



### Opinion

We have audited the financial statements of **EQUAL FOUNDATION SOCIETY**, which comprise the Balance Sheet as at June 30, 2023 and the statement of Income and expenditure, cash flow statement, statement of changes in fund 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, (or give a true and fair view of) the Balance Sheet of **EQUAL FOUNDATION SOCIETY**, as at June 30, 2023 and (of) 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 our report. We are independent of the **EQUAL FOUNDATION SOCIETY**, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants as adopted by the Institute of Chartered Accountant 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

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 the 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.



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**Auditor's Responsibilities**

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 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.

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.

  
**Engagement Partner: Sajid Zia**  
**Sajid Zia & Co.**  
**Chartered Accountants**



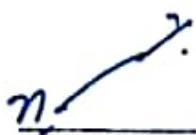
**Dated: August 02, 2023**

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**EQUAL FOUNDATION SOCIETY**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>NON-CURRENT ASSETS</b>			
Operating fixed assets	1	2,230,093	2,648,857
Intangible assets		-	20,000
<b>CURRENT ASSETS</b>			
Advances, prepayments and other receivables	5	8,093	35,810
Cash and bank balances	6	38,159	1,000
		46,252	36,810
<b>TOTAL ASSETS</b>		<b>2,276,345</b>	<b>2,705,667</b>
<b>FUNDS AND LIABILITIES</b>			
Opening Funds		2,024,917	2,004,842
Surplus / (Deficit)		(380,605)	20,075
		<b>1,644,312</b>	<b>2,024,917</b>
<b>LONG TERM LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities	7	632,033	680,750
		<b>632,033</b>	<b>680,750</b>
Contingencies and commitment		-	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>2,276,345</b>	<b>2,705,667</b>

The annexed notes from 1 to 13 form an integral part of these financial statements.

  
PRESIDENT



  
SECRETARY

**EQUAL FOUNDATION SOCIETY  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>INCOME</b>	9	<b>33,717,706</b>	<b>9,375,983</b>
<b>EXPENDITURE</b>			
Direct expenses	10	(31,631,678)	(7,706,439)
<b>OPERATING SURPLUS/ (DEFICIT)</b>		<b>2,086,028</b>	<b>1,669,544</b>
Administrative and general expenses	11	(2,466,634)	(1,644,450)
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		<b>(380,605)</b>	<b>25,094</b>
Taxation		-	(5,019)
<b>ACCUMULATED SURPLUS / (DEFICIT) CARRY FORWARD</b>		<b>(380,605)</b>	<b>20,075</b>

The annexed notes from 1 to 13 form an integral part of these financial statements.

  
**PRESIDENT**



  
**SECRETARY**

**EQUAL FOUNDATION SOCIETY  
STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Notes	2023 Rupees	2022 Rupees
<b>Cash flow from operating activity</b>			
Profit before tax		(380,605)	25,094
Adjustment for non-cash and other items			
Depreciation		418,764	503,472
Financial Charges Paid			
		418,764	503,472
<b>Operating profit before working capital changes</b>		<b>38,159</b>	<b>528,566</b>
<b>13. Working capital changes</b>			
<b>(Increase) /decrease in current assets</b>			
Advances, prepayments and other receivables		27,717	(35,810)
<b>Increase/(decrease) in current liabilities</b>			
Accrued and Other Liabilities		(48,717)	680,750
<b>Net working capital changes</b>		<b>(21,000)</b>	<b>644,940</b>
<b>Cash generated from operations</b>		<b>17,159</b>	<b>1,173,505</b>
Tax paid		-	-
Financial Charges paid		-	-
<b>Net cash flow from operating activities</b>		<b>17,159</b>	<b>1,173,506</b>
<b>Cash flow from investing activities</b>			
Proceeds from Sale of Assets		20,000	-
Cash used in Purchase of Assets		-	(1,456,800)
<b>Net cash flow from investing activities</b>		<b>37,159</b>	<b>(283,294)</b>
<b>Cash flow from financing activities</b>			
Long Term Loan		-	-
Funds Restricted		-	-
Funds Transferred for use		-	-
<b>Net cash flow from financing activities</b>		-	-
Net increase / (decrease) in cash and cash equivalent		37,159	(283,294)
Cash and cash equivalents at beginning of the year		1,000	284,294
<b>Cash and cash equivalents at end of the year</b>		<b>38,159</b>	<b>1,000</b>

The annexed notes from 1 to 13 form an integral part of these financial statements.

  
**PRESIDENT**



  
**SECRETARY**

**EQUAL FOUNDATION SOCIETY  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

Particulars	ACCUMULATED FUND	TOTAL
	-----RUPEES-----	
Balance as at July 01, 2021	2,004,842	2,004,842
Surplus after tax	20,075	20,075
Balance as at June 30, 2022	<u>2,024,917</u>	<u>2,024,917</u>
Balance as at July 01, 2022	2,024,917	2,024,917
Surplus/ (Deficit) during the year	(380,605)	(380,605)
Balance as at June 30, 2023	<u>1,644,312</u>	<u>1,644,312</u>

*The annexed notes from 1 to 13 form an integral part of these financial statements.*



  
PRESIDENT

  
SECRETARY

**EQUAL FOUNDATION SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1 Corporate and general information**

**1.1 Legal status and operations**

M/s Equal foundation Society was registered in Lahore in 2021. The entity works as an independent, non governmental and non profit charitable organization. The board of governors of society act in honoury capacity. The primary purpose of the society is to raise fund in Pakistan for establishing and maintaining office to run orphan house and old home with educational facilities. Registered office and principle office of the Society situated at Lahore.

**2 Basis of preparation**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the generally accepted accounting and reporting principles as applicable in Pakistan.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Society's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

**2.4 Key Judgements and estimates**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.



### **3 Summary of significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### **3.1 TAXATION**

The company has not yet entitled to tax credit equivalent to tax liability in term of provision of section 100C of income tax ordinance 2001, therefore the charge for current taxation is based on taxable income at the current rate of taxation or minimum taxation at the rate of one point two five percentage of the turnover whichever is higher.

#### **3.2 Property, plant and equipment**

##### **3.2.1 Initial recognition**

All items of property, plant and equipment are initially recorded at cost.

##### **3.2.2 Subsequent measurement**

Items of property, plant and equipment other than capital work in progress are measured at cost less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at cost less impairment loss (if any).

##### **3.2.3 Depreciation**

Depreciation is charged so as to write off the cost of asset (other than capital work in progress) over their estimated useful lives, using the straight-line method at specified rates.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

##### **3.2.4 Disposal**

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss.

##### **3.2.5 Judgment and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

#### **3.3 Intangible assets**

##### **3.3.1 Measurement**

Intangible assets, other than goodwill, are measured at cost less accumulated



amortization and accumulated impairment losses. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at specified rates.

Research and development expenditure is charged to 'administrative expenses' in the income & expenditure account, as and when incurred.

### 3.3.2 Judgment and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

## 3.4 CASH AND CASH EQUIVALENTS

cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdraft/short term borrowing. Bank overdrafts are shown within short term borrowings in current liabilities on balance sheet date.

## 3.5 Income recognition

Income comprises the increase in economic benefits during financial year in the form of inflows or enhancements in the value of assets or in a decrease in liabilities that results in an increase in the accumulated fund, other than those relating to contributions from donors or contributions to restricted funds that are unutilized at the end of the year. Revenue will only be recognized in the "income and expenditure account" when there is reasonable assurance that the contribution will be received, and the conditions stipulated for its receipt have been complied with.



**EQUAL FOUNDATION SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**4 PROPERTY, PLANT AND EQUIPMENT**

**4.1 Operating fixed assets**

	Electric Equipment	Furniture & Fixtures	Tools & Equipments	Computer	Total
	RUPEES				
<b>As at July 1, 2022</b>					
Cost	40,700	2,051,729	1,145,450	227,250	3,465,129
Accumulated depreciation	11,294	458,092	262,540	84,346	816,272
<b>Net book value</b>	<b>29,406</b>	<b>1,593,637</b>	<b>882,910</b>	<b>142,904</b>	<b>2,648,857</b>

**Movement during the year**

<b>Net book value</b>	29,406	1,593,637	882,910	142,904	2,648,857
<b>Addition - Cost</b>	-	-	-	-	-
<b>Disposal</b>	-	-	-	-	-
<b>Cost</b>	-	-	-	-	-
<b>Depreciation</b>	-	-	-	-	-
<b>Depreciation for the year</b>	4,411	239,046	132,137	42,871	413,734
<b>As at June 30, 2023</b>	<b>40,700</b>	<b>2,051,729</b>	<b>1,145,450</b>	<b>227,250</b>	<b>3,465,129</b>
<b>Cost</b>	<b>15,705</b>	<b>697,136</b>	<b>394,976</b>	<b>127,217</b>	<b>1,235,036</b>
<b>Accumulated depreciation</b>	<b>24,995</b>	<b>1,354,591</b>	<b>750,474</b>	<b>100,033</b>	<b>2,230,093</b>
<b>Net Book value</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>30%</b>
<b>Depreciation rates</b>					



**EQUAL FOUNDATION SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
<b>5 ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
Advances to staff	2,283	-
Misc advances	5,810	5,810
Advance Rent	30,000	30,000
	<b>8,093</b>	<b>35,810</b>
<b>6 CASH AND BANK BALANCES</b>		
Cash in hand	38,159	1,000
Cash at bank	-	-
	<b>38,159</b>	<b>1,000</b>
<b>7 ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	-	-
<b>Other liabilities</b>		
Salaries payable	-	-
Misc payables	632,033	680,750
	<b>632,033</b>	<b>680,750</b>
<b>8 CONTINGENCY AND COMMITMENTS</b>		
<b>8.1 Contingencies</b>		
NGO has no contingencies as on reporting date ( 2022: Nil).	-	-
<b>8.2 Commitments</b>		
NGO has no commitments as on reporting date ( 2023: Nil).	-	-
<b>9 INCOME</b>		
Donations	33,717,706	9,375,983
Contributions	-	-
	<b>33,717,706</b>	<b>9,375,983</b>
<b>10 DIRECT EXPENSES</b>		
Medicines	1,234,387	442,775
Garments	987,510	333,950
Food and groceries	1,065,005	1,289,594
Staff salaries - direct	5,627,666	3,852,900
Education	2,168,775	268,649
Travelling and conveyance	12,792	6,910
Seminars, events	62,826	104,578
Depreciation	251,259	302,083
Miscellaneous direct	19,921,458	1,105,000
	<b>31,631,678</b>	<b>7,706,439</b>



**EQUAL FOUNDATION SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
<b>11 ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Printing and stationery	-	135,327
Professional charges	-	6,000
Rent	246,000	258,000
Repair and maintenance expenses -building	-	197,906
Electricity Bill	2,053,128	831,568
Gas bill	-	2,100
Depreciation	167,506	201,389
Miscellaneous	-	12,160
	<b><u>2,466,634</u></b>	<b><u>1,644,450</u></b>

**12 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on \_\_\_\_\_ by Board of trustees of the foundation.

**13 GENERAL**

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been rearranged when over necessary, for the purpose of comparison and better presentation.

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**PRESIDENT**



M. Zia  
\_\_\_\_\_  
**SECRETARY**