

## 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, 2022, 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, 2022, and of its surplus, 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.


*KHB*

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: JANUARY 16, 2023  
FAISALABAD  
UDIN: AR202210199i5NEIU0Ty



*Kreston Hyder Bhimji*  
**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, 2022**

<b>FUND AND LIABILITIES</b>	<b>Note</b>	<b>2022 Rupees</b>	<b>2021 Rupees</b>	<b>ASSETS</b>	<b>Note</b>	<b>2022 Rupees</b>	<b>2021 Rupees</b>
<b>FUNDS</b>				<b>NON CURRENT ASSETS</b>			
Accumulated surplus		<b>161,539,041</b>	140,746,109	Property and equipment	<b>6</b>	<b>89,082,975</b>	89,090,410
				Long term deposits	<b>7</b>	<b>581,086</b>	551,186
						<b>89,664,061</b>	89,641,596
<b>CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Trade and other payables	<b>4</b>	<b>17,444,656</b>	12,347,025	Stores and spares	<b>8</b>	<b>3,868,052</b>	3,665,208
				Debtors	<b>9</b>	<b>2,908,627</b>	3,612,151
				Short term investments	<b>10</b>	<b>60,000,000</b>	5,000,000
				Advances and deposit	<b>11</b>	<b>323,000</b>	453,508
				Tax refund due from			
				Government	<b>12</b>	<b>2,475,364</b>	1,872,722
				Cash and bank balances	<b>13</b>	<b>19,744,593</b>	48,847,949
						<b>89,319,636</b>	63,451,538
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>5</b>						
		<b>178,983,697</b>	<b>153,093,134</b>			<b>178,983,697</b>	<b>153,093,134</b>

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

*K.H.B.*

*Haqem Ahmad*

**PRESIDENT**

*Shander*

**FINANCE SECRETARY**

*Fazal Ah*

**GENERAL SECRETARY**

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

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>Revenue</b>			
Medical receipts	14	147,888,176	147,069,888
Donations	15	40,840,630	25,783,648
		<b>188,728,806</b>	<b>172,853,536</b>
<b>Expenditures</b>			
Medical expenses	16	157,333,171	141,799,421
Administrative expenses	17	14,839,410	10,511,476
		<b>172,172,581</b>	<b>152,310,897</b>
		<b>16,556,225</b>	<b>20,542,639</b>
<b>Other revenue</b>	18	4,236,707	2,159,946
<b>Surplus for the year</b>		<b>20,792,932</b>	<b>22,702,585</b>

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

*PHB*

*Nasim Ahmad*  
**PRESIDENT**

*Kandura*  
**FINANCE SECRETARY**

*Farrukh Amin*  
**GENERAL SECRETARY**

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		20,792,932	22,702,585
Adjustment for:			
Depreciation		7,778,524	8,790,008
Profit on saving accounts		(1,192,216)	(193,017)
Profit on short term investments		(2,666,336)	(1,402,145)
Operating cash flows before working capital changes		24,712,904	29,897,431
Changes in working capital			
Decrease / (increase) in current assets			
Stores and spares		(202,844)	(2,046,226)
Debtors		703,524	(1,945,199)
Advances and deposit		130,508	(16,109)
Increase / (decrease) in current liabilities			
Trade and other payables		5,097,632	2,967,861
		5,728,820	(1,039,673)
Cash generated from operations		30,441,724	28,857,758
Income tax paid		(602,642)	(289,049)
Profit on saving accounts received		1,192,216	193,017
Long term deposits paid		(29,900)	(147,579)
Net cash generated from operating activities		31,001,398	28,614,147
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(5,771,090)	(1,335,590)
Addition in capital work in progress		(2,000,000)	-
Short term investments - net		(55,000,000)	12,000,000
Profit received on short term investments		2,666,336	1,402,145
Net cash (used in) / generated from investing activities		(60,104,754)	12,066,555
Net (decrease) / increase in cash and cash equivalents	(a+b)	(29,103,356)	40,680,702
Cash and cash equivalents at the beginning of the year		48,847,949	8,167,247
Cash and cash equivalents at the end of the year	13	19,744,593	48,847,949

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

*KHB*

*Naeem Ahmad*  
PRESIDENT

*Randhawa*  
FINANCE SECRETARY

*Fawaz Ali*  
GENERAL SECRETARY

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

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

#### **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 sul 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.

*FHB*



	Note	2022 Rupees	2021 Rupees
<b>4. TRADE AND OTHER PAYABLES</b>			
Creditors		4,242,200	2,204,172
Accrued expenses		10,806,424	9,419,362
Payables to private doctors		2,001,210	-
Withholding tax payable		144,522	330,695
Advances from patients		171,800	314,296
Other payables		78,500	78,500
		<u>17,444,656</u>	<u>12,347,025</u>

**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	46,300,901	47,873,679
Sargodha Road	6.1.2	36,857,126	37,291,783
		<u>83,158,027</u>	<u>85,165,462</u>
<b>Capital work in progress</b>			
Sargodha Road	6.2	5,924,948	3,924,948
		<u>89,082,975</u>	<u>89,090,410</u>

**6.1 Operating Fixed Assets**

**6.1.1 Jinnah Colony:**

Description	2022								Rate %
	Cost			Depreciation				W.D.V	
	As at July 1, 2021	Addition	As at June 30, 2022	As at July 1, 2021	For the year	As at June 30, 2022	As at June 30, 2022		
		[	R	U	P	E	E	S	]
<b>Owned</b>									
Land	8,777,514	-	8,777,514	-	-	-	8,777,514	-	-
Building	30,803,546	-	30,803,546	15,238,961	778,229	16,017,190	14,786,356	5	
Medical equipment	51,946,761	1,338,120	53,284,881	37,115,852	3,097,681	40,213,533	13,071,348	20	
Generator	3,335,000	-	3,335,000	2,078,611	125,639	2,204,250	1,130,750	10	
Electric equipment	10,805,649	143,000	10,948,649	4,731,241	620,283	5,351,524	5,597,125	10	
Furniture and fixtures	2,355,885	-	2,355,885	1,134,201	122,168	1,256,369	1,099,516	10	
Computers	274,912	-	274,912	234,299	8,123	242,421	32,491	20	
Office equipment	132,540	-	132,540	110,907	2,163	113,071	19,469	10	
Vehicles	1,678,953	1,749,000	3,427,953	1,615,740	41,793	1,657,533	1,770,420	20	
Transformer	804,700	-	804,700	781,969	6,819	788,789	15,911	30	
<b>Total</b>	<b>110,915,460</b>	<b>3,230,120</b>	<b>114,145,580</b>	<b>63,041,781</b>	<b>4,802,898</b>	<b>67,844,679</b>	<b>46,300,901</b>		

Description	2021								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	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</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>		

*KHB*

### 6.1.2 Sargodha Road :

2022									
Description	Cost			Depreciation				W.D.V	Rate %
	As at	Addition	As at	As at	For the year	As at	As at		
	July 1, 2021		June 30, 2022	July 1, 2021		June 30, 2022	June 30, 2022		
	[	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	22,921,305	1,141,411	24,062,716	21,686,805	5	
Medical equipment	34,781,097	738,000	35,519,097	27,275,027	1,538,114	28,813,141	6,705,956	20	
Electric equipment	3,510,689	1,802,970	5,313,659	1,864,911	198,114	2,063,025	3,250,634	10	
Furniture and fixtures	1,623,797	-	1,623,797	1,085,839	53,796	1,139,635	484,162	10	
Computers	121,675	-	121,675	105,950	3,145	109,095	12,580	20	
Generator	1,460,000	-	1,460,000	1,065,357	39,464	1,104,821	355,179	10	
Office equipment	54,370	-	54,370	38,543	1,583	40,125	14,245	10	
<b>Total</b>	<b>91,648,714</b>	<b>2,540,970</b>	<b>94,189,684</b>	<b>54,356,931</b>	<b>2,975,627</b>	<b>57,332,558</b>	<b>36,857,126</b>		
2021									
Description	Cost			Depreciation				W.D.V	Rate %
	As at	Addition	As at	As at	For the year	As at	As at		
	July 1, 2020		June 30, 2021	July 1, 2020		June 30, 2021	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</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>		

### 6.1.3 Depreciation charge for the year has been allocated as under:

	2022			2021
	Jinnah Colony	Sargodha Road	Total	
	[ R u p e e s ]			
Medical expenses	4,562,753	2,826,845	7,389,598	8,350,507
Administrative expenses	240,145	148,781	388,926	439,501
	<b>4,802,898</b>	<b>2,975,627</b>	<b>7,778,524</b>	<b>8,790,008</b>
			2022	2021
			Rupees	Rupees

### 6.2 Capital work in progress

#### Sargodha Road:

Civil works	3,924,948	3,924,948
Advance for purchase of medical equipment	2,000,000	-
	<b>5,924,948</b>	<b>3,924,948</b>

*K.H.R.*



			2022 Rupees	2021 Rupees
<b>7. LONG TERM DEPOSITS</b>				
Security deposits:				
FESCO			299,616	299,616
PTCL			16,246	16,246
SNGPL			265,224	235,324
			<u>581,086</u>	<u>551,186</u>
			2022	2021
			[ R u p e e s ]	Rupees
<b>8. STORES AND SPARES</b>				
	Jinnah Colony	Sargodha Road	Total	
Medicines	1,956,823	524,667	2,481,490	2,187,596
Lab. Chemicals and X-Rays films	510,335	600,416	1,110,751	1,086,560
Linen	58,001	-	58,001	174,737
General stores	60,120	65,165	125,285	151,442
Stationery	-	92,525	92,525	64,873
	<u>2,585,279</u>	<u>1,282,773</u>	<u>3,868,052</u>	<u>3,665,208</u>
		Note	2022 Rupees	2021 Rupees
<b>9. DEBTORS</b>				
Receivable from panel members			<u>2,908,627</u>	<u>3,612,151</u>
<b>10. SHORT TERM INVESTMENTS</b>				
Held to maturity:				
Bank Alfalah Limited - Islamic Banking				
Term Deposit Receipts - TDRs	10.1		45,000,000	5,000,000
Allied Bank Limited				
Allied Islamic Investment Certificates	10.2		<u>15,000,000</u>	-
			<u>60,000,000</u>	<u>5,000,000</u>
10.1	Investment in Term Deposit Receipts (TDRs) earned profit at effective rate of 5.13% to 9.15% per annum (2021: 5.04% to 8.24% per annum).			
10.2	Investment in Allied Islamic Investment Certificates earned profit at effective rate of 9.50% per annum.			
<b>11. ADVANCES AND DEPOSIT</b>				
Advances - considered good:				
Employees			323,000	218,608
Suppliers			-	169,900
Deposit				
Security deposit			-	65,000
			<u>323,000</u>	<u>453,508</u>
<b>12. TAX REFUND DUE FROM GOVERNMENT</b>				
Income tax refundable			<u>2,475,364</u>	<u>1,872,722</u>
<b>13. CASH AND BANK BALANCES</b>				
Cash in hand			649,483	632,531
Cash at banks				
-In saving accounts			14,793,295	43,888,300
-In current accounts			4,301,815	4,327,118
			<u>19,095,110</u>	<u>48,215,418</u>
			<u>19,744,593</u>	<u>48,847,949</u>

	2022			2021
	[ R u p e e s ]			Rupees
	Jinnah Colony	Sargodha Road	Total	
<b>14. MEDICAL RECEIPTS</b>				
Outdoor patients	23,488,707	23,524,319	47,013,026	57,449,760
Indoor patients	59,513,353	27,381,444	86,894,797	69,617,176
X-Ray charges	2,217,820	3,823,997	6,041,817	5,891,710
Laboratory charges	7,353,596	13,015,530	20,369,126	21,312,916
Ultrasound charges	998,850	972,545	1,971,395	4,016,420
Nursery charges	3,485,651	1,523,100	5,008,751	1,826,960
	97,057,977	70,240,935	167,298,912	160,114,942
Less:				
Doctor's share	(8,739,104)	(10,671,632)	(19,410,736)	(13,045,054)
	88,318,873	59,569,303	147,888,176	147,069,888
<b>15. DONATION</b>				
Donation in cash	40,840,630	-	40,840,630	25,623,642
Donation in kind	-	-	-	160,006
	40,840,630	-	40,840,630	25,783,648
<b>16. MEDICAL EXPENSES</b>				
Staff salaries and benefits	45,875,617	34,554,556	80,430,173	68,306,727
Medicines consumed	14,780,607	3,037,681	17,818,288	18,006,600
Lab. Chemicals and X-Ray films	2,663,894	5,752,998	8,416,892	9,644,903
Bed sheets and linen consumed	75,236	56,688	131,924	254,179
Oxygen gas	1,974,670	867,040	2,841,710	1,341,904
O.T and labour room expenses	-	-	-	2,761,705
Lab testing charges	-	1,078,970	1,078,970	-
Electricity, gas and water	7,535,288	5,880,318	13,415,606	10,455,784
Laundry expenses	69,470	231,716	301,186	258,380
Repairs and maintenance	39,700	1,643,655	1,683,355	185,594
Patient concession expenses	14,940,303	5,985,352	20,925,655	20,018,427
Printing and stationery	780,007	968,095	1,748,102	1,454,029
Conveyance expenses	22,400	89,490	111,890	110,540
Ambulance running and maintenance	-	93,806	93,806	55,010
Depreciation	4,562,753	2,826,845	7,389,598	8,350,507
Miscellaneous expenses	113,180	832,836	946,016	595,132
	93,433,125	63,900,046	157,333,171	141,799,421
<b>17. ADMINISTRATIVE EXPENSES</b>				
Staff salaries and benefits	2,414,506	1,818,661	4,233,167	3,776,492
Postage and telecommunication	158,801	149,332	308,133	212,556
Printing and stationery	15,919	3,337	19,256	515
Advertisement	48,300	111,090	159,390	148,765
Audit fee	40,000	40,000	80,000	60,000
Entertainment	94,950	242,103	337,053	345,008
Bank charges	16,265	13,223	29,488	29,388
Repairs and maintenance	3,703,446	3,278,370	6,981,816	3,979,705
Fee and taxes	-	4,000	4,000	49,400
Electricity, gas and water	837,254	653,369	1,490,623	1,161,754
Depreciation	240,145	148,781	388,926	439,501
Miscellaneous Expenses	713,304	94,254	807,558	308,393
	8,282,890	6,556,520	14,839,410	10,511,476
<b>18. OTHER REVENUE</b>				
Scrape sale	141,320	-	141,320	233,248
Profit on saving accounts	1,154,307	37,909	1,192,216	193,017
Profit on short term investment	2,666,336	-	2,666,336	1,402,145
Rental income	-	234,435	234,435	93,545
Life membership fee	2,400	-	2,400	3,200
Miscellaneous receipts	-	-	-	234,791
	3,964,363	272,344	4,236,707	2,159,946

KHB

## 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.

	2022 Rupees	2021 Rupees
<b>FINANCIAL INSTRUMENTS BY CATEGORY</b>		
<b>Financial assets :</b>		
Long term deposits	581,086	551,186
Debtors	2,908,627	3,612,151
Short term investments	60,000,000	5,000,000
Advances and deposit	-	283,608
Cash and bank balances	19,744,593	48,847,949
	<b>83,234,306</b>	<b>58,294,894</b>
<b>Financial Liabilities :</b>		
Trade and other payables	17,128,334	11,702,034

### 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 :

	2022 Rupees	2021 Rupees
<b>FINANCIAL ASSETS</b>		
Long term deposits	581,086	551,186
Debtors	2,908,627	3,612,151
Short term investments	60,000,000	5,000,000
Advances and deposit	-	283,608
Bank balances	19,095,110	48,215,418
	<b>82,584,823</b>	<b>57,662,363</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, 2022 and 2021.

2022			
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 ]			

### Financial Liabilities :

Trade and other payables	17,128,334	-	-	17,128,334
--------------------------	------------	---	---	------------

KHB