

**FINANCIAL STATEMENTS
OF**

HEALTHCARE AND SOCIAL WELFARE ASSOCIATION

FOR THE YEAR ENDED 30 JUNE 2022

The accompanying financial statements of the Association give a true and fair view of its financial position as at 30 June 2022 and of its financial performance for the year then ended in accordance with the provisions of the Companies Act 2016 and the Companies (Accounts) Regulations 2016, and of its cash flows for the year then ended and of its assets and liabilities, including a summary of significant accounting policies.

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AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the annexed financial statements of **Healthcare And Social Welfare Association** (the Association), which comprise the balance sheet as at **June 30, 2022**, the income and expenditure account 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 of the Association give a true and fair view of the financial position of the Association as at June 30, 2022, and of its financial performance for the year then ended in accordance with cash receipt and payment basis. On this basis revenue is recognized when received rather than when earned, expenses are recognized when paid rather when incurred.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Institute 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 trustees are responsible for the preparation and fair presentation of the financial statements in accordance with cash receipt and payment basis and for such internal control as the trustees 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, trustees are 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 trustees either intends to liquidate the Institute 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. ✓



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 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.

Karachi
Date: 28 October 2022
DIN: AR202210587F5dO96KNm

Hashmi & Company
Chartered Accountants
Engagement partner: Khalid Adeeb

HEALTHCARE AND SOCIAL WELFARE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property and equipments	4	278,833	269,656
CURRENT ASSETS			
Stock and stores		905,553	844,910
Advances	5	201,358	173,348
Cash and bank balances	6	4,364,496	3,274,843
		5,471,407	4,293,101
		<u>5,750,240</u>	<u>4,562,757</u>
FUNDS AND LIABILITIES			
FUNDS			
Accumulated surplus	7	5,744,960	4,445,305
CURRENT LIABILITIES			
Accrued and other liabilities	8	5,280	117,452
		<u>5,750,240</u>	<u>4,562,757</u>

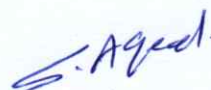
The annexed notes from 1 to 12 form an integral part of these financial statements.



PRESIDENT



GENERAL SECRETARY



TREASURER

HEALTHCARE AND SOCIAL WELFARE ASSOCIATION
STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
INCOME			
Donation	9	15,209,425	12,538,267
Gain on sale of vehicle	10	-	55,034
		<u>15,209,425</u>	<u>12,593,301</u>

EXPENDITURE

Salary and allowances		5,313,000	4,867,200
Material consumed for ALC	11	6,231,052	5,192,147
Water project		1,049,675	2,271,900
Solar project		219,000	1,074,126
Professional charges		177,288	2,052,874
Conveyance and fuel expenses		101,140	93,400
Insurance motor vehicle		-	8,040
Utilities		59,200	54,190
Printing and stationary		45,347	42,649
Bank charges		6,510	8,239
Office rent		198,000	198,000
Miscellaneous		125,905	47,925
Depreciation expenses	4	59,773	62,682
Expenses reimbursed to patients		176,225	131,900
Maintenance		147,655	101,370
		<u>13,909,770</u>	<u>16,206,642</u>

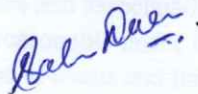
Excess of income over expenditure

1,299,655 (3,613,341)

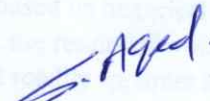
The annexed notes 1 to 14 form an integral part of these financial statements.



PRESIDENT



GENERAL SECRETARY



TREASURER

HEALTHCARE AND SOCIAL WELFARE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

1. STATUS AND NATURE

Healthcare and Social Welfare Association was registered in Pakistan with Government of Sindh, Directorate of Social Welfare, vide certificate of registration # DSW (1822) - K of 2001 on May 14, 2001 as a non-political, non-sectarian Voluntary Social Welfare Agencies (Registration & Control) Ordinance, 1961. And certified by Pakistan Centre for Philanthropy for its social enterprise services.

The principal activity of the association is to establish a centre for treatment of poor and no affording patients, to provide guidance and counseling services, to provide healthcare facilities, to provide necessary assistance to the department of deserving patients and other services. The registered office of the association is 18-C, First Floor, 38th Commercial Street, Touheed Commercial Area Phase-V DHA Karachi.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with "Revised Accounting and Financial Reporting Standards for Small-Sized Entities (AFRS for SSEs - Revised)" as issued by the Institute of Chartered Accountants of Pakistan (ICAP) and the Accounting Standards for Not for Profit Organizations (NPOs) issued by the ICAP.

2.2 Accounting convention

These financial statements have been prepared under the historic cost convention as per accounting policies consistently applied during the period except as otherwise stated in the respective policies and notes given hereunder.

2.3 Significant accounting estimates and judgments

The preparation of financial statements in conformity with Revised Accounting and Financial Reporting Standards for Small-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivable. However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year. 11

2.4 Functional and presentation currency

These financial statements are presented in Pak Rupees, which in the functional and presentation currency of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.

3.2 Property and equipment

Owned

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except freehold land, which are stated at cost. Cost comprises acquisition and other directly attributable costs.

Depreciation is charged to income applying the reducing balance method. Depreciation on additions to property and equipment is charged on monthly basis.

Gains or losses on disposal of property and equipment are included in income currently.

Maintenance and repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off.

3.3 Intangible assets

These are stated at cost less accumulated amortization. Amortization is accounted by applying straight line method. Amortization is charged from the month of addition and no amortization is charged on deletion from the month of disposal.

3.4 Impairment

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property and equipment and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income and expenditure account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the assets in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

3.5 Accounts receivables

Accounts receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income and expenditure account.

3.6 Advances and prepayments

These are stated at cost. 

3.7 Cash and bank balances

Cash and bank balances are carried in the balance sheet at cost.

3.8 Trade, accrued and other liabilities

Trade and other liabilities are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.9 Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with the transactions will flow to the trust and the amount of income and the associated cost incurred or to be incurred can be measured reliably.

- (i) Revenue is recognized on actual receipt basis

3.10 GRANTS

grants are recognized at the fair value of the asset received or receivable.

A grant with specified future performance conditions is recognised in income when the grant proceeds are receivable. A grant that imposes specified future performance conditions is recognised in income when all those conditions are met and there is a reasonable assurance that the grant will be received.

grants are presented separately from the assets to which they relate. Grants received before the income recognition criteria are satisfied are presented as a separate liability in the statement of financial position.

Grants recognised in income are presented separately in the 'other income'.

A grant without specified future performance conditions is recognised in income when the grant proceeds are receivable. A grant that imposes specified future performance conditions is recognised in income when all those conditions are met there is a reasonable assurance that the grant will be received. ✓

Particulars	Cost as at July 01, 2021	Addition / *transfer during the year	Cost as at June 30, 2022	Accumulated depreciation as at July 01, 2021	Depreciation for the year	Accumulated depreciation as at June 30, 2022	Written down value as at June 30, 2022	Rate %
<u>OWNED</u>								
Machinery and tools	230,496	68,950	299,446	122,759	26,503.05	149,262	150,184	15
Computer	99,767	-	99,767	39,887	17,964.00	57,851	41,916	30
Furniture and fixture	190,348	-	190,348	97,317	13,954.65	111,272	79,076	15
Motor cycle	11,581	-	11,581	6,443	770.70	7,214	4,367	15
Sign board	8,721	-	8,721	4,851	580.50	5,432	3,290	15
Rupees 2022	540,913	68,950	609,863	271,257	59,773	331,030	278,833	

Particulars	Cost as at July 01, 2020	Addition / *transfer during the year	Cost as at June 30, 2021	Accumulated depreciation as at July 01, 2020	Depreciation for the year	Accumulated depreciation as at June 30, 2021	Written down value as at June 30, 2021	Rate %
<u>OWNED</u>								
Machinery and tools	230,496	-	230,496	103,747	19,012	122,759	107,737	15
Computer	20,267	79,500	99,767	14,224	25,663	39,887	59,880	30
Furniture and fixture	190,348	-	190,348	80,900	16,417	97,317	93,031	15
Motor cycle	11,581	-	11,581	5,536	907	6,443	5,138	15
Motor vehicle	1,050,220	-	-	405,254	-	-	-	15
Sign board	8,721	(1,050,220)	8,721	4,168	(405,254)	4,851	3,870	15
Rupees 2021	1,511,633	79,500	540,913	613,829	62,682	271,257	269,656	
		(1,050,220)			(405,254)			

	Note	2022 Rupees	2021 Rupees
5 ADVANCES unsecured / considered good			
Advance to staff		60,000	36,500
PO Receivable KDA		45,000	45,000
Advance income tax		96,358	91,848
		<u>201,358</u>	<u>173,348</u>
6 CASH AND BANK BALANCES			
Cash at banks			
- current account		4,335,780	3,248,582
Cash at hand		28,716	26,261
		<u>4,364,496</u>	<u>3,274,843</u>
The annexed notes from 1 to 12 form an integral part of these financial statements.			
7 GENERAL FUND			
Accumulated surplus brought forward		4,445,305	8,058,646
Excess of expenditure over income		1,299,655	(3,613,341)
Accumulated surplus carried forward		<u>5,744,960</u>	<u>4,445,305</u>
8 ACCRUED AND OTHER LIABILITIES			
Accrued expenses		5,280	6,340
Professional charges		-	111,112
		<u>5,280</u>	<u>117,452</u>

9 DONATIONS

General	10,840,290	7,622,590
Water Project	-	2,722,677
From Individuals / Organization	10,840,290	10,345,267
Material Donated	4,369,135	2,193,000
	<u>15,209,425</u>	<u>12,538,267</u>

10 GAIN ON SALE OF VEHICLE

Carrying amount	-	644,966
Sale price	-	(700,000)
(Gain)/Loss	-	<u>(55,034)</u>

11 MATERIAL CONSUMED FOR ALC

Opening stock	844,910	2,716,197
Add: Donated Material	4,369,135	2,193,000
Add: Local Material Purchases	1,922,560	1,127,860
	<u>7,136,605</u>	<u>6,037,057</u>
Less: Closing stock as at June 30	(905,553)	(844,910)
	<u>6,231,052</u>	<u>5,192,147</u>

12 GENERAL

12.1 Figures have been rounded off to the nearest rupees

12.2 These financial statements were approved by the Board of Trustees of the Trust and authorized for issue on 28 OCT 2022



PRESIDENT



GENERAL SECRETARY



TREASURER