



FINANCIAL STATEMENTS
OF
SINA HEALTH, EDUCATION AND
WELFARE TRUST
FOR THE YEAR ENDED
JUNE 30, 2018

BDO Ebrahim & Co. Chartered Accountants

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AUDITORS' REPORT TO THE BOARD OF DIRECTORS

Opinion

We have audited the accompanying financial statements of **SINA Health, Education and Welfare Trust ("the Trust")** which comprise the statement of financial position as at June 30, 2018 and the statement of income and expenditure, cash flow statement and statement of changes in accumulated funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **SINA Health, Education and Welfare Trust** as at June 30, 2018, and of its financial performance and its cash flows for the year then ended in accordance with approved 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 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 ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board of Directors determine 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, Board of Directors are responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust financial reporting process.

Auditor's Responsibility 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 Trust'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 Trust'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 Trust 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.

KARACHI

DATED: 05 MAR 2019

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

SINA HEALTH, EDUCATION AND WELFARE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	143,327,926	118,955,398
Capital work in progress	6	19,689,932	17,367,749
Intangible assets	7	-	-
		<u>163,017,858</u>	<u>136,323,147</u>
CURRENT ASSETS			
Medical supplies	8	38,389,014	16,989,115
Loan and advances	9	3,396,246	3,312,279
Short term deposits and prepayments	10	2,200,456	1,755,281
Short term investments	11	113,830,840	87,030,956
Cash and bank balances	12	57,688,021	54,227,188
		<u>215,504,577</u>	<u>163,314,819</u>
TOTAL ASSETS		<u>378,522,435</u>	<u>299,637,966</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred capital grant	13	136,939,754	116,081,846
Endowment fund	14	24,852,674	24,852,674
		<u>161,792,428</u>	
CURRENT LIABILITIES			
Trade and other payables	15	28,027,209	11,133,733
TOTAL LIABILITIES		<u>189,819,637</u>	<u>152,068,253</u>
CONTINGENCIES AND COMMITMENTS	16		
NET ASSETS		<u>188,702,798</u>	<u>147,569,713</u>
NET ASSETS REPRESENTED BY:			
Restricted Funds			
Zakat funds		101,168,867	82,810,467
Donations / Non-zakat funds		87,533,931	64,759,246
	17	<u>188,702,798</u>	<u>147,569,713</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF OPERATING OFFICER


TRUSTEE

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SINA HEALTH, EDUCATION AND WELFARE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
RESTRICTED FUNDS			
INCOME			
Value of services rendered	18	292,090,838	238,374,912
Clinical receipts	19	7,864,656	2,902,507
Grant income	20	8,982,302	9,304,195
		<u>308,937,796</u>	<u>250,581,614</u>
LESS: EXPENDITURE			
Operating expenses	21	294,236,689	236,096,770
Ration and donation expenses	22	6,222,413	9,428,471
Other expenses	23	8,478,694	5,056,373
		<u>308,937,796</u>	<u>250,581,614</u>
Gross surplus		-	-
Other income	24	2,356,407	5,193,162
Surplus of income over expenditure for the year		<u>2,356,407</u>	<u>5,193,162</u>
Attributable to:			
Zakat funds		1,885,126	4,034,721
Donations / Non-zakat funds		471,281	1,158,441
		<u>2,356,407</u>	<u>5,193,162</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF OPERATING OFFICER


TRUSTEE

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SINA HEALTH, EDUCATION AND WELFARE TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	2,356,407	5,193,162
Adjustment for items not involving movement of funds:		
Depreciation	15,170,175	11,860,301
Amortisation	-	41,666
Profit and dividend on investments	(2,987,738)	(5,486,502)
Unrealised loss on remeasurement of funds	732,756	293,340
Gain on disposal of fixed assets	(101,425)	-
Grant income realised against assets	(8,200,077)	(5,416,420)
Grant income realised against expenses	(782,225)	(3,887,775)
Surplus before working capital changes	<u>6,187,873</u>	<u>2,597,772</u>
Decrease in current assets		
Medical supplies	(21,399,899)	(4,850,466)
Loan and advances	(83,967)	(1,946,343)
Short term deposits and prepayments	(445,175)	(148,300)
	<u>(21,929,041)</u>	<u>(6,945,109)</u>
Increase in current liabilities		
Trade and other payables	16,893,476	4,376,413
Net cash generated from operating activities	<u>1,152,308</u>	<u>29,076</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(8,550,796)	(3,623,999)
Capital work in progress	(34,143,890)	(50,617,919)
Proceeds from disposal of property and equipment	139,000	-
Short term investments	(27,500,000)	(55,502,769)
Profit received on investments	2,987,738	5,193,162
Net cash used in investing activities	<u>(67,067,948)</u>	<u>(104,551,525)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital grants received	19,390,742	43,450,284
Clinical receipts	7,864,656	2,902,507
Endowment fund received	-	252,674
Zakat / donations received - net	42,121,075	1,156,671
Net cash generated from financing activities	<u>69,376,473</u>	<u>47,762,136</u>
Net increase / (decrease) in cash and cash equivalents	3,460,833	(56,760,313)
Cash and cash equivalents at beginning of the year	54,227,188	110,987,501
Cash and cash equivalents at end of the year	<u>57,688,021</u>	<u>54,227,188</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF OPERATING OFFICER



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SINA HEALTH, EDUCATION AND WELFARE TRUST
STATEMENT OF CHANGES IN ACCUMULATED FUND
AS AT JUNE 30, 2018

	Restricted Funds					
	2018		2017			
	Zakat	Donations / Non-zakat funds	Total	Zakat	Donations / Non-zakat funds	Total
	-----Rupees-----					
Balance at beginning of the year	82,810,467	64,759,246	147,569,713	75,384,353	62,933,020	138,317,373
Zakat / donations received during the year for operations	246,783,258	92,599,258	339,382,516	195,046,978	47,387,112	242,434,090
Value of services rendered / funds utilised during the year	(228,896,139)	(63,194,699)	(292,090,838)	(191,655,585)	(46,719,327)	(238,374,912)
Transfer of fund to Deferred capital grant	-	(8,515,000)	(8,515,000)	-	-	-
Transferred from statement of income and expenditure	471,281	1,885,126	2,356,407	4,034,721	1,158,441	5,193,162
Balance at end of the year	101,168,867	87,533,931	188,702,798	82,810,467	64,759,246	147,569,713

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF OPERATING OFFICER


TRUSTEE

SINA HEALTH, EDUCATION AND WELFARE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. GENERAL INFORMATION

SINA Health, Education and Welfare Trust (the Trust) is a not for profit organisation, established under the Trust Act, 1882 on August 2, 2007 and is primarily engaged in providing primary health care facilities, medical treatments, laboratory investigations and financial assistance to the less privileged communities suffering from different ailments. The principal office of the Trust is situated at F-7/1, Block 8, KDA Scheme 5, Kehkashan Clifton, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) applicable to non-corporate entities 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 without any adjustment for the effect of inflation or current value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation

These financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Trust.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land which is carried at historical cost.

Depreciation is charged to statement of income and expenditure applying straight line method so as to charge depreciable amount of an asset over its useful life, at rates mentioned in note 5 to these financial statements. Depreciable amount represents cost less estimated residual value. Depreciation on additions is charged from the month in which the asset is put to use and on disposal, upto the month of disposal.

Gains and losses on disposal of property and equipment are included in the income and expenditure account.

Maintenance and normal repairs are charged to statement of income and expenditure in the year in which they are incurred. Major renewals and improvements, if any, are capitalised and depreciated in a manner that represents the consumption pattern and useful lives.

3.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on property and equipment during the construction of clinics and other installation. Transfers are made to relevant class of property, plant and equipment category as and when assets are available for use in the manner as intended by the management.

3.3 Impairment

The carrying value of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income and expenditure account.

3.4 Intangible assets

Intangibles are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis by applying the straight line method.

Useful lives of intangibles are reviewed at each financial year end if expectations differ significantly from previous estimates. Where the carrying amount of an intangible is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Amortisation is charged to the statement of income and expenditure by applying the straight line method at the rates specified in relevant note.

Costs associated with maintenance of intangible assets are charged to income and expenditure account in the year in which they are incurred.

3.5 Medical supplies

Medical supplies are stated at the lower of cost and estimated net realisable value. Cost is determined on first-in first-out basis.

The management reviews the carrying amounts of medical supplies on a regular basis and provision is made for items if there is any change in physical form.

3.6 Cash and bank balances

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

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand, deposits held with banks in current and saving accounts and other short term highly liquid investments with maturities of three months or less.

3.8 Deferred capital grant

Grant funds related to assets are accounted for as deferred capital grants, when the funds are received. An amount equal to the annual charge for depreciation on assets purchased is released from this account and reflected as 'Grant income realised against assets' in the income and expenditure account. Further, when a non-capital expenditure related to the asset takes place, the amount is released from this account and reflected as 'Grant income realised against expenses' in the income and expenditure account.

3.9 Revenue recognition

(a) Donation and grants

Donations are recognized as income as and when received. Donations received in kind are recognized at the fair value prevailing at the time of receipt of such donation.

Grants and donations received for revenue expenditure are taken to income and expenditure account.

Donations restricted in its use by the donors are utilised for the purpose specified and are classified as donations under restricted fund account. Any income made from such restricted donations is also credited directly in the restricted fund account.

Revenue from ancillary activities (e.g. clinic fee, laboratory, glucometer, ultrasound income) is recognised on receipt basis.

(b) Return on bank deposits

Profit on bank balances is recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.

3.10 Expenses

All expenses are recognised in the income and expenditure account on accrual basis. Expenses incurred out of donation are reflected in the income and expenditure account, with an equal amount being recognised as "Value of services rendered".

3.11 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the company has a legally enforceable right to set-off the recognised amounts and the company intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

3.12 Taxation

The Trust is registered with the income tax authorities as a non-profit organisation under section 2(36)(c) of the Income Tax Ordinance, 2001 read with Rule 212 and 220 of the Income Tax Rules, 2002. The Trust does not account for taxation, as non-profit organisations are allowed a tax credit equal to one hundred percent (100%) of the tax payable including minimum tax and final tax payable, under section 100C of the Income Tax Ordinance, 2001.

3.13 Trade and other payables

Accrued and other liabilities are recognised at cost which is the fair value of the consideration to be paid in future for goods and services. The recoverable amount is equal to fair value.

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3.14 Financial assets

3.14.1 Classification

(a) Loans and receivables

Investment classified as loan and receivables are carried at amortised cost using the effective yield method, less impairment loss, if any.

(b) Held to maturity

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Trust has a positive intent and ability to hold to maturity.

(c) Held for trading

Held for trading financial assets are those non-derivative financial assets that are held for trading purpose or designated as such upon initial recognition.

3.14.2 Initial recognition and measurement

Investments in securities are initially recognized at cost, being the fair value of the consideration given, including the transaction cost associated with the investment, except in case of investments at held for trading, in which case these transaction cost are charged to the profit or loss account. All regular way of purchases and sale of investments are recognized / derecognized on the trade date.

3.14.3 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as loans and receivables, held to maturity and held for trading are valued as follows:

a) Loans and receivables

Loans and receivables are carried at amortised cost.

b) Held to maturity

Subsequent to initial measurement, held to maturity investments are carried at amortised cost.

c) Held for trading

Subsequent to initial measurement, held for trading investments are revalued and are remeasured to fair value. Any changes in fair value are recognised in profit and loss account.

3.14.4 Impairment

The carrying value of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

3.14.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all risks and rewards of ownership attached to such financial assets. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

3.15 Restricted funds

(a) Zakat fund

The zakat funds of the Trust are required to be utilised only for the patients who are entitled to receive zakat under the Islamic shariah. Donations specified as zakat by the donor are recognised under the general zakat fund account upon receipt. Subsequently, general zakat fund account is adjusted at pre-determined rates for the value of services provided to the needy / deserving patients.

(b) Donations / Non- zakat funds

Donations are utilised for general operations of the Trust and all the patients (other than patients eligible for zakat) are treated through funds received as general donations. Donation contributed by the donors for general purposes / operations are recognised under the general donation fund upon receipt. Subsequently, general donation fund account is adjusted at pre-determined rates for the value of services provided to the needy / deserving patients.

4. SIGNIFICANT ACCOUNTING ESTIMATED 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 Trust 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 Trust's accounting policies, management has made significant estimates and judgments that are disclosed in respective notes to the financial statements.

5 PROPERTY AND EQUIPMENT

Description	Ruppes										Total
	Land	Building (note 5.1)	Clinical and medical equipment	Laboratory equipment	Office and electrical equipment	Computer	Vehicles	Solar Panel	Furniture and fixtures		
Year ended June 30, 2018											
Net carrying value basis											
Opening net book value (NBV)	21,571,965	75,406,633	886,055	-	4,733,809	1,064,761	6,609,365	-	8,696,779	118,955,398	
Additions during the year	-	220,763	-	-	1,801,213	58,090	4,274,429	565,950	730,351	8,550,796	
Transferred from CWIP	6,701,000	20,837,799	515,450	-	856,698	86,654	-	-	2,011,881	31,029,482	
Disposals	-	-	-	-	-	-	(37,575)	-	-	(37,575)	
Depreciation	-	(5,236,127)	(612,997)	-	(2,569,583)	(65,967)	(3,014,321)	(81,748)	(2,889,832)	(15,170,175)	
Closing net book value	28,273,965	91,229,068	788,908	-	4,822,137	1,533,538	7,831,898	484,202	8,549,179	143,327,926	
Gross carrying value basis											
Cost	28,273,965	103,662,993	2,761,616	940,000	12,184,608	4,388,541	17,396,626	565,950	16,303,223	186,382,552	
Accumulated depreciation	-	(12,433,925)	(1,972,708)	(940,000)	(7,362,471)	(2,855,003)	(9,564,728)	(81,748)	(7,754,044)	(43,054,627)	
Net book value	28,273,965	91,229,068	788,908	-	4,822,137	1,533,538	7,831,898	484,202	8,549,179	143,327,926	
Year ended June 30, 2017											
Net carrying value basis											
Opening net book value (NBV)	18,104,465	43,378,935	1,104,067	-	3,762,569	1,651,184	8,488,542	-	6,953,321	83,303,113	
Additions during the year	-	407,348	-	-	1,300,973	48,615	821,500	-	605,563	3,623,999	
Transferred from CWIP	3,393,900	35,179,931	290,000	-	1,675,159	62,032	-	-	3,287,965	43,888,587	
Disposals	-	-	-	-	-	-	-	-	-	-	
Depreciation	-	(3,559,581)	(508,012)	-	(2,004,892)	(97,070)	(2,700,678)	-	(2,150,070)	(11,860,301)	
Closing net book value	21,571,965	75,406,633	886,055	-	4,733,809	1,064,761	6,609,365	-	8,696,779	118,955,398	
Gross carrying value basis											
Cost	21,571,965	82,604,431	2,246,166	940,000	9,526,697	3,243,797	13,159,772	-	13,560,991	146,839,850	
Accumulated depreciation	-	(7,197,798)	(1,360,111)	(940,000)	(4,792,888)	(2,179,036)	(6,550,407)	-	(4,864,212)	(27,884,452)	
Net book value	21,571,965	75,406,633	886,055	-	4,733,809	1,064,761	6,609,365	-	8,696,779	118,955,398	
Annual rate of depreciation	-	5 - 10%	33%	33%	20 - 33%	33%	20 - 33%	20%	20%	20%	

5.1

In addition to the buildings owned by the Trust, there are five buildings reconstructed/renovated in plots which were given free of cost by donors for utilisation as clinics for specified periods. The titles of these plots were not transferred to the Trust as of June 30, 2018.

	Note	2018 Rupees	2017 Rupees
6 CAPITAL WORK IN PROGRESS			
Capital work in progress	6.1	<u>19,689,932</u>	<u>17,367,749</u>
6.1 Movement of carrying amount			
Opening balance		17,367,749	10,638,417
Additions during the year		34,143,890	50,617,919
		<u>51,511,639</u>	<u>61,256,336</u>
Transferred to property and equipment during the year		(31,029,482)	(43,888,587)
Transferred to operating expenditure		(792,225)	-
		<u>(31,821,707)</u>	<u>(43,888,587)</u>
Closing balance		<u>19,689,932</u>	<u>17,367,749</u>
7 INTANGIBLE ASSETS			
Net book value as at the beginning of the year		-	41,666
Amortisation charged for the year		-	(41,666)
Net book value as at the end of the year		<u>-</u>	<u>-</u>
As at June 30			
Cost		-	125,000
Accumulated amortisation		-	(125,000)
Net book value		<u>-</u>	<u>-</u>
8 MEDICAL SUPPLIES			
Medical Supplies		38,389,014	16,989,115
Less: Medical supplies written-off / damaged		-	-
		<u>38,389,014</u>	<u>16,989,115</u>
9 LOAN AND ADVANCES			
Loan to staff		1,053,086	777,553
Advance against expenses		2,343,160	2,534,726
		<u>3,396,246</u>	<u>3,312,279</u>

	Note	2018 Rupees	2017 Rupees
10 SHORT TERM DEPOSITS AND PREPAYMENTS			
Deposits		1,339,307	511,190
Prepayments:			
Prepaid rent		291,467	516,767
Prepaid insurance		569,682	402,313
		861,149	1,244,091
		<u>2,200,456</u>	<u>1,755,281</u>
11 SHORT TERM INVESTMENTS			
Certificate of Islamic Investment			
Meezan Bank Limited		-	40,000,000
Monthly Modaraba Certificate			
Meezan Bank Limited		-	20,000,000
Term Deposit Receipts			
Habib Metropolitan Bank	11.1	87,500,000	-
Mutual fund units	11.2	26,330,840	27,030,956
		<u>113,830,840</u>	<u>87,030,956</u>

11.1 This represents short term placements in term deposit receipts (TDRs). These certificates carry mark-up at the rates ranging from 4% to 5% per annum. The last maturity date for these TDRs is December 19, 2018.

11.2 Mutual fund units

Carrying value	27,063,596	27,324,296
Adjustment arising on remeasurement to fair value	(732,756)	(293,340)
	<u>26,330,840</u>	<u>27,030,956</u>

Details of investments in mutual fund units are as follows:

Mutual fund units

2018	2017			
Number of units				
845,989	772,027	NAFA Islamic Income Fund	8,453,119	7,342,206
119,623	207,916	NAFA Islamic Stock Fund	1,363,380	2,724,631
22,702	-	NAFA Riba-free Saving Fund	243,403	-

2018	2017		2018	2017
Number of units		Note	Rupees	Rupees
284,447	283,204	NAFA Islamic Asset Allocation Fund	4,412,566	4,837,689
19,796	19,777	Al-Ameen Islamic Active Allocation Plan - VIII - Class 'A'	1,783,588	1,915,722
85,951	85,951	Al-Ameen Islamic Asset Allocation Fund - Class 'C'	10,074,784	10,210,708
			<u>26,330,840</u>	<u>27,030,956</u>
12 CASH AND BANK BALANCES				
Cash in hand			996,918	254,646
Cash at banks in:				
Current accounts			18,910,641	14,697,925
Savings accounts		12.1	37,780,462	39,274,617
			56,691,103	53,972,542
			<u>57,688,021</u>	<u>54,227,188</u>
12.1	The rates of profit on saving account ranges between: 4.24 % to 4.28 % (2017: 3.75 % to 5.40%) per annum.			
13 DEFERRED CAPITAL GRANTS				
Balance as at the beginning of the year			116,081,846	81,935,757
Grant received during the year			19,390,742	43,450,284
Transferred from Donation / Non-zakat fund			8,515,000	-
			143,987,588	125,386,041
Less:				
Grant income realised against expenses		13.1	(782,225)	(3,887,775)
Grant income realised against assets		13.2	(8,200,077)	(5,416,420)
			(8,982,302)	(9,304,195)
Grants received during the year for DAI Project		13.3	3,945,000	-
Grant income realised against DAI Project			(2,010,532)	-
			1,934,468	-
Balance as at the end of the year			<u>136,939,754</u>	<u>116,081,846</u>

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- 13.1 These represent expenses that were made out of the deferred capital grants but does not meet the capitalisation criteria of the Trust and were charged to income and expenditure account.
- 13.2 This represents amount released to grant income equivalent to depreciation charged on the relevant assets.
- 13.3 DAI project funded by USAID to provide medical and psychological rehabilitation to victims of violence.

	Note	2018 Rupees	2017 Rupees
14 ENDOWMENT FUND			
Endowment fund	14.1	<u>24,852,674</u>	<u>24,852,674</u>
14.1 Movement in the endowment fund is as follows:			
Balance as at July 1		24,852,674	24,600,000
Receipts during the year		-	252,674
Balance as at June 30	14.2	<u>24,852,674</u>	<u>24,852,674</u>
14.2 The amount has been received from a donors with stipulation that the principal amount to be kept intact while the income earned by investment of the same can be utilised by the Trust.			
15 TRADE AND OTHER PAYABLES			
Creditors		10,103,805	7,196,075
Accrued expenses		14,654,726	2,423,990
EOBI payable		3,268,678	1,513,668
		<u>28,027,209</u>	<u>11,133,733</u>
16 COMMITMENTS			
Commitments in respect of operating leases	16.1	<u>-</u>	<u>531,650</u>
16.1 This represents the amount of future payments in operating lease arrangements relating to office premises and clinic premises.			

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	Note	2018 Rupees	2017 Rupees
17 RESTRICTED FUNDS			
Zakat funds			
General zakat fund		92,792,177	75,496,997
Zakat ration fund for Baldia		8,376,690	7,313,470
	17.1	<u>101,168,867</u>	<u>82,810,467</u>
Donations / Non-zakat funds			
Donation fund		87,533,931	64,759,246
		<u>188,702,798</u>	<u>147,569,713</u>
17.1 Zakat funds are required to be utilized only for patients who are entitled to receive zakat under the Islamic shariah, whereas, all others patients are treated through funds received as donations.			
18 VALUE OF SERVICES RENDERED			
Value of services rendered to patients:			
Zakat funds			
General zakat		221,861,915	185,182,915
Ration		6,222,413	5,816,160
Donations to others		811,811	111,421
		<u>228,896,139</u>	<u>191,110,496</u>
Donations / Non-zakat funds			
Donations		52,083,139	43,533,812
Donated medicine		9,101,028	3,730,604
Service rendered DAI		2,010,532	-
		<u>63,194,699</u>	<u>47,264,416</u>
		<u>292,090,838</u>	<u>238,374,912</u>
19 CLINICAL RECEIPTS			
Clinic fees		7,360,088	2,560,079
Laboratory income		396,888	230,488
Ultrasound income		107,680	111,940
		<u>7,864,656</u>	<u>2,902,507</u>
20 GRANT INCOME			
Grant income realised against expenses	13.1	782,225	3,887,775
Grant income realised against assets	13.2	8,200,077	5,416,420
		<u>8,982,302</u>	<u>9,304,195</u>

	2018 Rupees	2017 Rupees
21 OPERATING EXPENSES		
Salaries, wages and other benefits	162,010,472	129,303,948
Medical supplies	59,222,610	52,431,681
Vehicle and transportation	16,655,769	13,491,844
Rent, rates and taxes	4,335,358	3,659,120
Utilities	7,800,496	4,706,860
Repairs and maintenance	8,484,329	6,669,661
Referral patients services	3,358,006	3,057,722
Communication	5,490,869	3,889,419
Advertisement	355,485	532,493
Printing and stationary	5,446,619	4,352,507
Entertainment	2,163,573	1,644,762
Depreciation	15,170,175	11,860,301
Amortization	-	41,666
Training cost	3,742,928	454,786
	<u>294,236,689</u>	<u>236,096,770</u>
22 RATION AND DONATION EXPENSES		
Ration expenses	6,222,413	9,428,471
	<u>6,222,413</u>	<u>9,428,471</u>
23 OTHER EXPENSES		
Auditors' remuneration	175,000	150,000
Legal and professional charges	2,160,560	1,515,147
Insurance expense	5,138,775	2,715,079
Bank charges	404,511	498,686
Miscellaneous expenses	599,848	177,461
	<u>8,478,694</u>	<u>5,056,373</u>
24 OTHER INCOME		
Profit on PLS accounts	2,957,116	5,486,502
Gain on disposal of fixed assets	101,425	-
Dividend income	30,622	-
	<u>3,089,163</u>	<u>5,486,502</u>
Unrealised loss on remeasurement of funds	(732,756)	(293,340)
	<u>2,356,407</u>	<u>5,193,162</u>

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25 TRANSACTIONS WITH RELATED PARTIES

Related parties includes associated parties / undertakings, other related undertakings / persons and key management personnel. The Trust in normal course of business carries out transactions with various related parties.

	2018 Rupees	2017 Rupees
Entities under common Trustees		
Donations received from Child Life Foundation	54,128,109	39,073,683
Deferred capital grants received from Child Life Foundation	-	5,115,000
Donations received from Bharucha & Company	5,300,000	1,015,000
Donations received from M.N. Textiles (Private) Limited	1,550,000	2,316,800
Key management personnel		
Donations received	765,000	1,475,000

26 FINANCIAL INSTRUMENTS RELATED DISCLOSURES

26.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As of balance sheet date, the Trust is not exposed to any foreign currency risk arising due to foreign exchange fluctuation.

26.2 Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management believes that the Trust is not exposed to any significant level of liquidity risk.

26.3 Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. The Trust manages this risk through having exposures only to those parties, which are considered to be credit worthy, and obtaining security deposits wherever applicable. All the financial assets of the Trust except for cash in hand are exposed to credit risk.

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the interest rates. The Trust manages this risk through risk management strategies.

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At the reporting date, the interest rate profile of the Trust's significant financial assets is as follows:

	2018 Rupees	2017 Rupees
Variable rate instruments		
Term deposit receipts	87,500,000	-
Certificates of Islamic investments	-	40,000,000
Monthly Modaraba Certificates	-	20,000,000
Balances maintained with banks	56,691,103	39,274,617

The rates of interest have been disclosed in the respective notes to the financial statements.

26.4 Fair value of financial instruments

The carrying value of all the financial assets and financial liabilities are estimated to approximate their fair values.

	2018	2017
	Number of employees	
27 NUMBER OF EMPLOYEES		
Number of employees as at June 30	443	398
Average number of employees	476	354

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. No significant reclassifications has been made during the year.

29 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these financial statements for issue on
05 MAR 2019

30 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.


CHIEF OPERATING OFFICER


TRUSTEE

