

**PUBLIC INTEREST LAW ASSOCIATION OF
PAKISTAN**

Financial Statement

For the year ended 30 June 2023

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 2023, and the income and expenditure account, statement of changes in accumulated fund 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 2023 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 Executive Committee for the Financial Statements

Management is 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 management 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, 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 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.

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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 the executive committee 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 Farrukh V. Junaidy.



Chartered Accountants

Date: 03 FEB 2024


Karachi


UDIN: AR202310653copLzvn3B

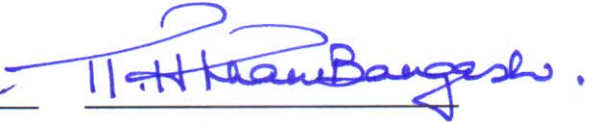
Public Interest Law Association Of Pakistan
Statement of Financial Position
As at 30 June 2023

	Note	2023 Rupees	2022 Rupees
Current Assets			
Cash and bank balances	4	514,839	74,221
Current Liabilities			
Accrued expenses and other liabilities	5	694,112	973,239
Loan payable		50,000	-
		744,112	973,239
NET ASSETS		(229,273)	(899,018)
REPRESENTED BY			
Accumulated Fund		(229,273)	(899,018)

The annexed notes from 1 to 11 form an integral part of these financial statements.


 Chairman and Executive
 Committee Member

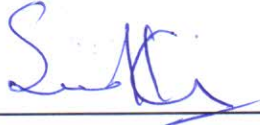

 CEO and Executive
 Committee Member

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 Vice Chairman and
 Executive Committee
 Member

Public Interest Law Association Of Pakistan
Income and Expenditure Account
For The Year Ended 30 June 2023

	Note	2023	2022
		-----Rupees-----	
Income			
Members subscription		5,023,154	3,419,900
Donations		3,184,630	2,815,000
		<u>8,207,784</u>	<u>6,234,900</u>
Expenditures			
Legal service cost		(250,000)	(75,000)
Other operating expenses	6	(7,288,039)	(6,989,304)
		<u>(7,538,039)</u>	<u>(7,064,304)</u>
Surplus / (deficit) before tax for the year		<u>669,745</u>	<u>(829,404)</u>
Taxation	7	-	-
Surplus / (deficit) after tax for the year		<u><u>669,745</u></u>	<u><u>(829,404)</u></u>

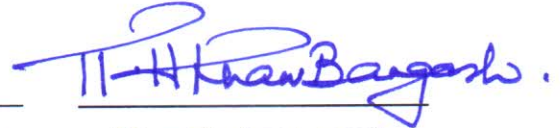
The annexed notes from 1 to 11 form an integral part of these financial statements.



**Chairman and Executive
Committee Member**



**CEO and Executive
Committee Member**



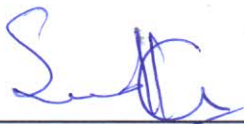
**Vice Chairman and
Executive Committee
Member**

**Public Interest Law Association Of Pakistan
Statement Of Changes In Accumulated Fund
For The Year Ended 30 June 2023**

	2023 Rupees
Balance as at 1 July 2021	(69,614)
Deficit after tax for the year	(829,404)
Balance as at 30 June 2022	<u>(899,018)</u>
Surplus after tax for the year	669,745
Balance as at 30 June 2023	<u><u>(229,273)</u></u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

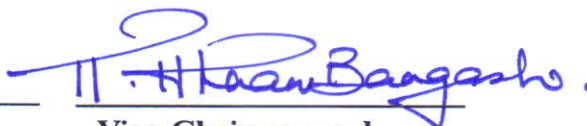
JSS



**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 2023

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, Patron and Associate 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, Patron and Associate 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>	2023	2022
		-----Rupees-----	
4. CASH AND BANK BALANCES			
Cash in hand		19,184	9,599
Cash at bank - current account		495,655	64,622
		<u>514,839</u>	<u>74,221</u>
5. ACCRUED EXPENSES AND OTHER LIABILITIES			
Salary payable		-	452,419
Staff bonus		492,250	210,300
Rent payable		-	226,741
Other expenses		146,862	8,779
Advance subscription from members		20,000	40,000
Auditor's remuneration payable		35,000	35,000
		<u>694,112</u>	<u>973,239</u>
6. OTHER OPERATING EXPENSES			
Staff costs	<i>6.1</i>	5,456,663	5,495,092
Premises costs	<i>6.2</i>	520,800	476,881
Operating costs	<i>6.3</i>	1,308,372	1,014,325
Bank charges		2,204	3,006
		<u>7,288,039</u>	<u>6,989,304</u>
6.1 Staff costs			
Salaries and wages - permanent		4,424,404	4,214,750
Salaries and wages - contractual		280,000	890,000
Leave fare assistance		125,667	91,184
Medical expenses		-	27,237
Voluntary pension scheme		228,092	271,921
Staff bonus		398,500	-
		<u>5,456,663</u>	<u>5,495,092</u>
6.2 Premises costs			
Rent		300,000	476,741
Electricity charges		70,452	-
Water charges		72,020	-
Telephone		25,688	140
Repair and maintenance		52,640	-
		<u>520,800</u>	<u>476,881</u>

	Note	2023	2022
-----Rupees-----			
6.3 Operating costs			
Advertisement and publication		988,429	370,389
Entertainment		-	1,080
Travelling and conveyance		64,610	49,133
Communication		71,979	67,579
Legal and professional charges		63,775	368,500
Website		37,000	95,650
Printing and stationery		7,399	9,779
Auditors' remuneration	6.4	35,000	35,000
Office expenses		40,180	17,215
		<u>1,308,372</u>	<u>1,014,325</u>
6.4 Auditors' remuneration			
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>

7. 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 generated a surplus for the year and is entitled to 100% tax credit against minimum tax under section 100C of the Income Tax Ordinance, 2001. Accordingly, no charge for taxation has been recorded in these financial statements.

8. NUMBER OF EMPLOYEES

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

9. RELATED PARTIES TRANSACTIONS

Transactions with related parties during the year


Member's subscription	<u>5,023,154</u>	<u>3,419,900</u>
Donations	<u>3,184,630</u>	<u>-</u>


10. GENERAL

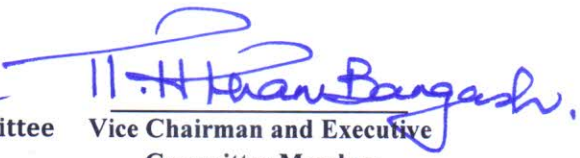
The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. The figures have been rounded off to the nearest Rupee.

11. DATE OF AUTHORISATION

These financial statements were authorized for issue on 26-10-2023 by the Executive Committee of the Association.


Chairman and Executive
Committee Member


CEO and Executive Committee
Member


Vice Chairman and Executive
Committee Member