

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, 2019 and the statement of income and expenditure, statement of cash flows 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, 2019, 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: 31 JAN 2020



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

**SINA HEALTH, EDUCATION AND WELFARE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	151,952,856	143,327,926
Capital work in progress	6	49,039,513	19,689,932
		<u>200,992,369</u>	<u>163,017,858</u>
CURRENT ASSETS			
Medical supplies	7	27,801,957	38,389,014
Loan and advances	8	798,024	3,396,246
Short term deposits and prepayments	9	1,853,016	2,200,456
Short term investments	10	58,854,191	113,830,840
Cash and bank balances	11	144,398,432	57,688,021
		<u>233,705,620</u>	<u>215,504,577</u>
TOTAL ASSETS		<u>434,697,989</u>	<u>378,522,435</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred capital grant	12	219,775,066	136,939,754
Endowment fund	13	23,829,790	24,852,674
		<u>243,604,856</u>	<u>161,792,428</u>
CURRENT LIABILITIES			
Trade and other payables	14	32,415,671	28,027,209
TOTAL LIABILITIES		<u>276,020,527</u>	<u>189,819,637</u>
NET ASSETS		<u>158,677,462</u>	<u>188,702,798</u>
CONTINGENCIES AND COMMITMENTS			
NET ASSETS REPRESENTED BY:			
Restricted Funds			
Zakat funds		115,937,314	101,168,867
Donations / Non-zakat funds		42,740,148	87,533,931
	16	<u>158,677,462</u>	<u>188,702,798</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.



CHIEF OPERATING OFFICER



TRUSTEE

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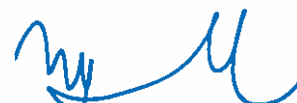
**SINA HEALTH, EDUCATION AND WELFARE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
RESTRICTED FUNDS			
INCOME			
Value of services rendered	17	336,123,126	292,090,838
Clinical receipts	18	9,452,010	7,864,656
Grant income	19	5,801,885	8,982,302
		<u>351,377,021</u>	<u>308,937,796</u>
LESS: EXPENDITURE			
Operating expenses	20	336,956,019	294,236,689
Ration and donation expenses	21	8,397,262	6,222,413
Other expenses	22	6,023,740	8,478,694
		<u>351,377,021</u>	<u>308,937,796</u>
Gross surplus		-	-
Other income	23	11,858,171	2,356,407
Surplus of income over expenditure for the year		<u>11,858,171</u>	<u>2,356,407</u>
Attributable to:			
Zakat funds		9,486,537	1,885,126
Donations / Non-zakat funds		2,371,634	471,281
		<u>11,858,171</u>	<u>2,356,407</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.



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**SINA HEALTH, EDUCATION AND WELFARE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	11,858,171	2,356,407
Adjustment for:		
Depreciation	10,878,622	15,170,175
Profit and dividend on investments	(8,301,935)	(2,987,738)
Unrealised loss on remeasurement of funds	717,462	732,756
Gain on disposal of fixed assets	(2,058,762)	(101,425)
Grant income realised against assets	(5,605,071)	(8,200,077)
Grant income realised against expenses	(196,814)	(782,225)
Surplus before working capital changes	<u>7,291,673</u>	<u>6,187,873</u>
Decrease / (increase) in current assets		
Medical supplies	10,587,057	(21,399,899)
Loan and advances	2,598,222	(83,967)
Short term deposits and prepayments	347,440	(445,175)
	<u>13,532,719</u>	<u>(21,929,041)</u>
Increase in current liabilities		
Trade and other payables	4,388,462	16,893,476
Net cash generated from operating activities	<u>25,212,854</u>	<u>1,152,308</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(6,160,482)	(8,550,796)
Capital work in progress	(45,594,628)	(34,143,890)
Proceeds from disposal of property and equipment	2,652,040	139,000
Short term investments	32,523,351	(27,500,000)
Profit received on investments	8,301,935	2,987,738
Net cash used in investing activities	<u>(8,277,784)</u>	<u>(67,067,948)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital grants received	36,485,500	19,390,742
Clinical receipts	9,452,010	7,864,656
Endowment fund received	-	-
Zakat / donations received - net	23,837,831	42,121,075
Net cash generated from financing activities	<u>69,775,341</u>	<u>69,376,473</u>
Net increase in cash and cash equivalents	86,710,411	3,460,833
Cash and cash equivalents at beginning of the year	57,688,021	54,227,188
Cash and cash equivalents at end of the year	<u>144,398,432</u>	<u>57,688,021</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.



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**SINA HEALTH, EDUCATION AND WELFARE TRUST
STATEMENT OF CHANGES IN ACCUMULATED FUND
AS AT JUNE 30, 2019**

	Restricted Funds					
	2019		2018			
	Zakat	Donations / Non-zakat funds	Total	Zakat	Donations / Non-zakat funds	Total
Balance at beginning of the year	101,168,867	87,533,931	188,702,798	82,810,467	64,759,246	147,569,713
Zakat / donations received during the year for operations	277,520,827	64,669,203	342,190,030	246,783,258	92,599,258	339,382,516
Value of services rendered / funds utilised during the year	(265,124,015)	(70,999,111)	(336,123,126)	(228,896,139)	(63,194,699)	(292,090,838)
Transfer of fund to Deferred capital grant	-	(47,950,411)	(47,950,411)	-	(8,515,000)	(8,515,000)
Transferred from statement of income and expenditure	2,371,634	9,486,537	11,858,171	471,281	1,885,126	2,356,407
Balance at end of the year	<u>115,937,314</u>	<u>42,740,148</u>	<u>158,677,462</u>	<u>101,168,867</u>	<u>87,533,931</u>	<u>188,702,798</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.



CHIEF OPERATING OFFICER



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**SINA HEALTH, EDUCATION AND WELFARE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

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	Rupees								Total	
	Land	Building (note 5.1)	Clinical and medical equipment	Office and electrical equipment	Computer	Vehicles	Solar Panel	Furniture and fixtures		
Year ended June 30, 2019										
Net carrying value basis										
Opening net book value (NBV)	28,278,995	91,229,068	788,908	4,822,137	1,343,538	7,831,898	484,202	8,549,179	143,327,926	
Additions during the year	-	-	292,000	868,460	896,800	2,059,000	1,845,026	199,196	6,160,482	
Transferred from CWIP	2,881,275	9,846,756	-	247,716	144,000	-	-	816,600	13,936,347	
Disposals	-	-	-	-	-	(593,278)	-	-	(593,278)	
Depreciation	-	(5,050,841)	(336,836)	(1,087,314)	(600,282)	(1,639,666)	(296,026)	(1,867,656)	(10,878,621)	
Closing net book value	31,160,270	96,024,983	744,072	4,850,999	1,784,056	7,657,934	2,033,202	7,697,319	151,952,856	
Gross carrying value basis										
Cost	31,160,270	113,509,749	3,053,616	13,300,784	5,329,341	18,862,348	2,410,976	17,319,019	204,946,103	
Accumulated depreciation	-	(17,484,766)	(2,309,544)	(8,449,785)	(3,545,285)	(11,204,394)	(377,774)	(9,621,700)	(52,993,248)	
Net book value	31,160,270	96,024,983	744,072	4,850,999	1,784,056	7,657,934	2,033,202	7,697,319	151,952,856	
Year ended June 30, 2018										
Net carrying value basis										
Opening net book value (NBV)	21,557,995	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	958,090	4,274,429	565,950	730,351	8,550,796	
Transferred from CWIP	6,721,000	20,837,799	515,450	856,698	86,654	-	-	2,011,881	31,029,482	
Disposals	-	-	-	-	-	(37,575)	-	-	(37,575)	
Depreciation	-	(5,236,127)	(612,597)	(2,569,583)	(765,967)	(3,014,321)	(81,748)	(2,889,832)	(15,170,175)	
Closing net book value	28,278,995	91,229,068	788,908	4,822,137	1,343,538	7,831,898	484,202	8,549,179	143,327,926	
Gross carrying value basis										
Cost	28,278,995	103,662,993	2,761,616	12,184,608	4,288,541	17,396,626	565,950	16,303,223	185,442,552	
Accumulated depreciation	-	(12,433,925)	(1,972,708)	(7,362,471)	(2,945,003)	(9,564,728)	(81,748)	(7,754,044)	(42,114,627)	
Net book value	28,278,995	91,229,068	788,908	4,822,137	1,343,538	7,831,898	484,202	8,549,179	143,327,926	
Annual rate of depreciation	-	5%	33%	20%	33%	20 - 33%	20%	20%	20%	

5.1 In addition to the buildings owned by the Trust, there are five buildings reconstructed / renovated on 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, 2019.

	Note	2019 Rupees	2018 Rupees
6 CAPITAL WORK IN PROGRESS			
Capital work in progress	6.1	<u>49,039,513</u>	<u>19,689,932</u>
6.1 Movement of carrying amount			
Opening balance		19,689,932	17,367,749
Additions during the year		<u>45,594,628</u>	<u>34,143,890</u>
		65,284,560	51,511,639
Transferred to property and equipment during the year		<u>(13,936,347)</u>	<u>(31,029,482)</u>
Transferred to operating expenditure		<u>(2,308,700)</u>	<u>(792,225)</u>
		(16,245,047)	(31,821,707)
Closing balance		<u>49,039,513</u>	<u>19,689,932</u>
7 MEDICAL SUPPLIES			
Medical Supplies		<u>27,801,957</u>	<u>38,389,014</u>
8 LOAN AND ADVANCES			
Loan to staff		271,293	1,053,086
Advance against expenses		<u>526,731</u>	<u>2,343,160</u>
		<u>798,024</u>	<u>3,396,246</u>
9 SHORT TERM DEPOSITS AND PREPAYMENTS			
Deposits		1,121,300	1,339,307
Prepayments:			
Prepaid rent		<u>731,716</u>	<u>291,467</u>
Prepaid insurance		<u>-</u>	<u>569,682</u>
		731,716	861,149
		<u>1,853,016</u>	<u>2,200,456</u>
10 SHORT TERM INVESTMENTS			
Term Deposit Receipts			
Habib Metropolitan Bank	10.1	-	87,500,000
Mutual fund units	10.2	<u>58,854,191</u>	<u>26,330,840</u>
		<u>58,854,191</u>	<u>113,830,840</u>

10.1 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.

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	Note	2019 Rupees	2018 Rupees
10.2 Mutual fund units			
Carrying value		58,547,252	27,063,596
Adjustment arising on remeasurement to fair value		306,939	(732,756)
		<u>58,854,191</u>	<u>26,330,840</u>

Details of investments in mutual fund units are as follows:

Mutual fund units

2019 Number of units	2018 Number of units		2019 Rupees	2018 Rupees
795,881	845,989	NAFA Islamic Income Fund	7,578,853	8,453,119
159,099	119,623	NAFA Islamic Stock Fund	1,449,030	1,363,380
121,260	22,702	NAFA Riba-free Saving Fund	1,237,441	243,403
3,432,116	-	NAFA Riba-free Saving Fund	35,024,401	-
284,447	284,447	NAFA Islamic Asset Allocation Fund	3,908,583	4,412,566
-	19,796	Al-Ameen Islamic Active Allocation Plan - VIII - Class 'A'	-	1,783,588
85,951	85,951	Al-Ameen Islamic Asset Allocation Fund - Class 'C'	9,655,883	10,074,784
			<u>58,854,191</u>	<u>26,330,840</u>

11 CASH AND BANK BALANCES

Cash in hand		1,614,849	996,918
Cash at banks in:			
Current accounts		13,524,380	18,910,641
Savings accounts	11.1	129,259,203	37,780,462
		142,783,583	56,691,103
		<u>144,398,432</u>	<u>57,688,021</u>

11.1 The rates of profit on saving account ranges between: 5.5 % to 12.25 % (2018: 4.24 % to 4.28 %) per annum.

	Note	2019 Rupees	2018 Rupees
12 DEFERRED CAPITAL GRANTS			
Balance as at the beginning of the year		136,939,754	116,081,846
Grant received during the year		36,485,500	19,390,742
Transferred from Donation / Non-zakat fund		47,950,411	8,515,000
		<u>221,375,665</u>	<u>143,987,588</u>
Less:			
Grant income realised against expenses	12.1	(196,814)	(782,225)
Grant income realised against assets	12.2	(5,605,071)	(8,200,077)
		(5,801,885)	(8,982,302)
Grants received during the year for DAI Project	12.3	10,232,882	3,945,000
Grant income realised against DAI Project		(6,031,596)	(2,010,532)
		4,201,286	1,934,468
Balance as at the end of the year		<u>219,775,066</u>	<u>136,939,754</u>

12.1 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.

12.2 This represents amount released to grant income equivalent to depreciation charged on the relevant assets.

12.3 DAI project funded by USAID to provide medical and psychological rehabilitation to victims of violence.

13 ENDOWMENT FUND

Endowment fund	13.1	<u>23,829,790</u>	<u>24,852,674</u>
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13.1 Movement in the endowment fund is as follows:

Balance as at July 1		24,852,674	24,852,674
Realised loss on remeasurement of funds		(129,841)	-
Unrealised loss on remeasurement of funds		(893,043)	-
Balance as at June 30	13.2	<u>23,829,790</u>	<u>24,852,674</u>

13.2 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.

14 TRADE AND OTHER PAYABLES

Creditors		9,201,664	10,103,805
Accrued expenses		18,563,599	14,654,726
EOBI payable		4,650,408	3,268,678
		<u>32,415,671</u>	<u>28,027,209</u>

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There were no contingencies as at the statement of financial position date.

15.2 Commitments

There were no commitments as at the statement of financial position date.

	Note	2019 Rupees	2018 Rupees
16 RESTRICTED FUNDS			
Zakat funds			
General zakat fund		107,560,624	111,150,578
Zakat ration fund for Baldia		8,376,690	8,376,690
	16.1	<u>115,937,314</u>	<u>119,527,268</u>
Donations / Non-zakat funds			
Donation fund		42,740,148	110,308,615
		<u>158,677,462</u>	<u>229,835,883</u>

16.1 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.

17 VALUE OF SERVICES RENDERED

Value of services rendered to patients:

Zakat funds

 General zakat

256,729,753

221,861,915

 Ration

8,394,262

6,222,413

 Donations to others

-

811,811

265,124,015

228,896,139

Donations / Non-zakat funds

 Donations

59,572,285

52,083,139

 Donated medicine

-

9,101,028

 Service rendered DAI

11,426,826

2,010,532

70,999,111

63,194,699

336,123,126

292,090,838

18 CLINICAL RECEIPTS

Clinic fees

9,151,889

7,360,088

Laboratory income

238,521

396,888

Ultrasound income

61,600

107,680

9,452,010

7,864,656

	Note	2019 Rupees	2018 Rupees
19 GRANT INCOME			
Grant income realised against expenses	12.1	196,814	782,225
Grant income realised against assets	12.2	5,605,071	8,200,077
		<u>5,801,885</u>	<u>8,982,302</u>
20 OPERATING EXPENSES			
Salaries, wages and other benefits		194,704,197	162,010,472
Medical supplies		78,025,255	59,222,610
Vehicle and transportation		15,505,888	16,655,769
Rent, rates and taxes		5,372,885	4,335,358
Utilities		9,394,541	7,800,496
Repairs and maintenance		10,243,548	8,484,329
Referral patients services		157,162	3,358,006
Communication		5,659,183	5,490,869
Advertisement		93,259	355,485
Printing and stationary		4,145,349	5,446,619
Entertainment		1,032,730	2,163,573
Depreciation		10,878,622	15,170,175
Training cost		1,743,400	3,742,928
		<u>336,956,019</u>	<u>294,236,689</u>
21 RATION AND DONATION EXPENSES			
Ration expenses		<u>8,397,262</u>	<u>6,222,413</u>
22 OTHER EXPENSES			
Auditors' remuneration		192,500	175,000
Legal and professional charges		840,196	2,160,560
Insurance expense		4,363,172	5,138,775
Bank charges		519,864	404,511
Miscellaneous expenses		108,008	599,848
		<u>6,023,740</u>	<u>8,478,694</u>
23 OTHER INCOME			
Profit on PLS accounts		8,301,935	2,957,116
Gain on disposal of fixed assets		2,058,762	101,425
Unrealised gain on remeasurement of funds		1,215,812	-
Staff Annual Dinner Donation (Trustees)		875,000	-
K-Electric Reimbursement		75,126	-
Other		178,839	-

	Note	2019 Rupees	2018 Rupees
Dividend income		-	30,622
		12,705,474	3,089,163
Realised loss on remeasurement of funds		(129,841)	-
Unrealised loss on remeasurement of funds		(717,462)	(732,756)
		<u>11,858,171</u>	<u>2,356,407</u>

24 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.

	2019 Rupees	2018 Rupees
Entities under common Trustees		
Donations received from Child Life Foundation	63,409,850	54,128,109
Donations received from Bharucha & Company	3,000,000	5,300,000
Donations received from M.N. Textiles (Private) Limited	-	1,550,000
Donations received from Digital Apparel (PVT) LTD.	1,500,000	-
Donations received from Anam Fabrics (Pvt) Ltd.	2,000,000	-
Key management personnel		
Donations received	1,938,000	765,000

25 FINANCIAL INSTRUMENTS RELATED DISCLOSURES

25.1 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.

25.2 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.

25.3 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.

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

	2019 Rupees	2018 Rupees
Variable rate instruments		
Term deposit receipts	-	87,500,000
Balances maintained with banks	<u>142,783,583</u>	<u>56,691,103</u>

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

25.4 Fair value of financial instruments

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

	2019 Number of employees	2018 Number of employees
26 NUMBER OF EMPLOYEES		
Number of employees as at June 30	479	443
Average number of employees	516	476

27 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.

28 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these financial statements for issue on 31 JAN 2020.

29 GENERAL

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



CHIEF OPERATING OFFICER



TRUSTEE

