



## Rehmat Welfare Foundation Jhelum

Kidney Care & General Hospital  
Opposite PTC, Thathi Gujran, Jhelum

Ph: +92-544-649 950 | Email : [rehmatfoundation@live.com](mailto:rehmatfoundation@live.com)

Ref: RWF/Account/2021-2022

Dated: 30 June 2022

To,

**The Director**

**Grant Thornton Anjum Rehman**

(Chartered Accountants)

302 B, 3<sup>rd</sup> Floor, Evacuee Trust Complex

Aga Khan Road, F-5/1

Islamabad

**Subject: REQUEST FOR AUDIT FROM 1<sup>ST</sup> JUL 2021 TO 30 JUN 2022**

**Respected Sir,**

It is forwarded that Audit for the period from 1<sup>st</sup> July 2021 to 30 June 2022 has not been carried out so far. 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

**Yours Truly,**

  
Internal Auditor  
Rehmat Welfare Foundation  
Jhelum

SEEN

  
President  
Rehmat Welfare Foundation  
JHELM

  
Deputy Director  
Social Welfare & B.M  
Jhelum



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To,

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**Grant Thornton Anjum Rehman**

(Chartered Accountants)

302 B, 3<sup>rd</sup> Floor, Evacuee Trust Complex

Aga Khan Road, F-5/1

Islamabad

**Subject: Review for Internal Audit Report Financial Year 2021-2022**

Dear Sir,

Internal Audit Report for the Financial Year 2021-2022 is here for your Review and for your kind remarks. In this Regard, Your Cooperation will be highly appreciated.

Thanking in Advance,

Yours Truly,

  
Internal Auditor  
Rehmat Welfare Foundation  
Jhelum

  
Deputy Director  
Social Welfare & B.M  
Jhelum

  
President  
Rehmat Welfare Foundation  
JHELM

SEEN

# **REHMAT WELFARE FOUNDATION JHELM**

**INTERNAL AUDIT**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**



# Rehmat Welfare Foundation Jhelum

Kidney Care & General Hospital  
Opposite PTC, Thathi Gujran, Jhelum  
Ph: +92-544-649 950 | Email : [rehmatfoundation@live.com](mailto:rehmatfoundation@live.com)

June 30, 2022

The Board of Trustees  
Rehmat Welfare Foundation  
Jhelum

Subject: Internal Audit Report for Period ended 30 Jun, 2022

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, 2022 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;

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

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

SEEN

  
President  
Rehmat Welfare Foundation  
JHELM



# REHMAT WELFARE FOUNDATION JHELUM

Balance Sheet

INTERNAL AUDIT

As at June 30, 2022

	Notes	2022 (Rupees)	2021 (Rupees)
<b>PROPERTY AND ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	22,480,291	21,086,419
<b>Capital work-in-progress</b>			
Construction of building		-	696,376
<b>Current Assets</b>			
Advance tax	5	831,195	754,739
Stock of medicines and disposables		4,818,506	2,132,759
Cash and bank balances	6	2,039,924	5,859,673
		7,689,625	8,747,171
		<u>30,169,916</u>	<u>30,529,966</u>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
General Fund		11,908,711	8,513,392
<b>Non-Current Liabilities</b>			
Deferred liabilities		17,624,038	21,908,293
<b>Current Liabilities</b>			
Accrued expenses		637,167	108,281
		<u>30,169,916</u>	<u>30,529,966</u>

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 Income and Expenditure

For the Year Ended June 30, 2022

**INTERNAL AUDIT**

	Notes	2022 (Rupees)	2021 (Rupees)
<b><u>INCOME</u></b>			
Donations/grants-Net	7	23,494,224	23,416,942
Hospital and dispensary income	8	5,738,542	5,076,950
Other income	9	222,677	106,298
		29,455,443	28,600,189
<b><u>EXPENDITURE</u></b>			
Project expenses	10	(21,444,055)	(21,693,471)
Administrative and general expenses	11	(4,616,069)	(4,311,494)
		(26,060,124)	(26,004,965)
<b>Surplus for the year</b>		<b>3,395,319</b>	<b>2,595,224</b>

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**
**For the Year Ended June 30, 2022**
**INTERNAL AUDIT**

	Note	2022 (Rupees)
<b><u>Cash flows from operating activities</u></b>		
Surplus for the year		3,395,319
<b><u>Adjustments for non-cash items:</u></b>		
Depreciation		2,041,954
		2,041,954
<b>Operating profit before working capital changes</b>		<b>5,437,273</b>
<b>Add/(Less): Adjustment for increase/(decrease) in working capital:</b>		
<i>Increase/(decrease) in current assets:</i>		
Advances, deposits and prepayments		(2,685,747)
<i>Increase/(decrease) in current liabilities:</i>		
Other payables		528,886
<b>Net working capital changes</b>		<b>(2,156,861)</b>
<b>Payments for</b>		
Income tax		(76,456)
		(76,456)
<b>Net cash (used in)/generated from operating activities</b>		<b>3,203,956</b>
<b><u>Cash flows from investing activities</u></b>		
Capital work-in-progress		696,376
Additions in property, plant and equipment excluding borrowing cost capitalized		(3,435,826)
Sale proceeds of property, plant and equipment		-
		(2,739,450)
<b>Net cash used in investing activities</b>		<b>(2,739,450)</b>
<b><u>Cash flows from financing activities</u></b>		
Adjustments		(4,284,255)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,819,749)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>5,859,673</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>6</b>	<b>2,039,924</b>

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

Notes to the Financial Statements

## INTERNAL AUDIT

For the Year Ended June 30, 2022

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### 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 Voluntary 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 carrying 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 carrying 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 carrying 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.



**REHMAT WELFARE FOUNDATION JHELUM****Notes to the Financial Statements****INTERNAL AUDIT****For the Year Ended June 30, 2022**

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**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

INTERNAL AUDIT

For the Year Ended June 30, 2022

4. Property, plant and equipment

PARTICULARS	C O S T				D E P R E C I A T I O N			W. D. V.	R A T E %
	As at July 01, 2021	Additions	(Deletion)	As at June 30, 2022	As at July 01, 2021	For the Year/Adjust ments	As at June 30, 2022	As at June 30, 2022	
Land	4,000,000	-	-	4,000,000	-	-	-	4,000,000	-
Building	5,527,900	696,376	-	6,224,276	1,050,302	505,378	1,555,680	4,668,596	10%
Furniture and fixtures	171,200	-	-	171,200	37,713	13,349	51,061	120,139	10%
Office equipments	3,135,062	348,100	-	3,483,162	1,497,401	178,005	1,675,406	1,807,756	10%
Medical equipments	18,631,803	2,391,350	-	21,023,153	9,231,623	1,057,724	10,289,347	10,733,806	10%
Motor vehicles	2,230,000	-	-	2,230,000	792,507	287,498	1,080,006	1,149,994	20%
<b>Rupees-2022</b>	<b>33,695,965</b>	<b>3,435,826</b>	<b>-</b>	<b>37,131,791</b>	<b>12,609,546</b>	<b>2,041,954</b>	<b>14,651,500</b>	<b>22,480,291</b>	<b>-----</b>
<b>Rupees-2021</b>	<b>31,126,318</b>	<b>3,119,980</b>	<b>(550,333)</b>	<b>33,695,965</b>	<b>11,200,341</b>	<b>1,409,205</b>	<b>12,609,546</b>	<b>21,086,419</b>	<b>-----</b>

  
 Internal Auditor  
 Rehmat Welfare Foundation  
 Jhelum

**REHMAT WELFARE FOUNDATION JHELUM**

Notes to the Financial Statements

For the Year Ended June 30, 2022

**INTERNAL AUDIT**

	2022 (Rupees)	2021 (Rupees)
<b>5. Advance tax</b>		
Opening balance	754,739	576,213
Tax deducted at source	76,456	178,526
Closing balance	<u>831,195</u>	<u>754,739</u>
<b>6. Cash and bank balances</b>		
Cash in hand	175,312	60,869
Cash at bank-saving account	1,864,612	5,798,804
	<u>2,039,924</u>	<u>5,859,673</u>
<b>7. Donations/grants</b>		
Donations/grants-Pakistan	11,665,895	1,852,538
Donations/grants-UK	11,828,329	21,564,404
	<u>23,494,224</u>	<u>23,416,942</u>
<b>8. Hospital and dispensary income</b>		
OPD-out patient department	555,042	366,950
Lab tests	-	-
Dialysis treatment	5,183,500	4,710,000
	<u>5,738,542</u>	<u>5,076,950</u>
<b>9. Other Income</b>		
Bank profits	222,677	106,298
	<u>222,677</u>	<u>106,298</u>
<b>10. Project expenses</b>		
Electricity expenses	1,068,233	852,027
Telephone charges	69,717	76,830
Salaries, wages and other benefits	739,000	2,671,000
Consultancy service charges	-	316,800
Dialysis disposable	7,299,540	4,363,970
Dialysis machine service charges	130,200	557,389
Water reverse osmosis service charges	97,000	131,500
Medicines	5,103,534	4,796,268
Generator fuel	482,518	118,112
Ambulance fuel	336,012	362,890
Laundry charges	144,000	144,000
Dusting and cleaning material	139,234	109,230
Hospital basic needs	647,393	983,305
Dispensary basic needs	102,374	159,685
Goods and transportation charges	55,000	69,300
Repair and maintenance-electric	67,300	154,060
Clean drinking water scheme	1,100,000	100,000
General welfare (Qurbani/ration activities)	3,863,000	5,727,105
	<u>21,444,055</u>	<u>21,693,471</u>

	2022	2021
<b>11. Administrative and general expenses</b>		
Salaries, wages and other benefits	893,321	807,000
Wages-daily basis	611,000	807,500
Security guard services	160,300	151,100
Electricity expenses	73,601	8,446
Telephone charges	11,723	10,700
Sui gas	3,100	3,110
General expenses	150,484	647,179
Tax deducted at source	76,456	-
Printing and stationery	95,410	106,041
Legal and professional charges	330,000	303,000
Registration fee	6,000	26,802
Bank charges	5,220	7,211
Auditor's remuneration	157,500	24,200
Depreciation-property, plant and equipment	2,041,954	1,409,205
	<b>4,616,069</b>	<b>4,311,494</b>

**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



FINANCE SECRETARY



PRESIDENT



Internal Auditor  
Rehmat Welfare Foundation  
Jhelum