prepared under the historical cost convention. These financial statements have been prepared under the accrual basis of accounting except cash flow information.

**3.2 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment if any except land held for business use which is stated at cost.

Depreciation is provided on reducing balance method over the estimated useful lives of the assets at rates specified in note 4.

**3.3 Revenue recognition**

Donation from members is recognised as revenue on receipt basis.

**3.4 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purpose of statement of cash flow, cash and cash equivalents comprise cash in hand, bank balances, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark up arrangements.

RS WELFARE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**3.5 Trade and other payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

**3.6 Provisions**

Provision is recognized when the foundation has a present obligation as a result of past event, probably will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

**3.7 Taxation Policy**

The foundation operates on the basis of doctrine "NO PROFIT AND NO LOSS" therefore no provision for taxation has been provided in the financial statements.

**3.8 Figures**

Figures have been rounded off to the nearest rupee; whereas figures relating to previous year have been rearranged where necessary for the purpose of comparison.

**3.9 Reclassification**

Certain figures has been reclassified or regrouped to give better presentation.

RS WELFARE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

4. PROPERTY PLANT AND EQUIPMENT

Operating fixed assets	Note	2024	2023
		Rupees	Rupees
Capital work in progress	4.1	30,276,046	9,932,464
		240,362,467	270,638,513
			9,932,464

4.1 Operating fixed assets

Particulars	Cost				2024		2023		Net book value at June 30, 2024
	As at July 01, 2023	Additions	(Deletions)	As at June 30, 2024	Depreciation rates	As at July 01, 2023	Accumulated depreciation charge	As at June 30, 2024	
	Rupees				%	Rupees			
Land	9,595,833	-	-	9,595,833	0	-	-	-	9,595,833
Building	242,000	-	-	242,000	5	118,470	6,176	124,647	117,353
Computers	270,900	234,210	-	505,110	30	264,292	32,698	296,991	208,115
Furniture & Fixtures	410,000	15,195,971	-	15,605,971	10	264,928	379,940	644,868	14,961,103
Office equipment	180,000	5,394,999	-	5,574,999	10	118,580	62,782	181,362	5,393,637
Total	10,698,733	20,825,180	-	31,523,913		766,270	481,597	1,247,867	30,276,046

Particulars	Cost				2023		2023		Net book value at June 30, 2023
	As at July 01, 2022	Additions	(Deletions)	As at June 30, 2023	Depreciation rates	As at July 01, 2022	Accumulated depreciation charge	As at June 30, 2023	
	Rupees				%	Rupees			
Land	1,000,000	8,595,833	-	9,595,833	0	-	-	-	9,595,833
Building	242,000	-	-	242,000	5	111,968	6,502	118,470	123,530
Computers	270,900	-	-	270,900	30	261,460	2,832	264,292	6,608
Furniture	410,000	-	-	410,000	10	248,809	16,119	264,928	145,072
Office equipment	180,000	-	-	180,000	10	111,755	6,824	118,580	61,420
Total	2,102,900	8,595,833	-	10,698,733		713,992	32,277	766,270	9,932,464



RS WELFARE FOUNDATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		-----Rupees-----	
4.2 Depreciation charge for the year has been allocated as under:			
Capital fund		481,597	32,277
		<u>481,597</u>	<u>32,277</u>
5 CASH AND BANKS			
Cash at bank			
- Current account		2,037,497	117,930,313
		<u>2,037,497</u>	<u>117,930,313</u>
6 FUNDS AND RESERVES			
Unrestricted funds (represents general fund)	6.1	11,139,782	8,855,313
Restricted funds (represents capital fund)	6.2	257,783,867	118,965,464
		<u>268,923,649</u>	<u>127,820,777</u>
6.1 Unrestricted funds			
Balance at July 01,		8,855,313	(1,293,070)
Surplus for the Year		2,284,469	10,148,383
		<u>11,139,782</u>	<u>8,855,313</u>
6.2 Restricted funds			
Balance at July 01,		118,965,464	1,368,908
Additions during the year		139,300,000	117,628,833
(Utilization) during the year		(481,597)	(32,277)
		<u>257,783,867</u>	<u>118,965,464</u>

Fund Name (RESTRICTED)	Note#	Balance at July 01, 2023	Additions during the year	Utilization during the year	Balance as at June 30, 2024
		-----Rupees-----			
Land fund	6.2.1	9,595,833	-	-	9,595,833
Building fund	6.2.2	123,530	-	(6,176)	117,354
Computer fund	6.2.3	6,608	-	(32,698)	(26,090)
Furniture fund	6.2.4	145,072	-	(379,940)	(234,868)
Office equipment	6.2.5	61,420	-	(62,782)	(1,362)
University fund	6.2.6	109,033,000	139,300,000	-	248,333,000
		<u>118,965,464</u>	<u>139,300,000</u>	<u>(481,597)</u>	<u>257,783,867</u>


- 6.2.1 This amount represents the donation in kind of land used for school since year ended June 30, 2020.  
 6.2.2 This amount represents the donation in kind of building used for school since year ended June 30, 2010.  
 6.2.3 This amount represents the donation received to purchase computers for school in year 2012.  
 6.2.4 This amount represents the donation received to purchase furniture for school in year 2012.  
 6.2.5 This amount represents the donation received for office equipment in year 2013.  
 6.2.6 This amount represents the donation received for the University Project started in year 2023 and is still under construction.

7 CREDITORS, ACCRUED AND OTHER PAYABLES			
Accrued charges		50,000	42,000
Salaries payable to staff		3,702,361	-
		<u>3,752,361</u>	<u>42,000</u>

RS WELFARE FOUNDATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 -----Rupees-----	2023
<b>8 RECEIPTS FROM MEMBERS</b>			
Tanveer Hussain		3,000,000	11,500,000
Ghulam Ahmad		-	11,100,000
Muhammad Amin		8,800,000	4,700,000
Sajid Tanveer		14,700,000	9,500,000
Shahid Tanveer		9,900,000	7,600,000
Aftab Anwar		-	700,000
Abid Tanveer		1,000,000	1,097,100
Mr. Malik Traders		3,000,000	-
		<u>40,400,000</u>	<u>46,197,100</u>
<b>9 NUMBER OF EMPLOYEES AT THE YEAR END</b>		<u>93</u>	<u>89</u>
<b>10 DATE OF AUTHORIZATION FOR ISSUE</b>			

These financial statements were authorized for issue on 7<sup>th</sup> September, 2024 by the Executive council.

  
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 President

  
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 General Secretary

