

THE PATIENTS' BEHBUD SOCIETY FOR AKUH

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The Executive Committee
The Patients' Behbud Society for AKUH
Stadium Road
P.O. Box 3500
Karachi

March 30, 2016

ASR 1847

Dear Sirs

**THE PATIENTS' BEHBUD SOCIETY FOR AKUH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

We enclose five copies of the financial statements of the Patients' Behbud Society for AKUH (the Society) for the year ended December 31, 2015 with our draft audit report, thereon, initialed by us for identification purposes only, which we shall be pleased to sign, in its present or amended form, after:

- a) these financial statements have been approved by the Executive Committee (the Committee) and are signed by the Chairman and the Secretary of the Society;
- b) we have received a representation letter duly signed by the Chairman and the Secretary of the Society, a draft of which has already been provided to the management of the Society; and
- c) we have received the final draft of 'other information' to be printed in the annual report of the Society to consider whether it, including the manner of its presentation, is materially consistent with information appearing in the enclosed financial statements.

In paragraph 3 of this letter we have set forth a matter for your attention, which was noted during our audit of the enclosed financial statements. A more extensive special examination may have revealed other matters.

**2. RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT IN
RELATION TO THE FINANCIAL STATEMENTS**

The responsibilities of the independent auditors, in a usual examination of financial statements, are explained in International Standard on Auditing 200 "Overall objectives of the Independent Auditor and the conduct of an audit in accordance with International Standards on Auditing." While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for the preparation of the financial statements is primarily that of the Society's management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of assets of the Society, and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

We would like to advise you that unless we have signed the auditors' report on the enclosed financial statements the same shall remain and deemed to be unaudited.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Lahore: 23-C, Aziz Avenue, Canal Bank, Gulberg V, P.O. Box 39, Lahore 54660, Pakistan; Tel: +92 (42) 35715864-71; Fax: +92 (42) 35715872
Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan; Tel: +92 (51) 2273457-60; Fax: +92 (51) 2277924
Kabul: Apartment No. 3, 3rd Floor, Dost Tower, Haji Yaqub Square, Sher-e-Nau, Kabul, Afghanistan; Tel: +93 (779) 315320, +93 (799) 315320

3. COMPLETENESS OF ZAKAT

In any organization which receives donations (zakat) from its well wishers, an inherent risk exists, whereby the completeness of the donations received in cash cannot always be ensured. In these circumstances, consistent with prior years, we have relied on the management's assertions as to the completeness of zakat received in cash.

* * * * *

We wish to place on record our appreciation of the courtesy and cooperation extended to us during the course of our audit.

Yours truly



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed statement of financial position of the Patients' Behbud Society for AKUH (the Society) as at December 31, 2015 and the related statement of comprehensive income and statement of cash flows together with the notes forming part thereof (here-in-after referred to as 'the financial statements') for the year then ended.

Management's Responsibility

Management is responsible for the preparation of the financial statements in accordance with the basis of preparation stated in note 2.1 to the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of the Patients' Behbud Society for AKUH as at December 31, 2015 and of its financial performance and cash flows for the year then ended in accordance with the basis of preparation stated in note 2.1 to the financial statements.



Chartered Accountants
Karachi
Date: April 20, 2016

Audit Engagement Partner: Waqas A. Sheikh

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THE PATIENTS' BEHBUD SOCIETY FOR AKUH
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2015

	Note	2015	2014 Restated
Rupees in '000			
ZAKAT FUND ACCOUNT	4	121,187	116,917
GENERAL FUND ACCOUNT	5	864	781
		<u>122,051</u>	<u>117,698</u>
CURRENT ASSETS			
Cash and bank balances	6	121,315	116,788
Accrued profit on bank deposits		736	910
		<u>122,051</u>	<u>117,698</u>

The annexed notes from 1 to 8 form an integral part of these financial statements.

ps.

Chairman

Secretary

THE PATIENTS' BEHBUD SOCIETY FOR AKUH
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	2015	2014 Restated
Rupees in '000			
INCOME			
Return on savings bank accounts:			
- Islamic bank accounts		9,510	9,910
- Profit & Loss bank accounts		119	269
Donations		8,000	5,000
Donation in kind	2.4	12,968	7,538
Total income		30,597	22,717
EXPENDITURE			
Total general and administrative expenses	7	21,173	12,703
Surplus for the year		9,424	10,014
Transferred to:			
Zakat fund account	4	9,341	9,745
General fund account	5	83	269
		9,424	10,014

The annexed notes from 1 to 8 form an integral part of these financial statements.

apx.



 Chairman



 Secretary

THE PATIENTS' BEHBUD SOCIETY FOR AKUH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	2015	2014 Restated
Rupees in '000			
CASH INFLOWS			
Zakat collected	4	128,132	108,096
Return on saving bank accounts received		9,803	10,068
Donations		8,000	5,000
Total cash inflow during the year		<u>145,935</u>	<u>123,164</u>
CASH OUTFLOWS			
Zakat disbursed	4	(133,203)	(124,356)
General and administrative expenses		(8,205)	(5,165)
Total cash outflow during the year		<u>(141,408)</u>	<u>(129,521)</u>
Net increase / (decrease) in cash and bank balances		<u>4,527</u>	<u>(6,357)</u>
Cash and bank balances at beginning of the year		116,788	123,145
Cash and bank balances at end of the year	6	<u>121,315</u>	<u>116,788</u>

The annexed notes from 1 to 8 form an integral part of these financial statements.

apv.



Chairman



Secretary

THE PATIENTS' BEHBUD SOCIETY FOR AKUH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION

The Patients' Behbud Society for AKUH (the Society) was established by well wishers of the Aga Khan University Hospital (the Hospital) under a constitution dated June 22, 1993 (the Constitution) for supporting needy patients seeking treatment at the Hospital through Zakat funds available with the Society. The Society is registered under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961 (XLVI of 1961) since August 23, 1993. The principal office of the Society is situated at the Aga Khan University Hospital, Stadium Road, P.O. Box 3500, Karachi 74800.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and Statement of Compliance

These financial statements have been prepared in accordance with the constitution and the directions of the Executive Committee of the Society. These financial statements have been prepared under the historical cost convention.

2.2 Zakat

Zakat is recognised on receipt basis.

2.3 Revenue recognition

Profit on saving bank accounts is recognised on an accrual basis.

2.4 Donation in kind

Policy of recognising donations in kind has been adopted and the donations in kind are recognised at fair value. The effect of change in policy is disclosed in note 3.

2.5 Disbursements

Disbursements are recognised as commitments when these are approved by the Committee. Subsequent to approval, these amounts are paid to the Hospital on behalf of Mustahiqeen patients.

3. The effects of the change in accounting policy is as follows:

	Amount previously reported	Effect of change in accounting policy	Restated amount
Rupees in '000			
<u>Effect on Statement of Comprehensive Income</u>			
For the year ended December 31, 2014			
Income			
Donation in kind	-	7,538	7,538
Expenditure			
Total general and administrative expenses	5,165	7,538	12,703

M/S

THE PATIENTS' BEHBUD SOCIETY FOR AKUH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014 Restated
Rupees in '000		
4. ZAKAT FUND ACCOUNT		
Balance as at January 1	116,917	123,432
Zakat collected during the year	128,132	108,096
Surplus during the year	9,341	9,745
	254,390	241,273
Zakat disbursed during the period	(133,203)	(124,356)
Balance as at December 31	121,187	116,917
5. GENERAL FUND ACCOUNT		
Balance as at January 1	781	512
Surplus during the year	83	269
Balance as at December 31	864	781
6. CASH AND BANK BALANCES		
Saving accounts		
Profit & Loss accounts	8,902	783
Islamic accounts	108,083	115,704
	116,985	116,487
Current accounts	4,330	301
	121,315	116,788
7. TOTAL GENERAL AND ADMINISTRATIVE EXPENSES		
Advertisement for Zakat campaign	20,968	12,538
Professional fee	92	136
Bank charges and others	113	29
	21,173	12,703

8. DATE OF AUTHORISATION

These financial statements were authorised for issue on April 27, 2016 by the Executive Committee of the Society.

apb.

Chairman

Secretary