Rehmat Welfare Foundation Jhelum

Kidney Care & General Hospital
Opposite PTC, Thathi Gujran, Jhelum
'h: +92-544-649 950 | Email : rehmatfoundation@live.com

Ref: RWF/Account/2020-2021 Dated: 30 June 2021

To,

The Director
Grant Thornton Anjum Rehman
(Chartered Accountants)
302 B, 3rd Floor, Evacuee Trust Complex
Aga Khan Road, F-5/1
Islamabad

Subject: REQUEST FOR AUDIT FROM 1ST JUL 2020 TO 30 JUN 2021

Respected Sir,

It is forwarded that Audit for the period from 1st July 2020 to 30 June 2021 has not been carried out so for. Please do the Audit above mentioned period of Rehmat Welfare Foundation Jhelum.

After checking the record three copies of documents may please be provided for our Record. In this Regard, Your cooperation will be highly appreciated.
Internal audit report is also being sent to you.

Thanking in Advance

Received
14/7/6/2021

C/S

Deputy Director
Social W[illegible]lfare & B.M
Jhelum

Yours Truly,

Internal Auditor
Rehmat Welfare Foundation
Jhelum

President
Rehmat Welfare Foundation
JHELUM

Rehmat Welfare Foundation Jhelum

Kidney Care & General Hospital
Opposite PTC, Thathi Gujran, Jhelum
'h: +92-544-649 950 | Email : rehmatfoundation@live.com

Ref: RWF/Account/2020-21 Dated: 30 June 2021

To,

The Director
Grant Thornton Anjum Rehman
(Chartered Accountants)
302 B, 3rd Floor, Evacuee Trust Complex
Aga Khan Road, F-5/1
Islamabad

Subject: Review for Internal Audit Report Financial Year 2020-2021

Dear Sir,

Internal Audit Report for the Financial Year 2020-2021 is here for your Review and for your kind remarks. In this Regard, Your Cooperation will be highly appreciated.

Thanking in Advance,

Yours Truly,

C/s

Deputy Director
Social Welfare & B.M
Jhelum

Internal Auditor
Rehmat Welfare Foundation
Jhelum

President
Rehmat Welfare Foundation
JHELUM

REHMAT WELFARE FOUNDATION JHELUM

INTERNAL AUDIT

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rehmat Welfare Foundation Jhelum

Kidney Care & General Hospital
Opposite PTC, Thathi Gujran, Jhelum
'h: +92-544-649 950 | Email : rehmatfoundation@live.com

June 30, 2021

The Board of Trustees
Rehmat Welfare Foundation
Jhelum

Subject: **Internal Audit Report for Period ended 30 Jun, 2021**

Dear Sir/Madam,

We have finalized the internal audit of accounts of your project Rehmat Welfare Foundation Jhelum and enclosed the balance sheet as at 30 Jun, 2021 with Statement of Income & Expenditure for the period then ended.

Our examination is based on the information, explanation and records produced to us by the staff. Our Internal audit was planned in accordance with the general accepted accounting and auditing standards as applicable in Pakistan. In this connection we conducted such tests, as we considered necessary for the purpose of our audit.

During the course of our audit, we observed the following;

- Some of the bills are not attached with payment vouchers.
- Ambulance log book is not maintained properly.
- Tax exemption on utility bills is still continued.
- No bills for few petty cash expenses have been found.

We appreciate the coordination and cooperation of your staff in conducting audit and gathering information during audit.

Thanking you,

Internal Auditor
Rehmat Welfare Foundation
Jhelum

President
Rehmat Welfare Foundation
JHELUM

REHMAT WELFARE FOUNDATION JHELUM

Balance Shee **INTERNAL AUDIT**

As at June 30, 2021

	Notes	2021 (Rupees)	2020 (Rupees)
PROPERTY AND ASSETS			
Non-Current Assets			
Property, plant and equipment	4	21,086,419	19,925,977
Capital work-in-progress			
Construction of building		696,375	-
Current Assets			
Advance tax	5	754,739	576,213
Stock of medicines and disposables		2,132,759	1,430,974
Cash and bank balances	6	5,859,673	831,546
		8,747,171	2,838,733
		30,529,966	22,764,710
FUNDS AND LIABILITIES			
FUNDS			
General Fund		8,513,392	5,918,168
Non-Current Liabilities			
Deferred liabilities		21,908,293	16,846,542
Current Liabilities			
Accrued expenses		108,281	-
		30,529,966	22,764,710

Auditors' report to the members annexed

The annexed notes 01 to 12 form an integral part of these financial statements

M. Sabir

CHIEF EXECUTIVE OFFICER | FINANCE SECRETARY | PRESIDENT

Internal Auditor
Rehmat Welfare Foundation
Jhelum

REHMAT WELFARE FOUNDATION JHELUM
Statement of Income and Expenditure **INTERNAL AUDIT**
For the Year Ended June 30, 2021

	Notes	2021 (Rupees)	2020 (Rupees)
INCOME			
Donations/grants-Net	7	23,416,942	15,501,020
Hospital and dispensary income	8	5,076,950	5,610,535
Other income	9	106,298	82,575
		28,600,189	21,194,130
EXPENDITURE			
Project expenses	10	(21,693,471)	(16,715,825)
Administrative and general expenses	11	(4,311,494)	(3,743,252)
		(26,004,965)	(20,459,077)
Surplus for the year		**2,595,224**	**735,053**

Auditors' report to the members annexed
The annexed notes 01 to 12 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER **FINANCE SECRETARY** **PRESIDENT**

Internal Auditor
Rehmat Welfare Foundation
Jhelum

REHMAT WELFARE FOUNDATION JHELUM
Statement of Cash Flow **INTERNAL AUDIT**
For the Year Ended June 30, 2021

		Note	2021 (Rupees)
	Cash flows from operating activities		
	Surplus for the year		2,595,224
	Adjustments for non-cash items:		
	Depreciation		1,409,205
			1,409,205
	Operating profit before working capital changes		4,004,429
Add/(Less):	**Adjustment for increase/(decrease) in working capital:**		
	Increase/(decrease) in current assets:		
	Advances, deposits and prepayments		(701,786)
	Increase/(decrease) in current liabilities:		
	Other payables		108,281
	Net working capital changes		**(593,505)**
	Payments for		
	Income tax		(178,526)
			(178,526)
	Net cash (used in)/generated from operating activities		**3,232,398**
	Cash flows from investing activities		
	Capital work-in-progress		(696,375)
	Additions in property, plant and equipment excluding borrowing cost capitalized		(3,119,980)
	Sale proceeds of property, plant and equipment		550,333
			(3,266,022)
	Net cash used in investing activities		**(3,266,022)**
	Cash flows from financing activities		
	Adjustments		5,061,751
	Net increase/(decrease) in cash and cash equivalents		**5,028,127**
	Cash and Cash Equivalents at the beginning of the year		831,546
	Cash and Cash Equivalents at the end of the year	6	**5,859,673**

Auditors' report to the members annexed
The annexed notes 01 to 12 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER **FINANCE SECRETARY** **PRESIDENT**

Internal Auditor
Rehmat We... Foundation
Jhelum

1. LEGAL STATUS AND OPERATIONS

1.1. Constitution and activities

"Rehmat Welfare Foundation" (Kidney Care and General Hospital-Jhelum) is a non-profit organization, registered under Voluntry Social Welfare Agencies (Registration and Control) Ordinance, 1961 (XLVI of 1961), Registration No. DO(SW)WD & BM/JLM-2012-29 of 19 on April 03, 2012. The registered office of the organization is situated at Near P.T.C, Langar Pur Road, Thathi Gujran, Tehsil and District Jhelum. The main objectives of the organization is to run a hospital and related free welfare activities and provide free medical treatment to the poor and needy peoples.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) / and the Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, provisions of and directives issued thereunder. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of preparation

These financial statements have been prepared under historical cost convention and on accrual basis of accounting, unless contrary stated.

3.2. Significant accounting estimates and judgments

The preparation of financial statements in conformity with the accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board requires management to make judgments, estimates and assumptions that effect 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 the other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized 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 doubtful receivables. However, assumptions and judgments in the application of the accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the caring amounts of the assets and liabilities in next year.

3.3. Property, plant and equipment

These are stated at cost less accumulated depreciation except and accumulated impairment losses, if any. Depreciation is charged from the date of assets is put into operation and discontinued from the date assets is retired. Depreciation is charged to income applying by using reducing balance method to write off the cost of each assets at the rates specified in the note no. 4.

The cost of replacing part of an item of property, plant and equipment is recognized in the caring amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The caring amount of the replaced part is recognized. The costs of the day to day servicing of property, plant and equipment are recognized in statement of income and expenditure as they are incurred. Major renewals and improvements are capitalized.

3.4. Donations/grants

All donations and grants (Pakistani and foreign source) received from donors are recognized at the time of receipts .

3.5. Provision for taxation

The organizaion is non-profit organization (NPO) unser section 2(36) of Income Tax Ordinance, 2001 approval in this regard have already been granted by income tax department and exempt under clause 58(1) (2) and (3) of said Ordinance. Therefore, no provision for taxation has been made in these financial statements.

3.6. Deferred income/cost

Deferred income/cost is recognised when fixed assets are purchased from donor's funds and amortised over the useful life of the respective assets.

3.7. Cash and cash equivalent

Cash and cash equivalent are carried out in the balance sheet at fair value. Cash and cash equivalent comprise cash in hand and balances with banks.

3.8. Foreign currency translations

All monitory assets and liabilities in foreign currencies are translated in to Pak Rupees at exchange rates prevailing at the balance sheet date or at exchange rates fixed under contractual arrangements, where forward cover has been obtained. Transaction in foreign currencies are converted in to Pak Rupees at exchange rates prevailing on the date of transaction. All of the exchange differences are recognised in the statement of income and expenditure currently.

3.9. Provisions

Provision are recognized when the organization has a present, legal or constructive, obligation as a result of a past events and it is probable that it will result in an outflow of economic benefits for which a reliable estimate can be made of the amount of the obligation.

4.0. Related party transaction

The transaction between the organization and the related parties are carried out on an arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

REHMAT WELFARE FOUNDATION JHELUM

Notes to the Financial Statements

For the Year Ended June 30, 2021

INTERNAL AUDIT

4. Property, plant and equipment

PARTICULARS	COST				DEPRECIATION			W. D. V.	RATE %
	As at July 01, 2020	Additions	(Deletion)	As at June 30, 2021	As at July 01, 2020	For the Year/Adjust ments	As at June 30, 2021	As at June 30, 2021	
Land	4,000,000	-	-	4,000,000	-	-	-	4,000,000	-
Building	5,527,900	-	-	5,527,900	552,791	497,511	1,050,302	4,477,598	10%
Furniture and fixtures	112,200	59,000	-	171,200	28,615	9,097	37,713	133,487	10%
Office equipments	2,828,982	306,080	-	3,135,062	1,334,822	162,579	1,497,401	1,637,661	10%
Medical equipments	17,010,903	1,620,900	-	18,631,803	8,078,919	1,152,704	9,231,623	9,400,180	10%
Motor vehicles	1,646,333	1,134,000	(550,333)	2,230,000	1,205,194	(412,687)	792,507	1,437,493	20%
Rupees-2021	**31,126,318**	**3,119,980**	**(550,333)**	**33,695,965**	**11,200,341**	**1,409,205**	**12,609,546**	**21,086,419**	-----
Rupees-2020	**25,222,368**	**5,903,950**	**-**	**31,126,318**	**9,436,371**	**1,763,970**	**11,200,341**	**19,925,977**	-----

Internal Auditor
Rehmat Welfare Foundation
Jhelum

	2021 (Rupees)	2020 (Rupees)
5. Advance tax		
Opening balance	576,213	484,318
Tax deducted at source	178,526	91,895
Closing balance	754,739	576,213
6. Cash and bank balances		
Cash in hand	60,869	338,831
Cash at bank-saving account	5,798,804	492,715
	5,859,673	831,546
7. Donations/grants		
Donations/grants-Pakistan	1,852,538	6,228,561
Donations/grants-UK	21,564,404	9,272,459
	23,416,942	15,501,020
8. Hospital and dispensary income		
OPD-out patient department	366,950	472,765
Lab tests	-	13,770
Dialysis treatment	4,710,000	5,124,000
	5,076,950	5,610,535
9. Other income		
Bank profits	106,298	82,575
	106,298	82,575
10. Project expenses		
Electricity expenses	852,027	740,833
Telephone charges	76,830	-
Salaries, wages and other benefits	2,671,000	2,478,500
Consultency service charges	316,800	290,400
Dialysis disposable	4,363,970	-
Dialysis machine service charges	557,389	597,835
Water reverse osmosis service charges	131,500	66,000
Medicines	4,796,268	8,414,310
Generator fuel	118,112	197,244
Ambulance fuel	362,890	349,570
Laundry charges	144,000	120,000
Dusting and cleaning material	109,230	-
Hospital basic needs	983,305	901,763
Dispensery basic needs	159,685	-
Goods and transportation charges	69,300	30,830
Repair and maintenance-electric	154,060	54,540
Clean drinking water scheme	100,000	580,000
General welfare (Qurbani/ration activities)	5,727,105	1,894,000
	21,693,471	16,715,825

REHMAT WELFARE FOUNDATION JHELUM
Notes to the Financial Statements
For the Year Ended June 30, 2021

INTERNAL AUDIT

	2021	2020
11. Administrative and general expenses		
Salaries, wages and other benefits	807,000	1,488,000
Wages-daily basis	807,500	-
Security guard services	151,100	144,000
Electricity expenses	8,446	-
Telephone charges	10,700	-
Sui gas	3,110	-
General expenses	647,179	264,756
Printing and stationery	106,041	37,160
Legal and professional charges	303,000	-
Registration fee	26,802	14,600
Bank charges	7,211	6,566
Auditor's remuneration	24,200	24,200
Depreciation-property, plant and equipment	1,409,205	1,763,970
	4,311,494	**3,743,252**

12. General

- Figures have been rounded off to the nearest rupee.
- Figures of the previous year have been re-arranged and re-grouped whenever necessary for the purpose of comparison.

CHIEF EXECUTIVE OFFICER

M. Saber

FINANCE SECRETARY

PRESIDENT

Internal Au[illegible]
Rehmat Welfare Foundation
Jhelum