

## AUDITORS' REPORT TO THE BOARD OF TRUSTEES

### Opinion

We have audited the accompanying financial statements of SINA Health, Education & Welfare Trust ("the Trust") which comprise the statement of financial position as at June 30, 2023 and the statement of income and expenditure, the statement of cash flows and the 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 & Welfare Trust as at June 30, 2023, and of its financial performance, statement of 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 management is 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 management determine 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's 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: 26 APR 2024

UDIN: AR202310166SUvJqQg2M



BDO EBRAHIM & Co.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Tariq Feroz Khan

**SINA HEALTH, EDUCATION & WELFARE TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	317,685,285	304,330,336
Intangible	6	9,480,336	10,256,644
Capital work in progress	7	8,427,459	21,723,101
		<u>335,593,080</u>	<u>336,310,081</u>
<b>CURRENT ASSETS</b>			
Medical supplies	8	28,695,056	18,265,667
Loan, advances and other receivable	9	45,578,098	737,686
Short term deposits and prepayments	10	8,646,480	6,221,825
Short term investments	11	120,000,000	320,424,533
Cash and bank balances	12	582,718,405	182,772,694
		<u>785,638,039</u>	<u>528,422,405</u>
<b>TOTAL ASSETS</b>		<u>1,121,231,119</u>	<u>864,732,486</u>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred grant	13	477,039,917	447,368,637
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	27,182,345	40,294,094
<b>TOTAL LIABILITIES</b>		<u>504,222,262</u>	<u>487,662,731</u>
<b>NET ASSETS</b>		<u>617,008,857</u>	<u>377,069,755</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>NET ASSETS REPRESENTED BY:</b>			
Restricted Funds			
Zakat funds		129,075,844	68,233,283
Non-zakat funds		212,021,498	153,456,456
Endowment fund		275,911,515	155,380,016
	16	<u>617,008,857</u>	<u>377,069,755</u>

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

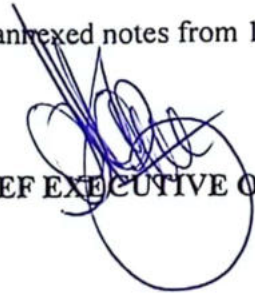
  
**CHIEF EXECUTIVE OFFICER**

  
**TRUSTEE**

**SINA HEALTH, EDUCATION & WELFARE TRUST  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>RESTRICTED FUNDS</b>			
<b>INCOME</b>			
Deferred income realized	17	545,279,404	398,539,545
Clinical receipts	18	42,352,635	20,609,260
Grant income	19	45,586,106	42,984,071
		<u>633,218,145</u>	<u>462,132,876</u>
<b>EXPENDITURE</b>			
Operating expenses	20	(590,036,173)	(439,297,564)
Administrative expenses	21	(40,725,711)	(30,286,384)
Other expenses	22	(23,950,821)	(11,144,946)
		<u>(654,712,705)</u>	<u>(480,728,894)</u>
Gross deficit		(21,494,560)	(18,596,018)
Other income	23	21,604,795	18,678,603
Surplus for the year		<u>110,235</u>	<u>82,585</u>
Attributable to:			
Zakat funds		88,188	66,069
Non-zakat funds		22,047	16,517
		<u>110,235</u>	<u>82,585</u>

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

  
CHIEF EXECUTIVE OFFICER

  
TRUSTEE

**SINA HEALTH, EDUCATION & WELFARE TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	110,235	82,585
Adjustment for non-cash items		
Depreciation for the year	37,998,603	38,434,852
Amortization for the year	1,323,318	1,292,955
Profit and dividend on investments	(21,604,795)	(1,170,343)
Remeasurement of fair value in mutual fund investment	-	(4,143,287)
Gain on disposal of fixed assets	-	(2,317,462)
Grant income realised against assets	(39,321,921)	(39,727,807)
Grant income realised against expenses	(6,264,185)	(3,256,264)
Deficit before working capital changes	(27,758,745)	(10,804,771)
<b>Increase in current assets</b>		
Medical supplies	(10,429,389)	(9,787,293)
Loan and advances	(44,840,412)	(40,749)
Short term deposits and prepayments	(2,424,655)	(2,931,284)
	(57,694,456)	(12,759,326)
<b>Decrease in current liabilities</b>		
Trade and other payables	(13,111,749)	(15,539,297)
Net cash used in operating activities	(98,564,950)	(39,103,394)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(25,022,460)	(22,045,507)
Additions to intangible assets	(547,010)	-
Capital work in progress	(13,035,450)	(34,441,294)
Proceeds from disposal of property and equipment	-	3,310,000
Profit received on investments	21,604,795	17,531,484
Net cash used in investing activities	(17,000,125)	(35,645,317)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital grants received	33,142,287	83,684,014
Grant Vital Pakistan Trust (VPT) project - net	17,092,639	(44,751,620)
Endowment fund received	194,956,032	53,199,586
Zakat / non-zakat fund - net	144,319,828	92,697,525
Net cash flow from financing activities	389,510,786	184,829,504
Net increase in cash and cash equivalents	273,945,711	110,080,794
Cash and cash equivalents at beginning of the year	428,772,694	318,691,900
Cash and cash equivalents at end of the year	702,718,405	428,772,694

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

  
CHIEF EXECUTIVE OFFICER

  
TRUSTEE

SINA HEALTH, EDUCATION & WELFARE TRUST  
STATEMENT OF CHANGES IN ACCUMULATED FUND  
AS AT JUNE 30, 2023

	Restricted Funds							
	2023			2022				
	Zakat	Non-zakat funds	Endowment Fund	Total	Zakat	Non-zakat funds	Endowment Fund	Total
Balance at beginning of the year	64,692,656	156,997,083	155,380,016	377,069,755	27,105,277	101,804,352	101,010,088	229,919,716
Zakat / non-zakat funds received during the year for operations	256,667,550	84,958,889		341,626,439	256,667,551	79,525,797		336,193,348
Deferred income realized during the year	(192,372,550)	(352,906,854)		(545,279,404)	(358,685,590)	(39,853,955)		(398,539,545)
Transfer from Deferred grant	-	322,950,333		322,950,333	139,539,350	15,504,372		155,043,722
Transferred from statement of income and expenditure	88,188	22,047		110,235	66,069	16,517		82,586
Movement during the year (Note 16.2)	-	-	120,531,499	120,531,499	-	-	54,369,928	54,369,928
Balance at end of the year	129,075,844	212,021,498	275,911,515	617,008,857	64,692,656	156,997,083	155,380,016	377,069,755

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

  
CHIEF EXECUTIVE OFFICER

  
TRUSTEE

**SINA HEALTH, EDUCATION & WELFARE TRUST**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1. GENERAL INFORMATION**

Sina Health, Education & 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 Trust operates 37 health facilities in Karachi. The principal office of the Trust is situated at Plot No.1, D-21, Sector 30, Korangi industrial area , 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 (SMEs) and accounting standards for not for profit organisations 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.

**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 statement of financial statements 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 statement of financial position 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 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 statement of income and expenditure.

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 Provisions**

Provisions are recognized when the Association has legal or constructive obligation as a result of past events if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

### **3.15 Contingencies**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### **3.16 Financial instruments**

#### **3.16.1 Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition.

#### **Impairment**

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs under simplified approach and 12 months life time under general approach.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

### **3.16.2 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are setoff and the net amount is reported in the statement of financial position if the Company has legally enforceable right to setoff the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **3.17 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) Non- zakat funds**

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

## **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 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	Land	Building	Clinical and		Office and		Computer	Vehicles	Solar Panel	Furniture and fixtures	Total
			medical equipment	electrical equipment	medical equipment	electrical equipment					
Year ended June 30, 2023											
Net carrying value basis											
Opening net book value	52,419,418	179,801,693	4,221,077	16,164,727	6,787,646	11,308,807	17,582,554	16,044,414	304,330,336		
Additions during the year	-	-	44,200	6,303,617	5,982,600	11,385,053	385,000	921,990	25,022,460		
Transferred from CWIP	4,080,000	16,753,061	550,000	617,320	1,318,563	-	750,000	2,262,148	26,331,092		
Depreciation	-	(11,134,259)	(2,531,992)	(5,330,455)	(4,905,672)	(3,914,417)	(4,800,253)	(5,381,555)	(37,998,603)		
Closing net book value	56,499,418	185,420,495	2,283,285	17,755,209	9,183,137	18,779,443	13,917,301	13,846,997	317,685,285		
Gross carrying value basis											
Cost	56,499,418	236,863,420	12,652,888	40,791,568	25,246,991	43,607,858	24,771,587	41,029,829	481,463,559		
Accumulated depreciation	-	(51,442,925)	(10,369,604)	(23,036,359)	(16,063,854)	(24,828,415)	(10,854,286)	(27,182,832)	(163,778,275)		
Net book value	56,499,418	185,420,495	2,283,284	17,755,209	9,183,137	18,779,443	13,917,301	13,846,997	317,685,285		
Year ended June 30, 2022											
Net carrying value basis											
Opening net book value	41,709,960	143,323,873	2,774,460	12,586,349	4,080,865	3,776,552	16,522,808	13,253,339	238,028,205		
Additions during the year	-	-	1,428,500	3,747,490	3,239,200	12,980,317	650,000	-	22,045,507		
Transferred from CWIP	10,709,458	46,563,053	3,081,500	5,283,025	4,204,153	66,000	4,467,200	9,309,625	83,684,014		
Disposals	-	-	-	-	(30,522)	(962,016)	-	-	(992,538)		
Depreciation	-	(10,085,233)	(3,063,383)	(5,452,137)	(4,706,050)	(4,552,046)	(4,057,454)	(6,518,550)	(38,434,852)		
Closing net book value	52,419,418	179,801,693	4,221,077	16,164,727	6,787,646	11,308,807	17,582,554	16,044,414	304,330,336		
Gross carrying value basis											
Cost	52,419,418	220,110,359	12,058,688	33,870,631	17,945,828	32,222,805	23,636,587	37,845,691	430,110,008		
Accumulated depreciation	-	(40,308,666)	(7,837,612)	(17,705,904)	(11,158,182)	(20,913,998)	(6,054,033)	(21,801,277)	(125,779,672)		
Net book value	52,419,418	179,801,693	4,221,077	16,164,727	6,787,646	11,308,807	17,582,554	16,044,414	304,330,336		
Annual rate of depreciation	-	5%	33%	20%	33%	20%	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, 2023.

	Note	2023 Rupees	2022 Rupees
<b>6 INTANGIBLE</b>			
Opening balance		10,256,644	11,549,599
Additions		547,010	-
Amortization during the year		(1,323,318)	(1,292,955)
	6.1	<u>9,480,336</u>	<u>10,256,644</u>
6.1	The electronic medical record system is amortized over the period of 10 years on straight line basis.		
<b>7 CAPITAL WORK IN PROGRESS</b>			
Capital work in progress	7.1	<u>8,427,459</u>	<u>21,723,101</u>
<b>7.1 Movement of carrying amount</b>			
Opening balance		21,723,101	70,965,821
Additions during the year		13,035,450	34,441,294
		<u>34,758,551</u>	<u>105,407,115</u>
Transferred to property and equipment during the year		(26,331,092)	(83,684,014)
Closing balance		<u>8,427,459</u>	<u>21,723,101</u>
<b>8 MEDICAL SUPPLIES</b>			
Medical Supplies		<u>28,695,056</u>	<u>18,265,667</u>
<b>9 LOAN, ADVANCES AND OTHER RECEIVABLE</b>			
Loan to staff	9.1	581,094	435,593
Advance against expenses		623,569	302,093
Advance tax		44,373,435	-
		<u>45,578,098</u>	<u>737,686</u>
9.1	Loan to staff represent one third interest free loan to the employees for the period of three months as per trust's policy.		
<b>10 SHORT TERM DEPOSITS AND PREPAYMENTS</b>			
Deposits		6,057,165	4,349,418
Prepaid rent		2,589,315	1,872,407
		<u>8,646,480</u>	<u>6,221,825</u>

	Note	2023 Rupees	2022 Rupees
<b>11 SHORT TERM INVESTMENTS</b>			
Amortised cost			
Term deposit receipt	11.1	120,000,000	246,000,000
Fair value through profit or loss			
Mutual fund units	11.2	-	74,424,533
		<u>120,000,000</u>	<u>320,424,533</u>

11.1 These represent term deposits with commercial bank having maturity of 3 months and rate of profit is 19.5% (2022: 14.25%)

**11.2 Mutual fund units**

	2023 Number of units	2022	2023 Rupees	2022 Rupees
-	1,289,546	NAFA Islamic Income Fund	-	12,993,981
-	4,744,872	NAFA Riba-free Saving Fund	-	48,714,176
-	125,314	NAFA Al-Ameen Islamic Asset Allocation Fund - Class 'C'	-	12,716,376
			<u>-</u>	<u>74,424,533</u>

**12 CASH AND BANK BALANCES**

Cash in hand 120,317 135,231

Cash at banks in:

Current accounts

Savings accounts

12.1	275,452,263	62,190,848
	307,145,825	120,446,615
	<u>582,598,088</u>	<u>182,637,463</u>
	<u>582,718,405</u>	<u>182,772,694</u>

12.1 The rates of profit on saving account ranging from 14.25% to 19.5% (2022: 12.25% to 14.25%) per annum.

	Note	2023 Rupees	2022 Rupees
<b>13 DEFERRED GRANT</b>			
Balance as at the beginning of the year		447,368,637	436,229,514
Grant received during the year		33,142,287	83,684,014
Transferred from Non-zakat fund		25,022,460	22,045,507
		<u>505,533,384</u>	<u>541,959,035</u>
Less:			
Grant income realised against expenses	13.1	(6,264,185)	(3,256,264)
Grant income realised against assets	13.2	(39,321,921)	(39,727,807)
		(45,586,106)	(42,984,071)
Grants received during the year for VPT Project	13.3	341,134,828	188,283,929
Grant income realised against Asset VPT Project		(1,091,856)	(84,846,534)
Grant income realised against Expense VPT Project		(322,950,333)	(155,043,722)
		17,092,639	(51,606,327)
Balance as at the end of the year		<u>477,039,917</u>	<u>447,368,637</u>

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 realised to grant income equivalent to depreciation and amortization charged on the relevant assets.

13.3 Nutrition & Immunization projects funded by Vital Pakistan Trust (VPT) for pregnant & Lactating women and strengthen of immunization rate for children under the age of 5 years.

#### 14 TRADE AND OTHER PAYABLES

Creditors	17,708,306	13,305,024
Accrued expenses	3,327,176	21,336,116
EOBI payable	6,146,863	5,652,954
	<u>27,182,345</u>	<u>40,294,094</u>

#### 15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (2022: Nil)

#### 16 RESTRICTED FUNDS

Zakat funds		
Zakat fund for clinics	112,295,984	59,362,956
Zakat ration fund for Baldia	16,779,860	8,870,327
	<u>129,075,844</u>	<u>68,233,283</u>
16.1		

	Note	2023 Rupees	2022 Rupees
Non-zakat funds		212,021,498	153,456,456
Endowment fund	16.2	275,911,515	155,380,016
		<u>617,008,857</u>	<u>377,069,755</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 non-zakat funds.

16.2 Movement in the endowment fund is as follows:

Balance as at July 1		155,380,016	101,010,088
Funds received from donor		92,561,500	49,056,298
Realised gain on remeasurement of funds		4,108,434	3,009,947
Realised gain on remeasurement of funds - NAFA & Almeen		239,142	599,625
Dividend for the year		-	533,716
Profit on Term Deposit Receipts (DIB)		23,622,423	1,170,342
Balance as at June 30	16.3	<u>275,911,515</u>	<u>155,380,016</u>

16.3 The amount has been received from a donor 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 unless permitted by the Investment Committee.

## 17 DEFERRED INCOME REALIZED

**Zakat funds**  
General zakat 192,372,550 215,605,613

### Non-zakat funds

Non-zakat funds	28,864,665	27,890,210
Funds utilized - VPT Nutrition	213,789,285	125,877,344
Funds utilized - VPT Immunization	110,252,904	29,166,378
	<u>352,906,854</u>	<u>182,933,932</u>
	<u>545,279,404</u>	<u>398,539,545</u>

## 18 CLINICAL RECEIPTS

Clinic fees	41,624,921	20,603,910
Laboratory income	727,714	5,350
	<u>42,352,635</u>	<u>20,609,260</u>

	Note	2023 Rupees	2022 Rupees
<b>19 GRANT INCOME</b>			
Grant income realised against expenses	13.1	6,264,185	3,256,264
Grant income realised against assets	13.2	39,321,921	39,727,807
		<u>45,586,106</u>	<u>42,984,071</u>
<b>20 OPERATING EXPENSES</b>			
Salaries, allowances and other benefits		265,616,796	195,807,978
Medicines supplies		161,646,692	113,917,379
Vehicle and transportation		40,032,543	23,795,859
Rent, rates and taxes		6,899,441	4,297,845
Utilities		14,758,783	8,095,887
Repair and maintenance		37,655,537	41,624,715
Communications		8,590,014	7,467,919
Advertisement		1,765,196	1,786,785
Printing and stationery		9,719,050	5,164,781
Depreciation		34,229,963	34,645,759
Amortization		1,323,318	1,292,955
Training cost		7,798,840	1,399,702
		<u>590,036,173</u>	<u>439,297,564</u>
<b>21 ADMINISTRATIVE EXPENSES</b>			
Salaries, allowances and other benefits		22,616,103	15,399,504
Vehicle and transportation		1,386,330	889,618
Rent, rates and taxes		3,917,335	3,576,356
Utilities		3,309,062	1,773,564
Repair and maintenance		2,553,821	2,616,984
Communications		2,044,520	1,844,085
Printing and stationery		619,900	397,179
Donation Expense		510,000	
Depreciation		3,768,640	3,789,094
		<u>40,725,711</u>	<u>30,286,384</u>
<b>22 OTHER EXPENSES</b>			
Auditors' remuneration		324,600	280,000
Legal and professional charges		7,366,574	3,600,822
Insurance expense		10,318,067	6,596,486
Bank charges		19,024	17,974
Miscellaneous expenses		5,922,556	649,664
		<u>23,950,821</u>	<u>11,144,946</u>

	2023 Rupees	2022 Rupees
<b>23 OTHER INCOME</b>		
Profit on savings accounts	18,775,427	16,361,141
Gain on short term investment	-	2,317,462
Others	2,829,368	-
	<u>21,604,795</u>	<u>18,678,603</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.

### Entities under common Trustees

Non-zakat funds received from Child Life Foundation	17,137,914	55,141,764
Non-zakat funds received from Bharucha & Company	3,672,000	3,905,000
Non-zakat funds received from Anam Fabrics (Pvt) Ltd.	9,950,000	6,300,000

### Key management personnel

Non-zakat funds received	565,000	650,000
--------------------------	---------	---------

## 25 FINANCIAL INSTRUMENTS RELATED DISCLOSURES

	Fair value through profit or loss		Amortised cost		Total	
	2023	2022	2023	2022	2023	2022
<b>Financial assets</b>						
Loan and advances	-	-	581,094	737,686	581,094	737,686
Short term deposits and prepayments	-	-	6,057,165	6,221,825	6,057,165	6,221,825
Short term investments	-	74,424,533	120,000,000	246,000,000	120,000,000	320,424,533
Cash and bank balances	-	-	582,718,405	182,772,694	582,718,405	182,772,694
	-	74,424,533	709,356,664	435,732,205	709,356,664	510,156,738
<b>Financial liabilities</b>						
Trade and other payables	-	-	27,182,345	40,294,094	27,182,345	40,294,094
	-	-	27,182,345	40,294,094	27,182,345	40,294,094

2023                      2022  
Number of employees

## 26 NUMBER OF EMPLOYEES

Number of employees as at June 30	599	534
Average number of employees	644	571

27 **CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and / or re-classified, for the purpose of better presentation, the effect of which is not material.

28 **DATE FOR AUTHORIZATION FOR ISSUE**

The Board of Directors of the Company authorized these financial statements for issue on 26 APR 2024.

29 **GENERAL**

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

  
**CHIEF EXECUTIVE OFFICER**

  
**TRUSTEE**