



Shahzad and Company Chartered Accountants

3rd Floor, Al-Mustafa Building, 5 Mozang Road, Lahore
Tel: 42 – 7263451, 0300-4461264

Auditor's Report

TO THE MEMBERS OF KAINAT CARE FOUNDATION

Report on the Financial Statements

Auditor's Report

We have audited the attached Balance Sheet of **KAINAT CARE FOUNDATION, 21-S-36, QADRI STREET OPP. UMER SUPER STORE, NEAR ITTEFAQ HOSPITAL MODEL TOWN LAHORE** as at 30th June, 2018 and also the Income & Expenditure Account and Receipts & Payments Account for the year ended on that date, annexed there to and report as follows:

- 1) We have obtained all the information and explanations which to the best of our knowledge were necessary for the purpose of our audit;
- 2) In our opinion, proper books of account as required by law have been kept by the Society so far as appears from our examination of the books;
- 3) The Balance Sheet, Income & Expenditure Account and Receipts & Payment Account dealt with by this report are in agreement with the books of accounts;
- 4) In our opinion and to the best of our information and according to the explanations given to us, the accounts give a true and fair view:
 - a) in the case of the Balance Sheet, of the state of affairs of the Society as at **30th June, 2018**;
 - b) in the case of the Income & Expenditure Accounts, of the surplus of the Society for the year ended on that date; and,
 - c) in the case of the Receipts & Payment Account, of the receipts and payments of the Society during the year ended on that date.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in Pakistan, including the Accounting Standards specified under Section 133 of the Act, This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies;



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making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under company Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in Pakistan;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2018;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) The financial statements which, describes the uncertainty related to the outcome of the lawsuit filed against the Company by Kainat Patient Care Services.
- b) In the financial statement which indicates that the Company has accumulated losses and its



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c) Net worth has been fully/substantially eroded, the Company has incurred a net loss/net cash loss during the current year and previous year(s) and, the Company current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note Y, indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us)
- c) [The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report]
- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.[and the returns received from the branches not visited by us]
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards of the Companies (Accounts) Rules.
- f) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) On the basis of written representations received from the directors as on 30 June, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 30 June 2018, from being appointed as a director in terms of company act.
- h) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements to the financial statements ;[or the Company does not have any pending litigations which would impact its financial position]
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts to the financial statements; [or the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses]
 - iii. There has been no delay in transferring amounts, required to be transferred, to the



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Investor Education and Protection Fund by the Company [or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which required to be transferred.

Place: LAHORE

Dated: 30-06-2018



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M/S. KAINAT CARE FOUNDATION

BALANCE SHEET AS AT

June 30, 2018

<u>CAPITAL & LIABILITIES</u>	<u>PROPERTIES & ASSETS</u>	<u>AMOUNT</u>
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Opening Balance	Computers & Printers	300,000
2636727.00	Furniture & Fixture	550,000
	Office Equipment	200,000
	Books & Periodicals	24,000
	Digital Cameras	20,000
	Motor Bikes (3)	250,000
	Ambulance	<u>800,000</u>

TOTAL LAIBILITIES	2,144,000
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Current Liabilities	Cash & Bank Balance in hand
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2144000.00	2636727.00	TOTAL: 4780727.00
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CHAIRMAN
Kainat Care Foundation



SHAHZAD & COMPANY
Chartered Accountants

M/S. KAINAT CARE FOUNDATION INCOME & EXPENDITURE STATEMENT AS AT June 30, 2018

RECEIPTS

AMOUNT

01.	Cash from Kainat Patient Care Services	300,0000.00
02.	Cash from Provisional Government	277,500,000.00
03.	Membership Fee	200,000.00
04.	Local Donations	400,300.00
TOTAL		281,100,300.00

LESS: EXPENSES

1.	Staff salaries	2000,000.00
2.	Office Rent	192,000.00
3.	Utilities	36,573.00
4.	Printing & Stationery	100,000.00
5.	Local Traveling	35,000.00
6.	Staff Entertainment and Celebrations	100,000.00
7.	Development of different Christian colonies in Punjab Province	277,500,000.00
8.	Scholarship Project for deserving students	500,000.00

TOTAL

278,463,573.00

BALANCE AND CASH IN HAND

192, 2377.00

Chairman
Kainat Care Foundation



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Chartered Accountants