

**FINANCIAL STATEMENTS**  
**(AUDITED)**

**MUKHTARAN RAFIQ FOUNDATION**

**FINANCIAL YEAR 2019-20**

**COMPILED BY**  
**HASNAIN ALI & CO.**  
**CHARTERED ACCOUNTANTS**

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***Chartered Accountants***  
**YOUR TRUSTED PARTNER**



**ENTERPRISE WORLDWIDE**  
AN INTERNATIONAL ASSOCIATION OF ACCOUNTANTS & ADVISORS

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## INDEPENDENT AUDITOR'S REPORT

### To the Trustees of the Mukhtaran Rafiq Foundation

#### Opinion

We have audited the financial statements of the **Mukhtaran Rafiq Foundation** ("the Trust"), which comprise the statement of financial position as at June 30, 2020, and the income and expenditure account, statement of cash flows, statement of changes in fund balance, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at June 30, 2020, and of its financial performance and its statement of changes in fund balance in accordance with approved accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. 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 Trust 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 the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Trustees determines 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 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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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 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 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 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 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.

The engagement partner on the audit resulting in this independent auditor's report is Hasnain Adam Ali.

**Lahore**

**Date: October 21, 2020**

  
Hasnain Ali & Co.  
Chartered Accountants  
LAHORE

**Mukhtaran Rafiq Foundation**  
**Statement of Financial Position**  
**As at June 30, 2020**

	Note	2020 ----- Rupees -----	2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Operating fixed assets	3	34,428,207	29,643,203
<b>CURRENT ASSETS</b>			
Stock	4	3,694,878	2,033,924
Advance income tax		-	119,259
Advance against expenses		100,398	-
Cash and bank balances	5	860,139	1,621,838
		4,655,415	3,775,021
<b>TOTAL ASSETS</b>		<b>39,083,622</b>	<b>33,418,224</b>
<b>CURRENT LIABILITIES</b>			
Security payable		-	150,000
Accrued expenses	6	818,967	-
Creditors		8,209	681,676
		827,176	831,676
<b>NET ASSETS</b>		<b>38,256,446</b>	<b>32,586,548</b>
<b>REPRESENTED BY:</b>			
General fund		38,256,446	32,586,548
		<b>38,256,446</b>	<b>32,586,548</b>

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

**PRESIDENT**

**FINANCE SECRETARY**

**GENERAL SECRETARY**

President  
Mukhtaran Rafiq Foundation

Finance Secretary  
Mukhtaran Rafiq Foundation

General Secretary  
Mukhtaran Rafiq Foundation

**Mukhtaran Rafiq Foundation**  
**Income and Expenditure Account**  
**For the year ended June 30, 2020**

	Note	2020 ----- Rupees -----	2019
<b>INCOME</b>			
Receipts	7	32,584,026	22,234,891
<b>EXPENDITURES</b>			
Staff salaries		9,028,172	7,286,024
Medicine consumed	8.2	10,786,727	7,504,255
Dental and laboratory expenses		1,240,771	674,656
Printing and stationery		190,649	189,252
Consultancy charges		605,514	1,304,498
Miscellaneous expenses		125,767	309,211
Utilities expenses		902,878	836,606
Donation expenses		1,282,702	459,080
Fund raising event expense		24,587	214,020
Operation theater expenses		232,850	472,900
Repair and maintenance		250,367	262,074
Postage and telegram		680	1,460
Travelling and conveyance		86,631	52,575
Advertisement expense		176,570	130,125
Waste management expense		211,828	144,000
Fuel expense		55,767	100,418
Bank charges		6,887	25,511
Laundry expenses		-	53,750
Office supplies consumed		126,072	96,224
Withholding income tax		-	20,110
Eid Hide collection charges		48,550	-
Balances written off		-	20,000
Software maintenance		15,000	-
Depreciation on operating fixed assets	3	1,515,159	1,023,554
		26,914,128	21,180,303
Surplus for the year		5,669,898	1,054,589

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

**PRESIDENT**

**FINANCE SECRETARY**

**GENERAL SECRETARY**

President  
Mukhtaran Rafiq Foundation

Finance Secretary  
Mukhtaran Rafiq Foundation

General Secretary  
Mukhtaran Rafiq Foundation

# **Mukhtaran Rafiq Foundation**

## **Statement of Changes in Fund Balance**

**For the year ended June 30, 2020**

	<b>Note</b>	<b>Accumulated Surplus Rupees</b>
Balance as at July 01, 2018		31,531,959
Surplus for the year		1,054,589
Balance as at June 30, 2019		32,586,548
Balance as at July 01, 2019		32,586,548
Surplus for the year		5,669,898
Balance as at June 30, 2020		38,256,446

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

**PRESIDENT**

President  
Mukhtaran Rafiq Foundation

**FINANCE SECRETARY**

Finance Secretary  
Mukhtaran Rafiq Foundation

**GENERAL SECRETARY**

General Secretary  
Mukhtaran Rafiq Foundation

**Mukhtaran Rafiq Foundation****Statement of Cash Flows****For the year ended June 30, 2020**

	2020	2019
	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus for the year	5,669,898	1,054,589
Adjustment of non cash items:		
Depreciation on operating fixed assets	1,515,159	1,023,553
	7,185,057	2,078,142
Working capital changes:		
(Increase) / decrease in stock	(1,660,954)	1,699,826
Decrease in receivables	18,861	20,000
(Decrease) / increase in current liabilities	(4,500)	359,907
	(1,646,593)	2,079,733
Net cash generated from operating activities	5,538,464	4,157,875
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for the acquisition of operating fixed assets	(6,300,163)	(10,904,611)
Net cash (used in) investing activities	(6,300,163)	(10,904,611)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	-	-
Net increase in cash and cash equivalents	(761,699)	(6,746,736)
Cash and cash equivalents at the beginning of the year	1,621,838	8,368,575
Cash and cash equivalents at the end of the year	860,139	1,621,838

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

  
**PRESIDENT**

President  
Mukhtaran Rafiq Foundation

  
**FINANCE SECRETARY**

Finance Secretary  
Mukhtaran Rafiq Foundation

  
**GENERAL SECRETARY**

General Secretary  
Mukhtaran Rafiq Foundation



### 3 OPERATING FIXED ASSETS

	2020	2019
	34,428,207	29,643,203

	Land -Hospital	Building	Medical Equipments	Furniture and Fixtures	Office Equipments	Vehicles	CWIP	Total
<b>COST</b>								
Balance as at July 01, 2018	4,505,000	10,271,528	3,649,744	815,150	1,882,095	550,000	2,686,606	24,360,123
Additions	-	-	9,100	49,700	366,590	-	10,479,221	10,904,611
Balance as at June 30 2019	4,505,000	10,271,528	3,658,844	864,850	2,248,685	550,000	13,165,827	35,264,734
Balance as at July 01, 2019	4,505,000	10,271,528	3,658,844	864,850	2,248,685	550,000	13,165,827	35,264,734
Additions	-	-	303,750	6,900	311,675	-	5,677,838	6,300,163
Transferred from CWIP during the year	-	18,843,665	-	-	-	-	(18,843,665)	-
Balance as at June 30, 2020	4,505,000	29,115,193	3,962,594	871,750	2,560,360	550,000	-	41,564,897
<b>DEPRECIATION</b>								
Balance as at July 01, 2018	-	1,464,977	1,637,394	548,767	794,214	152,625	-	4,597,977
Charge for the year	-	440,328	302,366	46,055	175,199	59,606	-	1,023,554
Balance as at June 30 2019	-	1,905,305	1,939,760	594,822	969,413	212,231	-	5,621,531
Balance as at July 01, 2019	-	1,905,305	1,939,760	594,822	969,413	212,231	-	5,621,531
Charge on opening	-	418,311	257,863	40,504	191,891	50,665	-	959,234
Charge on addition	-	471,092	37,047	1,035	46,751	-	-	555,925
Balance as at June 30, 2020	-	2,794,707	2,234,669	636,362	1,208,055	262,897	-	7,136,690
Balance as at June 30 2019	4,505,000	8,366,223	1,719,085	270,028	1,279,272	337,769	13,165,827	29,643,203
Balance as at June 30, 2020	4,505,000	26,320,486	1,727,925	235,388	1,352,305	287,103	-	34,428,207
Depreciation rate (per annum)		5%	15%	15%	15%	15%		

**1 NATURE OF BUSINESS**

Mukhtaran Rafiq Foundation ("the Trust") has been registered under the voluntary social welfare agencies ordinance, 1961 (XLVI of 1961) and started its operation on September 27, 2011. The registered office of the trust is located at 146-saeed block canal bank scheme, fateh garh, Lahore. It providing medical services in respect of gynae, dental, laboratory and general medical services.

**2 SIGNIFICANT ACCOUNTING POLICIES****2.1 Accounting Convention**

These financial statements have been prepared under the historical cost convention.

**2.2 Operating fixed assets**

These are stated at cost less accumulated depreciation and any identified impairment loss. Depreciation is charged to income and expenditure account on reducing balance method so as to write off the historical cost of an asset over its estimated useful life at the rates given in note 3.

Maintenance and normal repairs are charged to income as and when incurred. Gains or losses arising on the sale of fixed assets are included in income.

**2.3 Revenue recognition**

Fee, donation and other income are recognized on receipt basis.

**2.4 Expenditure**

Expenditures are recognized when these are paid.

**2.5 Provisions**

Provisions are recognized when the Hospital has a present obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

**2.6 Foreign currency**

Foreign currency transactions are converted into Pak Rupees using the rates prevailing on the date of transaction.

**2.7 Trade and other payables**

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

		2020	2019
		----- Rupees -----	
<b>4 STOCK</b>			
Closing stock	8.1	3,694,878	2,033,924
<b>5 CASH AND BANK BALANCES</b>			
Cash in hand		118,789	137,276
Cash at bank - current account		741,350	1,484,562
		860,139	1,621,838
<b>6 ACCRUED EXPENSES</b>			
Staff salaries payable		755,554	-
Security guard salary payable		17,400	
Other expenses payable		46,013	-
		818,967	-
<b>7 RECEIPTS</b>			
Receipts from patients		6,495,810	5,948,211
Receipts from gynae department		380,900	399,288
Receipts from dental department		419,900	468,800
Receipts from laboratory		2,185,570	1,590,758
Receipts from operation theater		624,000	658,600
Donation income in cash	7.1	8,509,872	7,665,093
Donation income in kind		11,646,429	4,159,141
Tickets sales		36,720	-
Consultant fee income		309,550	-
Other income		1,975,275	1,345,000
		32,584,026	22,234,891
7.1 Donation has been reclassified in income and expenditure account instead in fund movement.			
<b>8 MEDICINE CONSUMED</b>			
Opening stock		2,033,924	3,733,750
Purchases		4,147,255	1,635,288
Donation received in kind		8,300,426	4,169,141
Closing stock	8.1	(3,694,878)	(2,033,924)
	8.2	10,786,727	7,504,255
<b>9 CONTINGENCIES AND COMMITMENTS</b>			

There are no contingencies and commitments as at June 30, 2020.

## 10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 23 Oct 2020 by president.

## 11 EVENTS AFTER THE BALANCE SHEET DATE

There is no reportable event occurring after the balance sheet date.

## 12 GENERAL

12.1 Corresponding figures have been re-arranged and re-classified wherever necessary for the purpose of comparison and to reflect more appropriate presentation of events.

12.2 Figures have been rounded off to the nearest of rupees.



**PRESIDENT**

President  
Mukhtaran Rafiq Foundation



**FINANCE SECRETARY**

Finance Secretary  
Mukhtaran Rafiq Foundation



**GENERAL SECRETARY**

General Secretary  
Mukhtaran Rafiq Foundation