

INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE

Opinion

We have audited the financial statements of Public Interest Law Association of Pakistan (here-in-after referred to as "the Association"), which comprise the balance sheet as at June 30, 2017, and the income and expenditure account, statement of changes in accumulated fund and cash flow statement; 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 June 30, 2017, and of its financial performance and its cash flows 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 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 ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other matter paragraph

The financial statements of the Association for the year ended June 30, 2016 were audited by another firm of chartered accountants who expressed an unmodified opinion on those statements on January 16, 2017.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the management 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, the management is responsible for assessing the Association's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Association or to cease operation, or has no realistic alternative but to do so.

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

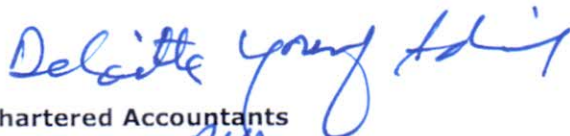
Auditor's Responsibilities for the Audit of the Financial Statements

Our objective 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 high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 decision of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs as applicable in Pakistan. We exercise professional judgement 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 controls.
- Obtain an understanding of internal controls 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 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 a significant doubt on the Association's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure 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's 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.


Chartered Accountants

Engagement Partner
Mushtaq Ali Hirani

Dated: 14 NOV 2017.
Place: Karachi

PUBLIC INTEREST LAW ASSOCIATION OF PAKISTAN
BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017 ----- Rupees -----	2016 -----
ASSETS			
Non-current assets			
Property and equipment	4	88,039	113,875
Current assets			
Short-term investments	5	-	-
Loan to an employee - unsecured - considered good		16,000	30,000
Deposits		128,500	1,500
Cash and bank balances	6	719,169	42,116
		863,669	73,616
Total assets		951,708	187,491
LIABILITIES			
Non-current liabilities			
Deferred liability - provision for staff gratuity		-	63,625
Current liabilities			
Short-term loan	7	200,000	20,000
Accrued expenses	8	32,399	35,552
		232,399	55,552
Total liabilities		232,399	119,177
NET ASSETS		719,309	68,314
REPRESENTED BY:			
Accumulated fund		719,309	68,314
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 12 form an integral part of these financial statements.

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Executive Committee Member



Executive Committee Member

PUBLIC INTEREST LAW ASSOCIATION OF PAKISTAN
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 ----- Rupees -----	2016 -----
INCOME			
Members' subscription		641,600	151,200
Donations		4,334,000	1,550,300
Consultancy income		184,000	-
Capital gain on sale of investments		9,363	17,824
Dividend income		-	9,198
Other income		-	1,200
		<u>5,168,963</u>	<u>1,729,722</u>
GENERAL AND ADMINISTRATION EXPENDITURE			
Salaries, wages and benefits	10	2,090,575	1,656,690
Entertainment		10,780	12,943
Travelling and conveyance		143,004	126,959
Communication		76,103	54,448
Repair and maintenance		127,242	42,500
Printing and stationery		75,022	49,843
Depreciation	4	100,136	98,141
Auditors' remuneration		25,000	23,296
Utilities		53,753	37,060
Legal and professional		333,000	-
Conferences and seminars		-	61,690
Advertisement		20,500	-
Rent		126,000	-
Donations		1,250,000	-
Miscellaneous expenses		86,853	42,787
Total expenditure		<u>4,517,968</u>	<u>2,206,357</u>
Surplus / (deficit) for the year before taxation		<u>650,995</u>	<u>(476,635)</u>
Taxation	3.8	-	-
Surplus / (deficit) for the year after taxation		<u><u>650,995</u></u>	<u><u>(476,635)</u></u>

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

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Executive Committee Member



Executive Committee Member

