

**MOFAD-E-AMMA CHINIOT SHEIKH  
ASSOCIATION (REGD.) FAISALABAD**

**FINANCIAL STATEMENTS  
For the year ended June 30, 2021**

## AUDITORS' REPORT TO THE TRUSTEES

### Opinion

We have audited the financial statements of **MOFAD-E-AMMA CHINIOT SHEIKH ASSOCIATION (REGD.) FAISALABAD**, which comprise the statement of financial position as at June 30, 2021, and the statement of income and expenditure, the statement of changes in fund and the statement of cash flows 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 **MOFAD-E-AMMA CHINIOT SHEIKH ASSOCIATION (REGD.) FAISALABAD** as at June 30, 2021, and of its deficit, changes in fund 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 the 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 association in accordance with the 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 other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the association'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 association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

### Auditor's Responsibilities 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.

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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 association'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 association'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 association 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.

DATE: 13 DEC 2021  
FAISALABAD

  
*Kreston Hyder Bhimji & Co.*  
**KRESTON HYDER BHIMJI & CO.**  
Chartered Accountants  
Engagement Partner: Khan Muhammad

**MOFAD-E-AMMA CHINIOT SHEIKH ASSOCIATION (REGD.) FAISALABAD**

**STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021**

FUNDS AND LIABILITIES	Note	2021 Rupees	2020 Rupees	ASSETS	Note	2021 Rupees	2020 Rupees
<b>FUND</b>				<b>NON CURRENT ASSETS</b>			
Accumulated surplus		140,746,109	118,043,524	Property and equipment	6	89,090,410	96,544,827
				Long term deposits	7	551,186	403,607
						<u>89,641,596</u>	<u>96,948,434</u>
<b>CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Trade and other payables	4	12,347,025	9,379,165	Stores and spares	8	3,665,208	1,618,982
				Debtors	9	3,612,151	1,666,953
				Short term investment	10	5,000,000	17,000,000
				Advances and deposit	11	453,508	437,400
				Tax refund due from government	12	1,872,722	1,583,673
				Cash and bank balances	13	48,847,949	8,167,247
						<u>63,451,538</u>	<u>30,474,255</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	5						
		<u>153,093,134</u>	<u>127,422,689</u>			<u>153,093,134</u>	<u>127,422,689</u>

The annexed notes 1 to 22 form an integral part of these financial statements.

*KHB*

*Naeem Ahmad*  
PRESIDENT

*Skander*  
FINANCE SECRETARY

*Farrash Min*  
GENERAL SECRETARY

**MOFAD-E-AMMA CHINIOT SHEIKH ASSOCIATION (REGD.) FAISALABAD**

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
<b>Revenue</b>			
Medical receipts	14	147,069,888	129,794,450
Donations	15	25,783,648	21,997,386
		172,853,536	151,791,836
<b>Expenditures</b>			
Medical expenses	16	141,799,421	141,322,462
Administrative expenses	17	10,511,476	13,050,146
		152,310,897	154,372,608
		20,542,639	(2,580,772)
<b>Other revenue</b>	18	2,159,946	1,767,571
<b>Profit/(Deficit) for the year</b>		22,702,585	(813,201)

The annexed notes 1 to 22 form an integral part of these financial statements.

*Naeem Ahmad*  
PRESIDENT

*Shander*  
FINANCE SECRETARY

*Feroz Shah Min*  
GENERAL SECRETARY

**MOFAD-E-AMMA CHINIOT SHEIKH ASSOCIATION (REGD.) FAISALABAD**

**STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>ACCUMULATED SURPLUS</u> Rupees
Balance as at June 30, 2019	118,856,725
Deficit for the year	(813,201)
Balance as at June 30, 2020	<u>118,043,524</u>
Surplus for the year	22,702,585
Balance as at June 30, 2021	<u><u>140,746,109</u></u>

The annexed notes 1 to 22 form an integral part of these financial statements.

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*Naeem Ahmad*  
PRESIDENT

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FINANCE SECRETARY

*Farooqsh Min*  
GENERAL SECRETARY

**MOFAD-E-AMMA CHINIOT SHEIKH ASSOCIATION (REGD.) FAISALABAD**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(Deficit) for the year		22,702,585	(813,201)
Adjustment for:			
Depreciation		8,790,008	9,801,034
Bank profit on PLS accounts		(193,017)	(117,717)
Profit on short term investment		(1,402,145)	(1,205,727)
Operating cash flows before working capital changes		29,897,432	7,664,389
Changes in working capital			
Decrease / (increase) in current assets			
Stores and spares		(2,046,226)	1,433,059
Debtors		(1,945,199)	(692,565)
Advances and deposit		(16,109)	2,096,218
Increase / (decrease) in current liabilities			
Trade and other payables		2,967,860	2,449,238
		(1,039,674)	5,285,950
Cash generated from operations		28,857,758	12,950,339
Income tax paid		(289,049)	(70,687)
Bank profit received		193,017	117,717
Long term deposits paid		(147,579)	-
Net cash generated from operating activities		28,614,147	12,997,369
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(1,335,590)	(11,527,382)
Addition in capital work in progress		-	(459,099)
Short term investment		12,000,000	(1,000,000)
Profit received on short term investment		1,402,145	1,205,727
Net cash generated from / (used in) investing activities		12,066,555	(11,780,754)
Net increase in cash and cash equivalents	(a+b)	40,680,702	1,216,616
Cash and cash equivalents at the beginning of the year		8,167,247	6,950,631
Cash and cash equivalents at the end of the year	13	48,847,949	8,167,247

The annexed notes 1 to 22 form an integral part of these financial statements.

*Naem Ahmad*  
PRESIDENT

*Sander*  
FINANCE SECRETARY

*Fazalsh Mmi*  
GENERAL SECRETARY

# MOFAD-E-AMMA CHINIOT SHEIKH ASSOCIATION (REGD.) FAISALABAD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 1. STATUS AND ACTIVITIES

Mofad-e-Aama Chiniot sheikh association, a healthcare, charitable and non-profit organization, was established on 24th May, 1968 and registered with Directorate General of Social Welfare Department of Pakistan under the voluntary social welfare agencies (Registration and Control) Ordinance, 1961. The main office of the association is situated at 209 - Jinnah colony, Faisalabad. The main objective of the association is to operate hospitals for providing medical facilities to the poor and non-affordable patients at concessional rates and free of cost. The association is running Chiniot General Hospitals one at 209 - Jinnah colony and other at opposite sui gas office, Sargodha road, Faisalabad.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Revised Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSE) 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 "historical cost convention" except donations received in kind which are stated at fair value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is also the Association's functional currency.

#### 2.4 Use of estimates and judgments

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 setting up and applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, impairment and provision for doubtful receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property and equipment

##### 3.1.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to income on reducing balance method to write off the cost of assets over their expected useful life at the rates mentioned in its relevant note. Depreciation on additions during the year is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Maintenance and normal repairs are charged to current year income. Major renewals and improvements are capitalized. Gain or loss on disposal of fixed assets is included in current year income.

##### 3.1.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents direct cost of material, labour, applicable overheads and borrowing costs on qualifying assets. Transfers are made to relevant operating fixed assets category as and when assets are available for its intended use.

#### 3.2 Stores and spares

These are valued at weighted average cost less allowances for obsolete and slow moving items. Provision is made for slow moving and obsolete store items when so identified.

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### 3.3 Debtors and other receivables

Receivables from panel companies are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future. Balances considered bad are written off when identified.

### 3.4 Investments

#### - Held to maturity

Investments with fixed or determinable payments and fixed maturity, which the entity has the positive intent and ability to hold to maturity, are carried at amortized cost, using the effective interest rate method less impairment, if so determined.

### 3.5 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and cheques in hand, in transit and at banks. The cash and cash equivalents are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

### 3.6 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed to the trust or not.

### 3.7 Provisions

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

### 3.8 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The entity, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence/ non- occurrence of the uncertain future event(s).

### 3.9 Provision for taxation

The income of the Trust is taxable under the provisions of the Income Tax Ordinance, 2001 (the Ordinance), however, the Trust, being a non profit organization, is also entitled to a tax credit equal to one hundred percent of the tax payable under the Ordinance, in view of provisions contained in section 100C of the Ordinance.

### 3.10 Financial Instruments

Financial assets are long term deposits, debtors, short term investment, advances and cash and bank balances. These are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are initially recognized at fair value and transaction costs are expensed in the income and expenditure account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred; and the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. Significant financial liabilities are trade and other payables. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the income and expenditure account for the period in which it arises.

### 3.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off and the entity intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### 3.12 Impairment

The management assesses at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount by charging the impairment loss against income and expenditure account for the year.

### 3.13 Revenue recognition

-Revenue from medical income is recognized at the time when patients are discharged from the hospital.

-Donations in cash are recognized on receipt basis whereas donations in kind are recognized at fair value when

-Profit on investment and bank deposits are recognized on time proportionate basis.

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	Note	2021 Rupees	2020 Rupees
<b>4. TRADE AND OTHER PAYABLES</b>			
Creditors		2,204,172	1,538,743
Accrued expenses		9,419,362	7,027,695
Withholding tax payable		330,695	250,322
Advances from patients		314,296	559,649
Other payables		78,500	2,750
		<b>12,347,025</b>	<b>9,379,159</b>

**5. CONTINGENCIES AND COMMITMENTS**

There are no significant contingencies and commitments at the reporting date which need to be disclosed in these financial statements.

**6. PROPERTY AND EQUIPMENT**

**Operating Fixed Assets:**

Jinnah Colony	6.1.1	47,873,679	52,326,066
Sargodha Road	6.1.2	37,291,783	40,293,813
		<b>85,165,462</b>	<b>92,619,879</b>
<b>Capital work in progress - civil works:</b>			
Sargodha Road	6.2	3,924,948	3,924,948
		<b>89,090,410</b>	<b>96,544,827</b>

**6.1 Operating Fixed Assets**

**6.1.1 Jinnah Colony :**

2 0 2 1								
Description	Cost			Depreciation				W.D.V
	As at July 1, 2020	Addition	As at June 30, 2021	As at July 1, 2020	For the year	As at June 30, 2021	As at June 30, 2021	Rate %
<b>Owned</b>		[ R U	P E	E S ]				
Land	8,777,514	-	8,777,514	-	-	-	8,777,514	-
Building	30,803,546	-	30,803,546	14,419,772	819,189	15,238,961	15,564,585	5
Medical equipment	51,268,071	678,690	51,946,761	33,459,086	3,656,767	37,115,852	14,830,909	20
Generator	3,335,000	-	3,335,000	1,939,013	139,599	2,078,611	1,256,389	10
Electric equipment	10,666,649	139,000	10,805,649	4,069,371	661,870	4,731,241	6,074,408	10
Furniture and fixtures	2,205,385	150,500	2,355,885	1,003,982	130,219	1,134,201	1,221,684	10
Computers	252,512	22,400	274,912	226,912	7,387	234,299	40,613	20
Office equipment	132,540	-	132,540	108,504	2,404	110,907	21,633	10
Vehicles	1,678,953	-	1,678,953	1,599,936	15,803	1,615,740	63,213	20
Transformer	804,700	-	804,700	772,228	9,742	781,969	22,731	30
<b>Total Rupees 2021</b>	<b>109,924,870</b>	<b>990,590</b>	<b>110,915,460</b>	<b>57,598,803</b>	<b>5,442,978</b>	<b>63,041,781</b>	<b>47,873,679</b>	

2 0 2 0								
Description	Cost			Depreciation				W.D.V
	As at July 1, 2019	Addition	As at June 30, 2020	As at July 1, 2019	For the year	As at June 30, 2020	As at June 30, 2020	Rate %
<b>Owned</b>		[ R U	P E	E S ]				
Land	8,777,514	-	8,777,514	-	-	-	8,777,514	-
Building	30,803,546	-	30,803,546	13,557,468	862,304	14,419,772	16,383,774	5
Medical equipment	46,617,937	4,650,134	51,268,071	29,734,362	3,724,724	33,459,086	17,808,985	20
Generator	3,335,000	-	3,335,000	1,783,903	155,110	1,939,013	1,395,987	10
Electric equipment	7,100,849	3,565,800	10,666,649	3,387,446	681,925	4,069,371	6,597,278	10
Furniture and fixtures	1,675,685	529,700	2,205,385	906,618	97,364	1,003,982	1,201,403	10
Computers	252,512	-	252,512	220,512	6,400	226,912	25,600	20
Office equipment	132,540	-	132,540	105,833	2,671	108,504	24,036	10
Vehicles	1,678,953	-	1,678,953	1,580,182	19,754	1,599,936	79,017	20
Transformer	804,700	-	804,700	758,311	13,917	772,228	32,472	30
<b>Total Rupees 2020</b>	<b>101,179,236</b>	<b>8,745,634</b>	<b>109,924,870</b>	<b>52,034,635</b>	<b>5,564,168</b>	<b>57,598,803</b>	<b>52,326,066</b>	

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6.1.2 Sargodha Road :

Description	2 0 2 1								Rate %
	Cost			Depreciation				W.D.V	
	As at July 1,2020	Addition	As at June 30,2021	As at July 1,2020	For the year	As at June 30,2021	As at June 30,2021		
		[ R U		P E	E S	]			
<b>Owned</b>									
Land	4,347,565	-	4,347,565	-	-	-	4,347,565	-	
Building	45,749,521	-	45,749,521	21,719,820	1,201,485	22,921,305	22,828,216	5	
Medical equipment	34,686,097	95,000	34,781,097	25,398,510	1,876,517	27,275,027	7,506,070	20	
Electric equipment	3,260,689	250,000	3,510,689	1,705,195	159,716	1,864,911	1,645,778	10	
Furniture and fixtures	1,623,797		1,623,797	1,026,066	59,773	1,085,839	537,958	10	
Computers	121,675		121,675	102,019	3,931	105,950	15,725	20	
Generator	1,460,000	-	1,460,000	1,021,507	43,849	1,065,357	394,643	10	
Office equipment	54,370	-	54,370	36,784	1,759	38,543	15,827	10	
<b>Total Rupees 2021</b>	<b>91,303,714</b>	<b>345,000</b>	<b>91,648,714</b>	<b>51,009,901</b>	<b>3,347,030</b>	<b>54,356,931</b>	<b>37,291,783</b>		

Description	2 0 2 0								Rate %
	Cost			Depreciation				W.D.V	
	As at July 1,2019	Addition	As at June 30,2020	As at July 1,2019	For the year	As at June 30,2020	As at June 30,2020		
		[ R U		P E	E S	]			
<b>Owned</b>									
Land	4,347,565	-	4,347,565	-	-	-	4,347,565	-	
Building	45,749,521	-	45,749,521	20,455,099	1,264,721	21,719,820	24,029,701	5	
Medical equipment	32,307,349	2,378,748	34,686,097	22,680,155	2,718,355	25,398,510	9,287,587	20	
Electric equipment	2,857,689	403,000	3,260,689	1,573,409	131,786	1,705,195	1,555,494	10	
Furniture and fixtures	1,623,797	-	1,623,797	959,651	66,415	1,026,066	597,731	10	
Computers	121,675	-	121,675	97,105	4,914	102,019	19,656	20	
Generator	1,460,000	-	1,460,000	972,786	48,721	1,021,507	438,493	10	
Office equipment	54,370	-	54,370	34,830	1,954	36,784	17,586	10	
<b>Total Rupees 2020</b>	<b>88,521,966</b>	<b>2,781,748</b>	<b>91,303,714</b>	<b>46,773,035</b>	<b>4,236,866</b>	<b>51,009,901</b>	<b>40,293,813</b>		

6.1.3 Depreciation charge for the year has been allocated as under;

	2 0 2 1			2020
	[ R u p e e s ]			Rupees
	Jinnah Colony	Sargodha Road	Total	
Medical expenses	5,170,829	3,179,678	9,310,982	8,481,723
Administrative expenses	272,149	167,352	490,052	446,407
	5,442,978	3,347,030	9,801,034	8,928,130
			2021	2020
			Rupees	Rupees

6.2 CAPITAL WORK-IN-PROGRESS

Sargodha Road

Capital work in progress- Building

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**3,924,948**      **3,924,948**

7. LONG TERM DEPOSITS

Security deposits:

	2021 Rupees	2020 Rupees
FESCO	299,616	299,616
PTCL	16,246	16,246
SNGPL	235,324	87,745
	<u>551,186</u>	<u>403,607</u>

8. STORES AND SPARES

	2021 [ R u p e e s ]			2020 Rupees
	Jinnah Colony	Sargodha Road	Total	
Medicines	1,724,348	463,248	2,187,596	809,213
Lab. Chemicals and X-Rays films	392,190	694,370	1,086,560	460,416
Linen	129,737	45,000	174,737	103,175
General stores	18,042	133,400	151,442	50,498
Stationery	6,708	58,165	64,873	195,680
	<u>2,271,025</u>	<u>1,394,183</u>	<u>3,665,208</u>	<u>1,618,982</u>

9. DEBTORS

Receivable from panel members	Note	2021 Rupees	2020 Rupees
		<u>3,612,151</u>	<u>1,666,953</u>

10. SHORT TERM INVESTMENT

Held to maturity

Term deposit certificates	10.1	<u>5,000,000</u>	<u>17,000,000</u>
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10.1 Short term investment in term deposit certificates earned profit at effective rate of 5.04% to 8.24% per annum (2020: 4.30% to 7.55% per annum).

11. ADVANCES AND DEPOSIT

Advances - considered good:

Employees		218,608	215,950
Suppliers		169,900	156,450

Deposit

Security deposit		<u>65,000</u>	<u>65,000</u>
		<u>453,508</u>	<u>437,400</u>

12. TAX REFUND DUE FROM GOVERNMENT

Income tax refundable		<u>1,872,722</u>	<u>1,583,673</u>
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13. CASH AND BANK BALANCES

Cash in hand		632,531	892,316
Cash at banks			
-In PLS accounts	13.1	<u>43,888,300</u>	<u>6,827,090</u>
-In current accounts		<u>4,327,118</u>	<u>447,841</u>
		<u>48,215,418</u>	<u>7,274,931</u>
		<u>48,847,949</u>	<u>8,167,247</u>

13.1 Effective rate on the PLS account is 6.65% (2020: 1.72%).

14. MEDICAL RECEIPTS

	2021 [ R u p e e s ]			2020 Rupees
	Jinnah Colony	Sargodha Road	Total	
Outdoor patients	34,848,123	22,601,637	57,449,760	57,950,961
Indoor patients	46,058,966	23,558,210	69,617,176	52,249,253
X-Ray charges	2,208,600	3,683,110	5,891,710	4,450,200
Laboratory charges	10,156,850	11,156,066	21,312,916	18,025,949
Ultrasound charges	3,387,520	628,900	4,016,420	4,389,400
Nursery charges	148,660	1,678,300	1,826,960	3,441,860
	<u>96,808,719</u>	<u>63,306,223</u>	<u>160,114,942</u>	<u>140,507,623</u>
Less:				
Doctor's share	<u>(1,220,663)</u>	<u>(11,824,391)</u>	<u>(13,045,054)</u>	<u>(10,713,173)</u>
	<u>95,588,056</u>	<u>51,481,832</u>	<u>147,069,888</u>	<u>129,794,450</u>

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Note

## 15. DONATION

Donation in cash  
Donation in kind

## 16. MEDICAL EXPENSES

Staff salaries and benefits  
Medicines consumed  
Lab. Chemicals and X-Ray films  
Bed sheets and linen consumed  
Ultrasound consumed  
Oxygen gas  
O.T and labour room expenses  
Electricity, gas and water  
Laundry expenses  
Repairs and maintenance  
Patient concession expenses  
Printing and stationery  
Conveyance expenses  
Ambulance running and maintenance  
Dental expenses  
Depreciation  
Miscellaneous Expenses

6.1.3

2021			2020
[ R u p e e s ]			Rupees
Jinnah Colony	Sargodha Road	Total	
25,623,642	-	25,623,642	21,937,402
160,006	-	160,006	59,984
25,783,648	-	25,783,648	21,997,386

## 17. ADMINISTRATIVE EXPENSES

Staff salaries and benefits  
Postage and telecommunication  
Printing and stationery  
Advertisement  
Audit fee  
Entertainment  
Bank charges  
Repairs and maintenance  
Fee and taxes  
Electricity, gas and water  
Depreciation  
Miscellaneous Expenses

6.1.3

2,319,237	1,457,255	3,776,492	3,507,744
102,807	109,749	212,556	230,302
-	515	515	47,025
88,670	60,095	148,765	140,435
35,000	25,000	60,000	40,000
228,285	116,723	345,008	326,859
16,570	12,818	29,388	21,325
2,216,877	1,762,828	3,979,705	6,781,275
35,400	14,000	49,400	226,269
688,436	473,318	1,161,754	966,694
272,149	167,352	439,501	490,052
276,940	31,453	308,393	272,166
6,280,371	4,231,106	10,511,476	13,050,146

## 18. OTHER REVENUE

Scrape sale  
Profit on PLS Saving Accounts  
Profit on short term investment  
Rental income  
Life membership fee  
Miscellaneous receipts

198,498	34,750	233,248	203,794
-	193,017	193,017	117,717
1,402,145	-	1,402,145	1,205,727
-	93,545	93,545	46,500
3,200	-	3,200	11,200
143,219	91,572	234,791	182,633
1,747,062	412,884	2,159,946	1,767,571

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## 19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The association finances its operations through donations and services income from patients. Taken as a whole, the association is exposed to market risk comprising other price / equity risk, credit risk and liquidity risk. The association's finance department oversees the management of these risk and provide assurance to the senior management that the association's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with association policies and risk appetite.

FINANCIAL INSTRUMENTS BY CATEGORY	2021 Rupees	2020 Rupees
<b>Financial assets :</b>		
Long term deposits	551,186	403,607
Debtors	3,612,151	1,666,953
Short term investment	5,000,000	17,000,000
Advances and deposit	283,608	280,950
Cash and bank balances	48,847,949	8,167,247
	<b>58,294,894</b>	<b>27,518,757</b>
<b>Financial Liabilities :</b>		
Trade and other payables	11,702,034	8,569,194

### 19.1 Credit risk and concentration of credit risk:

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Association's performance to development. The maximum exposure to credit risk at the reporting date is as follows :

FINANCIAL ASSETS	2021 Rupees	2020 Rupees
Long term deposits	551,186	403,607
Debtors	3,612,151	1,666,953
Short term investment	5,000,000	17,000,000
Advances and deposit	283,608	280,950
Bank balances	48,215,418	7,274,931
	<b>57,662,363</b>	<b>26,626,441</b>

### Credit quality of financial assets

Due to Association's long standing relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the association.

### 19.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and the availability of funding through an adequate amount of donations. The management believes that the association is not exposed to any liquidity risk.

The table below summaries the maturity profiles of association's financial liabilities as on June 30, 2021 and 2020.

2021			
Within 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years	Total
[ R u p e e s ]			
11,702,034	-	-	11,702,034
2020			
Within 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years	Total
[ R u p e e s ]			
8,569,194	-	-	8,569,194

### Financial Liabilities :

Trade and other payables

### Financial Liabilities :

Trade and other payables

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# NUMBER OF EMPLOYEES

Number of employees at the end of the year  
Average number of employees during the year

2021	2020
239	239
208	208

## DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 13 DEC 2021 by the Executive Committee of the Association.

### GENERAL

#### 22.1 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. However, during the year following reclassifications have been made in the corresponding figures.

Particulars	From	To	Rupees
Benefits and allowances	Benefits and allowances	Staff salaries and benefits	14,901,372
Donation in cash	Medical receipts	Donation	21,937,402
Donation in kind	Medical receipts	Donation	59,984
Life membership fee	Medical receipts	Other revenue	11,200
Doctor's share	Staff salaries and benefits	Medical Receipts	10,713,173

#### 22.2 Following nomenclature has been changed during the year:

Previous year nomenclature	Current year nomenclature
Purchi Fee	Medical receipts
Miscellaneous	Miscellaneous Expenses
Bank Profit	Profit on PLS

#### 22.3 Rounding

Figures have been rounded off to the nearest Rupee.

*KHB*

*Naem Ahmad*  
PRESIDENT

*Skandev*  
FINANCE SECRETARY

*Fareesh M.*  
GENERAL SECRETARY