

**FINANCIAL STATEMENTS
OF
PATIENTS' WELFARE
ASSOCIATION
(DOW MEDICAL COLLEGE &
CIVIL HOSPITAL)
FOR THE YEAR ENDED
30 JUNE 2018**

INDEPENDENT AUDITOR'S REPORT TO THE ASSOCIATION

Opinion

We have audited the financial statements of **PATIENTS' WELFARE ASSOCIATION (DOW MEDICAL COLLEGE & CIVIL HOSPITAL), KARACHI** (the Association) which comprise the statement of financial position as at 30 June 2018 and the statement of income and expenditure account, statement of cash flows and statement of changes in funds 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 gives a true and fair view of the financial position of the Association as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standard for Not for Profit Organisations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan (ICAP).

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 Those Charged with Governance for the Financial Statements

The Association is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Association 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, Association 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 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.

Those charged with governance are responsible for overseeing the Association 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 as applicable in Pakistan, 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 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 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 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: Fasih-uz-Zaman 

Place: Karachi

Dated:

**PATIENTS' WELFARE ASSOCIATION
(DOW MEDICAL COLLEGE & CIVIL HOSPITAL)
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	2018 ----- (Rupees) -----	2017
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed assets - At written down value	3	15,423,215	14,682,711
Investment	4	29,036,800	29,036,800
CURRENT ASSETS			
Stock	5	2,598,129	4,957,599
Loans, advances and prepayments	6	772,674	561,423
Security deposit	7	14,500	15,500
Cash and bank balances	8	36,060,941	53,803,164
		39,446,244	59,337,686
		83,906,259	103,057,197
<u>FUNDS AND LIABILITIES</u>			
FUNDS			
Restricted funds	9	26,469,508	42,777,159
Unrestricted funds	10	20,688,811	9,262,398
		47,158,319	52,039,557
CURRENT LIABILITIES			
Suppliers' bills payable	11	36,092,523	50,361,327
Accrued and other liabilities		655,417	656,313
		36,747,940	51,017,640
		83,906,259	103,057,197

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

Zehindri Anwar

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PRESIDENT

**PATIENTS' WELFARE ASSOCIATION
(DOW MEDICAL COLLEGE & CIVIL HOSPITAL)
STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 ----- (Rupees) -----	2017 -----
INCOME	12	86,184,538	78,782,303
EXPENDITURE			
Blood bank expenses	13	62,947,609	51,487,780
Drug bank expenses	14	2,321,917	2,278,088
Follow up clinic expenses	15	--	1,443,841
Laboratory expenses	16	246,696	277,802
Administrative and general expenses	17	7,225,887	5,477,730
Legal and professional charges	18	140,600	270,413
Depreciation	3	1,568,057	1,508,482
Finance cost		20,490	79,457
Other expenses	19	171,392	127,956
		74,642,648	62,951,549
Surplus of income over expenditure		11,541,890	15,830,754
(Deficit) of income over expenditure on thalassemia services	20	(16,423,128)	(15,673,963)
(Deficit) / surplus of income over expenditure		(4,881,238)	156,791

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

Zehinudin Qunwala

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**PATIENTS' WELFARE ASSOCIATION
(DOW MEDICAL COLLEGE & CIVIL HOSPITAL)
STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 30 JUNE 2018**

	Restricted funds		Unrestricted funds		Total
	Funds for Capital Expenditures	Endowment Fund	General Funds	Accumulated Funds	
	----- (Rupees) -----				
Balance as at 1 July 2016	16,749,949	16,469,508	2,569,997	9,105,607	44,895,061
Contributions / exchange gain or (loss)	(442,298)	10,000,000	--	--	9,557,702
Funds amortized	--	--	(2,569,997)	--	(2,569,997)
Net surplus for 30 June 2017	--	--	--	156,791	156,791
Balance as at 30 June 2017	16,307,651	26,469,508	--	9,262,398	52,039,557
Funds transferred	(16,307,651)	--	16,307,651	--	--
Net (deficit) for 30 June 2018	--	--	--	(4,881,238)	(4,881,238)
Balance as at 30 June 2018	--	26,469,508	16,307,651	4,381,160	47,158,319

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

Levindeen Dhanoo

PATRON

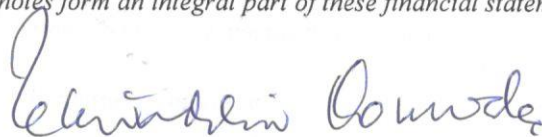
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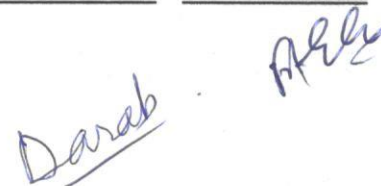
**PATIENTS' WELFARE ASSOCIATION
(DOW MEDICAL COLLEGE & CIVIL HOSPITAL)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 ----- (Rupees) -----	2017 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating (deficit) / surplus		(4,881,238)	156,791
<i>Adjustment of non-cash items:</i>			
Depreciation	3	1,617,547	1,561,426
Amortization of funds	10.1	--	(2,569,997)
Loss on disposal of fixed assets	19	171,392	127,956
Exchange gain		(884,038)	(770,876)
		(3,976,337)	(1,494,700)
Change in Working Capital			
<i>(Increase) / decrease in current assets</i>			
Stock		2,359,470	1,560,132
Loans, advances and prepayments		(84,143)	172,766
Security deposit		1,000	(3,000)
<i>Increase / (decrease) in current liabilities</i>			
Suppliers' bills payable		(13,384,766)	7,097,548
Accrued and other liabilities		(896)	(71,040)
		(11,109,335)	8,756,406
Cash generated from operations		(15,085,672)	7,261,706
Payments for:			
Income tax		(127,108)	(143,709)
Net cash generated from operating activities		(15,212,780)	7,117,997
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure	3	(2,598,442)	(1,070,435)
Proceeds from sale of Fixed assets		68,999	3,000
Investment		--	(12,004,900)
Net cash (outflow) from investing activities		(2,529,443)	(13,072,335)
CASH FLOW FROM FINANCING ACTIVITIES			
Endowment fund received		--	10,000,000
Net cash inflow from financing activities		--	10,000,000
Net increase in cash and cash equivalent		(17,742,223)	4,045,662
Cash and cash equivalents at the beginning of the year		53,803,164	49,757,502
Cash and cash equivalents at the end of the year		36,060,941	53,803,164

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



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PATIENTS' WELFARE ASSOCIATION
(DOW MEDICAL COLLEGE & CIVIL HOSPITAL)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 STATUS AND NATURE OF OPERATIONS

Patients' Welfare Association (the Association) is a Social Welfare Organization carrying out welfare activities at Civil Hospital, Karachi. The Association was established in the year 1979. It is registered under Voluntary Social Welfare Agencies (registration and Control) Ordinance, 1961 with Director of Social Welfare Govt. of Sindh vide Reg. DSW(S)/399 of 1981 dated 31 December 1981.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting system and convention

The management of association has decided to adopt accrual basis of accounting for preparation of financial statements with effect from the year ended 30 June 2003.

These accounts have been prepared under historical cost convention except as disclosed in the accounting policies herein below.

2.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of primary economic environment in which the Association operates. The financial statements are presented in Pak Rupees, which is the Association's functional and presentation currency.

2.3 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange gains and losses are recognised in the income and expenditure account.

2.4 Property, plant and equipment

Items of property, plant and equipment are stated at written down value. Depreciation charge is based on the reducing balance method at the rates specified in note 3 to the financial statements. Depreciation on additions is charged from the month the asset is put into use, while on disposals, depreciation is charged up to the month the asset was in use.

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, are retired.

Gains or losses on sale of fixed assets are included in income currently.

2.5 Stock

Stock held (including stock in transit) is valued at cost.

Donation in kinds are recorded at their fair value at the date of donation.

2.6 Revenue recognition

Donations & Grants either in cash or in kind are recorded on receipts basis. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

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2.7 Capitalization of reserve for capital expenditure

Donation for capital expenditure received for a particular fixed asset is recognized as Income when said asset is available for use .

2.8 Funds

Unrestricted funds

Unrestricted funds represents resources over which the association has discretionary control and are available for the various programs and administration of the association.

Restricted funds

Restricted funds represents resources subject to donor imposed restrictions.

Any surplus remaining in restricted funds is transferred to unrestricted funds, if permitted by the donors or agreement between the association and the donor(s).

	2018	2017
	----- Rupees -----	
3 FIXED ASSETS - At written down value		
Fixed assets - At written down value	<u>15,423,215</u>	<u>14,682,711</u>

Particulars	2018							Rate
	Written down value as at 1 July 2017	Additions during the year	(Deletions)	Total as at 30 June 2018	Adjustment	Depreciation charged for the year	Written down value as at 30 June 2018	
(Rupees)								
<i>Tangible assets</i>								
Blood bank - building and renovation	3,887,056	--	--	3,887,056	--	388,706	3,498,350	10%
Laboratory - building and renovation	1,588,830	--	--	1,588,830	--	158,883	1,429,947	10%
Blood bank equipment	6,843,308	2,072,258	(24,001)	8,891,565	--	814,173	8,077,392	10%
Laboratory equipment	1,088,512	176,098	(189,938)	1,074,672	--	112,759	961,913	10%
Drug bank fittings	143,656	19,390	(21,695)	141,351	--	13,325	128,026	10%
Office equipment	611,339	310,633	(4,757)	917,215	--	76,374	840,841	10%
Vehicle	27,672	--	--	27,672	--	2,767	24,905	10%
Thalassemia Day Care Centre	486,990	20,063	--	507,053	--	49,490	457,563	10%
<i>Intangible asset</i>								
Software	5,348	--	--	5,348	--	1,070	4,278	20%
Total 2018	14,682,711	2,598,442	(240,391)	17,040,762	--	1,617,547	15,423,215	
Total 2017	15,304,658	1,070,435	(130,956)	16,244,137	--	1,561,426	14,682,711	

	2018	2017
	----- Rupees -----	
4 INVESTMENT		
4.1	<u>29,036,800</u>	<u>29,036,800</u>

4.1 This amount represents investment of endowment fund made in Meezan Amdan Certificates. The range of rates of profits on these term deposits is between 5.97% and 5.99% (2017: 5.97% and 5.99%) per annum.

5 STOCK

Reagent and antisera kits	1,306,788	1,519,721
Medicines and injections	1,033,741	2,108,158
Blood bags	257,600	1,329,720
	<u>2,598,129</u>	<u>4,957,599</u>

	2018	2017
	----- Rupees -----	
6 LOANS, ADVANCES AND PREPAYMENTS		
Income tax withheld at source	538,029	410,921
Advance to suppliers	166,823	--
Prepayments	32,300	32,300
Loan and advances to staff	22,502	118,002
Advance against expenses	13,020	200
	<u>772,674</u>	<u>561,423</u>
7 SECURITY DEPOSIT		
Deposit against drinking water supply	<u>14,500</u>	<u>15,500</u>
8 CASH AND BANK BALANCES		
Cash in hand	87,318	10,897
Cash at bank		
- Local currency accounts	35,830,331	31,696,039
- Foreign currency account	143,292	22,096,228
	<u>36,060,941</u>	<u>53,803,164</u>
9 RESTRICTED FUNDS		
Funds for capital expenditures	9.1	--
Endowment fund	9.2	16,307,651
	<u>26,469,508</u>	<u>26,469,508</u>
	<u>26,469,508</u>	<u>42,777,159</u>
9.1 Funds for capital expenditure		
Opening balance	9.1.1	16,307,651
Received during the year	9.1.1	16,749,949
	<u>--</u>	<u>--</u>
	16,307,651	16,749,949
Transferred to general fund	(16,307,651)	--
Exchange (loss) / gain	--	(442,298)
	<u>--</u>	<u>16,307,651</u>
	<u>--</u>	<u>16,307,651</u>
9.1.1 These funds were received for up-gradation of blood screening technology and other projects, the amount has been deposited in foreign currency account.		
9.2 Endowment fund		
Opening Balance	26,469,508	16,469,508
Received during the year	--	10,000,000
	<u>26,469,508</u>	<u>26,469,508</u>
	<u>26,469,508</u>	<u>26,469,508</u>
This fund was received as endowment fund and has been invested under the scheme of Meezan Amdan Certificates as mentioned in note 4.1 by executive board of PWA and will not be utilized. However, the profits generated from this investment will be used for the services provided by PWA or can be reinvested.		
10 UNRESTRICTED FUNDS		
Accumulated funds	4,381,160	9,262,398
General funds	10.1	16,307,651
	<u>16,307,651</u>	<u>--</u>
	<u>20,688,811</u>	<u>9,262,398</u>

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		2018	2017
		----- Rupees -----	
10.1 General funds			
Opening balance		--	2,569,997
Transferred from restricted fund		16,307,651	--
Amortized during the year		--	(2,569,997)
		<u>16,307,651</u>	<u>--</u>
11 SUPPLIERS' BILLS PAYABLE			
Reagent / Anti Sera (Blood Bank)		35,158,648	48,944,920
Medicine and injection		875,253	1,350,765
Reagent / Anti Sera (Diagnostic Laboratory)		58,622	65,642
		<u>36,092,523</u>	<u>50,361,327</u>
12 INCOME			
Donation	12.1	83,415,062	74,144,177
Other income	12.2	2,769,476	4,638,126
		<u>86,184,538</u>	<u>78,782,303</u>
12.1 Donation			
Zakat		51,940,715	56,892,656
Donation		18,553,102	13,589,171
Donation in kind	12.1.1	12,921,245	3,662,350
		<u>83,415,062</u>	<u>74,144,177</u>
12.1.1 It includes government donation amounting to Rs. 619,900/- (2017 : Rs.1,875,000/-)			
12.2 Other income			
Profit		1,776,408	1,207,863
Exchange gain		884,038	770,876
Souvenir		109,030	89,390
Amortised funds		--	2,569,997
		<u>2,769,476</u>	<u>4,638,126</u>
13 BLOOD BANK EXPENSES			
Reagent and antisera consumed		37,067,665	35,171,011
Salaries and allowances		16,412,588	14,748,493
Blood Bags	13.1	8,289,845	497,284
Printing and stationery		744,299	578,410
Repair and maintenance		394,532	487,789
Miscellaneous		38,680	4,793
		<u>62,947,609</u>	<u>51,487,780</u>

13.1 This represents consumption of blood bags received as donation in kind from Civil Hospital Karachi.

M. H. Khan

	2018	2017
	----- Rupees -----	
14 DRUG BANK EXPENSES		
Medicine and injection	1,659,250	1,574,523
Salaries and allowances	645,037	683,557
Printing and stationery	10,350	13,513
Repair and maintenance	7,280	6,495
	<u>2,321,917</u>	<u>2,278,088</u>
15 FOLLOW UP CLINIC EXPENSES		
Salaries and allowances	--	90,000
Medicine and injection	--	1,353,841
	<u>--</u>	<u>1,443,841</u>
16 LABORATORY EXPENSES		
Salaries and allowances	207,676	45,709
Repair and maintenance	29,420	129,840
Reagent / antisera	9,000	63,183
Printing and stationery	600	39,070
	<u>246,696</u>	<u>277,802</u>
17 ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries and allowances	5,222,524	3,364,587
Advertisement for donation	878,374	706,235
Repair and maintenance	579,351	777,356
Water expense	139,376	140,960
Security service	111,401	205,239
Printing and stationery	94,137	70,806
Conveyance expense	86,600	55,181
Telephone expenses	82,324	93,565
Miscellaneous	30,900	63,581
Postage	900	220
	<u>7,225,887</u>	<u>5,477,730</u>
18 LEGAL AND PROFESSIONAL CHARGES		
Fees and subscription	80,050	150,608
Audit fee	50,000	50,000
Accountancy services	10,550	69,805
	<u>140,600</u>	<u>270,413</u>
19 OTHER EXPENSE		
Loss on disposal of fixed assets	<u>171,392</u>	<u>127,956</u>

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20 (DEFICIT) OF INCOME OVER EXPENDITURE ON THALASSEMIA SERVICES

The Health Department, Government of Sindh (HDS) has provided necessary equipment to the association in respect of Thalassaemia Day-care Centre (TDC) in terms a memorandum of understanding executed between HDS and association. The association is responsible for operations of TDC. The income and expenditure relating to TDC is as follows:

		2018	2017
		----- Rupees -----	
Income	20.1	4,166,203	3,522,800
Expenditure	20.2	(20,589,331)	(19,196,763)
		<u>(16,423,128)</u>	<u>(15,673,963)</u>
20.1 Income			
Zakat		3,599,203	3,030,300
Donation		567,000	492,500
		<u>4,166,203</u>	<u>3,522,800</u>
20.2 Expenditure			
Medicine and injection		10,070,465	10,168,595
TDC blood consumption		6,372,861	5,144,466
Salaries and allowances		3,692,600	3,423,204
Diagnostic lab expense		309,355	288,412
Depreciation	3	49,490	52,944
Infusion / Transfusion set		47,250	43,500
Repair and maintenance		28,840	37,594
Printing and stationery		11,990	21,178
Miscellaneous		6,480	16,870
		<u>20,589,331</u>	<u>19,196,763</u>

21 CORRESPONDING FIGURES

The corresponding figures have been reclassified and rearranged wherever necessary to facilitate comparison, however there have been no significant reclassifications.

22 DATE OF AUTHORISATION

These financial statements were authorised for issue on _____ by the General Body of the Association.

23 GENERAL

Figures have been rounded off to the nearest rupee.

Elaudin Qureshi

PATRON

Dasrab
17th - January 2021
Dasrab

PRESIDENT