

**FINANCIAL STATEMENTS
OF
PAKISTAN RED CRESCENT SOCIETY (SINDH PROVINCIAL BRANCH)
FOR THE YEAR ENDED DECEMBER 31, 2023**

RAZA SIDDIQUI & CO.

CHARTERED ACCOUNTANTS

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RAZA SIDDQUI & CO. CHARTERED ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

TO THE MANAGEMENT COMMITTEE OF PAKISTAN RED CRESCENT SOCIETY (SINDH PROVINCIAL BRANCH)

Qualified Opinion

We have audited the financial statement of **Pakistan Red Crescent Society (Sindh Provincial Branch)** which comprise of the statement of financial position as at December 31st 2023, and the statement of income and expenditures, the statement of cash flows and the statement of changes in accumulated funds for the year ended December 31st 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matters described in point of Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, income and expenditure accounts, the statement of cashflows and the statement of changes in accumulated funds of **Pakistan Red Crescent Society (Sindh Provincial Branch)** as at **December 31, 2023**.

Basis for Qualified Opinion

The Society is operating an unfunded defined benefit plan, covering all its permanent employees. The calculation on which the gratuity is based are on unjustified assumption, however, in the absence of the actuarial valuation of the employees' benefits plan, we are unable to calculate at what extent the amount will be higher or lower recognized in the deferred liability for gratuity.

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 Society 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 Statement

The Members of Managing Committee is responsible for the preparation and fair presentation of the financial statement in accordance with approved accounting standards as applicable in Pakistan, as described in note 2.1 to the financial statement, and for such internal control as the Managing Committee determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Society'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 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 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 Society'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 Managing Committee'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 Society'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 statement 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 Society 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.


Raza Siddiqui & Co
Chartered Accountants

Date:

UDIN: AR202310266F1SzIA2bR

PAKISTAN RED CRESCENT SOCIETY (SINDH PROVINCIAL BRANCH)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	27,290,433	23,826,472
Intangible asset	5	131,136	196,703
Long term investments	6	55,000,000	65,000,000
		82,421,569	89,023,175
CURRENT ASSETS			
Advances, deposits and prepayments	7	136,356,988	90,342,096
Accrued Income	8	3,071,223	1,182,960
Cash and bank balances	9	2,331,015	27,166,257
		141,759,226	118,691,313
		224,180,795	207,714,488
LESS : CURRENT LIABILITIES			
Bank overdraft		7,317,559	23,083,592
With Holding Tax Payable		-	319,448
Accrued and other liabilities	10	106,154,548	63,142,888
		113,472,107	86,545,928
Contingencies and commitments	11	-	-
NET ASSETS		110,708,688	121,168,560
REPRESENTED BY :			
GENERAL FUND			
Accumulated surplus		101,340,258	112,400,130
NON CURRENT LIABILITIES			
Security deposit received from tenant		6,556,472	5,956,472
50% Share from Distt. Br. For Ambulance Pajero		2,811,958	2,811,958
		9,368,430	8,768,430
		110,708,688	121,168,560

The annexed notes form integrated part of this financial statement.

[Signature]

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PAKISTAN RED CRESCENT SOCIETY (SINDH PROVINCIAL BRANCH)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Note</u>	<u>2023 Rupees</u>	<u>2022 Rupees</u>
Income	12	84,785,894	94,124,762
Expenditure			
Health care expenditure	13	17,796,614	15,479,741
Ambulance services	14	10,327,253	8,808,441
Maintenance expenditure of Hilal -e- Ahmar House	15	33,693,747	33,282,172
Other expenditure	16	17,919,964	22,494,740
		79,737,578	80,065,094
Net surplus from operation		5,048,317	14,059,669
General and administrative expenditure	17	15,890,921	15,827,493
Financial charges	18	217,268	237,984
		16,108,189	16,065,477
(Deficit) before taxation		(11,059,872)	(2,005,809)
Taxation	20	-	-
Net (deficit) for the year after taxation		<u>(11,059,872)</u>	<u>(2,005,809)</u>

The annexed notes form integrated part of this financial statement.

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