



**INDEPENDENT AUDITOR'S REPORT**

**To the Management of the RIGHTS OF SPECIAL PERSONS  
WELFARE FOUNDATION**

**Opinion**

We have audited the financial statements of **RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION** “(the Society)” which comprise of the statement of financial position as at June 30, 2022, and 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 June 30, 2022, and of its financial performance for the year then ended in accordance with 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 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 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 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 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 International Standards on Auditing 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 International Standards on Auditing 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





**M. SALMAN & CO.**  
**Chartered Accountants**



CHARTERED  
ACCOUNTANTS

- based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society's 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.

*Salman*

M. Salman & Company  
Chartered accountants  
Lahore

Date: September 08, 2022

Engagement Partner: Muhammad Salman



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**RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>FIXED ASSETS</b>			
Property, Plant & Equipments	5	668,802	675,238
Security & Deposits		100,000	100,000
<b>CURRENT ASSETS</b>			
Advance, Deposits & Prepayments		-	-
Advance tax		37,617	37,617
Cash and bank balances	6	31,181	31,605
		68,798	69,222
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings		-	-
Accured and other Liabilities	7	128,500	58,500
		128,500	58,500
<b>Net Assets Employed</b>		<u>709,099</u>	<u>785,960</u>
<b>FUNDS AND LIABILITIES</b>			
General Fund		<u>709,099</u>	<u>785,960</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	8	-	-
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	-	-
		<u>709,099</u>	<u>785,960</u>

The annexed notes form an integral part of these financial statements.

PRESIDENT

**RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION  
INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>Income</b>			
Donation (in cash)		10,815,120	7,506,580
Other Income		40,000	40,000
		<u>10,855,120</u>	<u>7,546,580</u>
<b>Less: Expenditure</b>			
Program Cost	10	9,203,820	6,426,408
Administrative expenses	11	1,728,161	1,211,212
Finance cost	12	-	362
		<u>10,931,981</u>	<u>7,637,982</u>
<b>Net Income/(defecit) before taxation</b>		<u>(76,861)</u>	<u>(91,402)</u>
Taxation		-	-
<b>Net Income/(defecit) after taxation</b>		<u><u>(76,861)</u></u>	<u><u>(91,402)</u></u>

The annexed notes form an integral part of these financial statements.

PRESIDENT

**RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION  
STATEMENT OF CHANGES IN GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>General Fund &lt;Rupees&gt;</b>
<b>Balance as at July 01, 2020</b>	<b>877,362</b>
Total income for the period	(91,402)
	.
<b>Balance as at June 30, 2021</b>	<u><u><b>785,960</b></u></u>
Income/(defecit) after taxation for the period	(76,861)
	.
<b>Balance as at June 30, 2022</b>	<u><u><b>709,099</b></u></u>

The annexed notes form an integral part of these financial statements.

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**PRESIDENT**

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**MEMBER**

**RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Rupees	2021 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Income/(defecit) before taxation	(76,861)	(91,402)
<b>Add: Adjustment for:</b>		
Depreciation	81,717	83,739
<b>Income/(defecit) before working capital changes</b>	<u>4,856</u>	<u>(7,663)</u>
<b>Adjustment for working capital:</b>		
<b>(Increase)/Decrease in current liabilities</b>		
Advance, Deposits & Prepayments	-	-
Advance tax	-	(10,317)
	-	(10,317)
<b>Increase/(Decrease) in current liabilities</b>		
Short Term Borrowings	-	-
Accured and other Liabilities	70,000	-
	<u>70,000</u>	<u>-</u>
Cash generated from operating activities	<u>74,856</u>	<u>(17,980)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of office equipment	(75,280)	-
(Increase)/decrease in Security Deposits	-	-
<b>Net cash used in investing activities</b>	<u>(75,280)</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan	-	-
<b>Net cash used in financing activities</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE IN CASH</b>	<u>(424)</u>	<u>(17,980)</u>
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	31,605	49,585
<b>CASH AT THE END OF THE PERIOD</b>	<u><u>31,181</u></u>	<u><u>31,605</u></u>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
**PRESIDENT**

\_\_\_\_\_  
**MEMBER**

**RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1 NATURE OF BUSINESS:**

RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION has been duly registered under the VOLUNTARY SOCIAL WELFARE AGENCIES (REGISTRATION & CONTROL) ORDINANCE, 1961 (XLVI OF 1961). The foundation is currently involving in the welfare of disabled person. The registered office of the foundation is situated 12-A Canal Bank Extension Mughalpura, Lahore.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for "Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

**3 BASIS OF MEASUREMENT**

**3.1 Basis of Accounting:**

These financial statements are prepared under historical cost convention on going concern basis without any adjustment for the effect of inflation.

**3.2 Use of estimates and judgment**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimated and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of revision and future periods if revision effects both current and future periods. The areas where various assumption and estimates are significant to company's financial statements or where judgment were exercised in application of accounting policies are as follows:

- Useful life of depreciable assets
- Taxation
- Provisions and Contingencies



### **3.3 Taxation**

Income tax on the profit or loss for the year comprises of current and deferred tax.

#### ***Current***

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary to provision for tax made in previous years.

## **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Property, plant and equipment - operating assets**

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Depreciation is charged to income by applying reducing balance method at rates indicated in note 5 to the financial statements. Residual value and the useful life of assets are reviewed at least at each financial year-end and adjusted if impact on depreciation is significant.

Depreciation on additions is charged on pro-rata basis from the month in which asset is put to use, while for disposals, depreciation is charged up to the month of disposal. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

Gain or loss arising on the disposal is taken in income in the year of disposal. Maintenance and normal repairs are charged to income as and when incurred. Renewals and improvements are capitalized where it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably.

### **4.2 Trade and other receivables**

Trade debts and other receivables are stated at fair value and subsequently measured at amortized cost less any identified impairment loss. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

#### **4.3 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances.

#### **4.4 Revenue Recognition**

Revenue represents the fair value of the consideration received or receivable for services rendered net of discounts. Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

#### **4.5 Provisions**

Provisions are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

**RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Rupees	2021 Rupees
<b>6 CASH &amp; BANK BALANCES</b>		
Cash in hand	9,833	20,757
Cash at banks	21,348	10,848
	<u>31,181</u>	<u>31,605</u>
<b>7 ACCURED &amp; OTHER LIABILITIES</b>		
Salary payable	128,500	58,500
	<u>128,500</u>	<u>58,500</u>
<b>8 LOAN FROM DIRECTORS</b>		
Long term loan	-	-
	<u>-</u>	<u>-</u>
<b>9 CONTINGENCIES AND COMMITMENTS</b>		
There was no contingencies and commitments as at June 30, 2022 (June 30, 2021: Rs. Nil)		
<b>10 PROGRAM COST</b>		
Salaries & wages	3,058,900	1,989,000
Rent, Rate & Taxes	840,000	420,000
Utilities	383,470	125,458
Food & Consumables	1,870,425	1,270,425
Workshop / Training Charges	254,785	300,250
Medical Charges	250,610	125,430
Gifts & Donations	2,545,630	2,195,845
	<u>9,203,820</u>	<u>6,426,408</u>
<b>11 ADMINISTRATIVE EXPENSES</b>		
Salaries & wages	911,300	663,000
Rent, Rate & Taxes	360,000	180,000
Repair & Maintenance	25,368	15,425
Travelling & conveyance	75,961	30,148
Utilities	72,854	42,580
Communication Charges	56,892	35,268
Printing & stationary	36,875	15,482
Entertainment Expenses	41,963	17,458
Legal & Professional Charges	108,000	108,000
Office Supplies	15,250	7,548
Depreciation	5.1 -	83,739
Misc. Expenses	23,698	12,564
	<u>1,728,161</u>	<u>1,211,212</u>

	2022 Rupees	2021 Rupees
<b>12 FINANCIAL CHARGES</b>		
Bank Charges	-	362
	<u>-</u>	<u>362</u>

**13 DATE FOR AUTHORIZATION**

These financial statements were authorized for issue on \_\_\_\_\_ by the board of directors of the Company.

**14 FIGURES**

14.1 Comparative figures have been re-arranged and re-grouped wherever necessary for the purpose of comparison.

14.2 Figures have been rounded off to the nearest rupee.

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
MEMBER



# RIGHTS OF SPECIAL PERSONS WELFARE FOUNDATION

## 5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost			Rate	D e p r e c i a t i o n			W.D.V. as at 30-06-2022
	As at 01-07-2021	Addition / Adjustment	Disposal		As at 01-07-2021	Addition / Adjustment	As at 30-06-2022	
----- R u p e e s -----								
Computers	61,500	-	-	15	29,101	4,860	33,961	27,539
Furniture & Fixture	166,655	-	-	15	65,759	15,134	80,894	85,761
Electric Equipments	125,600	-	-	10	38,091	8,751	46,842	78,758
Office Equipments	82,438	-	-	10	21,401	6,104	27,505	54,933
Wheel Chairs	568,920	75,280	-	10	175,522	46,868	222,390	421,810
Total 2022	1,005,113	75,280	-		329,875	81,717	411,591	668,802
Total 2021	1,005,113	-	-		246,136	83,739	329,875	675,238

5.1 The depreciation charge for the year has been allocated as follows:-

	2022	2021
Admin & General Expenses	81,717	83,739
<b>Total</b>	<b>81,717</b>	<b>83,739</b>