

FRIENDS OF BURNS CENTRE PATIENT WELFARE SOCIETY

Financial Statements

For the year ended June 30, 2018

Audited by:

HYDER & COMPANY
CHARTERED ACCOUNTANTS
SF 10 & 11, 04th floor Shahnaz Arcade
Main Shaheed-e-millat Road, Karachi.
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INDEPENDENT AUDITOR'S REPORT
To the Board of Governors of Friends of Burns Centre Patient Welfare Society
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Friends of Burns Centre Patient Welfare Society** which comprise the Balance Sheet as at **30th June, 2018** and receipt and expenditure account for the year then ended and statement of cash flow with notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly, in all material respects, (or give a true and fair view of) the Balance sheet of **Friends of Burns Centre Patient Welfare Society** as at **30th June, 2018**, and (of) its financial performance and its cash flow for the year then ended in accordance with 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 responsibility 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 Society 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

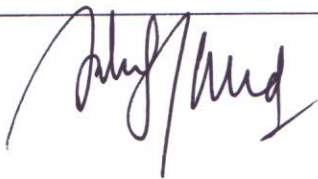
The Board of Governors are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the Board of Governors determines is necessary to enable the preparation of financial statements material misstatements, whether due to fraud or error.

In preparing the financial statements, Board of Governors are responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's 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 high level of assurance, but is



HYDER & COMPANY

Chartered Accountants

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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 obtained 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 the 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 Society'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 material uncertainty exists related to events or conditions that may cast significant doubt on the society'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 Society's 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.

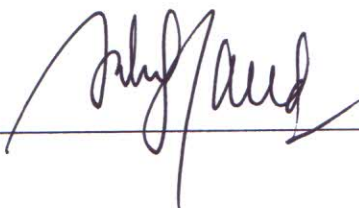
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

Date: 27th December, 2018
Place: Karachi



HYDER & COMPANY.
Chartered Accountants

Engagement Partner: Ahmer Zafar Siddiqui

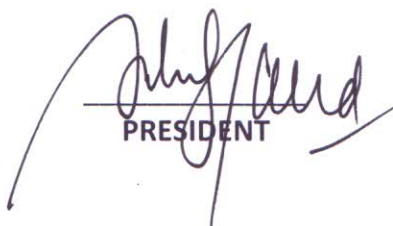


FRIENDS OF BURNS CENTRE PATIENT WELFARE SOCIETY

Balance Sheet
As at June 30, 2018

GENERAL RESERVE AND LIABILITIES	Notes	2018 Rupees	2017 Rupees
General Funds			
Accumulated surplus		63,836,550	57,640,368
CURRENT LIABILITIES			
Trade and other payables	3	3,592,151	1,095,529
		<u>67,428,701</u>	<u>58,735,897</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	23,373,519	24,242,405
Intangible assets	5	98,829	95,259
		23,472,348	24,337,664
CURRENT ASSETS			
Inventory	6	1,577,205	1,949,187
Advances, deposits and other receivables	7	222,539	241,127
Cash & bank balances		42,156,609	32,207,919
		43,956,353	34,398,233
		<u>67,428,701</u>	<u>58,735,897</u>

The annexed notes form an integral part of these accounts.


PRESIDENT


TREASURER

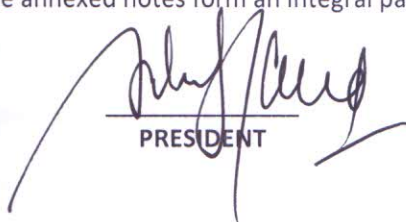
FRIENDS OF BURNS CENTRE PATIENT WELFARE SOCIETY


Receipt and Expenditure Statement

For the year ended on June 30, 2018

	Notes	2018 Rupees	2017 Rupees
Receipts			
Zakat		41,526,556	34,241,808
Donation		13,599,605	16,673,776
Donation in kind	8	736,982	899,945
Other income	9	662,550	1,034,892
		56,525,693	52,850,421
 Administrative expenses	10	50,329,511	45,450,462
 Surplus for the Year		6,196,182	7,399,959
 Accumulated surplus brought forward		57,640,368	50,240,409
 Accumulated surplus carried forward		63,836,550	57,640,368

The annexed notes form an integral part of these accounts.


PRESIDENT


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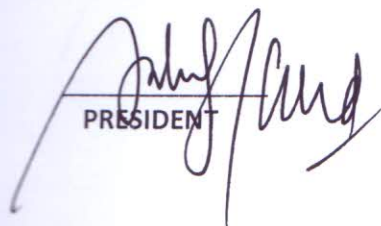
FRIENDS OF BURNS CENTRE PATIENT WELFARE SOCIETY

Cash Flow Statement


For the year ended on June 30, 2018

	2018 Rupees	2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus / (Deficit) for the Year	6,196,182	7,399,959
Adjustments For:		
Amortization	71,630	56,590
Gain on sale of asset	-	(375,193)
Depreciation	2,440,651	2,580,426
	2,512,281	2,261,823
	8,708,463	9,661,782
<i>Increase) / Decrease in Current Assets</i>		
Inventory	371,982	3,267,987
Advances and deposits	18,588	40,949
<i>Decrease) / Increase in Current Liabilities</i>		
Trade and other payables	2,496,622	146,963
	2,887,192	3,455,899
Net Cash Flow From Operating Activities	11,595,655	13,117,681
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,571,765)	(4,901,622)
Proceed from sale of asset	-	750,000
Purchase of Intangible Assets	(75,200)	(106,640)
Net cash used in investing activities	(1,646,965)	(4,258,262)
CASH FLOW FROM FINANCING ACTIVITIES		
Net decrease in cash and cash equivalents	9,948,690	8,859,419
Cash & cash equivalents at the beginning of the year	32,207,919	23,348,500
Cash & cash equivalents at the end of the year	42,156,609	32,207,919

The annexed notes form an integral part of these accounts.


PRESIDENT




TREASURER

FRIENDS OF BURNS CENTRE PATIENT WELFARE SOCIETY

Notes to the Accounts

For the year ended on June 30, 2018

1- BRIEF HISTORY

M/s Friends of Burns Centre Patient Welfare Society FOBC-PWS, is registered under the Voluntary Social Welfare Agencies Control Ordinance, 1961 and has been granted registration on August 06, 2002 under the said Ordinance. FOBC-PWS has been formed with the primary aim to establish a modern Burns Centre at Civil Hospital Karachi as a non-profit organization for the welfare and rehabilitation of burn patients and to meet its recurring expenditure in the future. The operations of FOBC-PWS are financed by donations, grants and endowments (in cash or kind).

2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in accordance with Approved Accounting Standards as applicable in Pakistan. Approved Accounting Standards comprise of International Accounting Standards issued by International Accounting Standards Committee (IASC), interpretations issued by Standing Interpretation Committee of IASC as applicable in Pakistan and Guidelines for Accounting and Financial Reporting by NGOs/ NPOs issued by ICAP.

2.2 ACCOUNTING CONVENTION

These accounts have been prepared on the historical cost convention.

2.3 TRADE PAYABLES AND OTHERS

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services rendered.

2.4 INVENTORY

Inventory is valued at cost.

2.5 PROPERTY, PLANT AND EQUIPMENTS

Operating assets are stated at cost less accumulated depreciation. Depreciation on operating assets is charged to income applying reducing balance method. Full year depreciation is charged on assets acquired during the year, while no depreciation is charged in the year in which assets are disposed off or scrapped. Maintenance and normal repairs are charged to income as and when incurred.

Major renewals are capitalized. Gain or Loss if any on disposal of operating assets are taken to profit and loss account.

2.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalent comprises of the cash in hand and cash at bank.

2.7 INCOME

Donation and Zakat Receipt is recognized on cash basis.



3- TRADE PAYABLE & OTHERS

Creditors
With holding Tax payable u/s 153

2018 (RUPEES)	2017 (RUPEES)
3,562,151	1,083,546
30,000	11,983
<u>3,592,151</u>	<u>1,095,529</u>

4- OPERATING FIXED ASSETS - COST LESS ACCUMULATED DEPRECIATION

Particulars	COST			ACCUMULATED DEPRICAITON				RATE %	WRITTEN DOWN VALUE AS ON 30-06-2018
	AS ON 01-07-2017	ADDITION / (DELETION)	AS ON 30-06-2018	AS ON 01-07-2017	ADJUSTMENT FOR DISPOSAL	DEPRECIATION FOR THE YEAR	AS ON 30-06-2018		
OWNED ASSETS									
Building and lift	23,759,515	553,425	24,312,940	9,850,220	-	723,136	10,573,356	5	13,739,584
Furniture and Fixture	2,131,916		2,131,916	1,742,593	-	58,398	1,800,992	15	330,924
Office Equipments	2,684,461	164,210	2,848,671	1,983,610	-	129,759	2,113,369	15	735,302
Medical Equipments	19,224,274	604,130	19,828,404	12,405,543	-	1,113,429	13,518,972	15	6,309,432
Machinery	3,063,500		3,063,500	2,546,763	-	77,511	2,624,273	15	439,227
Computers	622,971		622,971	524,324	-	29,594	553,918	30	69,053
Generator	187,800		187,800	112,753	-	11,257	124,010	15	63,790
Air Conditioners	688,246		688,246	299,824	-	58,263	358,087	15	330,159
DONATED ASSETS									
Generator	-		-	-	-	-	-	15	-
Equipments	2,609,800		2,609,800	1,572,420	-	155,607	1,728,027	15	881,773
Air Conditioners	866,572	250,000	1,116,572	577,038	-	80,930	657,968	15	458,604
Other Assets	70,500		70,500	52,061	-	2,766	54,827	15	15,673
Total 2018	55,909,555	1,571,765	57,481,320	31,667,150	-	2,440,651	34,107,801		23,373,519
Total 2017	53,079,833	2,829,722	55,909,555	30,783,817	(1,697,094)	2,580,426	31,667,150		24,242,405

5- INTANGIBLE ASSETS

Particulars	COST			ACCUMULATED AMORTIZATION				RATE %	WRITTEN DOWN VALUE AS ON 30-06-2018
	AS ON 01-07-2017	ADDITION / (DELETION)	AS ON 30-06-2018	AS ON 01-07-2017	ADJUSTMENT FOR DISPOSAL	AMORTIZATION FOR THE YEAR	AS ON 30-06-2018		
Website & Software	282,952	75,200	358,152	187,693	-	71,630	259,324	20	98,828
Total 2018	282,952	75,200	358,152	187,693	-	71,630	259,323		98,829
Total 2017	176,312	106,640	282,952	131,103	-	56,590	187,693		95,259

6- INVENTORY

Owned

1,577,205	1,949,187
<u>1,577,205</u>	<u>1,949,187</u>

6.1 This represents medicines and other related pharmaceutical items belonging to FOBC. Inventory is valued at weighted average cost.

7- ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Deposits (Diesel)
Deposits(Ufone)
Loan / Advances to Employees
Advance taxes

2018 (RUPEES)	2017 (RUPEES)
10,000	10,000
2,500	2,500
7,770	41,106
202,269	187,521
<u>222,539</u>	<u>241,127</u>

8- DONATION IN KIND

Donation In Kind

<u>736,982</u>	<u>899,945</u>
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9- OTHER INCOME

Interest income
Other Income
Gain on sale of asset

645,566	641,647
16,984	18,052
-	375,193
<u>662,550</u>	<u>1,034,892</u>

10- ADMINISTRATIVE EXPENSES

Salaries & Wages
Medicine / Surgical items
Medical Test
Repair & Maintenance
Washing Charges
Travelling /Conveyance
Postage & Courier
Security
Advertising & Marketing
Accounts & Audit Services
Resource Development Consultancy
Human resources outsourcing charges
Printing & Stationery
Janitorial Services
Computer Expense
Misc Expense
Mobile
Office Expense
Sindh Sales Tax
Telephone & Fax
Insurance
Bank Charges
Depreciation Expense
Amortization Expense

24,928,631	21,759,969
7,615,881	6,606,253
343,170	631,320
2,240,196	2,454,235
153,952	149,560
75,685	72,425
34,411	29,929
2,179,240	2,205,896
1,194,671	528,180
732,000	720,000
1,440,000	1,380,000
2,437,780	2,128,745
117,849	131,813
3,598,660	3,268,904
2,000	-
960	-
16,773	28,404
55,405	87,943
597,651	569,162
41,840	37,980
-	4,046
10,475	18,682
2,440,651	2,580,426
71,630	56,590
<u>50,329,511</u>	<u>45,450,462</u>

11- GENERAL

Figures have been rounded off to the nearest rupee.

Previous year's figure have been rearranged wherever necessary for the purpose of comparison.


PRESIDENT


TREASURER