

INDEPENDENT AUDITORS' REPORT TO MEMBERS

Opinion

We have audited the financial statements of **RS WELFARE FOUNDATION**, which comprise of the statement of balance sheet as at June 30, 2018, and income and expenditure account, cash flow statement 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 **RS WELFARE FOUNDATION** as at June 30, 2018 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 the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are independent of the entity in accordance with 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 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 audit 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 the management committee determine(s) 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity 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 it 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

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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 Entity's internal control.
- Evaluate of 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 Entity'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 related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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 Frants

PKF F.R.A.N.T.S
Chartered Accountants



Engagement Partner: Z.A. NASIR (FCA)

04-02-2021

Sialkot

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LAHORE - ISLAMABAD - PESHAWAR - KARACHI - MULTAN - KABUL

RS WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 -----Rupees-----	2017
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	548,661	612,769
CURRENT ASSETS			
Cash and bank balances	5	69,328	37,111
TOTAL ASSETS		<u>617,989</u>	<u>649,880</u>
FUNDS AND LIABILITIES			
FUNDS AND RESERVES			
Unrestricted funds	6	(198,144)	(173,944)
Restricted funds	6	548,661	612,769
TOTAL FUNDS		<u>350,517</u>	<u>438,825</u>
CURRENT LIABILITIES			
Creditors, accrued and other payables	7	267,472	211,055
TOTAL FUNDS AND LIABILITIES		<u>617,989</u>	<u>649,880</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, 2018

	Note	2018 -----Rupees-----	2017
INCOME			
Receipts from members	8	7,575,140	6,800,781
Project expense		(7,515,844)	(6,866,927)
Gross surplus of income over expenses		<u>59,296</u>	<u>(66,146)</u>
Administrative Expenses			
Printing and stationery		(8,000)	-
Advertisement expenses		-	(4,000)
Donations		-	(153,000)
Audit fee		(22,000)	(31,500)
Travelling and conveyance		(52,200)	(65,000)
Bank charges		(1,296)	(1,050)
(Deficit)/ for the year transferred to general fund		<u>(24,200)</u>	<u>(320,696)</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, 2018

Note	2018 -----Rupees-----	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
	(24,200)	(320,696)
Profit before tax		
Adjustments for non cash and non operating items:		
Increase / (decrease) in current liabilities:		
Increase/(decrease) Payables	56,417	211,055
	<u>32,217</u>	<u>(109,641)</u>
Net cash generated from operations		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure for operating fixed assets	-	(150,000)
Net cash generated from investing activities	<u>32,217</u>	<u>(259,641)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in funds	-	150,000
Net cash used in financing activities	<u>-</u>	<u>150,000</u>
Net decrease in cash and cash equivalents	32,217	(109,641)
Cash and cash equivalents at the beginning of the year	<u>37,111</u>	<u>146,752</u>
Cash and cash equivalents at the end of the year	<u><u>69,328</u></u>	<u><u>37,111</u></u>

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



President



General Secretary

**RS WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

1 THE ORGANIZATION AND ITS OPERATION

R S 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 SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

All accounting estimates and assumptions that are used in preparing the financial statements are consistent. Judgments are based on the information available at each balance sheet date. Although these estimates are based on the best information available to management, actual results may ultimately differ from those

3 STATEMENT OF COMPLIANCE

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.

**RS WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

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

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.

3.7 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.

3.8 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, 2018

	2020	2019
PROPERTY PLANT AND EQUIPMENT		
Operating fixed assets	548,661	612,769
	Note 4.1	

4.1 Operating fixed assets

Particulars	2018			2017			Net book value as at June 30, 2018
	As at July 01, 2017	As at June 30, 2018	Depreciation rates %	As at July 01, 2017	As at June 30, 2017	As at June 30, 2018	
Building	242,000	242,000	5	73,953	82,355	159,645	
Computers	270,900	270,900	30	214,731	231,581	39,319	
Furniture	410,000	410,000	10	137,021	27,298	245,681	
Office equipment	180,000	180,000	10	64,427	11,557	104,016	
Total	1,102,900	1,102,900		490,131	64,108	548,661	

Particulars	2017			2018			Net book value as at June 30, 2017
	As at July 01, 2016	As at June 30, 2017	Depreciation rates %	As at July 01, 2016	As at June 30, 2017	As at June 30, 2018	
Building	242,000	242,000	5	65,108	73,953	168,047	
Computers	250,900	270,900	30	190,658	24,073	56,169	
Furniture	310,000	410,000	10	106,690	30,331	272,979	
Office equipment	150,000	180,000	10	51,585	12,842	115,574	
Total	952,900	1,102,900		414,041	76,090	612,769	

RS WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 -----Rupees-----	2017
4.2 Depreciation charge for the year has been allocated as under:			
Capital fund		<u>64,108</u>	<u>76,090</u>
		<u>64,108</u>	<u>76,090</u>
5 CASH AND BANKS			
Cash at bank		<u>69,328</u>	<u>37,111</u>
- Current account		<u>69,328</u>	<u>37,111</u>
6 FUNDS AND RESERVES			
Unrestricted funds (represents general fund)	6.1	<u>(198,144)</u>	<u>(173,944)</u>
Restricted funds (represents capital fund)	6.2	<u>548,661</u>	<u>612,769</u>
		<u>350,517</u>	<u>438,825</u>
6.1 Unrestricted funds			
Balance at July 01,		<u>(173,944)</u>	<u>146,752</u>
(Deficit) for the Year		<u>(24,200)</u>	<u>(320,696)</u>
		<u>(198,144)</u>	<u>(173,944)</u>
6.2 Restricted funds			
Balance at July 01,		<u>612,769</u>	<u>538,859</u>
Additions during the year		<u>-</u>	<u>150,000</u>
(Utilization) during the year		<u>(64,108)</u>	<u>(76,090)</u>
		<u>548,661</u>	<u>612,769</u>

Fund Name (RESTRICTED)	Note#	Balance at July 01, 2017	Additions during the year	Utilization during the year	Balance as at June 30, 2018
-----Rupees-----					
Building fund	6.2.1	168,047	-	(8,402)	159,645
Computer fund	6.2.2	56,169	-	(16,851)	39,319
Furniture fund	6.2.3	272,979	-	(27,298)	245,681
Office equipment	6.2.4	115,574	-	(11,557)	104,016
		<u>612,769</u>	<u>-</u>	<u>(64,108)</u>	<u>548,661</u>

- 6.2.1 This amount represents the donation in kind of building used for school since year ended June 30, 2010.
6.2.2 This amount represents the donation received to purchase computers for school in year 2012.
6.2.3 This amount represents the donation received to purchase furniture for school in year 2012.
6.2.4 This amount represents the donation received for office equipment in year 2013.

7 CREDITORS, ACCRUED AND OTHER PAYABLES			
Accrued charges		<u>22,000</u>	<u>-</u>
Salaries payable to staff		<u>245,472</u>	<u>211,055</u>
		<u>267,472</u>	<u>211,055</u>


RS WELFARE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 -----Rupees-----	2017
8 RECEIPTS FROM MEMBERS			
Tanveer Hussain		1,517,413	
Ghulam Ahmad		1,666,530	
Muhammad Amin		1,716,347	
Sajid Tanveer		1,134,346	
Shahid Tanveer		378,757	
Ahsan Tanveer		561,747	
Aftab Anwar		600,000	
Abid tanveer		-	
Asif Abbas Jafry		-	
Mubashir Murtaza		-	
		<u>7,575,140</u>	<u>6,800,781</u>
		<u>66</u>	<u>60</u>

9 NUMBER OF EMPLOYEES AT THE YEAR END

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 4 Feb, 2021 by the Executive council.



 President



 General Secretary