



**FINANCIAL STATEMENTS  
OF  
HASAN SULEMAN FOUNDATION  
(A COMPANY UNDER SECTION 42  
OF THE COMPANIES ACT, 2017)  
FOR THE PERIOD FROM  
FEBRUARY 24, 2023 TO JUNE 30, 2023**

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

The Board of Trustees,  
Hasan Suleman Foundation,  
(A Company under section 42 of the Companies Act, 2017),  
Plot#89, Deh Khanto, Taluka  
Ibrahim Hyderi, District Malir,  
Karachi.

March 26, 2024  
G-54/AA-0563/24

**AUDIT OF FINANCIAL STATEMENTS FOR THE PERIOD FROM FEBRUARY 24, 2023 TO JUNE 30, 2023**

Dear Board Members,

We are pleased to enclose herewith two copies of the draft financial statements of HASAN SULEMAN FOUNDATION (a Company under section 42 of the Companies Act, 2017), herein after referred to as "the Company" for the period from Feb 24, 2023 to June 30, 2023 together with our draft report duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the financial statements have been approved by the Board of Trustees (the Board) and signed on their behalf by the Managing Trustee and Project Director and upon receipt of the following:

1. Letter of representation addressed to us on behalf of the Board and signed by the Managing Trustee and Project Director as per draft provided by us.
2. The Board's resolution in respect of the following items:
  - Adoption of International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs);
  - Adoption of accounting policies;
  - Bank account opened during the period;
  - Additions to property and equipment amounting to Rs.123.48 million;
  - Donations received during the period amounting to Rs. 4.35 million; and
  - Donations utilized during the period amounting to Rs. 3.25 million.
  - Valuation of land amounting to Rs. 122.69 million as per approved FBR valuation rate sheet which approximates the fair value.

We would like to advise you that unless we sign our report, these draft financial statements shall remain and be deemed un-audited.

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Below are the matters which we would like to bring into the attention of the Board:

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

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in section 249 of the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Foundation'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 the assets of the Company and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

**2 TAXATION**

Section 100C was introduced by Finance Act, 2014 which states that such entities which were exempt under clause 58 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (the Ordinance) shall be allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes payable subject to the following conditions, namely:

- a. Return has been filed;
- b. Tax required to be deducted or collected has been deducted or collected and paid; and
- c. Withholding tax statements for the immediately preceding tax year have been filed.
- d. The administrative and management expenditure does not exceed 15% of the total receipts.
- e. The Trust has obtained approval from the Commissioner as per the requirement of clause (36) of section 2 of the Income Tax Ordinance 2001 and such approval is valid till December 31, 2023; and
- f. Other Provisions as specified in Rule 213 of the Income tax rules, 2002.

We understand that the Company may qualify as a non-profit organization within the meaning of aforementioned section of the Income Tax Ordinance 2001, therefore, we suggest that the Company should obtain income tax exemption in order to avoid any tax implications.

**3 RELATED PARTY TRANSACTIONS**

We have been informed by the management that there were no transactions with related parties other than those disclosed in the financial statements. Kindly confirm the representation made by the management.

**4 FRAUD AND ERROR**

We have been informed by the management that no case of fraud and error has been brought to their knowledge during the reporting period. Kindly confirm the representation made by the management.

**5 CONTINGENCIES AND COMMITMENTS**

We have been informed by the management that there are no contingencies and commitments at the reporting date other than those disclosed in the financial statements. Kindly confirm the representation made by the management.

**6 COMPLIANCE WITH STATUTORY LAWS AND REGULATIONS**

We have been informed by the management that there were no instances of non-compliance with statutory laws and regulations that would have financial reporting implications. We require the Board to confirm the representation made by the management to this effect.

**7 SUBSEQUENT EVENTS**

We have been informed by the management that there were no events subsequent to the reporting period, which require adjustment or disclosure in the financial statements. Kindly confirm the representation made by management.

We would like to take this opportunity to thank your management and staffs for the courtesy and cooperation extended to us during the course of our audit.

Yours faithfully,

*BDO Ebrahim & Co.*

**BDO EBRAHIM & CO.**

Enclosed as above

**DRAFT**

## TO THE TRUSTEES OF HASAN SULEMAN FOUNDATION

(A Company under section 42 of the Companies Act, 2017)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of HASAN SULEMAN FOUNDATION (a Company under section 42 of the Companies Act, 2017), ("the Foundation"), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure and other comprehensive income, the statement of changes in fund and statement of cash flows for the period from February 24, 2023 to June 30, 2023 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of income and expenditure and other comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2023 and of the surplus and other comprehensive income, its changes in fund and its cash flows for the period from February 24, 2023 to June 30, 2023 then ended.

#### Basis for Opinion

We conducted our audit in accordance with the 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 Foundation 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 Board of Trustees for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

#### BDO Ebrahim & Co. Chartered Accountants

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## Auditor's Responsibilities for the Audit of the Financial Statements

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 statements, 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 Foundation'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 management'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 Foundation'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 statements 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 Foundation 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 the Board of Trustees 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.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion,

- a) proper books of account have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of cash flows and the statement of changes in fund together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Foundation's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Arqam Ayubi.

KARACHI

DATED: 28 MAR 2024

UDIN: AR202310742s0Ry3kgrl


*BDO Ebrahim & Co.*  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

**HASAN SULEMAN FOUNDATION**  
 (A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
**STATEMENT OF FINANCIAL POSITION**  
 AS AT JUNE 30, 2023

	Note	2023 Rupees
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipment	4	123,480,500
<b>CURRENT ASSETS</b>		
Advance tax	5	1,242,825
Cash and bank balances	6	1,113,870
		2,356,695
<b>TOTAL ASSETS</b>		125,837,195
<b>FUND AND LIABILITIES</b>		
Capital fund	7	125,658,995
<b>CURRENT LIABILITIES</b>		
Audit fee payable		178,200
<b>TOTAL FUND AND LIABILITIES</b>		125,837,195
<b>CONTINGENCIES AND COMMITMENTS</b>	8	

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

  
**MANAGING TRUSTEE**

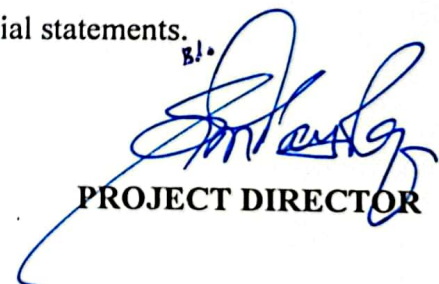
  
**PROJECT DIRECTOR**

**HASAN SULEMAN FOUNDATION**  
**(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)**  
**STATEMENT OF INCOME AND EXPENDITURE AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM FEBRUARY 24, 2023 TO JUNE 30, 2023**

	Note	2023 Rupees
<b>INCOME</b>		
Donation	9	4,355,380
<b>EXPENDITURE</b>		
Audit fee	10	178,200
Financial charges		1,130
		<u>179,330</u>
Surplus before tax		4,176,050
Taxation	5	<u>(1,211,055)</u>
Surplus for the period		<u>2,964,995</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income for the period		-
Total comprehensive income for the period		<u><u>2,964,995</u></u>

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

  
**MANAGING TRUSTEE**

  
**PROJECT DIRECTOR**

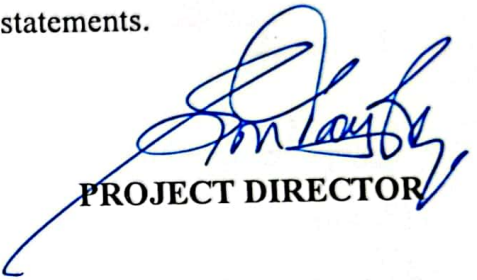
**HASAN SULEMAN FOUNDATION**  
(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)

**STATEMENT OF CHANGES IN FUND**  
**FOR THE PERIOD FROM FEBRUARY 24, 2023 TO JUNE 30, 2023**

	<b>Capital fund</b>	<b>Total</b>
Fund received during the period	122,694,000	122,694,000
Surplus for the period	2,964,995	2,964,995
Balance as at June 30, 2023	<u>125,658,995</u>	<u>125,658,995</u>

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

  
MANAGING TRUSTEE

  
PROJECT DIRECTOR

**HASAN SULEMAN FOUNDATION**  
(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM FEBRUARY 24, 2023 TO JUNE 30, 2023**

**2023**  
**Rupees**

**CASH FLOWS FROM OPERATING ACTIVITIES**

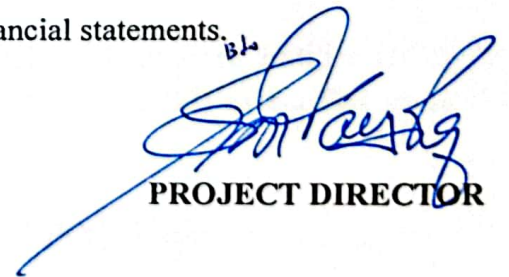
Surplus for the period	2,964,995
Adjustment for items not involving movements of funds:	
Financial charges	<u>1,130</u>
	2,966,125
<b>Increase in current liabilities</b>	
Audit fee payable	<u>178,200</u>
Cash generated from operations	3,144,325
Taxes paid	(1,242,825)
Financial charges paid	<u>(1,130)</u>
Net cash flows from operating activities	1,900,370

**CASH FLOWS FROM INVESTING ACTIVITIES**

Additions to property and equipment and net cash used in investing activities	<u>(786,500)</u>
Net increase in cash and cash equivalents	1,113,870
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	<u><u>1,113,870</u></u>

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

  
**MANAGING TRUSTEE**

  
**PROJECT DIRECTOR**

## **HASAN SULEMAN FOUNDATION**

(A COMPANY UNDER SECTION 42 OF THE COMPANIES ACT, 2017)

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM FEBRUARY 24, 2023 TO JUNE 30, 2023**

#### **1 NATURE AND STATUS OF BUSINESS**

1.1 The Hasan Suleman Foundation ("the Foundation") was incorporated in Pakistan on February 24, 2023, as a public company limited by guarantee. The Foundation has been granted license under section 42 of the Companies Act, 2017, as a not-for-profit company. The principal purpose is to alleviate human suffering and to provide medical aid to needy persons and hospital services for the welfare of the people.

#### **1.2 GEOGRAPHICAL LOCATION AND ADDRESS OF THE HOSPITAL**

The registered office of the Foundation is situated at B-41, Block 05, Gulshan-e-Iqbal, Karachi. The site of the Hospital is situated at Plot #89, Deh Khanto, Taluka Ibrahim Hyderi, District Malir Karachi.

#### **2 BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Accounting Standard for Not-for-Profit Organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

Where provisions of and directives issued under the Companies Act 2017 differ from the IFRS for SMEs or the Accounting standard for NPO, the provisions of and directives issued under the Companies Act, 2017 have been followed.

##### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost basis unless stated otherwise.

### **2.3 Functional and presentation currency**

These financial statements are presented in Pakistani Rupee or ("Rs." ), which is the functional and presentation currency for the Foundation.

### **2.4 Significant accounting estimates and judgements**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

Useful lives of property and equipment and methods of depreciation - Note 4  
Contingencies - Note 8

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Property and equipment**

These are stated at cost less accumulated depreciation except for the land received from the Government and it's stated at the fair value. Depreciation is charged on a pro rata basis by using straight line method at rates specified in the relevant note. Normal repairs and maintenance are charged to expense as and when incurred. Gain or loss on disposal of fixed assets are recognised in statement of income and expenditure.

### **3.2 Cash and bank balances**

Cash in hand and at bank are carried at nominal amount.

### **3.3 Trade and other payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

### **3.4 Provisions**

A provision is recognized when the Foundation has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

### **3.5 Donations**

Donation income is recognized on receipt basis.

### **3.6 Funds**

#### **(a) Restricted funds**

Funds received as granted for specific purposes are classified as restricted fund. For this purpose:

-when grants received are in excess of their outlay, these are recognized as income to the extent of related / budgeted expenses incurred. The excess balance is carried forward as restricted fund balance.

-when grants received are less than related expenditure incurred, the balance to the extent of commitment is recognized as receivable, if there is a strong probability of recovery of the contractual receivable from the respective donors.

#### **(b) Unrestricted funds**

Funds received for ongoing operations without any restriction on utilization are classified as unrestricted funds. These funds are recognized as income when received. The expenses incurred against such funds are recognized in the statement of income and expenditure as and when incurred.

### **3.7 Financial instruments**

All the financial assets and financial liabilities are recognized at the time when the Foundation becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to the statement of income and expenditure account.

### 3.8 Offsetting of financial assets and liabilities

Financial asset and financial liability are offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

### 3.9 Taxation

Provision for taxation is based on income for the year determined in accordance with the prevailing laws.

	Note	2023 Rupees
<b>4 PROPERTY AND EQUIPMENT</b>		
<b>Gross carrying value basis</b>		
Addition during the period		123,480,500
Gross carrying value	4.1	<u>123,480,500</u>
<b>4.1</b>		
This represents the land provided by the Government of Sindh for the purpose of establishing charitable organization, dated May 3, 2023, situated at Plot # 89, Deh Khanto, Taluka Ibrahim Hyderi, District Malir, Karachi. The land has been valued at the rate specified in the FBR approved valuation rate sheet which is treated as the equivalent fair value of the land.		
<b>5 ADVANCE TAX</b>		
Advance tax		2,453,880
Less: Provision for taxation		<u>(1,211,055)</u>
		<u>1,242,825</u>
<b>6 CASH AND BANK BALANCES</b>		
Cash in hand		10,000
Cash at bank - current account		<u>1,103,870</u>
		<u>1,113,870</u>

## 7 CAPITAL FUND

This includes the value of the land amounting to Rs. 122.69 million provided by the Government of Sindh for the purpose of establishing charitable hospital, in the cabinet meeting held on February 2, 2023, situated at Plot # 89, Deh Khanto, Taluka Ibrahim Hyderi, District Malir, Karachi. The land was provided on lease term of 99 years on May 3, 2023. The specified tenure to build the hospital is five years which may be extended by one year, from the date of allotment of land.

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date.

	Note	For the period from February 24, 2023 to June 30, 2023
<b>9 DONATION</b>		
<b>Donor</b>		
Dr. Javed Suleman		3,345,380
Syed Tariq Rafi		1,000,000
Dr. Shahab		10,000
	9.1	<u>4,355,380</u>

9.1 This represents the donation received for the purpose of alleviating human suffering and medical aid to the people.

## 10 AUDIT FEE

Statutory audit fee	150,000
Out of pocket expense	15,000
Sales tax	13,200
	<u>178,200</u>

## 11 RELATED PARTY TRANSACTIONS

Related parties include Trustees, associated undertakings in which Trustees hold common directorship and from which donations for projects of the Foundation are received, key management personnel. Details of transactions with related parties other than those disclosed else where in the financial statements are as follows:

Nature of transaction	Relation with the Company	Basis of Relation	For the period from February 24, 2023 to June 30, 2023
			Rupees
<b>Transactions during the year</b>			
<b>Donation received</b>			
Dr. Javed Suleman	Key Management Personnel	Directorship	3,345,380
Syed Tariq Rafi	Key Management Personnel	Project Director	1,000,000
Dr. Shahab	Key Management Personnel	Chief Operating Officer	10,000

**2023**  
**Rupees**

## 12 FINANCIAL INSTRUMENTS BY CATEGORY

### Assets

Cash and bank balances 1,113,870

### Liabilities

Audit fee payable 178,200

## 13 CORRESPONDING FIGURES

Corresponding figures in the Statement of financial position, statement of profit and loss and statement of changes in equity have not been presented as the Foundation started its operations on February 24, 2023. Further, these financial statements have been presented for period less than one year.

## 14 NUMBER OF EMPLOYEES

The number of employees as at period end was Nil and average number of employees during the period was Nil.

## 15 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 28 MAR 2024 by the Board of Trustees of the Foundation.

16 GENERAL

Figures have been rounded off to the nearest rupee, unless stated otherwise. <sup>Eda</sup>

  
MANAGING TRUSTEE

  
PROJECT DIRECTOR