# SOLITON WELFARE FOUNDATION

## AUDITED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED JUNE 30, 2022


**S. Mubeen & Co.**
**Chartered Accountants**

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CHARTERED ACCOUNTANTS

# *INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLITON WELFARE FOUNDATION REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS*

## OPINION

We have audited the financial statements of **Soliton Welfare Foundation ('the Foundation')**, which comprise of the statement of financial position as at June 30, 2022 and the statement of income and expenditure and other comprehensive income, the statement of changes in funds, the statement of cash flows for the period then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at June 30, 2022 and of its financial performance and its cash flows for the period then ended in accordance with approved accounting and reporting standard 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 Foundation 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 Board of Directors ('the Board') is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board 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, Board is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation financial reporting process.



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## 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 guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it occurs. 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 asses 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 omission, 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 Foundation'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 appropriate 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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, 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.

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

S. Mubeen & Co.
Chartered Accountants

Islamabad
September 8, 2022



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# SOLITON WELFARE FOUNDATION

## STATEMENT OF FINANCIAL POSITION
## AS ON JUNE 30, 2022

| | Note | Jun 30 \| 2022<br>--- rupees --- |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Advances | 4 | 52,020 |
| Cash and bank balances | 5 | 117,250 |
| **Total assets** | | 169,270 |
| **FUNDS AND LIABILITIES** | | |
| **Current liabilities** | | |
| Accrued expenses | | 75,000 |
| **Funds** | | |
| General fund (un-restricted) | | 94,270 |
| **Contingencies and commitments** | 6 | |
| | | 169,270 |

The annexed notes from 1 to 14 forms an integral part of these financial statements.

**Chief Executive Officer**

Soliton Welfare Foundation

**Director**

## SOLITON WELFARE FOUNDATION

### STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME FOR THE FIVE MONTHS PERIOD FROM FEBRUARY 2, 2022 TO JUNE 30, 2022

| | Note | Jun 30 \| 2022 --- rupees --- |
|---|---|---|
| **Income** | | |
| Donations | 7 | 2,930,000 |
| **Expenditure** | | |
| Operating expenses | 8 | (398,700) |
| Utilization of donations | 9 | (2,437,030) |
| | | (2,835,730) |
| **Surplus of income over expenditure for the period** | | 94,270 |
| **Other comprehensive income for the period** | | - |
| **Total comprehensive income for the period** | | 94,270 |

The annexed notes from 1 to 14 forms an integral part of these financial statements.

Fawzie Khan
**Chief Executive Officer**

Soliton Welfare Foundation

Mamoona Ali
**Director**

## SOLITON WELFARE FOUNDATION

### STATEMENT OF CHANGES IN FUNDS
### FOR THE FIVE MONTHS PERIOD FROM FEBRUARY 2, 2022 TO JUNE 30, 2022

| | Unrestricted General Fund | Total Funds |
|---|---|---|
| | --- rupees --- | |
| Comprehensive income: | | |
| Surplus of income over expenditure for the period | 94,270 | 94,270 |
| Other comprehensive income for the period | - | - |
| Total comprehensive income for the period | 94,270 | 94,270 |
| **Balance as at June 30, 2022** | 94,270 | 94,270 |

The annexed notes from 1 to 14 forms an integral part of these financial statements.

Fawzia Khan
**Chief Executive Officer**

Soliton Welfare Foundation

Mamoona Ali
**Director**

# SOLITON WELFARE FOUNDATION

## STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME FOR THE FIVE MONTHS PERIOD FROM FEBRUARY 2, 2022 TO JUNE 30, 2022

| | Note | Jun 30 \| 2022 --- rupees --- |
|---|---|---|
| **CASH FLOW FROM OPERATIONS** | | |
| Surplus of income over expenditure for the period | | 94,270 |
| Working capital changes | | |
| Increase in advances | | (52,020) |
| Increase in accrued expenses | | 75,000 |
| | | 22,980 |
| Net cash generated from operating activities | | 117,250 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | - |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | - |
| **Net increase in cash and cash equivalents** | | 117,250 |
| **Cash and cash equivalents at beginning of the year** | | - |
| **Total comprehensive income for the year** | 5 | 117,250 |

The annexed notes from 1 to 14 forms an integral part of these financial statements.

Fauzia Khan
**Chief Executive Officer**

Soliton Welfare Foundation

Nawaz Ali
**Director**

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE FIVE MONTHS PERIOD FROM FEBRUARY 2, 2022 TO JUNE 30, 2022

### 1 LEGAL STATUS AND NATURE OF OPERATIONS

Soliton Welfare Foundation ('the Foundation') was registered in Pakistan on February 2, 2022 as a 'Not for Profit Organization' (NPO) under section 42 of the Companies Act, 2012. The registered office of the Foundation is situated at 107 N, Model Town Extension, Lahore.

The principal charitable activities of the Foundation are:

- to provide cooked food, ration packages, provision of clothes and other support to the needy, poor, destitute, old aged people, orphans and widows;
- to provide financial support to the deserving patients enabling them to purchase medicines and get their medical tests; and
- to provide scholarships to students and grant aid, including supply of books, stipends, medals, prizes, educational career support and other incentives for the purposes of advancement of knowledge, education and literacy for the underprivileged in the country particularly in rural

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRSs) for Small Sized Entities (AFRS for SSE) as applicable in Pakistan and Accounting Standards for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan.

#### 2.2 Measurement

These financial statements have been prepared under the historical cost convention except stated otherwise elsewhere in these financial statements.

#### 2.3 Use of estimates and judgements

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made insignificant estimates and judgments.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out bel

#### 3.1 Taxation

Provision for taxation is recognized on taxable income, if any, for the period determined in accordance with the prevailing law and regulations. The Foundation has been approved as a NPO under section 42 of the Companies Act, 2017.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE FIVE MONTHS PERIOD FROM FEBRUARY 2, 2022 TO JUNE 30, 2022

**3.2 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and bank

**3.3 Creditors, accrued and other liabilities**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Foundation.

**3.4 Restricted funds**

The Foundation has adopted the restricted fund method for recognition of revenue relating to donated fund, as prescribed by NPO guidelines. Donations received are recognized on receipt basis and presented in 'Donated Fund'. Donations received in kind, if any, are measured at the market value prevailing at the time of relevant transactions. However, the Foundation have no external or internal restrictions on distribution of funds / donations received.

| | | Jun 30 \| 2022<br>--- rupees --- |
|---|---|---|
| 4 | **ADVANCES** | |
| | Advances to suppliers | 52,020 |

**4.1** This represents advance issued to Metro Cash and Carry for provision of supplies.

| | | |
|---|---|---|
| 5 | **CASH AND BANK BALANCES** | |
| | In hand | 117,250 |

**6 CONTINGENCIES AND COMMITMENTS**

There is no known contingent liability and outstanding commitment as at June 30, 2022 of the Company.

| | | |
|---|---|---|
| 7 | **DONATIONS** | |
| | Start-up donations from members | 1,500,000 |
| | Other donations from members | 1,430,000 |
| | | 2,930,000 |

| | | |
|---|---|---|
| 8 | **OPERATING EXPENSES** | |
| | Salaries and allowances | 180,000 |
| | Traveling and conveyance | 68,000 |
| | Company incorporation expenses | 71,200 |
| | Legal and professional charges | 25,000 |
| | Audit fee | 50,000 |
| | Others | 4,500 |
| | | 398,700 |

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NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE FIVE MONTHS PERIOD FROM FEBRUARY 2, 2022 TO JUNE 30, 2022

| | | Jun 30 \| 2022 |
|---|---|---|
| | | --- rupees --- |
| 9 | **UTILIZATION OF DONATIONS** | |
| | Food | 2,218,230 |
| | Clothes | 135,000 |
| | Education | 67,500 |
| | Health | 16,300 |
| | | 2,437,030 |

## 10 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of organizations with common directors and key management personnel. The Foundation in the normal course of business carries out various transactions with its related parties. Details of transactions with related parties are as follows:

| Name of related parties | Nature of transaction | rupees |
|---|---|---|
| Dr. Fauzia Khan | Start-up donation | 500,000 |
| | Other donations | 500,000 |
| Dr. Mansoor Khan | Start-up donation | 250,000 |
| | Other donations | 500,000 |
| Mrs. Mamoona Ali | Start-up donation | 200,000 |
| Mrs. Mamoona Ali | Other donations | 500,000 |
| Mrs. Talat Mohsin | Donations | 250,000 |
| Mr. Imran Mohsin | Donations | 200,000 |
| Mr. Muhammad Ali | Donations | 10,000 |
| Mr. Muqadas Raza | Donations | 10,000 |
| Mr. Wasiq Iftikhar | Donations | 10,000 |

## 11 REMUNERATION OF DIRECTORS AND NUMBER OF EMPLOYEES

No remuneration is drawn by directors (3) of the NPO during the period and the number of employees to whom the salaries are paid during the period is 3.

| | | Jun 30 \| 2022 |
|---|---|---|
| | | --- rupees --- |
| 12 | **FINANCIAL INSTRUMENTS** | |
| | **Financial assets** | |
| | Advances | 52,020 |
| | **Financial liabilities** | |
| | Accrued expenses | 75,000 |

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NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE FIVE MONTHS PERIOD FROM FEBRUARY 2, 2022 TO JUNE 30, 2022

## 13 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized on August 30, 2022 by board of directors of the Foundation.

## 14 GENERAL

- As the Foundation is registered on February 2, 2022 and this being the first period of the Foundation's operations, hence no comparative information is presented in these financial statements.
- Figures have been rounded off to the nearest of a rupee.

Fawzia Khan
**Chief Executive Officer**

Soliton Welfare Foundation

Mamoona Ali
**Director**