



**FINANCIAL STATEMENTS
OF
PATIENTS' WELFARE ASSOCIATION
FOR THE YEAR ENDED
JUNE 30, 2021**

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE ASSOCIATION

Opinion

We have audited the financial statements of **Patients' Welfare Association** ("the Association") which comprise the statement of financial Position as at June 30, 2021, statement of income and expenditure account, statement of comprehensive income, the cash flow statement, Statement of Changes in Funds and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements presents fairly, in all material respects the financial position of the Association as at June 30, 2021 and 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 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

Management 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 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, 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 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 Associations 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 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.

Other matter

The financial statements of the Association for the year ended June 30, 2020 were audited by another firm of chartered accountants, who through their report dated August 12, 2021 expressed an unmodified opinion thereon.

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

KARACHI

DATED: 28 SEP 2022


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

PATIENTS' WELFARE ASSOCIATION (Regd.)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON CURRENT ASSETS			
Fixed assets - at written down value	4	23,406,159	26,179,310
Investments	5	10,000,000	10,000,000
		33,406,159	36,179,310
CURRENT ASSETS			
Stocks	6	7,179,567	8,434,784
Loan, advances and prepayments	7	1,155,828	855,843
Security deposit	8	22,000	22,000
Cash and bank balances	9	89,841,104	71,100,353
		98,198,500	80,412,980
TOTAL ASSETS		131,604,659	116,592,290
FUNDS AND LIABILITIES			
FUNDS			
Restricted funds		12,612,545	12,612,545
Unrestricted funds		104,409,698	24,390,472
		117,022,243	37,003,017
CURRENT LIABILITIES			
Accounts payable	12	11,602,024	76,420,412
Accrued and other liabilities	13	2,980,392	3,168,861
		14,582,416	79,589,273
TOTAL FUNDS AND LIABILITIES		131,604,659	116,592,290
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 27 form an integral part of these financial statements.

Zekindhi Donwale.

PATRON



PRESIDENT

PATIENTS' WELFARE ASSOCIATION (Regd.)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Donation	14.1	140,131,019	153,720,992
Other income	14.2	1,308,903	3,382,310
Government Grant	14.3	77,500,000	-
		<u>218,939,922</u>	<u>157,103,302</u>
EXPENDITURE			
Blood bank expenses	15	97,248,190	76,017,416
Drug bank expenses	16	6,025	151,731
Laboratory expenses	17	819,735	210,892
Administrative and general expenses	18	12,377,886	10,926,068
Legal and professional charges	19	489,933	222,768
Depreciation	4.2	2,500,970	2,811,451
Finance cost		8,828	15,527
Prepayments charge off		-	407,014
Other expenses	20	1,094,382	37,781
		<u>114,545,949</u>	<u>90,800,648</u>
Surplus on income over expenditure		104,393,973	66,302,654
Deficit of income over expenditure on thalassemia services	21	(24,374,747)	(26,350,809)
		<u>80,019,226</u>	<u>39,951,845</u>
Net Surplus of income over expenditure		<u><u>80,019,226</u></u>	<u><u>39,951,845</u></u>
TRANSFERRED TO			
Restricted funds		-	-
Unrestricted funds		80,019,226	39,951,845
Total Funds		<u><u>80,019,226</u></u>	<u><u>39,951,845</u></u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

Zekindhi Donwale.

PATRON



PRESIDENT

**PATIENTS' WELFARE ASSOCIATION (Regd.)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021**

	2021 Rupees	2020 Rupees
Surplus for the year	80,019,226	39,951,845
Other comprehensive income	-	-
Total comprehensive income for the year	<u>80,019,226</u>	<u>39,951,845</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

Zekindhi Donwale.

PATRON


PRESIDENT

PATIENTS' WELFARE ASSOCIATION (Regd.)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating surplus		80,019,226	39,951,845
Adjustment for non-cash items:			
Depreciation	4.2	2,600,989	2,910,573
Loss on disposal of fixed assets	20	1,094,382	37,781
Prepayments charge off		-	407,014
Exchange gain	14.2	(439,588)	(151,739)
Finance cost		8,828	15,527
Surplus before working capital changes		83,283,837	43,171,001
(Increase) / decrease in current assets			
Stocks		1,255,217	(1,044,783)
Loan, advances and prepayments		(150,061)	(21,561)
Security deposit		-	(7,500)
Increase / (decrease) in current liabilities			
Accounts payable		(64,378,800)	14,064,568
Accrued and other liabilities		(188,469)	(89,099)
		(63,462,113)	12,901,625
Cash generated from operations		19,821,724	56,072,626
Payments for:			
Finance cost		(8,828)	(15,527)
Income tax		(149,926)	(208,755)
Net cash flows from operating activities		19,662,971	55,848,344
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,122,220)	(10,735,350)
Proceeds from sale of Fixed assets		200,000	5,902
Investments - Net		-	23,627,919
Net cash (used in) / flows from investing activities		(922,220)	12,898,471
CASH FLOWS FROM FINANCING ACTIVITIES			
Endowment fund utilised		-	(14,356,963)
Net cash used in financing activities		-	(14,356,963)
NET INCREASE IN CASH AND CASH EQUIVALENTS		18,740,751	54,389,852
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		71,100,353	16,710,501
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9	89,841,104	71,100,353

The annexed notes from 1 to 27 form an integral part of these financial statements.

Zekindhi Donwale.
PATRON

(Signature)
PRESIDENT

PATIENTS' WELFARE ASSOCIATION (Regd.)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Restricted funds		Unrestricted funds	Total
	Funds for capital expenditures	Endowment fund	Accumulated funds	
----- Rupees -----				
Balance as at June 30, 2019	-	26,969,508	(15,561,373)	11,408,135
Utilised during the year	-	(14,356,963)	-	(14,356,963)
Net surplus for the year	-	-	39,951,845	39,951,845
Balance as at June 30, 2020	-	12,612,545	24,390,472	37,003,017
Balance as at July 1, 2021	-	12,612,545	24,390,472	37,003,017
Net surplus for the year	-	-	80,019,226	80,019,226
Balance as at June 30, 2021	-	12,612,545	104,409,698	117,022,243

The annexed notes from 1 to 27 form an integral part of these financial statements.

Zekindhi Donwale.
PATRON


PRESIDENT

PATIENTS' WELFARE ASSOCIATION (Regd.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. NATURE AND STATUS 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. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Accounting Standard for Not-for-Profit Organizations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan and the International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) as applicable in Pakistan.

2.2 Basis of measurement

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

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

2.3 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 Pakistani Rupees (PKR), which is the Association's functional and presentation currency.

2.4 Foreign currency translation

Foreign currency transactions are translated into PKR 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.

3 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied for the year presented, unless otherwise stated.

3.1 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. The assets' residual values and useful lives are reviewed periodically and adjusted if it impacts on depreciation.

Maintenance and normal repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gain and loss on disposal of fixed assets is included in statement of income and expenditure currently.

3.2 Stock

Stock in hand includes reagent and allied, antiseras, medicines, injections and screening reagents. Cost of stock in hand is recorded using first-in first-out method. These are valued at cost.

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

3.3 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents consists of cash in hand and balances with banks net of borrowings not considered to be in the nature of financing activities.

3.4 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.

3.5 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 .

3.6 Fund account

a) 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.

b) 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).

3.7 Taxation

The association claims tax credit equal to one hundred per cent of the tax payable under section 100C of Income Tax Ordinance, 2001, including minimum tax and final taxes payable. Therefore, no provision for taxation has been recorded in these financial statements for current year.

	Note	2021 Rupees	2020 Rupees
4 FIXED ASSETS - AT WRITTEN DOWN VALUE			
Fixed assets - at written down value	4.1	<u>23,406,159</u>	<u>26,179,310</u>

4.1 Details of fixed assets at written down value

Particulars	Written Down Value As at July 01, 2020	Additions for the year	Disposals (written down value)	Depreciation for the year	Written Down Value As at June 30, 2021	Rate %
TANGIBLE ASSETS						
Blood Bank - Building & Renovation	3,102,259	-	(163,157)	(293,910)	2,645,192	10%
Laboratory - Building & Renovation	1,158,257	-	-	(115,826)	1,042,431	10%
Blood Bank - Equipment	19,242,783	828,750	(975,953)	(1,909,558)	17,186,022	10%
Laboratory - Equipment	798,988	118,270	(132,673)	(78,459)	706,126	10%
Drug Bank Fittings	122,753	-	-	(12,275)	110,478	10%
Office Equipment	839,265	67,100	(22,599)	(88,377)	795,389	10%
Vehicles	20,173	-	-	(2,017)	18,156	10%
Thalassemia Day Care Centre	892,094	108,100	-	(100,019)	900,175	10%
INTANGIBLE ASSETS						
Software	2,738	-	-	(548)	2,190	20%
Total rupees - 2021	<u>26,179,310</u>	<u>1,122,220</u>	<u>(1,294,382)</u>	<u>(2,600,989)</u>	<u>23,406,159</u>	
Total rupees - 2020	<u>18,398,216</u>	<u>10,735,350</u>	<u>(43,683)</u>	<u>(2,910,573)</u>	<u>26,179,310</u>	

	Note	2021 Rupees	2020 Rupees
4.2	Allocation of depreciation expense for the period is as follow:		
General		2,500,970	2,811,451
Thalassemia day care	4.1	100,019	99,122
		<u>2,600,989</u>	<u>2,910,573</u>
5	INVESTMENTS		
At Cost	5.1	<u>10,000,000</u>	<u>10,000,000</u>
5.1	This amount includes investment of endowment fund amounting to Rs. 10 million (2020: Rs.10 million) made in Meezan Amdan Certificates. The range of rates of profits on these term deposits is between @ 5% to 10% (2020: 5% and 10%) per annum.		
6	STOCK		
Reagent and antisera kits		2,945,725	4,975,115
Medicines and injections		3,288,828	2,626,675
Blood bags		945,014	832,994
		<u>7,179,567</u>	<u>8,434,784</u>
7	LOAN, ADVANCES AND PREPAYMENTS		
Loan and advances to staff		219,623	69,563
Income tax withheld at source		936,206	786,280
		<u>1,155,828</u>	<u>855,843</u>
8	SECURITY DEPOSIT		
Deposit against drinking water supply		<u>22,000</u>	<u>22,000</u>

	Note	2021 Rupees	2020 Rupees
9 CASH AND BANK BALANCES			
Cash in hand		656,934	420,336
Cash at bank			
Local currency accounts			
Current account	9.1	21,210,105	28,418,200
Saving account		67,268,978	41,595,262
		88,479,083	70,013,462
Foreign currency account		705,087	666,555
		<u>89,841,104</u>	<u>71,100,353</u>

9.1 These carry profit rates ranging from 2.75% to 2.90% (2020: 3.25% to 6.30%) per annum.

10 RESTRICTED FUNDS

Endowment fund		<u>12,612,545</u>	<u>12,612,545</u>
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10.1 Endowment fund

Opening Balance		12,612,545	26,969,508
Utilised during the year		-	(14,356,963)
		<u>12,612,545</u>	<u>12,612,545</u>

This fund was received as endowment fund and has been invested under the scheme of Meezan Amdan Certificates as mentioned in note 5.1 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.

11 UNRESTRICTED FUNDS

Accumulated funds		<u>104,409,698</u>	<u>24,390,470</u>
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12 ACCOUNTS PAYABLE

Reagent / Anti Sera (Blood Bank)		11,395,103	73,097,341
Medicine and injection		75,896	3,183,049
Reagent / Anti Sera (Diagnostic Laboratory)		131,025	140,022
		<u>11,602,024</u>	<u>76,420,412</u>

	Note	2021 Rupees	2020 Rupees
13 ACCRUED AND OTHER LIABILITIES			
Accrued expenses		2,872,883	2,644,193
Other liabilities		107,509	524,668
		<u>2,980,392</u>	<u>3,168,861</u>
14 INCOME			
Donation	14.1	140,131,019	153,720,992
Other income	14.2	1,308,903	3,382,310
Government Grant	14.3	77,500,000	-
		<u>218,939,922</u>	<u>157,103,302</u>
14.1 Donations			
Zakat		73,915,640	73,229,135
Donation		26,046,149	67,041,303
Donation in kind		40,169,230	13,450,554
		<u>140,131,019</u>	<u>153,720,992</u>
14.2 Other income			
Profit		862,015	3,201,671
Exchange gain		439,588	151,739
Souvenir		7,300	28,900
		<u>1,308,903</u>	<u>3,382,310</u>
14.3 Government Grant			
Grant from Government of Sindh		75,000,000	-
Zakat And Ushr		2,500,000	-
		<u>77,500,000</u>	<u>-</u>
15 BLOOD BANK EXPENSES			
Reagent and antisera consumed		42,234,000	49,882,857
Salaries and allowances		21,822,102	20,636,578
Blood Bags	15.1	30,602,436	3,789,784
Printing and stationery		1,119,639	1,039,683
Repair and maintenance		1,320,935	569,595
Miscellaneous		149,078	98,919
		<u>97,248,190</u>	<u>76,017,416</u>

15.1 This represents consumption of blood bags received as donation from Civil Hospital, Karachi.

	Note	2021 Rupees	2020 Rupees
16 DRUG BANK EXPENSES			
Medicine and injection		-	150,806
Printing and stationery		6,025	925
		<u>6,025</u>	<u>151,731</u>
17 LABORATORY EXPENSES			
Reagent / antisera		772,415	188,897
Printing and stationery		15,030	14,975
Repair and maintenance		30,790	7,020
Miscellaneous		1,500	-
		<u>819,735</u>	<u>210,892</u>
18 ADMINISTRATIVE EXPENSES			
Salaries and allowances		7,383,910	6,874,749
Advertisement for donation		582,568	911,382
Printing and stationery		1,117,701	761,757
Security service		651,930	657,632
Repair and maintenance		1,817,609	547,308
Miscellaneous		295,970	267,190
Alumni reunion expenses		-	258,260
Water expense		224,830	223,750
Bake sale expenses		-	156,890
Telephone expenses		204,393	132,233
Conveyance expense		81,390	131,392
Postage		17,585	3,525
		<u>12,377,886</u>	<u>10,926,068</u>
19 LEGAL AND PROFESSIONAL CHARGES			
Fees and subscription		184,570	154,920
Audit fee		178,200	50,000
Accountancy services		117,163	17,835
Other expenses		10,000	13
		<u>489,933</u>	<u>222,768</u>

	Note	2021 Rupees	2020 Rupees
20 OTHER EXPENSE			
Loss on disposal of fixed assets		<u>1,094,382</u>	<u>37,781</u>
21 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 Thalassemia 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:			
Income	21.1	4,328,100	1,387,500
Expenditure		(28,702,847)	(27,738,309)
		<u>(24,374,747)</u>	<u>(26,350,809)</u>
21.1 Income			
Zakat		4,328,100	1,382,500
Donation		-	5,000
		<u>4,328,100</u>	<u>1,387,500</u>
21.2 Expenditure			
Medicine and injection		12,305,224	12,803,559
TDC blood consumption		11,514,906	9,598,060
Salaries and allowances		4,507,093	4,796,703
Diagnostic lab expense		258,440	329,190
Depreciation		100,019	99,122
Repair and maintenance		3,300	30,415
Printing and stationery		7,885	75,360
Miscellaneous		5,980	5,900
		<u>28,702,847</u>	<u>27,738,309</u>
22 CONTINGENCIES AND COMMITMENTS			
22.1 Contingencies			

There were no contingencies as at the statement of financial position date (2020: nil).

22.2 Commitments

There were no commitments as at the statement of financial position date (2020: nil).

23 NUMBER OF EMPLOYEES

The number of employees as at the year end were 90 (2020: 91)

24 TRANSACTIONS WITH RELATED PARTIES

No transactions were undertaken with related parties during the year.

25 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. However, no significant reclassification has been made during the year.

26 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Trustees authorized these financial statements for issue on 28 SEP 2022 by

27 GENERAL

Figures have been rounded off to the nearest rupee.

Zekindi Donwale.

PATRON


PRESIDENT