

SADA WELFARE FOUNDATION (TRUST)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020



chartered accountants

Rizwani Imtiaz & Co.

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES TO THE TRUSTEES OF SADA WELFARE FOUNDATION (TRUST)

OPINION

We have audited the financial statements of **SADA WELFARE FOUNDATION** (the Trust), which comprise the statement of financial position as at June 30, 2020 and 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 present fairly, in all material respects the state of the Trust's position as at June 30, 2020 and its deficit, for the year then ended in accordance with generally accepted accounting principle as applied to not for Profit Organization in Pakistan.

BASIS OF OPINION

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibility under those standards are further described in the auditor's responsibilities for the audit of financial statements section of our report. We are independent of the Trust in accordance with the International Ethics Standard 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 CHARGE WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan, and for such internal control as 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 Trust's ability to continue as 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 Trust or to cease operation, or has no realistic alternative but to do so.

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

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AUDITORS RESPONSIBILITY 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 misstatements, 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 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 Trust'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 Trust'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 conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust 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: ABDUL QADIR

PLACE: KARACHI

DATED: 02 JAN 2021

Rizwani Imtiaz

SADA WELFARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	<u>Note</u>	<u>2020</u> Rupees	<u>2019</u> Rupees
<u>ASSETS</u>			
<u>Property ,Plant and Equipment</u> (At cost less accumulated depreciation)	3	5,942,673	7,887,501
<u>Current Assets</u>			
Stock of medicines and accessories		1,340,541	3,904,649
Security deposit	4	12,000	182,000
Income tax refundable		155,590	155,735
Short term investments	5	1,004,288	15,204,288
Advance to vendor		3,875,006	-
Cash and bank balances	6	20,481,271	4,608,411
		26,868,696	24,055,083
		<u>32,811,369</u>	<u>31,942,584</u>
<u>FUND AND LIABILITIES</u>			
Reserve Funds	7	11,275,824	7,234,587
Endowment Fund	8	1,200,000	1,200,000
Accumulated Surplus		20,335,545	23,507,997
		<u>32,811,369</u>	<u>31,942,584</u>

The annexed notes 1 to 12 from an integral part of Financial statements. *Nil*

Tahira Jawaid
Treasurer

Kamje Siddiqui
Chairperson

SADA WELFARE FOUNDATION (TRUST)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Note</u>	<u>2020</u> Rupees	<u>2019</u> Rupees
<u>INCOME</u>			
Donation			
- in cash		1,587,595	1,255,397
- in kind (medicine & accessories)		859,525	3,054,376
- Zakat - in cash		18,300,271	22,476,728
- Profit on term deposits		1,351,661	865,811
- Promotion activities		17,026	80,347
		22,116,078	27,732,659
<u>EXPENDITURES</u>			
Administrative expenses	9	3,796,385	3,922,957
Financial charges - bank charges		89,829	108,599
Loss on sale of assets		-	2,221
Disbursement to N.I.C.H.	10	21,124,531	20,785,578
Medicine aid social service		277,785	281,180
		25,288,530	(25,100,535)
(Deficit) / Surplus for the year		(3,172,452)	2,632,124
Accumulated surplus brought forward		23,507,997	20,875,873
Accumulated surplus carried forward		20,335,545	23,507,997

The annexed notes 1 to 12 from an integral part of Financial statements.

Tahira Iqbal
Treasurer

Kawja Siddiq
Chairperson

SADA WELFARE FOUNDATION (TRUST)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 STATUS AND NATURE OF ACTIVITY

Sada Welfare Foundation - Trust was registered on May 31, 2001 and executed Trust deed on May 17, 2002, at Karachi. Presently the activities of the Trust is to provide assistance to deserving poor persons for health and other social welfare purpose.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention without any adjustment for effect of inflation.

2.2 Basis of accounting

These financial statements have been prepared under the Generally Accepted Accounting Principle as applied to Not for Profit Organizations in Pakistan.

2.3 Investments

All investments are stated at cost.

2.4 Taxation

The Trust is exempted from income tax under the Income Tax Ordinance, 2001.

2.5 Foreign currency

Foreign currency related transactions are being recorded at the rates prevailing at the date of transactions. The foreign currency related account balances are reported at the rate prevailing at the date of financial position.

2.6 Revenue

These are recognized on the basis of cash receipts.

2.7 Fixed Assets

Property, plant and equipment except leasehold land and capital work-in-progress are stated at cost less accumulated depreciation. Depreciation is charged to income applying the reducing balance method so as to write off the cost of the assets over their estimated useful lives at the rates given in note # 3.

Depreciation on addition is charged from the month in which the assets are available for use and on disposals up to the preceding month of disposal.

Normal repair and maintenance are charged to income as and when incurred.

3 SCHEDULE OF FIXED ASSETS - TANGIBLE

PARTICULARS	COST		DEPRECIATION				Rate %
	Cost as at July 01, 2019 Rupees	Addition/ (deletion) during the year Rupees	Cost as at June 30, 2020 Rupees	Accumulated depreciation at July 01, 2019 Rupees	Depreciation for the year Rupees	Accumulated depreciation at June 30, 2020 Rupees	Written Down Value at June 30, 2020 Rupees
Office							
Office Computer and Accessories	339,805	10,800	350,605	282,391	13,643	296,034	54,571
Office Equipment	1,805,590	4,400	1,809,990	1,055,598	150,365	1,205,963	604,027
Furniture and Fixtures	582,100	25,000	607,100	258,579	69,704	328,283	278,817
Motor Vehicle	690,000	-	690,000	509,121	36,176	545,297	144,703
Total	3,417,495	40,200	3,457,695	2,105,689	269,888	2,375,577	1,082,118
Blood Bank							
Air Conditioners	103,000	-	103,000	60,811	8,438	69,249	33,751
Computers and Accessories	186,500	-	186,500	110,110	15,278	125,388	61,112
Furniture and Fixtures	46,000	-	46,000	26,271	3,946	30,217	15,783
Blood bank Equipment	7,455,250	-	6,955,250	1,705,496	1,049,951	2,755,447	4,199,803
Total	7,790,750	-	7,290,750	1,902,688	1,077,613	2,980,301	4,310,449
Neonatal ward							
Neonatal Equipment	1,552,692	-	1,552,692	880,214	134,496	1,014,710	537,982
Water Cooler	37,000	-	37,000	21,845	3,031	24,876	12,124
Total	1,589,692	-	1,589,692	902,059	137,527	1,039,586	550,106
Total - 2020	12,797,937	40,200	12,338,137	4,910,436	1,485,028	6,395,464	5,942,673
		(500,000)					
Total - 2019	9,064,387	4,933,550	12,797,937	4,611,224	1,456,991	4,910,436	7,887,501
		(1,200,000)			(1,157,779)		

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	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
4 SECURITY DEPOSITS			
CDP security deposit		12,000	170,000
Mobilink security deposit		-	12,000
		<u>12,000</u>	<u>182,000</u>
5 SHORT TERM INVESTMENTS			
- Faisal bank - Islamic Banking - BMIC	5.1	1,000,000	15,200,000
- Al Meezan Investment -TDR's		4,288	4,288
		<u>1,004,288</u>	<u>15,204,288</u>
5.1	This includes Rs. 1,000,000 (2019: Rs. 1,200,000) of Endowment Fund.		
5.2	Expected rate of profit 4.75% to 4.90% (2019: 4.75% to 4.90%).		
	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
6 CASH AND BANK BALANCES			
Cash in hand		15,823	21,415
Cash at banks	6.1	20,465,448	4,586,996
		<u>20,481,271</u>	<u>4,608,411</u>
6.1	This includes Rs. 200,000 (2019: Rs. Nil) of Endowment Fund.		
7 RESERVED FUNDS			
Cancer hospital			
Opening balance		7,100,792	5,283,294
Donation received during the year		9,676,370	7,182,801
		16,777,162	12,466,095
Disbursed during the year		(5,632,673)	(5,365,303)
		<u>11,144,489</u>	<u>7,100,792</u>
Shikarpur Hospital			
Opening balance		133,795	203,245
Donation received during the year		-	-
		133,795	203,245
Disbursed during the year		(2,460)	(69,450)
		<u>131,335</u>	<u>133,795</u>
		<u>11,275,824</u>	<u>7,234,587</u>
8 ENDOWMENT FUND	8.1	<u>1,200,000</u>	<u>1,200,000</u>
8.1	Amount donated for Endowment Fund invested in Barakat Monthly Income Certificates (BMIC).		

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	Note	2020 Rupees	2019 Rupees
9 ADMINISTRATIVE EXPENSES			
Salaries, allowances and benefits		1,909,810	2,102,500
Stationery and supplies		-	21,100
Printing expenses		1,795	11,785
Telephone Expenses		14,670	17,280
Computer maintenance		60,600	66,350
Office repairs and maintenance		3,290	300
Legal and Professional		68,200	8,000
Conveyance charges		52,810	24,610
Presentation and promotional expenses		51,759	60,723
Depreciation	3	1,485,028	1,456,991
Vehicle Fuel & maintenance office Car		97,530	96,058
Miscellaneous		5,728	3,440
Insurance Expenses		19,599	19,600
Internet and mobile charges		25,566	34,220
		<u>3,796,385</u>	<u>3,922,957</u>

10 DISBURSEMENTS TO NICH'S

Renovation / Assets/ Misc

- Equipments
- General
- Blood bank
- Advertisement expenses
- Repair & Renovation

16,470	8,000
3,940	8,620
74,826	124,190
853,747	999,735
91,000	285,860
<u>1,039,983</u>	<u>1,426,405</u>

Medicine Aid

- Patients & Blood Bank

16,941,595 16,505,223

Staff Salaries

- Blood bank
- Neonatal ward

1,533,123	1,207,250
1,609,830	1,646,700
<u>3,142,953</u>	<u>2,853,950</u>

21,124,531 20,785,578

11 These financial statements were authorized for issue on 02 JAN 2021 by the Board of trustees of the Foundation.

12 GENERAL

Figures have been rounded off to the nearest rupee. *uu*

Tahira Iqbal
Treasurer

Kamra Shafiq
Chairperson