

**PUBLIC INTEREST LAW ASSOCIATION OF  
PAKISTAN**

**Financial Statement**

**For the year ended 30 June 2022**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Public Interest Law Association of Pakistan**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Public Interest Law Association of Pakistan (the Association), which comprise the statement of financial position as at 30 June 2022, and the income and expenditure account, statement of changes in accumulated association 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 Association as at 30 June 2022 and 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 Association 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 Trustees for the Financial Statements**

Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the trustees determine 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, trustees are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless the Trustees intend 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.

#### **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 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, 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 Association'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 trustee'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 Association'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 Association 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 Trustees 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.

The engagement partner on the audit resulting in this independent auditor's report is Pervez.



Junaidy Shoaib Asad  
Chartered Accountants

Date:


Karachi

UDIN: AR202210039hPAekr7JQ


**Public Interest Law Association Of Pakistan**  
**Statement of Financial Position**  
**As at 30 June 2022**

	Note	2022 Rupees	2021 Rupees
<b>Current Assets</b>			
Other receivables	4	-	6,000
Cash and bank balances	5	<u>74,221</u>	<u>259,167</u>
		<u>74,221</u>	<u>265,167</u>
<b>Current Liabilities</b>			
Accrued expenses and other liabilities	6	<u>973,239</u>	<u>334,781</u>
<b>NET ASSETS</b>		<u><u>(899,018)</u></u>	<u><u>(69,614)</u></u>
<b>REPRESENTED BY</b>			
Accumulated Fund		<u><u>(899,018)</u></u>	<u><u>(69,614)</u></u>

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

  
**Chairman and Executive  
 Committee Member**

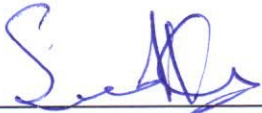
  
**CEO and Executive  
 Committee Member**

  
**Vice Chairman and  
 Executive Committee  
 Member**

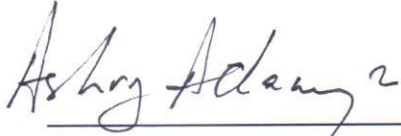
**Public Interest Law Association Of Pakistan**  
**Income And Expenditure Account**  
**For The Year Ended 30 June 2022**

	Note	2022	2021
		-----Rupees-----	
Members subscription		3,419,900	1,022,712
Donations		2,815,000	3,422,300
Other income		-	40,000
		<u>6,234,900</u>	<u>4,485,012</u>
Legal service cost		<u>(75,000)</u>	<u>(50,000)</u>
<b>Gross surplus</b>		<b>6,159,900</b>	<b>4,435,012</b>
Other operating expenses	7	<u>(6,989,304)</u>	<u>(4,459,615)</u>
<b>Deficit before tax</b>		<b>(829,404)</b>	<b>(24,603)</b>
Taxation	8	-	-
<b>Deficit after tax</b>		<b><u>(829,404)</u></b>	<b><u>(24,603)</u></b>

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

  
**Chairman and Executive  
 Committee Member**

for   
**CEO and Executive  
 Committee Member**

  
**Vice Chairman and  
 Executive Committee  
 Member**



**Public Interest Law Association Of Pakistan  
Statement Of Changes In Accumulated Fund  
For The Year Ended 30 June 2022**

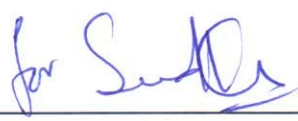
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	<b>Rupees</b>
Balance as at 1 July 2020	(45,010)
Deficit for the year	(24,603)
Balance as at 30 June 2021	<u>(69,613)</u>
<b>Deficit for the year</b>	<b>(829,404)</b>
<b>Balance as ae 30 June 2022</b>	<b><u><u>(899,017)</u></u></b>

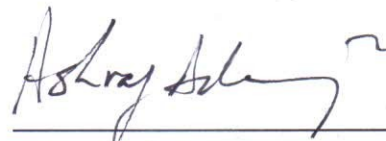
The annexed notes from 1 to 12 form an integral part of these financial statements.



**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 2022**

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**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 no. 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. 899,018 at 30 June 2021. These circumstances indicate the existence of significant uncertainty that may cast doubt on the Association's ability 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 continued financial support to the Association.

**2. BASIS OF PREPARATION**

**2.1 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.

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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



## **2.4 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.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 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.

### **3.2 Taxation**


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

### **3.3 Cash and bank balances**

Cash and Bank Balances are carried at nominal amount.

### **3.4 Revenue Recognition**

Subscription fee is measured based on the consideration specified in the Rules of the Association. The Association receives annual subscription and fees from its members. Annual subscription fees including annual membership fee of Citizen Assembly and 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 Citizen Assembly and Patron members are required to make annual 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>	2022 Rupees	2021 Rupees
<b>4. OTHER RECEIVABLES</b>			
Subscription receivable from member		-	6,000
		<u>-</u>	<u>6,000</u>
<b>5. CASH AND BANK BALANCES</b>			
Cash in hand		9,599	17,525
Balances with bank		64,622	241,642
		<u>74,221</u>	<u>259,167</u>
<b>6. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Accrued expenses	6.1	898,239	299,781
Advance subscription from members		40,000	-
Auditor's remuneration payable		35,000	35,000
		<u>973,239</u>	<u>334,781</u>
<b>6.1 Accrued expenses</b>			
Salary payable		452,419	-
Staff bonus		210,300	298,300
Communication		730	590
Rent payable		226,741	-
Other expenses		8,049	891
		<u>898,239</u>	<u>299,781</u>
<b>7. OTHER OPERATING EXPENSES</b>			
Staff costs	7.1	5,495,092	3,543,791
Premises costs	7.2	476,881	538,366
Operating Costs	7.3	1,014,325	349,416
Bank charges		3,006	28,042
		<u>6,989,304</u>	<u>4,459,615</u>
<b>7.1 Staff costs</b>			
<b>Salaries, wages &amp; benefits</b>			
Salaries and wages - permanent		4,214,750	1,712,826
Salaries and wages - contractual		890,000	1,450,000
Leave fare assistance		91,184	90,366
Medical expenses		27,237	80,299
Voluntary pension scheme		271,921	-
		<u>5,495,092</u>	<u>3,333,491</u>
<b>Staff bonus</b>			
Ex-gratia		-	210,300
		<u>5,495,092</u>	<u>3,543,791</u>

	<i>Note</i>	2022 Rupees	2021 Rupees
<b>7.2 Premises costs</b>			
<b>Rent, rate and taxes</b>			
Rent expenses - Head office		476,741	472,249
<b>Utilities charges</b>			
Electricity charges		-	56,227
Water charges		140	9,890
		<u>140</u>	<u>66,117</u>
		<u>476,881</u>	<u>538,366</u>
<b>7.3 Operating costs</b>			
Advertisement and publication		370,389	11,669
Entertainment		1,080	1,978
Travelling and conveyance		49,133	83,620
Communication		67,579	84,978
Repair and maintenance		-	55,916
Legal and professional charges		368,500	67,500
Website maintenance		95,650	
Printing and stationery		9,779	8,755
Depreciation		-	-
Auditors' remuneration	7.4	35,000	35,000
Office expenses		17,215	-
Miscellaneous		-	-
		<u>1,014,325</u>	<u>349,416</u>
<b>7.4 Auditors' remuneration</b>			
Audit fee		32,407	32,407
Sindh sales tax on services @ 8% (2021:8%)		2,593	2,593
		<u>35,000</u>	<u>35,000</u>

## 8. TAXATION

The Association has been approved as a non-profit organization under section 2(36)(c) of the Income Tax Ordinance, 2001. The Association has incurred deficit for the year and is entitled to 100% tax credit against minimum tax under section 113 the Income Tax Ordinance, 2001. Accordingly, no charge for taxation has been recorded in these financial statements.

## 9. NUMBER OF EMPLOYEES

Employees as at June 30	<u>5</u>	<u>4</u>
Average number of employees during the year	<u>5</u>	<u>4</u>

## 10. RELATED PARTIES TRANSACTIONS


### Transactions with related parties during the year

Member's subscription	<u>3,419,900</u>	<u>3,319,900</u>
Donations	<u>-</u>	<u>2,915,000</u>
Loan repaid by the employee during the year	<u>-</u>	<u>17,000</u>

**11. GENERAL**

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. The figures have been rounded off to the nearest Rupee.

**12. DATE OF AUTHORISATION**

These financial statements were authorized for issue on 28 DEC 2022 by the Executive Committee of the Association. 



**Chairman and Executive  
Committee Member**



**CEO and Executive  
Committee Member**



**Vice Chairman and  
Executive Committee  
Member**