

## 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, 2021 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, 2021, 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 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 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: 10 OCT 2022



CHARTERED ACCOUNTANTS  
Engagement Partner: Zulfikar Ali Causer

**SINA HEALTH, EDUCATION & WELFARE TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	238,028,205	187,676,414
Intangible	6	11,549,599	12,149,494
Capital work in progress	7	70,965,821	650,840
		<u>320,543,625</u>	<u>200,476,748</u>
<b>CURRENT ASSETS</b>			
Medical supplies	8	8,478,373	21,402,198
Loan and advances	9	696,937	1,592,372
Short term deposits and prepayments	10	3,290,541	3,489,067
Short term investments	11	70,281,246	63,895,378
Cash and bank balances	12	318,691,900	165,347,131
		<u>401,438,997</u>	<u>255,726,146</u>
<b>TOTAL ASSETS</b>		<u>721,982,622</u>	<u>456,202,894</u>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred capital grant	13	436,229,514	207,107,637
Endowment fund	14	101,010,088	69,907,539
		<u>537,239,602</u>	<u>277,015,176</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	55,833,391	55,522,067
<b>TOTAL LIABILITIES</b>		<u>593,072,993</u>	<u>332,537,243</u>
<b>NET ASSETS</b>		<u>128,909,629</u>	<u>123,665,651</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>NET ASSETS REPRESENTED BY:</b>			
Restricted Funds			
Zakat funds		27,105,277	95,420,938
Donations / Non-zakat funds		101,804,352	28,244,713
	17	<u>128,909,629</u>	<u>123,665,651</u>

The annexed notes from 1 to 31 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, 2021**

	Note	2021 Rupees	2020 Rupees
<b>RESTRICTED FUNDS</b>			
<b>INCOME</b>			
Value of services rendered	18	313,537,766	353,821,390
Clinical receipts	19	6,817,255	8,010,730
Grant income	20	21,984,109	13,813,404
		<u>342,339,130</u>	<u>375,645,524</u>
<b>LESS: EXPENDITURE</b>			
Operating expenses	21	309,851,139	341,507,336
Administrative expenses	22	23,570,640	26,835,563
Ration and donation expenses	23	8,517,200	10,531,577
Other expenses	24	9,708,201	7,794,347
		<u>351,647,180</u>	<u>386,668,823</u>
Gross deficit		(9,308,050)	(11,023,299)
Other income	25	9,960,855	11,601,818
Surplus for the year		<u>652,805</u>	<u>578,519</u>
Attributable to:			
Zakat funds		522,244	462,815
Donations / Non-zakat funds		130,561	115,704
		<u>652,805</u>	<u>578,519</u>

The annexed notes from 1 to 31 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, 2021**

	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	652,805	578,519
Adjustment for:		
Depreciation	20,332,720	13,029,639
Amortization	1,277,895	102,097
Reversal of withholding tax	(158,019)	(553,281)
Profit and dividend on investments	(3,417,386)	(1,613,233)
Unrealised gain on remeasurement of funds	(4,685,163)	(4,215,115)
Gain on disposal of fixed assets	(34,630)	(13,796)
Grant income realised against assets	(21,606,288)	(13,131,737)
Grant income realised against expenses	(377,821)	(681,667)
Deficit before working capital changes	(8,015,886)	(6,498,574)
<b>Decrease / (increase) in current assets</b>		
Medical supplies	12,923,826	6,399,759
Loan and advances	895,435	(794,348)
Short term deposits and prepayments	198,526	(1,636,051)
	14,017,787	3,969,360
<b>Increase in current liabilities</b>		
Trade and other payables	311,324	23,106,396
Net cash generated from operating activities	6,313,224	20,577,182
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(39,103,853)	(4,105,188)
Intangible purchased	(678,000)	(10,801,838)
Capital work in progress	(102,499,599)	631,090
Proceeds from disposal of property and equipment	141,018	-
Short term investments	-	10,708,969
Profit received on investments	9,926,225	-
Net cash used in investing activities	(132,214,209)	(3,566,967)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital grants received	31,683,720	-
Clinical receipts	6,817,255	-
Grant DAI project - net	-	1,145,975
Grant VPT project - net	212,500,801	-
Endowment fund received	23,000,000	5,225,000
Zakat / donations - net	5,243,977	(2,432,490)
Net cash generated from financing activities	279,245,753	3,938,485
Net increase in cash and cash equivalents	153,344,769	20,948,699
Cash and cash equivalents at beginning of the year	165,347,131	144,398,432
Cash and cash equivalents at end of the year	318,691,900	165,347,131

The annexed notes from 1 to 31 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, 2021**

	Restricted Funds					
	2021			2020		
	Zakat	Donations / Non-zakat funds	Total	Zakat	Donations / Non-zakat funds	Total
-----Rupees-----						
Balance at beginning of the year	95,420,938	28,244,713	123,665,651	115,937,314	42,740,148	158,677,462
Zakat / donations received during the year for operations	213,346,084	104,782,854	318,128,938	249,692,064	103,563,397	353,255,461
Value of services rendered / funds utilised during the year	(282,183,989)	(31,353,777)	(313,537,766)	(270,671,255)	(83,150,135)	(353,821,390)
Transfer of fund to Deferred capital grant		-	-	-	-	-
Transferred to endowment fund	-	-	-	-	(35,024,401)	(35,024,401)
Transferred from statement of income and expenditure	522,244	130,561	652,805	462,815	115,704	578,519
Balance at end of the year	<u>27,105,277</u>	<u>101,804,352</u>	<u>128,909,628</u>	<u>95,420,938</u>	<u>28,244,713</u>	<u>123,665,651</u>

The annexed notes from 1 to 31 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, 2021**

**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 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 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 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	Land	Building	Clinical and medical equipment	Office and electrical equipment	Computer	Vehicles	Solar Panel	Furniture and fixtures	Total
<b>Year ended June 30, 2021</b>									
<b>Net carrying value basis</b>									
Opening net book value (NBV)	38,107,970	120,412,000	2,729,620	5,730,802	2,883,483	6,008,337	2,282,187	9,522,016	187,676,414
Additions during the year	3,601,990	15,652,789	1,759,567	8,657,605	3,141,892	452,000	-	5,838,010	39,103,853
Transferred from CWIP	-	14,369,683	-	620,337	-	-	15,343,600	1,350,100	31,683,720
Disposals	-	-	(78,542)	(27,846)	-	-	-	-	(106,388)
Depreciation	-	(7,110,599)	(1,636,185)	(2,394,549)	(1,944,510)	(2,683,785)	(1,102,979)	(3,456,787)	(20,329,394)
<b>Closing net book value</b>	<b>41,709,960</b>	<b>143,323,873</b>	<b>2,774,460</b>	<b>12,586,349</b>	<b>4,080,865</b>	<b>3,776,552</b>	<b>16,522,808</b>	<b>13,253,339</b>	<b>238,028,205</b>
<b>Gross carrying value basis</b>									
Cost	41,709,960	173,547,306	7,548,688	24,840,116	10,502,475	19,176,488	18,519,387	28,536,066	324,380,487
Accumulated depreciation	-	(30,223,433)	(4,774,228)	(12,253,767)	(6,421,610)	(15,399,936)	(1,996,579)	(15,282,727)	(86,352,282)
<b>Net book value</b>	<b>41,709,960</b>	<b>143,323,873</b>	<b>2,774,460</b>	<b>12,586,349</b>	<b>4,080,865</b>	<b>3,776,552</b>	<b>16,522,808</b>	<b>13,253,339</b>	<b>238,028,205</b>
<b>Year ended June 30, 2020</b>									
<b>Net carrying value basis</b>									
Opening net book value (NBV)	31,160,270	96,024,983	744,072	4,850,999	1,784,056	7,657,954	2,033,202	7,697,319	151,952,856
Additions during the year	-	-	1,507,534	951,225	793,400	386,920	199,659	266,450	4,105,188
Transferred from CWIP	6,947,700	30,015,085	1,306,513	1,376,852	1,291,515	-	565,152	3,762,487	45,265,304
Disposals	-	-	-	(38,841)	(53,673)	(524,780)	-	-	(617,294)
Depreciation	-	(5,628,068)	(828,499)	(1,409,433)	(931,815)	(1,511,757)	(515,826)	(2,204,240)	(13,029,640)
<b>Closing net book value</b>	<b>38,107,970</b>	<b>120,412,000</b>	<b>2,729,620</b>	<b>5,730,802</b>	<b>2,883,483</b>	<b>6,008,337</b>	<b>2,282,187</b>	<b>9,522,016</b>	<b>187,676,414</b>
<b>Gross carrying value basis</b>									
Cost	38,107,970	143,524,834	5,867,663	15,590,020	7,360,583	18,724,488	3,175,787	21,347,956	253,699,302
Accumulated depreciation	-	(23,112,834)	(3,138,043)	(9,859,218)	(4,477,100)	(12,716,151)	(893,600)	(11,825,940)	(66,022,888)
<b>Net book value</b>	<b>38,107,970</b>	<b>120,412,000</b>	<b>2,729,620</b>	<b>5,730,802</b>	<b>2,883,483</b>	<b>6,008,337</b>	<b>2,282,187</b>	<b>9,522,016</b>	<b>187,676,414</b>
Annual rate of depreciation	-	5%	33%	20%	33%	20 - 33%	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, 2021.

	Note	2021 Rupees	2020 Rupees
<b>6 INTANGIBLE</b>			
Intangible assets	6.1	12,149,494	12,251,591
Addition		678,000	-
Amortization		(1,277,895)	(102,097)
		<u>11,549,599</u>	<u>12,149,494</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>70,965,821</u>	<u>650,840</u>
<b>7.1 Movement of carrying amount</b>			
Opening balance		650,840	49,039,513
Additions during the year		102,499,599	10,801,838
		<u>103,150,439</u>	<u>59,841,351</u>
Transferred to property and equipment during the year		(31,683,720)	(45,265,304)
Transferred to intangible during the year		-	(12,251,591)
Transferred to operating expenditure		(500,898)	(1,673,616)
		<u>(32,184,618)</u>	<u>(59,190,511)</u>
Closing balance		<u>70,965,821</u>	<u>650,840</u>
<b>8 MEDICAL SUPPLIES</b>			
Medical Supplies		<u>8,478,373</u>	<u>21,402,198</u>
<b>9 LOAN AND ADVANCES</b>			
Loan to staff		362,426	356,280
Advance against expenses		334,511	1,236,092
		<u>696,937</u>	<u>1,592,372</u>
<b>10 SHORT TERM DEPOSITS AND PREPAYMENTS</b>			
Deposits		2,770,540	2,694,540
Prepaid rent		520,001	794,527
		<u>3,290,541</u>	<u>3,489,067</u>
<b>11 SHORT TERM INVESTMENTS</b>			
Mutual fund units	11.1	<u>70,281,246</u>	<u>63,895,378</u>

	Note	2021 Rupees	2020 Rupees
Carrying value		63,895,378	58,854,191
Adjustment arising on remeasurement to fair value		6,385,868	5,041,187
		<u>70,281,246</u>	<u>63,895,378</u>

Details of investments in mutual fund units are as follows:

#### Mutual fund units

2021	2020		2021	2020
Number of units			Rupees	Rupees
749,143	393,756	NAFA Islamic Income Fu	7,529,191	3,753,008
383,213	313,872	NAFA Islamic Stock Fun	4,880,220	2,970,265
408,481	408,481	NAFA Riba-free Saving	-	4,179,540
3,960,244	3,739,987	NAFA Riba-free Savings	40,563,192	38,267,174
306,602	299,157	NAFA Islamic Surmaya	5,125,983	4,243,578
48.80	46.36	Al-Ameen Islamic Cash Fund - Class 'B'	4,910	4,659
96,178	92,118	Allocation Fund - Class 'C'	12,177,750	10,477,297
			<u>70,281,246</u>	<u>63,895,520</u>

#### 12 CASH AND BANK BALANCES

Cash in hand		128,657	82,810
Cash at banks in:			
Current accounts		71,623,652	8,116,317
Savings accounts	12.1	246,939,591	157,148,004
		318,563,243	165,264,321
		<u>318,691,900</u>	<u>165,347,131</u>

12.1 The rates of profit on saving account ranges between: 6.5 % to 12.25 % (2020: 7 % to 12.25 %) per annum. Restricted funds for Zakat / Non-zakat for clinical operations.

	Note	2021 Rupees	2020 Rupees
<b>13 DEFERRED CAPITAL GRANTS</b>			
Balance as at the beginning of the year		207,107,637	219,775,066
Grant received during the year		31,683,720	-
Transferred from Donation / Non-zakat fund		39,103,853	-
		<u>277,895,210</u>	<u>219,775,066</u>
Less:			
Grant income realised against expenses	13.1	(377,821)	(681,667)
Grant income realised against assets	13.2	(21,606,288)	(13,131,737)
		<u>(21,984,109)</u>	<u>(13,813,404)</u>
Grants received during the year for DAI Project		-	4,702,250
Grant income realised against DAI Project		-	(3,556,275)
Grants received during the year for VPT Project	13.3	212,500,801	-
Grant income realised against VPT Project		(32,182,388)	-
		<u>180,318,413</u>	<u>1,145,975</u>
Balance as at the end of the year		<u>436,229,514</u>	<u>207,107,637</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 for pregnant & Lactating women and strengthen of immunization rate for children under the age of 5 years.

#### 14 ENDOWMENT FUND

Endowment fund	14.1	<u>101,010,088</u>	<u>69,907,539</u>
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14.1 Movement in the endowment fund is as follows:

Balance as at July 1		69,907,539	23,829,790
Transferred from non-zakat fund		-	35,024,401
Addition		23,000,000	5,225,000
Unrealised gain on remeasurement of funds		2,296,018	3,242,774
Unrealised gain on remeasurement of funds - NAFA & A		2,389,145	972,341
Dividend for the year		1,700,704	826,073
Profit on DIB		1,716,682	787,160
Balance as at June 30	14.2	<u>101,010,088</u>	<u>69,907,539</u>

- 14.2 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.

	Note	2021 Rupees	2020 Rupees
<b>15 TRADE AND OTHER PAYABLES</b>			
Creditors		33,384,656	24,711,231
Accrued expenses		16,651,017	25,929,848
EOBI payable		5,797,718	4,880,988
		<u>55,833,391</u>	<u>55,522,067</u>

**16 CONTINGENCIES AND COMMITMENTS**

**16.1 Contingencies**

There were no contingencies at reporting date.

**16.2 Commitments**

There were no commitments at reporting date.

**17 RESTRICTED FUNDS**

Zakat funds

General zakat fund 23,581,591 83,016,216

Zakat ration fund for Baldia 3,523,686 12,404,722

17.1 27,105,277 95,420,938

Donations / Non-zakat funds

General donations 101,804,351 28,244,713

128,909,628 123,665,651

- 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 227,286,959 260,139,660

Ration 8,517,200 10,531,595

235,804,159 270,671,255

	Note	2021 Rupees	2020 Rupees
Donations / Non-zakat funds			
Donations		45,551,219	80,404,131
Service rendered DAI		-	2,746,004
Value Of Services - VPT Nutrition		11,827,668	-
Value Of Services - VPT Immunization		20,354,720	-
		<u>77,733,607</u>	<u>83,150,135</u>
		<u>313,537,766</u>	<u>353,821,390</u>
<b>19</b>	<b>CLINICAL RECEIPTS</b>		
Clinic fees		6,815,805	7,881,295
Laboratory income		1,450	10,500
Ultrasound income		-	118,935
		<u>6,817,255</u>	<u>8,010,730</u>
<b>20</b>	<b>GRANT INCOME</b>		
Grant income realised against expenses	13.1	377,821	681,667
Grant income realised against assets	13.2	21,606,288	13,131,737
		<u>21,984,109</u>	<u>13,813,404</u>
<b>21</b>	<b>OPERATING EXPENSES</b>		
Salaries, allowances and other benefits		152,916,017	185,429,296
Medicines supplies		91,299,485	96,664,368
Vehicle and transportation		16,184,697	16,277,933
Rent, rates and taxes		2,622,870	2,048,552
Utilities		7,096,111	7,335,982
Repair and maintenance		9,502,325	10,581,100
Referral patients services		35,890	33,999
Communications		5,210,426	6,774,077
Advertisement		5,500	40,000
Printing and stationery		3,627,341	4,258,697
Depreciation		17,556,477	9,757,039
Amortization		1,277,895	102,097
Training cost		2,516,105	2,204,197
		<u>309,851,139</u>	<u>341,507,336</u>
<b>22</b>	<b>ADMINISTRATIVE EXPENSES</b>		
Salaries, allowances and other benefits		9,891,528	10,258,393
Vehicle and transportation		459,053	1,236,863
Rent, rates and taxes		5,185,733	4,608,173

	<b>2021</b>	<b>2020</b>
	<b>Rupees</b>	<b>Rupees</b>
Utilities	1,874,440	1,227,592
Repair and maintenance	1,168,043	2,524,102
Communications	1,697,645	2,712,171
Printing and stationery	511,930	983,269
Other expenses	6,025	12,400
Depreciation	2,776,243	3,272,600
	<u>23,570,640</u>	<u>26,835,563</u>
<b>23 RATION AND DONATION EXPENSES</b>		
Ration expenses	<u>8,517,200</u>	<u>10,531,577</u>
<b>24 OTHER EXPENSES</b>		
Auditors' remuneration	232,925	211,750
Legal and professional charges	3,787,706	1,324,806
Insurance expense	4,915,023	5,445,286
Bank charges	531,392	78,423
Miscellaneous expenses	241,155	734,082
	<u>9,708,201</u>	<u>7,794,347</u>
<b>25 OTHER INCOME</b>		
Profit on PLS accounts	9,926,225	10,708,969
Gain on disposal of fixed assets	34,630	13,796
Unrealised gain on remeasurement of funds	-	-
Staff annual dinner donation (Trustees)	-	-
K-Electric reimbursement	-	829,053
Other	-	50,000
	<u>9,960,855</u>	<u>11,601,818</u>
<b>26 TRANSACTIONS WITH RELATED PARTIES</b>		

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.

	<b>2021</b>	<b>2020</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Entities under common Trustees</b>		
Donations received from Child Life Foundation	45,909,760	47,057,314
Donations received from Bharucha & Company	4,650,000	4,540,000
Donations received from Anam Fabrics (Pvt) Ltd.	3,000,000	2,950,000
<b>Key management personnel</b>		
Donations received	100,000	726,000

## **27 FINANCIAL INSTRUMENTS RELATED DISCLOSURES**

### **27.1 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.

### **27.2 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.

### **27.3 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.

### **27.4 Fair value of financial instruments**

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

	2021	2020
	Number of employees	
<b>28 NUMBER OF EMPLOYEES</b>		
Number of employees as at June 30	445	419
Average number of employees	480	459

**29 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.

**30 DATE FOR AUTHORIZATION FOR ISSUE**

The Board of Directors of the Company authorized these financial statements for issue on 10 OCT 2022.

**31 GENERAL**

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

  
**CHIEF EXECUTIVE OFFICER**

  
**TRUSTEE**