

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, 2022 and the statement of income and expenditure and other comprehensive income, 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, 2022, and of its financial performance, its surplus and comprehensive income 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: 08 FEB 2023

UDIN: AR202210166ALDyQRTIh

BDO Ebrahim & Co.

CHARTERED ACCOUNTANTS

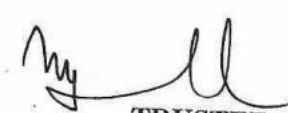
Engagement Partner: Tariq Feroz Khan

SINA HEALTH, EDUCATION & WELFARE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

| | Note | 2022 Rupees | 2021 Rupees |
|--------------------------------------|------|--------------------|--------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property and equipment | 5 | 304,330,336 | 238,028,205 |
| Intangible | 6 | 10,256,644 | 11,549,599 |
| Capital work in progress | 7 | 21,723,101 | 70,965,821 |
| | | <u>336,310,081</u> | <u>320,543,625</u> |
| CURRENT ASSETS | | | |
| Medical supplies | | 18,265,667 | 8,478,373 |
| Loan and advances | 8 | 737,686 | 696,937 |
| Short term deposits and prepayments | 9 | 6,221,825 | 3,290,541 |
| Short term investments | 10 | 320,424,533 | 201,010,089 |
| Cash and bank balances | 11 | 182,772,694 | 187,963,057 |
| | | <u>528,422,405</u> | <u>401,438,997</u> |
| | | <u>864,732,486</u> | <u>721,982,622</u> |
| TOTAL ASSETS | | | |
| LIABILITIES | | | |
| NON CURRENT LIABILITIES | | | |
| Deferred grant | 12 | 447,368,637 | 436,229,514 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 40,294,094 | 55,833,391 |
| TOTAL LIABILITIES | | <u>487,662,731</u> | <u>492,062,905</u> |
| NET ASSETS | | <u>377,069,755</u> | <u>229,919,717</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| NET ASSETS REPRESENTED BY: | | | |
| Restricted Funds | | | |
| Zakat funds | | 68,233,283 | 27,105,277 |
| Donations / non-zakat funds | | 153,456,456 | 101,804,352 |
| Endowment fund | | 155,380,016 | 101,010,088 |
| | 15 | <u>377,069,755</u> | <u>229,919,717</u> |

The annexed notes from 1 to 28 form an integral part of these financial statements.

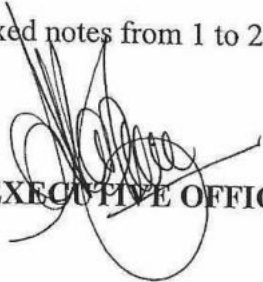

CHIEF EXECUTIVE OFFICER


TRUSTEE

**SINA HEALTH, EDUCATION & WELFARE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022**

| | Note | 2022 Rupees | 2021 Rupees |
|------------------------------|------|----------------------|----------------------|
| RESTRICTED FUNDS | | | |
| INCOME | | | |
| Deferred income realized | 16 | 398,539,545 | 313,537,766 |
| Clinical receipts | 17 | 20,609,260 | 6,817,255 |
| Grant income | 18 | 42,984,071 | 21,984,109 |
| | | <u>462,132,876</u> | <u>342,339,130</u> |
| EXPENDITURE | | | |
| Operating expenses | 19 | (439,297,564) | (309,851,139) |
| Administrative expenses | 20 | (30,286,384) | (23,570,640) |
| Ration and donation expenses | | - | (8,517,200) |
| Other expenses | 21 | (11,144,946) | (9,708,201) |
| | | <u>(480,728,894)</u> | <u>(351,647,180)</u> |
| Gross deficit | | (18,596,018) | (9,308,050) |
| Other income | 22 | 18,678,603 | 9,960,855 |
| Surplus for the year | | <u>82,585</u> | <u>652,805</u> |
| Attributable to: | | | |
| Zakat funds | | 66,068 | 522,244 |
| Donations / non-zakat funds | | 16,517 | 130,561 |
| | | <u>82,585</u> | <u>652,805</u> |

The annexed notes from 1 to 28 form an integral part of these financial statements.

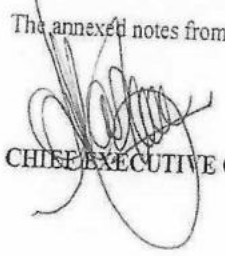

CHIEF EXECUTIVE OFFICER


TRUSTEE

SINA HEALTH, EDUCATION & WELFARE TRUST
STATEMENT OF CHANGES IN ACCUMULATED FUND
AS AT JUNE 30, 2022

| | Restricted Funds | | | | | | | |
|---|------------------|-----------------------------|----------------|---------------|---------------|-----------------------------|----------------|---------------|
| | 2022 | | | | 2021 | | | |
| | Zakat | Donations / non-zakat funds | Endowment Fund | Total | Zakat | Donations / Non-zakat funds | Endowment Fund | Total |
| | -----Rupees----- | | | | | | | |
| Balance at beginning of the year | 27,105,277 | 101,804,352 | 101,010,088 | 229,919,717 | 95,420,938 | 28,244,713 | 69,907,539 | 193,573,190 |
| Zakat / donations received during the year for operations | 256,667,551 | 79,525,797 | - | 336,193,348 | 213,346,084 | 104,782,854 | - | 318,128,938 |
| Deferred grant realized / funds utilised during the year | (215,695,613) | (27,890,210) | - | (243,495,823) | (282,183,989) | (31,353,776) | - | (313,537,765) |
| Transferred from statement of income and expenditure | 66,068 | 16,517 | - | 82,585 | 522,244 | 130,561 | - | 652,805 |
| Movement during the year (Note 15.1) | - | - | 54,369,928 | 54,369,928 | - | - | 31,102,549 | 31,102,549 |
| Balance at end of the year | 68,233,283 | 153,456,456 | 155,380,016 | 377,069,755 | 27,105,277 | 101,804,352 | 101,010,088 | 229,919,717 |

The annexed notes from 1 to 28 form an integral part of these financial statements. *Ba*


CHIEF EXECUTIVE OFFICER


TRUSTEE

SINA HEALTH, EDUCATION & WELFARE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 Rupees | 2021 Rupees |
|---|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Surplus for the year | | |
| Adjustment for non-cash items | 82,585 | 652,805 |
| Depreciation for the year | | |
| Amortization for the year | 38,434,852 | 20,332,720 |
| Reversal of withholding tax | 1,292,955 | 1,277,895 |
| Profit and dividend on investments | - | (158,019) |
| Remeasurement of fair value in mutual fund investment | (1,170,343) | (3,417,386) |
| Gain on disposal of fixed assets | (4,143,287) | (4,685,163) |
| Grant income realised against assets | (2,317,462) | (34,630) |
| Grant income realised against expenses | (39,727,807) | (21,606,288) |
| Deficit before working capital changes | (3,256,264) | (377,821) |
| | (10,804,771) | (8,015,886) |
| Decrease / (increase) in current assets | | |
| Medical supplies | (9,787,293) | 12,923,826 |
| Loan and advances | (40,749) | 895,435 |
| Short term deposits and prepayments | (2,931,284) | 198,526 |
| decrease in current liabilities | | |
| Trade and other payables | (12,759,326) | 14,017,787 |
| Net cash (used in)/flow from operating activities | (15,539,297) | 311,324 |
| | (39,103,394) | 6,313,224 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property and equipment | (22,045,507) | (39,103,853) |
| Intangible purchased | - | (678,000) |
| Capital work in progress | (34,441,294) | (102,499,599) |
| Proceeds from disposal of property and equipment | 3,310,000 | 141,018 |
| Profit received on investments | 17,531,484 | 9,926,225 |
| Net cash used in investing activities | (35,645,317) | (132,214,209) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Capital grants received | 83,684,014 | 31,683,720 |
| Grant Vital Pakistan Trust (VPT) project - net | (44,751,620) | 212,500,801 |
| Endowment fund received | 53,199,586 | 29,817,254 |
| Zakat / donations - net | 92,697,525 | 5,243,977 |
| Net cash flow from financing activities | 184,829,505 | 279,245,752 |
| Net increase in cash and cash equivalents | 110,080,794 | 153,344,768 |
| Cash and cash equivalents at beginning of the year | 318,691,900 | 165,347,131 |
| Cash and cash equivalents at end of the year | 428,772,694 | 318,691,900 |
| Cash and cash equivalents at end of the year | 246,000,000 | 130,728,843 |
| Term deposit receipts | 182,772,694 | 187,963,057 |
| Cash and bank balances | 428,772,694 | 318,691,900 |

The annexed notes from 1 to 28 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, 2022

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 38 health facilities in Karachi. 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 Medium-Sized Entities (SMEs) 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.

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 Grant

Grant funds related to assets are accounted for as deferred 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 organization's 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 amortized cost.

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

At each reporting date, the trust 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.

3.16.1 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) 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 |
|-----------------------------------|-------------------|--------------------|--------------------------------|---------------------------------|------------------|-------------------|-------------------|------------------------|--------------------|
| | | | | | | | | | |
| 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 |
| Year ended June 30, 2021 | | | | | | | | | |
| Net carrying value basis | | | | | | | | | |
| Opening net book value | 38,107,970 | 120,412,000 | 2,729,620 | 5,730,802 | 2,883,483 | 6,008,337 | 2,282,187 | 9,522,016 | 187,676,415 |
| 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) |
| Closing 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 |
| Gross carrying value basis | | | | | | | | | |
| 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) |
| 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 |
| Annual rate of depreciation | - | 5% | 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, 2022.

| | Note | 2022 Rupees | 2021 Rupees |
|---|---|---------------------|---------------------|
| 6 INTANGIBLE | | | |
| Intangible assets | | | |
| Addition | 6.1 | 11,549,599 | 12,149,494 |
| Amortization | | - | 678,000 |
| | | <u>(1,292,955)</u> | <u>(1,277,895)</u> |
| | | <u>10,256,644</u> | <u>11,549,599</u> |
| 6.1 | The electronic medical record system is amortized over the period of 10 years on straight line | | |
| 7 CAPITAL WORK IN PROGRESS | | | |
| Capital work in progress | 7.1 | <u>21,723,101</u> | <u>70,965,821</u> |
| 7.1 Movement of carrying amount | | | |
| Opening balance | | 70,965,821 | 650,840 |
| Additions during the year | | 34,441,294 | 102,499,599 |
| | | <u>105,407,115</u> | <u>103,150,439</u> |
| Transferred to property and equipment during the year | | (83,684,014) | (31,683,720) |
| Transferred to operating expenditure | | - | (500,898) |
| | | <u>(83,684,014)</u> | <u>(32,184,618)</u> |
| Closing balance | | <u>21,723,101</u> | <u>70,965,821</u> |
| 8 LOAN AND ADVANCES | | | |
| Loan to staff | | | |
| Advance against expenses | 8.1 | 435,593 | 362,426 |
| | | 302,093 | 334,511 |
| | | <u>737,686</u> | <u>696,937</u> |
| 8.1 | Loan to staff represent one third interest free loan to the employees for the period of three months as per the trust's policy. | | |
| 9 SHORT TERM DEPOSITS AND PREPAYMENTS | | | |
| Deposits | | 4,349,418 | 2,770,540 |
| Prepaid rent | | 1,872,407 | 520,001 |
| | | <u>6,221,825</u> | <u>3,290,541</u> |

| 10 | SHORT TERM INVESTMENTS | Note | 2022 Rupees | 2021 Rupees |
|------|---|-------|--------------------|--------------------|
| | Mutual fund units | 10.1 | 74,424,533 | 70,281,246 |
| | Term deposit receipt (TDR) | 10.11 | 246,000,000 | 130,728,843 |
| | | | <u>320,424,533</u> | <u>201,010,089</u> |
| 10.1 | Mutual fund units | | | |
| | Carrying value | | 70,281,246 | 63,895,378 |
| | Adjustment arising on remeasurement to fair value | | 4,143,287 | 6,385,868 |
| | | | <u>74,424,533</u> | <u>70,281,246</u> |

Details of investments in mutual fund units are as follows:

Mutual fund units

| 2022 | 2021 | | | |
|-----------------|-----------|--|------------|------------|
| Number of units | | | | |
| 1,289,546 | 749,143 | NAFA Islamic Income Fund, NAV of Rs.10.1 | 12,993,981 | 7,529,191 |
| - | 383,213 | NAFA Islamic Stock Fund | - | 4,880,220 |
| 4,744,872 | 408,481 | NAFA Riba- free Saving Fund, NAV | 48,714,176 | - |
| - | 3,960,244 | NAFA Riba- free Savings | - | 40,563,192 |
| - | 306,602 | NAFA Islamic | - | 5,125,983 |

| | | | | |
|---------|--------|---|-------------------|-------------------|
| | 48.80 | Islamic Cash Fund - Class | | 4,910 |
| 125,314 | 96,178 | Ameen Islamic Asset Allocation | 12,716,376 | 12,177,750 |
| | | | <u>74,424,533</u> | <u>70,281,246</u> |

10.11 The rates of profit on term deposit receipts ranges between: 8.75% to 14.25% (2021: 6.5% to 12.25%) per annum.

| | Note | 2022 Rupees | 2021 Rupees |
|----------------------------------|------|--------------------|--------------------|
| 11 CASH AND BANK BALANCES | | | |
| Cash in hand | | 135,231 | 128,657 |
| Cash at banks in: | | | |
| Current accounts | | 62,190,848 | 71,623,652 |
| Savings accounts | 11.1 | 120,446,615 | 116,210,748 |
| | | 182,637,463 | 187,834,400 |
| | | <u>182,772,694</u> | <u>187,963,057</u> |

11.1 The rates of profit on saving account is 14.25% (2021: 12.25%) per annum.

12 DEFERRED GRANTS

| | | | |
|---|------|---------------------|--------------------|
| Balance as at the beginning of the year | | 436,229,514 | 207,107,637 |
| Grant received during the year | | 83,684,014 | 31,683,720 |
| Transferred from Donation / Non-zakat fund | | 22,045,507 | 39,103,853 |
| | | <u>541,959,035</u> | <u>277,895,210</u> |
| Less: | | | |
| Grant income realised against expenses | 12.1 | (3,256,264) | (377,821) |
| Grant income realised against assets | 12.2 | (39,727,807) | (21,606,288) |
| | | (42,984,071) | (21,984,109) |
| Grants received during the year for VPT Project | 12.3 | 188,283,929 | 212,500,801 |
| Grant income realised against Asset VPT Project | | (84,846,534) | - |
| Grant income realised against Expense VPT Project | | (155,043,722) | (32,182,388) |
| | | <u>(51,606,327)</u> | <u>180,318,413</u> |
| Balance as at the end of the year | | <u>447,368,637</u> | <u>436,229,514</u> |

- 12.1 These represent expenses that were made out of the deferred grants but does not meet the capitalisation criteria of the Trust and were charged to income and expenditure account.
- 12.2 This represents amount realiaised to grant income equivalent to depreciation and amortization charged on the relevant assets.
- 12.3 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.

| 13 | TRADE AND OTHER PAYABLES | Note | 2022 Rupees | 2021 Rupees |
|----|--------------------------|------|-------------------|-------------------|
| | Creditors | | 13,305,024 | 33,384,656 |
| | Accrued expenses | | 21,336,116 | 16,651,017 |
| | EOBI payable | | 5,652,954 | 5,797,718 |
| | | | <u>40,294,094</u> | <u>55,833,391</u> |

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments at reporting date.

15 RESTRICTED FUNDS

| | | | | |
|--|------------------------------|------|--------------------|--------------------|
| | Zakat funds | | | |
| | General zakat fund | | 59,362,956 | 23,581,591 |
| | Zakat ration fund for Baldia | | 8,870,327 | 3,523,686 |
| | | 15.1 | <u>68,233,283</u> | <u>27,105,277</u> |
| | Donations / non-zakat funds | | | |
| | General donations | | 153,456,456 | 101,804,351 |
| | Endowment fund | 15.2 | 155,380,016 | 101,010,088 |
| | | | <u>377,069,754</u> | <u>229,919,715</u> |

- 15.1 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.

| | Note | 2022 Rupees | 2021 Rupees |
|------|---|--------------------|--------------------|
| 15.2 | Movement in the endowment fund is as follows: | | |
| | | 101,010,088 | 69,907,539 |
| | | 49,056,298 | 23,000,000 |
| | | 3,009,947 | 2,296,018 |
| | | 599,625 | 2,389,145 |
| | | 533,716 | 1,700,704 |
| | | 1,170,342 | 1,716,682 |
| | 15.3 | <u>155,380,016</u> | <u>101,010,088</u> |
| 15.3 | 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. | | |
| 16 | Deferred Income Realized | | |
| | Deferred Income realized in lieu of: | | |
| | Zakat funds | | |
| | | 215,605,613 | 227,286,959 |
| | | - | 8,517,200 |
| | | <u>215,605,613</u> | <u>235,804,159</u> |
| | Donations / Non-zakat funds | | |
| | | 27,890,210 | 45,551,219 |
| | | 125,877,344 | 11,827,668 |
| | | 29,166,378 | 20,354,720 |
| | | 182,933,932 | 77,733,607 |
| | | <u>398,539,545</u> | <u>313,537,766</u> |
| 17 | CLINICAL RECEIPTS | | |
| | | 20,603,910 | 6,815,805 |
| | | 5,350 | 1,450 |
| | | <u>20,609,260</u> | <u>6,817,255</u> |
| 18 | GRANT INCOME | | |
| | 12.1 | 3,256,264 | 377,821 |
| | 12.2 | 39,727,807 | 21,606,288 |
| | | <u>42,984,071</u> | <u>21,984,109</u> |

| | Note | 2022 Rupees | 2021 Rupees |
|---|------|--------------------|--------------------|
| 19 OPERATING EXPENSES | | | |
| Salaries, allowances and other benefits | | 195,807,978 | 152,916,017 |
| Medicines supplies | | 113,917,379 | 91,299,485 |
| Vehicle and transportation | | 23,795,859 | 16,184,697 |
| Rent, rates and taxes | | 4,297,845 | 2,622,870 |
| Utilities | | 8,095,887 | 7,096,111 |
| Repair and maintenance | | 41,624,715 | 9,502,325 |
| Referral patients services | | - | 35,890 |
| Communications | | 7,467,919 | 5,210,426 |
| Advertisement | | 1,786,785 | 5,500 |
| Printing and stationery | | 5,164,781 | 3,627,341 |
| Depreciation | | 34,645,759 | 17,556,477 |
| Amortization | | 1,292,955 | 1,277,895 |
| Training cost | | 1,399,702 | 2,516,105 |
| | | <u>439,297,564</u> | <u>309,851,139</u> |
| 20 ADMINISTRATIVE EXPENSES | | | |
| Salaries, allowances and other benefits | | 15,399,504 | 9,891,528 |
| Vehicle and transportation | | 889,618 | 459,053 |
| Rent, rates and taxes | | 3,576,356 | 5,185,733 |
| Utilities | | 1,773,564 | 1,874,440 |
| Repair and maintenance | | 2,616,984 | 1,168,043 |
| Communications | | 1,844,085 | 1,697,645 |
| Printing and stationery | | 397,179 | 511,930 |
| Other expenses | | - | 6,025 |
| Depreciation | | 3,789,094 | 2,776,243 |
| | | <u>30,286,384</u> | <u>23,570,640</u> |
| 21 OTHER EXPENSES | | | |
| Auditors' remuneration | | 280,000 | 232,925 |
| Legal and professional charges | | 3,600,822 | 3,787,706 |
| Insurance expense | | 6,596,486 | 4,915,023 |
| Bank charges | | 17,974 | 531,392 |
| Miscellaneous expenses | | 649,664 | 241,155 |
| | | <u>11,144,946</u> | <u>9,708,201</u> |

| | Note | 2022 Rupees | 2021 Rupees |
|----------------------------------|------|-------------------|------------------|
| 22 OTHER INCOME | | | |
| Profit on savings accounts | | 16,361,141 | 9,926,225 |
| Gain on disposal of fixed assets | | 2,317,462 | 34,630 |
| | | <u>18,678,603</u> | <u>9,960,855</u> |

23 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

| | | |
|---|------------|------------|
| Donations received from Child Life Foundation | 55,141,764 | 45,909,760 |
| Donations received from Bharucha & Company | 3,905,000 | 4,650,000 |
| Donations received from Anam Fabrics (Pvt) Ltd. | 6,300,000 | 3,000,000 |

Key management personnel

| | | |
|--------------------|---------|---------|
| Donations received | 650,000 | 100,000 |
|--------------------|---------|---------|

24 FINANCIAL INSTRUMENTS RELATED DISCLOSURES

| | Fair value through | | Amortised cost | | Total | |
|-------------------------------------|--------------------|------|--------------------|--------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Financial assets | | | | | | |
| Loan and advances | - | - | 737,686 | 696,937 | 737,686 | 696,937 |
| Short term deposits and prepayments | - | - | 6,221,825 | 3,290,541 | 6,221,825 | 3,290,541 |
| Short term investments | - | - | 320,424,533 | 70,281,246 | 320,424,533 | 70,281,246 |
| Cash and bank balances | - | - | 182,772,694 | 318,691,900 | 182,772,694 | 318,691,900 |
| | - | - | <u>510,156,738</u> | <u>392,960,624</u> | <u>510,156,738</u> | <u>392,960,624</u> |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | 40,294,094 | 55,833,391 | 40,294,094 | 55,833,391 |
| | - | - | <u>40,294,094</u> | <u>55,833,391</u> | <u>40,294,094</u> | <u>55,833,391</u> |

| | 2022 | 2021 |
|-----------------------------------|------|------|
| 25 NUMBER OF EMPLOYEES | | |
| Number of employees as at June 30 | 534 | 445 |
| Average number of employees | 571 | 480 |

26 **Reclassification**

Corresponding figures have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which are as follow;

| Description | Reclassification | | In Rupees |
|-----------------------------|------------------|------------------------|-------------|
| | From | To | |
| Term deposit receipts (TDR) | Cash and bank | Short term investments | 246,000,000 |

27 **DATE FOR AUTHORIZATION FOR ISSUE**

The Board of Directors of the Company authorized these financial statements for issue on 08 FEB 2023.

28 **GENERAL**

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


CHIEF EXECUTIVE OFFICER


TRUSTEE