## INDEPENDENT AUDITOR'S AUDIT COMPLIANCE REPORT

To the trustees of M/s **Pakistan Welfare Society**

### REPORT ON THE AUDIT COMPLIANCE OF FINANCIAL STATEMENTS

**Opinion**

We have completed audit compliance of the annexed financial statements of **M/s Pakistan Welfare Society** which comprises of statement of financial position as at **JUNE 30, 2023** and related income and expenditure, statement of changes in fund and statement of cash flows for the year then ended and notes to the financial statements, including summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit compliance.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at **JUNE 30, 2023**, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis of Opinion**

We conducted our audit compliance in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further disclosed in Auditor's Responsibilities for the audit compliance of the Financial Statements section of our report. We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the relevant institute (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit compliance evidence we have obtained is sufficient and appropriate to provide a basis for our audit compliance opinion.

**Other Matter of consideration concerning Auditor's Compliance report**

The auditors' report is not on general purpose financial statements. Accordingly, this report is also not for general purpose and is issued as per agreed requirements in this respect.

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

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

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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**Auditor's Responsibility for the Audit compliance of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes an opinion. Reasonable level of assurance is a high level of assurance, but is not guaranteed that an audit compliance conducted in accordance with ISAs will always detect a material misstatement when it exists.

As part of an audit compliance in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit compliance. We also;

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud of error, design and perform audit compliance procedures responsive to those risks, and obtain audit compliance 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 compliance in order to design audit compliance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizational internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit compliance evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw our 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 compliance evidence up to the dates of our auditor's report. However, future events or conditions may cause the organization to cease to continue as 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 presentations.

We communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit compliance and significant audit compliance findings, including any significant deficiencies in internal control that we identify during our audit compliance.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Date: October 17, 2023
Place: Islamabad

**Abdullah & CO**
Chartered Accountants

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| | |
|---|---|
| **Name of Company** | PAKISTAN WELFARE SOCIETY |
| **Reporting Date** | AS AT JUNE 30, 2023 |
| **Period under Audit** | FOR THE PERIOD ENDED JUNE 30, 2023 |

**Basic Information**

| | | | |
|---|---|---|---|
| Current year presented for year from and to? | July 01, 2022 | June 30, 2023 | 2023 |
| Comparative information presented for year from and to? | July 01, 2021 | June 30, 2022 | 2022 |
| Total notes provided in the financial statements from and to? | 1 | 19 | |
| Signatories | TRUSTEES | TRUSTEES | |
| Functional and Presentation Currency | Rupees | | |
| Applicable Financial Reporting Framework | IFRSs | | |
| Measurement method? (Cost) | Cost | | |

## PAKISTAN WELFARE SOCIETY
## STATEMENT OF FINANCIAL POSITION
## AS AT JUNE 30, 2023

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Fixed Assets | 5 | 159,130,204 | 127,873,583 |
| ERP Software | 5 | 233,068 | 201,335 |
| Capital Work in Progress | 6 | 54,192,712 | 32,756,573 |
| Security Deposit | | 870,000 | 870,000 |
| **Total Non-Current Assets** | | **214,425,984** | **161,701,491** |
| **Current assets** | | | |
| Stock in Trade | 7 | 14,984,522 | 5,943,664 |
| Advances, Deposits and Other Receivables | | 5,993,137 | 10,098,974 |
| Tax Refunds Due from Government | | - | 1,187,842 |
| Cash and Cash Equivalents | 8 | 7,105,048 | 5,839,233 |
| **Total Current Assets** | | **28,082,707** | **23,069,713** |
| **Current Liabilities** | | | |
| Creditors,Accured and Other Liailities | 9 | 7,754,911 | 6,573,618 |
| Contingencies and commitments | 10 | - | - |
| **NET ASSETS** | | **234,753,781** | **178,197,585** |
| **RERESENTED BY:** | | | |
| **Surplus/(Deficit) of Income / Expenditures** | | 234,753,781 | 178,197,586 |
| | | **234,753,781** | **178,197,586** |

The annexed notes from 1 to 19 form an integral part of these financial statements.

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## PAKISTAN WELFARE SOCIETY
## INCOME AND EXPENDITURE ACCOUNT
## FOR THE PERIOD ENDED JUNE 30, 2023

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |
| **Income** | | | |
| Receipts | 11 | 199,044,686 | 113,310,481 |
| Cost of Revenue | 12 | (92,740,866) | (66,449,964) |
| **Gross Surplus / (Deficit)** | | 106,303,820 | 46,860,517 |
| **Expentiture** | | | |
| Administrative Expenses | 13 | (50,079,094) | (33,338,572) |
| Bank Charges | | (22,406) | (63,717) |
| | | **(50,101,500)** | **(33,402,289)** |
| **Other Income** | | | |
| Unpaid Liability | | 242,475 | - |
| Scrap Sales | | 111,400 | - |
| Surplus/(Deficit) for the year | | **56,556,196** | **13,458,229** |
| Surplus/(Deficit) brought forward | | 178,197,586 | 164,739,356 |
| **Net Surplus / (Deficit) for the year** | | 234,753,781 | 178,197,586 |

The annexed notes from 1 to 19 form an integral part of these financial statements.

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## PAKISTAN WELFARE SOCIETY
## STATEMENT OF CHANGES IN FUND
## FOR THE PERIOD ENDED JUNE 30, 2023

| | General Fund | Total fund |
|---|---|---|
| | 2023 | |
| Balance as at July 01, 2021 | 164,739,357 | 164,739,357 |
| Surplus/(Deficit) for the year | 13,458,229 | 13,458,229 |
| **Balance as at June 30, 2022** | 178,197,586 | 178,197,586 |
| Surplus/(Deficit) for the year | 56,556,196 | 56,556,196 |
| **Balance as at June 30, 2023** | 234,753,782 | 234,753,782 |

The annexed notes from 1 to 19 form an integral part of these financial statements.

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## PAKISTAN WELFARE SOCIETY
## STATEMENT OF CASH FLOWS
## FOR THE PERIOD ENDED JUNE 30, 2023

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |
| **Cash flows from operating activities** | | | |
| Surplus / (Deficit) before taxation | | 56,556,196 | 13,458,229 |
| Adjustments for: | | | |
| - Depreciation | | 24,739,469 | 20,830,933 |
| - Amortization | | 58,267 | 50,334 |
| - Bank Charges | | (22,406) | (63,717) |
| | | 24,775,330 | 20,817,550 |
| Operating profit before working capital changes | | **81,331,526** | **34,275,779** |
| Effect of working capital changes | | | |
| (Increase) / decrease in current assets | | | |
| Stock in trade | | (9,040,859) | (4,999,844) |
| Advances, deposits and other receivables | | 4,105,837 | (9,382,674) |
| Tax refunds due from government | | 1,187,842 | (1,143,058) |
| | | (3,747,180) | (15,525,576) |
| Increase / (decrease) in current liabilities | | | |
| Creditors,Accured and other liailities | | 1,181,293 | (3,887,114) |
| | | 1,181,293 | (3,887,114) |
| Cash generated from operations | | **78,765,639** | **14,863,090** |
| Bank Charges | | 22,406 | 63,717 |
| | | 22,406 | 63,717 |
| **Net cash inflows from operating activities** | | 78,788,045 | 14,926,807 |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (55,996,091) | (9,113,419) |
| Payments for intengible | | (90,000) | - |
| Payments for capital work in progress | | (21,436,139) | (32,756,573) |
| Security returned | | - | - |
| **Net cash outflows from investing activities** | | **(77,522,230)** | **(41,869,992)** |
| **Cash flows from financing activities** | | | |
| **Net cash inflows from financing activities** | | - | - |
| **Net increase / (decrease) in cash and cash equivalents** | | 1,265,815 | (26,943,185) |
| Cash and cash equivalents at the beginning of the year | | 5,839,233 | 32,782,419 |
| **Cash and cash equivalents at end of the year** | 8 | 7,105,048 | 5,839,233 |

The annexed notes from 1 to 19 form an integral part of these financial statements.

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**1 Status and nature of business**

Pakistan Welfare Society was registered on April 10, 2007,under Trust Act 1882. The principal activities of the TRUST are to provide free medical facilities, to launch campaign for donation of organs for the welfare of humanity, to promote awareness about communicable diseases, to establish medical center for rehabilitation of disable persons, to help needy and poor community by generating sources from donations of organization, to provide health care services for the poor, women reproductive health to impart skills and knowledge for improvement in human and institutional development through training and consultancy with NGOs, CBOs, and community groups. The registered office of the Trust is situated at Office # 9, Basement F-2, Sector I-8/4, Islamabad.

**1.1** The organization hold an MOU dated April 19, 2019 with Economic Affair Division (EAD) for the period of two years in compliant to the terms and conditions of EAD, Anti Money Laundering (AML) and other relevant rules as applicable in Pakistan to concrete Socio-economic activities and to follow the annual action plan of the projects accordingly. The organization has also applied for the renewal of the MOU with EAD. The file is under process. The trust is entitled to receive foreign funds to play an active part in national development.

**2 Basis of preparation**

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated, if any,

**3 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

**4 Summary of significant accounting policies**

**4.1 Revenue recognition**

Revenue is recognized at the fair value of the consideration received or receivable and represents amounts receivable for services provided and grants.

**4.2 Property plant and equipment**

Fixed assets are stated at written down value. Depreciation is charged by applying Original cost method to write off the cost over the estimated useful life after taking into account the expected residual value of related assets.

Depreciation on additions to property, plant and equipment is charged from the month in which an item is put to use while no depreciation is charged for the month in which the item is derecognized / disposed off.

Depriciation is allocated 80% to Cost of Revenue and remaining 20% is charged to Admin expenses as these mainly relates to provision of services to patients.

**4.3 Cash and cash equivalent**

Cash and cash equivalent are carried in financial statements at cost. Cash and cash equivalent consists of cash in hand, balances in bank.

**4.4 Taxation**

No provision for taxation has been made in these accounts as the income/donation of the Society is entitled to 100% tax credit u/s. 100C of the Income Tax Ordinance, 2001 being welfare institution run solely for welfare purposes and not for the purposes of making profit as defined in section 2 (36) of the Income Tax ordinance 2001.

## 5 Fixed Assets

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |
| Operating fixed assets | 5.1 | 159,130,204 | 127,873,583 |
| Intengibles | | 233,068 | 201,335 |
| | | 159,363,272 | 128,074,918 |

### 5.1 Operating fixed assets

| | Intengible | Owned assets | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | ERP Software | Building | Transformer | Vehicle | Furniture and Fixture | Computers & Accessories | Supreme Elevator | Generator 100 KVA | Operation Theater | Machinery and Equipment | Total Operating Fixed Assets |
| Cost | | | | | | | | | | | |
| Balance as at July 01, 2021 | 554,750 | 68,762,022 | 1,000,000 | 5,845,000 | 1,720,789 | 689,680 | 1,900,000 | 2,310,000 | 58,454,666 | 50,513,098 | 191,195,255 |
| Additions/Transfered during the year | - | - | - | - | 136,560 | 146,500 | - | - | - | 8,830,359 | 9,113,419 |
| Balance as at June 30, 2022 | 554,750 | 68,762,022 | 1,000,000 | 5,845,000 | 1,857,349 | 836,180 | 1,900,000 | 2,310,000 | 58,454,666 | 59,343,457 | 200,308,674 |
| Balance as at July 01, 2021 | 554,750 | 68,762,022 | 1,000,000 | 5,845,000 | 1,857,349 | 836,180 | 1,900,000 | 2,310,000 | 58,454,666 | 59,343,457 | 200,308,674 |
| Additions/Transfered during the year | 90,000 | - | - | - | 7,712,300 | 350,651 | - | - | - | 47,933,140 | 55,996,091 |
| Balance as at June 30, 2023 | 644,750 | 68,762,022 | 1,000,000 | 5,845,000 | 9,569,649 | 1,186,831 | 1,900,000 | 2,310,000 | 58,454,666 | 107,276,597 | 256,304,765 |
| Depreciation | | | | | | | | | | | |
| Balance as at July 01, 2021 | 303,081 | 16,863,013 | 336,580 | 3,776,128 | 1,031,315 | 372,787 | 1,338,111 | 1,621,152 | - | 26,265,072 | 51,604,158 |
| Charge for the year | 50,334 | 2,594,950 | 33,171 | 413,774 | 155,430 | 87,342 | 112,378 | 137,770 | 11,690,933 | 5,605,185 | 20,830,933 |
| Balance as at June 30, 2022 | 353,415 | 19,457,964 | 369,751 | 4,189,903 | 1,186,745 | 460,129 | 1,450,489 | 1,758,921 | 11,690,933 | 31,870,257 | 72,435,091 |
| Balance as at July 01, 2021 | 353,415 | 19,457,964 | 369,751 | 4,189,903 | 1,186,745 | 460,129 | 1,450,489 | 1,758,921 | 11,690,933 | 31,870,257 | 72,435,091 |
| Charge for the year | 58,267 | 2,465,203 | 31,512 | 331,019 | 729,791 | 126,244 | 89,902 | 110,216 | 9,352,747 | 11,502,835 | 24,739,469 |
| Balance as at June 30, 2023 | 411,682 | 21,923,167 | 401,263 | 4,520,922 | 1,916,536 | 586,374 | 1,540,391 | 1,869,137 | 21,043,680 | 43,373,092 | 97,174,561 |
| Rate of depreciation | 20% | 5% | 5% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | |
| Written down value as at June 30, 2022 | 201,335 | 49,304,058 | 630,249 | 1,655,097 | 670,604 | 376,051 | 449,511 | 551,079 | 46,763,733 | 27,473,200 | 127,873,583 |
| Written down value as at June 30, 2023 | 233,068 | 46,838,855 | 598,737 | 1,324,078 | 7,653,113 | 600,457 | 359,609 | 440,863 | 37,410,986 | 63,903,505 | 159,130,204 |

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |
| **6 Capital Work in Progress** | | | |
| Opening WIP | | 32,756,573 | - |
| Addition during the period | | 21,436,139 | 32,756,573 |
| Completed and transferred during the period | | - | - |
| | | **54,192,712** | **32,756,573** |
| **7 Stock in Trade** | | | |
| Opening balance | | 5,943,664 | 943,820 |
| Medicines Purchases | 7.1 | 79,594,042 | 54,526,810 |
| Lab Purchases | 7.2 | 4,071,015 | 2,119,024 |
| Usage | | (68,852,817) | (46,886,227) |
| Loss Due to Expiration | | - | - |
| Cost of Revenue | | (5,771,381) | (4,759,763) |
| | | **14,984,522** | **5,943,664** |
| **7.1 Medicines Purchases** | | | |
| Bio Equips International | | 26,727,175 | 23,930,114 |
| Bio Science | | - | 569,700 |
| A&G C | | - | 39,000 |
| Electro Medical Care | | 1,698,477 | 1,650,555 |
| New Drug Agency | | 1,780,304 | 2,933,959 |
| Jassh Pharma | | 3,623,400 | 3,185,143 |
| Zafar Surgical | | - | 1,586,066 |
| Islamabad Pharama | | 3,423,518 | 2,888,262 |
| Health Care | | 15,147 | 863,803 |
| Medlead International | | 240,273 | 1,299,030 |
| Khawaja Sons | | 5,035,292 | 2,151,698 |
| United Distributor | | 946,797 | 924,297 |
| Others | | 36,103,659 | 12,505,183 |
| | | **79,594,042** | **54,526,810** |

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |
| **7.2 LAB Purchases** | | | |
| Classis Scientific Traders | | - | 116,200 |
| Diagnostic Lab System | | 1,207,036 | 1,060,268 |
| A.S Enterprises | | 598,372 | 329,061 |
| ROCH Pharma | | 1,597,326 | 198,512 |
| Seico Scientific Traders | | 167,310 | 25,740 |
| Next Care | | 127,820 | 235,397 |
| Al Razzaq Scientif Traders | | 240,392 | 95,040 |
| Others | | 132,759 | 58,806 |
| | | 4,071,015 | 2,119,024 |
| **8 Advances, Deposits and Other Receivables** | | | |
| Receivables from SSP | | 5,986,990 | 607,651 |
| Receivables from PKC Employees | | 6,147 | 108,649 |
| | | **5,993,137** | **716,300** |
| **9 Cash and Cash Equivalents** | | | |
| Cash in hand | | 258,849 | 371,288 |
| Balances with banks in: | | | |
| - Current Accounts | | 6,846,199 | 5,467,945 |
| | | **7,105,048** | **5,839,233** |
| **10 Creditors,Accured and Other Liailities** | | | |
| Creditors | | 7,330,187 | 4,566,423 |
| Accrued Liabilities | | 225,844 | 193,740 |
| Auditors Remuneration | | 100,000 | 100,000 |
| Other Payables | | 98,880 | 1,713,456 |
| | | 7,754,911 | 6,573,619 |

**11 Contingencies and commitments**

Contingencies and commitments outstanding as at June, 2023 are nil ( 2022: nil )

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |
| **12 Receipts** | | | |
| General Donation | | 51,966,363 | 20,968,924 |
| Foreign Donation | | 17,548,464 | 17,002,429 |
| Specific Donation | | 28,939,690 | - |
| **Receipts from Patients :** | | | |
| Sehat Sahulat Program | | 78,386,273 | 59,928,663 |
| Consultancy | | 3,529,705 | 2,755,826 |
| LAB | | 5,200,967 | 3,923,314 |
| Operation Theatre | | - | 781,367 |
| Ultra Sound | | 546,000 | 1,900 |
| ECG | | 2,000 | 3,000 |
| Pharmacy | | 6,789,860 | 5,599,722 |
| Dialysis | | 5,799,821 | 2,118,212 |
| Xray | | 335,543 | 227,124 |
| **Total Receipts** | | **199,044,686** | **113,310,481** |
| **13 Cost of Revenue** | | | |
| Consultancy Charges | | 3,655,810 | 2,133,379 |
| Medicines and Lab Material | | 68,852,817 | 46,886,227 |
| Equipment Maintenance & Material | | 440,663 | 765,611 |
| Depreciation | | 19,791,576 | 16,664,747 |
| | | 92,740,866 | 66,449,964 |

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |
| **14 Administrative Expenses** | | | |
| Salaries and Wages | | 21,212,532 | 16,247,848 |
| EOBI | | 408,992 | 357,580 |
| Fuel | | 3,905,371 | 3,334,088 |
| Repair and Maintenance | | 2,990,031 | 1,953,069 |
| Security charges | | 436,000 | 445,000 |
| Printing and Stationary | | 1,272,572 | 660,340 |
| Communication | | 16,680 | 178,180 |
| Utilities | | 4,983,612 | 2,668,401 |
| Traveling & Transportation | | 474,200 | 428,820 |
| Office Supplies | | 390,835 | 467,080 |
| Rent | | 71,180 | 9,000 |
| Renovation charges | | 1,770,000 | - |
| Entertainment | | 869,920 | 403,161 |
| House Keeping | | 701,486 | 385,167 |
| Legal & Professional | | 351,795 | 560,922 |
| Auditor Remuneration | | 100,000 | 100,000 |
| Miscellaneous | | 771,449 | 844,995 |
| Advertisement | | 170,000 | 78,400 |
| Amortization | | 58,267 | 50,334 |
| Depreciation | | 4,947,894 | 4,166,187 |
| Donation Expense | | 4,176,278 | - |
| **Total administrative expenses** | | 50,079,094 | 33,338,572 |

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | Rupees | |

**15 Transactions with related parties**

There are no related party transactions during the year. (2022: Nil)

| | 2023 | 2022 |
|---|---|---|
| | Number of persons | |

**16 Number of employees**

| | | |
|---|---|---|
| Average number of employees during the year | 48 | 34 |
| Total number of employees as at June 30th | 53 | 34 |

**17 Events after the reporting period**

There are no other significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements.

**18 Date of Authorization for Issue**

These financial statements have been approved and authorized for issue on October 17, 2023 by the Managing Committee of the Trust.

**19 General**

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

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