

**ZAHRA BEAU NAQVI FOUNDATION
WELFARE TRUST RAWALPINDI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

**Grant Thornton Anjum
Rahman**

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

We have audited the accompanying financial statements of **Zahra Beau Naqvi Foundation Welfare Trust Rawalpindi (the Trust)** which comprise the statement of financial position as at June 30, 2021, and the statement of income and expenditure account, statement of changes in funds and the statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Trust as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with 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 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 The Board of Trustees for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of a Financial Statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees are responsible for overseeing the Trust's financial reporting process.

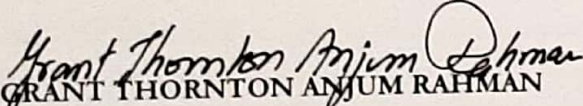
Auditor's Responsibilities for the Audit of the Financial Statement

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 statement.

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 the material misstatement of the financial statement, 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, if any, and related disclosures made in the financial statements by the 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 relating to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that 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 its 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 the Board of Trustees, 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.


GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Engagement Partner: Waqas Waris
Islamabad
September 01, 2021

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
STATEMENT OF FINANCIAL POSTION
AS AT JUNE 30, 2021

	Note	2021	2020
		Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	8,087,903	9,410,277
		8,087,903	9,410,277
CURRENT ASSETS			
Prepayments	5	165,656	9,176
Inventories	6	1,164,088	338,082
Tax due from Government		34,126	7,329
Cash and bank balances	7	3,455,527	2,169,547
		4,819,397	2,524,134
TOTAL ASSETS		12,907,300	11,934,411
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred capital grant	8	7,486,007	8,748,182
		7,486,007	8,748,182
CURRENT LIABILITIES			
Accrued and other payables	9	547,684	646,711
Deferred grant	10	486,969	-
		1,034,653	646,711
TOTAL LIABILITIES		8,520,660	9,394,893
NET ASSETS		4,386,640	2,539,518
REPRESENTED BY FUND			
Accumulated surplus		4,386,640	2,539,518
		4,386,640	2,539,518
CONTIGENCIES AND COMMITMENTS	11		

The annexed notes, from 1 to 16 form an integral part of these financial statements.

CHAIRMAN



CHIEF OPERATING OFFICER

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
 STATEMENT OF INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2021

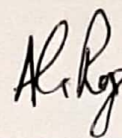
		2021	2020
	Note	----- Rupees -----	
INCOME			
Amortization of deferred capital grant	8	1,346,175	1,347,797
Donations	12	11,068,986	6,982,250
EXPENDITURE			
Programme expenses	13	(10,568,039)	(7,123,462)
SURPLUS FOR THE YEAR		1,847,122	1,206,585

The annexed notes, from 1 to 16 form an integral part of these financial statements.

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 CHAIRMAN





CHIEF OPERATING OFFICER

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
 STATEMENT OF CHANGES IN FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	FUND	TOTAL
	-----Rupees-----	
Balance as on July 01, 2019	1,332,933	1,332,933
Surplus for the year	1,206,585	1,206,585
Balance as on June 30, 2020	2,539,518	2,539,518
Balance as on July 01, 2020	2,539,518	2,539,518
Surplus for the year	1,847,122	1,847,122
Balance as on June 30, 2021	4,386,640	4,386,640

The annexed notes, from 1 to 16 form an integral part of these financial statements.



CHAIRMAN

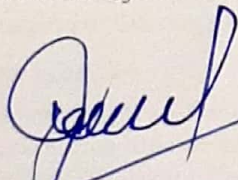



CHIEF OPERATING OFFICER

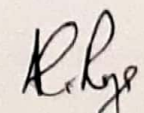
ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Note -----	Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	1,847,122	1,206,585
Adjustments for non-cash charges and other items:		
Depreciation of property and equipment	1,406,374	1,405,684
Amortization of deferred capital grant	(1,346,175)	(1,347,797)
Operating (deficit) / surplus before working capital changes	1,907,321	1,264,472
Working capital changes:		
(Increase) / decrease in current assets		
Inventories	(339,037)	797,178
Prepayments	(156,480)	18,213
Advances to employee	-	9,080
Tax deducted at source	(26,797)	(7,329)
Increase / (decrease) in current liabilities		
Accrued and other payables	(99,027)	(1,435,749)
	(621,341)	(618,607)
Cash generated from operations	1,285,980	645,865
Net cash inflow from operating activities	1,285,980	645,865
CASH FLOWS FROM FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase / (decrease) in cash and cash equivalents	1,285,980	645,865
Cash and cash equivalent at beginning of the year	2,169,547	1,523,682
Cash and cash equivalent at the end of the year	7 3,455,527	2,169,547

The annexed notes, from 1 to 16 form an integral part of these financial statements.


CHAIRMAN




CHIEF OPERATING OFFICER

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

1.1 Zahra Beau Naqvi Foundation Welfare Trust Rawalpindi (the Trust) was registered with the Joint Sub-Registrar, Rawalpindi, under the Trust Act, 1882, and established through a Trust Deed executed on 08 January, 2013.

The objects of the Trust include:

- (i) Reducing infant mortality, and provision of standard pediatric medicine and health care facilities;
- (ii) Provision of free food, temporary shelter and medical facilities for the needy and poor; and
- (iii) Adoption of all measures necessary for promoting welfare of the needy.

The registered office of the Trust is located at Office No.123, Road A, Phase IV, Bahria Town, Islamabad, Pakistan. The premises includes a small-scale laboratory to conduct basic-medical tests.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of Revised Accounting and Financial Reporting Standard for Small-Sized Entities (AFRS for SSEs) and Accounting Standard for Not for Profit Organizations (NPOs), as issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Trust's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Trust's accounting policies.

The estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

2.4.1 Useful life of property and equipment

Management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

2.4.2 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Trust, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

This is stated at cost less accumulated depreciation and impairment losses, if any. The depreciation charge is based on the straight-line method at rates disclosed in note 4, whereby the cost of an asset is written-off to the income and expenditure account over its estimated useful life. A full month's depreciation is charged in the month of purchase whereas no depreciation is charged in the month of disposal.

Useful lives are determined by the management based on the expected usage of assets, the expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods is recognized prospectively as a change in accounting estimate.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written-down to their recoverable amount.

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income and Expenditure in the year the asset is derecognized, and the related surplus on the revaluation is transferred directly to unrestricted funds.

Normal repairs and maintenance costs are charged to the statement of income and expenditure account as and when incurred.

3.2 Inventories

Inventories comprises of consumable items i.e., kits and cards. These are stated at the lower of cost and net realizable value. Cost comprises purchase price, including import duties and non-refundable / adjustable purchase taxes and other related costs which are directly attributable for bringing items of inventory to their present location and condition.

Net realizable value is determined on the basis of the estimated selling price of the product in the ordinary course of business less costs that would necessarily be incurred for its sale.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise the Trust's cash in hand and cash at bank.

3.4 Fund

The fund comprises of the accumulated surplus / deficits of unutilized donations / grants. The fund is used by the Trust for its various welfare activities in accordance with its programmes / plans.

3.5 Accrued liabilities

Accrued liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust.

3.6 Provisions

A provision is recognized when, and only when, the Trust has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate.

3.7 Taxation

No provision for tax has been recognized in the financial statements, after taking into account entitlement of tax credit to persons for charitable donations, under section 2(36) read with section 61 of the Income Tax Ordinance, 2001.

3.8 Revenue recognition:

3.8.1 Grant income

Income from grant is recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

3.8.2 Grants against operating activities

Grants of a non-capital nature are recognized as deferred grant at the time of their receipt. Subsequently, these are recognized in the statement of income and expenditure account to the extent of expenditure incurred. expenditure incurred against grants, against which grant funds have been committed but not received, is recognized in the statement of income and expenditure account and is reflected as a receivable from donors in the statement of financial position, if any. Contribution in the form of goods and services used in normal course of operations are recognized at fair value.

3.8.3 Grants against purchase of fixed assets

Grants received for the purchase of fixed assets are initially recorded as deferred grant against purchase of fixed assets upon receipt. Subsequently, these are recognized in the statement of income and expenditure account, on a systematic basis, over the periods necessary to match them with the useful life of the related assets.

3.8.4 Donations

Donations are recognized when they are received in the registered bank account of the Trust. The donations are further classified into to categories.

(i) General donations

Donations for which donors have not imposed any restriction on use are recognized in the year in which they are received, in the statement of income and expenditure account.

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(ii) **Restricted donations**

Donations raised through campaigning for a specific cause are recorded as deferred grants, for recognition in the statement of income and expenditure account, till the actual expenditure is incurred.

(iii) **In-kind donations**

An item of property and equipment, received as donation, is recognized at its fair value, with a corresponding credit to deferred capital grant. Subsequently, these are recognized in the statement of income and expenditure account on a systematic basis over the periods necessary to match them with the carrying value of the related assets.

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ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30 ,2021

4 PROPERTY AND EQUIPMENT

Particulars	Machinery	Office equipment	Furniture	Total
-----Rupees-----				
Cost				
Balance as at July 01, 2019	13,454,773	539,110	62,940	14,056,823
Additions during year	-	-	-	-
Balance as at June 30, 2020	13,454,773	539,110	62,940	14,056,823
Balance as at July 01, 2020	13,454,773	539,110	62,940	14,056,823
Additions during year	-	84,000	-	84,000
Balance as at June 30, 2021	13,454,773	623,110	62,940	14,140,823
Depreciation				
Balance as at July 01, 2019	3,109,176	115,891	15,795	3,240,862
Charge for the year	1,345,476	53,908	6,300	1,405,684
Balance as at June 30, 2020	4,454,652	169,799	22,095	4,646,546
Balance as at July 01, 2021	4,454,652	169,799	22,095	4,646,546
Charge for the year	1,345,476	54,604	6,294	1,406,374
Balance as at June 30, 2021	5,800,128	224,403	28,389	6,052,920
Carrying value as at June 30, 2021	7,654,645	398,707	34,551	8,087,903
Carrying value as at June 30, 2020	9,000,121	369,311	40,845	9,410,277
Rate of depreciation	10%	10%	10%	

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
5 PREPAYMENTS	Note	-----Rupees-----	
Prepayment		<u>165,656</u>	<u>9,176</u>
This represents fee paid to the Pakistan Centre for Philanthropy (PCP) for the renewal of Trust's PCP certification, valid for 3 years.			

		2021	2020
6 INVENTORIES	Note	-----Rupees-----	
Opening inventory		338,082	1,135,260
Additions during the year		2,728,279	472,116
Consumed during the year		<u>(1,902,273)</u>	<u>(1,269,294)</u>
	6.1	<u>1,164,088</u>	<u>338,082</u>

6.1 This represents unconsumed kits and cards of the Trust in its laboratory available at year end.

		2021	2020
7 CASH AND BANK BALANCE	Note	-----Rupees-----	
In hand		23,500	10,651
At bank			
Local currency - current account		3,432,027	2,158,896
		<u>3,455,527</u>	<u>2,169,547</u>

8 DEFERRED CAPITAL GRANT			
Balance at the beginning of the year		8,748,182	10,095,979
Additions during the year	8.1	<u>84,000</u>	-
		8,832,182	10,095,979
Amortization during the year		<u>(1,346,175)</u>	<u>(1,347,797)</u>
		<u>7,486,007</u>	<u>8,748,182</u>

8.1 This represent in-kind donation received from Dr. Ali Raza Clinical Director.

		2021	2020
9 ACCRUED AND OTHER PAYABLES	Note	-----Rupees-----	
Accounts payable		97,044	386,037
Accrued liabilities		447,675	180,641
Short term bridge loan	9.1	-	80,000
Withholding sale tax payable		2,965	33
		<u>547,684</u>	<u>646,711</u>

9.1 Outstanding loan of Rs. 80,000 payable to Dr. Ali Raza, Chief Operating Officer / Clinical Director has been repaid during the year.

		2021	2020
10 DEFERRED GRANT	Note	-----Rupees-----	
Balance at the beginning of the year		-	-
Additions during the year	10.1	<u>486,969</u>	-
Amortization/utilized during the year		-	-
		<u>486,969</u>	-

10.1 This represents fair value of testing kits received free of cost by PerkinElmer, Finland.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments as at June 30, 2021 (2020: nil).

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

12 DONATIONS	Note	2021	2020
		-----Rupees-----	
Restricted	12.1	3,636,417	656,000
Unrestricted - General	12.2	5,612,275	5,354,750
Related party donations	12.3	122,851	971,500
In kind	12.4	1,697,443	-
		<u>11,068,986</u>	<u>6,982,250</u>

- 12.1 This represents the amount donated by multiple donors, specifically for the expenditure on the international courier of samples, for screening tests to be conducted in Jordan.
- 12.2 This represents amount received from multiple donors, both local and foreign, in favour of the Trust. These donations have been subsequently remitted to the registered bank account of the Trust.
- 12.3 Donation for the year represents general donation of Rs 79,750 (2020: Rs. 920,000) and restricted donation of Rs. 43,101 (2020: Rs. 51,500) by Dr. Ali Raza, Chief Operating Officer / Clinical Director.
- 12.4 Donation for the year includes free full metabolic screening value of Rs 1,638,468 carried out by Medlabs Consultancy Group Jordon, and free cards value Rs 58,975 supplied by PerkinElmer, Finland.

13 PROGRAMME EXPENSES	Note	2021	2020
		-----Rupees-----	
Salaries and allowances	13.1	3,168,739	2,456,174
Consumable items	13.2	1,902,273	1,269,294
Depreciation expense	4	1,406,374	1,405,684
Events and seminars	13.3	527,037	47,800
Full Metabolic screening cost		1,638,468	-
Postage and courier	13.4	471,417	469,542
Rent expense		511,104	464,640
Transportation	13.5	57,274	238,845
Patient sponsorship program		-	95,673
Utilities		219,860	220,616
Printing and stationary		36,075	26,064
Legal and professional charges		36,030	49,000
Penalty charges	13.6	125,000	-
Office expenses		56,848	23,824
Audit fee		159,500	153,800
Repairs and maintenance - general		150,235	141,250
Entertainment expenses		8,525	1,409
Amortization of PCP license fee		17,800	19,333
Medical supplies		41,965	17,835
Communication expenses		16,100	16,170
Bank charges		17,415	6,509
		<u>10,568,039</u>	<u>7,123,462</u>

- 13.1 This includes salaries of staff hired on contract basis for the provision of medical services to beneficiaries. No remuneration was paid to the Chairman.
- 13.2 This represents expenditure incurred on the procurement of various types of consumable items comprising of kits and test cards.
- 13.3 This represented expenses incurred on the awareness campaign. *yt*

ZAHRA BEAU NAQVI FOUNDATION WELFARE TRUST RAWALPINDI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

13.4 This represents expenditure incurred on international couriers of samples for medical tests conducted in Jordan.

13.5 This represents transportation costs incurred by the Trust for the commute of staff to / from beneficiaries.

13.6 This represents amount paid to FBR against penalty for sale tax status.

14 RELATED PARTY TRANSACTIONS

The related parties of the Trust comprise of the key management personnel and Trustees of the Trust. There are no transactions with related parties other than already disclosed in respective notes to the financial statements.

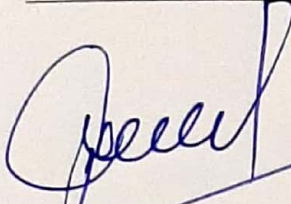
15 GENERAL

Figures in these financial statements have been rounded-off to the nearest Rupee.

16 DATE OF AUTHORIZATION OF ISSUE

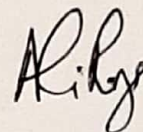
These financial statements were authorized for issue by the Board of Trustees in a meeting held on

07 SEP 2021



CHAIRMAN





CHIEF OPERATING OFFICER