

Ref: AA/PA/0560/21-22

December 01, 2021

The Executive Committee

Public Interest Law Association of Pakistan
Office No 202, 2nd Floor 18-C,
Zamzama Commercial Lane No # 2,
DHA Phase V,
Karachi.

Dear Sirs,

Audit of the financial statements for the year ended 30 June 2021

We are pleased to enclose three copies of the draft financial statements of Public Interest Law Association of Pakistan ("the Association") for the year ended 30 June 2021, duly initialed by us for identification purposes only, along with our draft audit report thereon to the members. We shall sign our audit report in its present or amended form after the financial statements have been approved and signed by the Authorized Representative, on its behalf and after we have received the following:

A. APPROVAL AND CONFIRMATIONS

- a) The financial statements have been approved by the Authorized Representative, on its behalf
- b) Letter of representation addressed to us on behalf of the Authorized Representative as per the draft provided by us.

These annual financial statements shall remain and be deemed un-audited, unless the audit report on these financial statements has been signed by us.

B. RESPONSIBILITIES OF THE AUDITORS IN RELATION TO THE AUDIT OF FINANCIAL STATEMENTS

The responsibilities of the independent auditor in a usual examination of financial statements are explained in section 249 of the Companies Act, 2017 (XIX of 2017) and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for their preparation and presentation is primarily that of the Management.

C. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE ON THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

Junaidy Shoaib Asad
Chartered Accountants



going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Executive Committee is responsible for overseeing the Association's financial reporting process.

We take this opportunity to thank all of your staff for the courtesy and cooperation extended to us during the course of our audit.

Yours faithfully,

Junaidy Shoaib Asad

**PUBLIC INTEREST LAW ASSOCIATION OF
PAKISTAN**

Financial Statement

For the year ended 30 June 2021

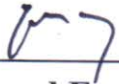
Public Interest Law Association Of Pakistan

Statement of Financial Position

As at 30 June 2021

	Note	2021 Rupees	2020 Rupees
FUNDS EMPLOYED			
Long-term Liabilities			
Deferred liabilities		-	-
		<u>-</u>	<u>-</u>
WORKING CAPITAL			
Current Assets			
Short-term loan receivable		-	17,000
Advances, deposits & prepayments	4	6,000	134,593
Cash and bank balances	5	259,167	351,310
		265,167	502,903
Current Liabilities			
Creditors, accrued & other liabilities	6.1	299,781	512,913
Auditors remuneration payable	6.2	35,000	35,000
		334,781	547,913
NET ASSETS		<u>(69,614)</u>	<u>(45,010)</u>
REPRESENTED BY:			
Accumulated Fund		<u>(69,614)</u>	<u>(45,010)</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.



**Chairman and Executive
Committee Member**



**CEO and Executive
Committee Member**



**Vice Chairman and
Executive Committee
Member**

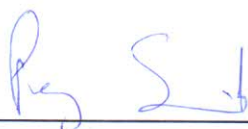
Public Interest Law Association Of Pakistan
Income And Expenditure Account
For The Year Ended 30 June 2021

	Note	2021 Rupees	2020 Rupees
REVENUE			
Members subscription		1,022,712	1,101,946
Donations		3,422,300	2,458,000
Other income		40,000	-
		<u>4,485,012</u>	<u>3,559,946</u>
LEGAL SERVICES			
Legal service cost		50,000	128,000
GROSS SURPLUS		<u>4,435,012</u>	<u>3,431,946</u>
OTHER OPERATING EXPENSES			
Staff costs	7.1	3,543,791	2,323,427
Premises costs	7.2	538,366	721,016
Operating Costs	7.3	369,344	423,191
Financial and bank charges	7.4	28,042	15,554
		<u>4,479,543</u>	<u>3,483,188</u>
SURPLUS/(DEFICIT) BEFORE TAX		<u>(44,531)</u>	<u>(51,242)</u>
PROVISION FOR TAXATION			
Taxation	8	-	-
DEFICIT FOR THE YEAR		<u><u>(44,531)</u></u>	<u><u>(51,242)</u></u>

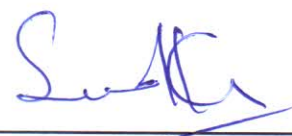
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Public Interest Law Association Of Pakistan
Statement Of Changes In Accumulated Fund
For The Year Ended 30 June 2021

	2021 Rupees
Balance as at 1 July 2019	6,232
Total comprehensive loss for the year	
Deficit for the year	(51,242)
Other comprehensive income	-
Total comprehensive loss	(51,242)
Balance as ae 30 June 2020	(45,010)
Total comprehensive loss for the year	
Deficit for the year	(24,603)
Other comprehensive income	-
Total comprehensive loss	(24,603)
Balance as ae 30 June 2021	(69,613)


The annexed notes from 1 to 12 form an integral part of these financial statements.



**Chairman and Executive
 Committee Member**



**CEO and Executive
 Committee Member**



**Vice Chairman and
 Executive Committee
 Member**

Public Interest Law Association Of Pakistan

Notes To The Financial Statements

For the year ended 30 June 2021

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Public Interest Law Association of Pakistan (the Association) was registered under the Societies Registration Act, 1860 on February 1, 2011. The Association operates as an independent, voluntary non-profit organization approved by Federal Board of Revenue under Section 2(36)(c) of the Income Tax Ordinance, 2001, read with Rules 212 and 220 of the Income Tax Rules 2002. The registered office of the Association is situated at Plot 18-C, 2nd Floor, Office No. 202, Zamzama Commercial Lane n0. 2, Phase 5, DHA, Karachi.

The mission of the Association is to protect and promote the fundamental rights of the citizens of Pakistan. It does through a three pronged strategy, starting with research, followed by advocacy and finally if no results appear, pursue public interest litigation. Public interest is a very wide subject and some of the areas where Association is involved include lack of quality education, out of school kids, water pollution, protecting heritage structures, protecting trees, improving access to justice, enhancing use and awareness of right to information law, disaster management in case of nuclear disaster etc.

- 1.2 The Association has been incurring losses for past four years and accumulated losses stood at Rs. 69,614 further, the liabilities exceeded its assets by Rs. 69,614 at 30 June 2021. The circumstances indicates existence of significant uncertainty that may cast doubts that Association may not be able to continue as a going concern. However, these financial statements have been prepared using going concern assumption in view of the resolution of the Executive Committee to provide the continued financial support to the Association in the shape of grant donation etc.

1.3 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of Revised Accounting and Financial Reporting Standard for the Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the Revised AFRS for SSEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

1.4 Basis of measurement

These financial statements have been prepared under the historical cost convention using the accrual basis of accounting.

1.5 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the functional and presentation currency of the company.

1.6 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the 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 affects only that period, or in the period of the revision and future periods, if the revision affects both current period and future periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Property and equipment

These are stated at cost less accumulated depreciation .

Depreciation is charged using the reducing balance method at the rates specified in relevant note.

Depreciation is charged on additions from the month the asset is available for use and on disposals up to the month preceding the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred while cost of major replacements and improvements, if any, are capitalized.

Gains and losses in disposal of fixed assets are included in the income and expenditure account.

2.2 Taxation

The Association has been approved as a non-profit organization under section 2(36) (c) of the Income Tax Ordinance, 2001.


2.3 Cash and bank balances

Cash and Bank Balances are carried at nominal amount.

2.4 Revenue Recognition

Subscription fee is measured based on the consideration specified in the Rules of the Association. The Association receives annual subscription and lifetime membership fees from its members. Annual subscription fees including annual membership fee of Patron members is recognized over the time on straight-line basis. The portion of membership fee relating to the future periods is determined and classified as unearned subscription fee in the statement of financial position. However, the Patron members are required to make one time payment which is recognized upfront in the Income and expenditure Account.

- Donation income is recognized on cash basis in view of the uncertainty of its realization..

 - Return on bank deposit is recorded on an accrual basis.

	<i>Note</i>	2021 Rupees	2020 Rupees
3. SHORT TERM LOAN - Unsecured			
Short term loans to employees		-	17,000
		<u>-</u>	<u>17,000</u>
3.1 This represent interest-free and unsecured loan to an employee of the Association and full amount has been recovered during the year.			
4. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Unsecured and considered good			
Security deposit for rental premises		-	125,500
Prepayment		-	6,593
Subscription receivable from member		6,000	1,000
Others		-	1,500
		<u>6,000</u>	<u>134,593</u>
5. CASH AND BANK BALANCES			
Cash in hand		17,525	4,946
Balances with bank		241,642	346,364
		<u>259,167</u>	<u>351,310</u>
6. ACCRUED EXPENSES AND OTHER LIABILITIES			
Advance subscription from members		-	184,712
Accrued expenses	6.1	299,781	328,201
Auditors remuneration payable	6.2	35,000	35,000
		<u>334,781</u>	<u>547,913</u>
6.1 Accrued expenses			
Salary payable		-	69,041
Staff bonus		298,300	148,500
Communication		590	1,760
Rent payable		-	108,900
Other expenses		891	-
		<u>299,781</u>	<u>328,201</u>
6.2 Auditors' remuneration			
Audit fee		32,407	32,407
Sindh sales tax on services @ 8% (2020:8%)		2,593	2,593
		<u>35,000</u>	<u>35,000</u>

	<i>Note</i>	2021 Rupees	2020 Rupees
7. OTHER OPERATING EXPENSES			
Staff costs	7.1	3,543,791	2,323,427
Premises costs	7.2	538,366	721,016
Operating Costs	7.3	369,344	423,191
Financial and bank charges	7.4	28,042	15,554
		<u>4,479,543</u>	<u>3,483,188</u>
7.1 Staff costs			
Salaries, wages & benefits			
Salaries and wages - Permanent		1,712,826	1,782,000
Salaries and wages - Contractual		1,450,000	184,001
Leave fare assistance		90,366	99,000
Medical expenses		80,299	109,926
		<u>3,333,491</u>	<u>2,174,927</u>
Staff bonus			
Ex-gratia		210,300	148,500
		<u>210,300</u>	<u>148,500</u>
		<u>3,543,791</u>	<u>2,323,427</u>
7.2 Premises costs			
Rent, rate and taxes			
Rent expenses - Head office		472,249	623,700
Utilities charges			
Electricity charges		56,227	85,136
Water charges		9,890	12,180
		<u>66,117</u>	<u>97,316</u>
		<u>538,366</u>	<u>721,016</u>
7.3 Operating costs			
Advertisement and publication		11,669	5,893
Entertainment		1,978	4,925
Travelling and conveyance		83,620	102,088
Communication		84,978	55,050
Repair and maintenance		55,916	126,413
Legal and professional charges		67,500	50,000
Printing and stationery		8,755	9,980
Depreciation		-	15,626
Audit fees		35,000	35,000
Office expenses		19,928	-
Miscellaneous		-	18,216
		<u>369,344</u>	<u>423,191</u>

