



**FINANCIAL STATEMENTS
OF
BAIT-UL-SUKOON TRUST
FOR THE YEAR ENDED
JUNE 30, 2023**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

The Board of Trustees,
Bait-Ul-Sukoon Trust,
Karachi.

February 29, 2024
AA-0399/24

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

After compliment:

We are pleased to enclose herewith two copies of draft financial statements of BAIT-UL-SUKOON TRUST (The Trust) for the year ended June 30, 2023 together with our draft audit report thereon duly initialled by us for identification purposes. We shall be pleased to sign our audit report in its present or amended form after the financial statements have been approved by the Board of Trustees (the board) and signed on their behalf by the Managing Trustee and one other Trustee and upon receipt of the following:

1. Letter of representation signed on behalf of the Board of Trustees by the Managing Trustee as per draft provided by us.
2. The Board's approval in respect of the following:
 - Additions to operating fixed assets amounting to Rs. 3.207 million.
 - Disposals in operating fixed assets amounting to Rs. 3.434 million.
 - Donation received during the year amounting to Rs. 288.297 million.
3. Reply to our standard confirmation letters as mentioned in annexure - A.

Below are the matters which we would like to bring into attention of the Board.

1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Trust's management.

Management of trust's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Trust and prevention and detection of fraud and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

Page - 1

2. UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN)

To enhance public trust on auditor's report, the Institute of Chartered Accountants of Pakistan (ICAP) has issued a Directive 4.27, whereby it is required that every practicing chartered accountant will place UDIN generated from ICAP portal on the following reports:

- Auditors' Report on General Purpose Financial Statements;
- Auditors' Report on Interim Financial Information; and
- Auditors' Report on Statement of Compliance with Code of Corporate Governance.

In order to obtain the UDIN, auditors are required to upload certain financial information of the reporting entity. Accordingly, we are required to upload the information on ICAP's portal for generation of UDIN. The ICAP, in its frequently asked questions, has assured that Client's confidential data would be entered by the concerned engagement partner himself and such data would not be available for any unauthorized use.

Compliance of the above ICAP Directive is mandatory and non-compliance will result in professional misconduct under Chartered Accountants Ordinance, 1961.

We hereby bring this into attention of the management and the Board of the Trust.

3. PROPERTY AND EQUIPMENT

- 3.1 We have observed that the Trust does not have a proper capitalization policy, duly approved by the Board. In the absence of a proper capitalization policy there is a risk that certain material items of the assets may not be capitalized which may result in the distortion of the operating results of the Trust. We recommend that proper capitalization policy should be formulated in order to bring consistency in accounting for capital and revenue expenditure.
- 3.2 We have observed that full year depreciation is charged on assets purchased at any time during a financial year while no depreciation is charged in the month of disposal of an asset. We recommend to follow monthly depreciation charged policy for asset purchased during a year instead of full year depreciation policy to calculate more accurate depreciable amount.

4. DONATIONS, ZAKAT, KHUMS AND DONATIONS IN KIND

The Trust receives donations in the form of general donations, Zakat, Khums and in kind. We have been given to understand by management that these are used by the trust in accordance with the Shariah principles to meet the overall objectives of the Trust. Kindly confirm this is in order.

5. RELATED PARTY TRANSACTIONS

We have been informed by management that there were no transactions with related parties other than those disclosed in the financial statements. Kindly confirm the representations made to us by management.

6. COMPLIANCE WITH STATUTORY LAWS AND REGULATIONS

We have been informed by the management that there were no instances of non-compliance with statutory laws and regulations that would have financial reporting implications. Kindly confirm the representation made to us by management.

7. FRAUDS AND ERRORS

We have been informed by the management of the Trust that to the best of their knowledge there have been no instances of frauds or irregularities during the year that could have a material effect on the financial statements of the Trust. Kindly confirm the representation made to us by management.

8. CONTINGENCIES AND COMMITMENTS

We have been informed by the management that there are no contingencies and commitments at the reporting date other than those disclosed in the financial statements.

9. SUBSEQUENT EVENTS

We have been informed by the management that there were no subsequent events that could have an impact on amounts and/or disclosure in the financial statements except as disclosed in the financial statements. Kindly confirm the representation made to us by management.

We take this opportunity to thank your management and staff for the courtesy and cooperation extended to us during the course of our audit.

Yours faithfully,



BDO EBRAHIM & CO.

Enclosed as above

ANNEXURE 'A'

BAIT-UL-SUKOON TRUST

Audit of financial statements

For the year ended June 30, 2023

Confirmations

a) Bank confirmation of the following:

- Tameer Microfinance Bank Limited

b) Tax Confirmations in respect of following adviser:

- Junaidy Shoaib Asad (JSA)
- Shaban & Co

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BAIT-UL-SUKOON TRUST**Opinion**

We have audited the financial statements of **BAIT-UL-SUKOON TRUST** which comprise the statement of financial position as at June 30, 2023, the statement of income and expenditure, the statement of comprehensive income, the statement of cash flows, the statement of changes in funds and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements presents fairly, in all material respects the financial position of the Trust as at June 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with the 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 Trust 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the trustee's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Trustees for the Financial Statements

Management of the Trust 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 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.

Board of Trustees are responsible for overseeing the Trust'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.

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.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 06 MAR 2024

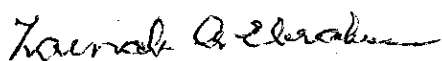
UDIN: AR202310166xWwaPltRH


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BAIT-UL-SUKOON TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|---|------|--------------------|--------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property and equipment | 4 | 76,006,277 | 89,588,290 |
| Intangible assets | 5 | 173,640 | 366,195 |
| Long term investments | 6 | - | 460,000,000 |
| | | <u>76,179,917</u> | <u>549,954,485</u> |
| CURRENT ASSETS | | | |
| Stock-in-hand | 7 | 8,951,305 | 6,170,920 |
| Stores and spares | 8 | 1,036,718 | 1,328,571 |
| Advances, deposits, prepayments and other receivables | 9 | 3,218,400 | 1,349,722 |
| Advance taxation | | 25,515,067 | 23,797,685 |
| Accrued interest | 10 | 3,630,323 | 6,606,855 |
| Short term investments | 11 | 804,318,564 | 130,642,744 |
| Cash and bank balances | 12 | 72,950,839 | 101,971,699 |
| | | <u>919,621,216</u> | <u>271,868,196</u> |
| | | <u>995,801,133</u> | <u>821,822,681</u> |
| TOTAL ASSETS | | | |
| FUNDS AND LIABILITIES | | | |
| FUNDS | | | |
| Restricted fund | | 610,000,000 | 510,000,000 |
| General fund | | 365,499,585 | 284,470,533 |
| | | <u>975,499,585</u> | <u>794,470,533</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 20,301,548 | 27,352,148 |
| | | <u>995,801,133</u> | <u>821,822,681</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 20 | | |

The annexed notes from 1 to 25 form an integral part of these financial statements.



CHAIRPERSON


CO-CHAIRPERSON

BAIT-UL-SUKOON TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|---|------|--------------------|--------------------|
| INCOME | | | |
| Donations | 14 | 288,297,143 | 249,297,046 |
| Return on investments and bank deposits | 15 | 108,261,601 | 69,264,768 |
| Subsidy from K-Electric | | 500,000 | 500,000 |
| Other income | | 3,500,000 | - |
| TOTAL INCOME | | 400,558,744 | 319,061,814 |
| EXPENDITURE | | | |
| Patient care expenses | 16 | 148,316,255 | 119,577,777 |
| Support expenses | 17 | 37,068,915 | 34,807,530 |
| Administrative expenses | 18 | 34,144,522 | 35,208,079 |
| TOTAL EXPENDITURE | | 219,529,692 | 189,593,386 |
| Surplus before taxation | | 181,029,052 | 129,468,428 |
| Taxation | 19 | - | (8,142,875) |
| Surplus for the year | | 181,029,052 | 121,325,553 |
| TRANSFERRED TO | | | |
| Restricted fund | | 100,000,000 | 50,000,000 |
| General fund | | 81,029,052 | 71,325,553 |
| Total Fund | | 181,029,052 | 121,325,553 |

The annexed notes from 1 to 25 form an integral part of these financial statements. Pa

Zainab Q. Qureshi

CHAIRPERSON

Jameel Ym J
CO-CHAIRPERSON

· **BAIT-UL-SUKOON TRUST**
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | Rupees | Rupees |
| Surplus for the year | 181,029,052 | 121,325,553 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>181,029,052</u> | <u>121,325,553</u> |

The annexed notes from 1 to 25 form an integral part of these financial statements.

Kac

Zaenab A. Elashew

CHAIRPERSON

James Ym
CO-CHAIRPERSON

**BAIT-UL-SUKOON TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2023**

| | Restricted Fund | General Fund | Total |
|-----------------------------|----------------------------|---------------------|--------------------|
| | ----- Rupees ----- | | |
| Balance as at July 01, 2021 | 460,000,000 | 213,144,980 | 673,144,980 |
| Surplus for the year | 50,000,000 | 71,325,553 | 121,325,553 |
| Balance as at June 30, 2022 | <u>510,000,000</u> | <u>284,470,533</u> | <u>794,470,533</u> |
| Balance as at July 01, 2022 | 510,000,000 | 284,470,533 | 794,470,533 |
| Surplus for the year | 100,000,000 | 81,029,052 | 181,029,052 |
| Balance as at June 30, 2023 | <u>610,000,000</u> | <u>365,499,585</u> | <u>975,499,585</u> |

The annexed notes from 1 to 25 form an integral part of these financial statements. P/21

Taimat A. Ibrahim

CHAIRPERSON

James Yung
CO-CHAIRPERSON

**BAIT-UL-SUKOON TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

| | Note | 2023 Rupees | 2022 Rupees |
|---|------|----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Surplus before taxation | | 181,029,052 | 129,468,428 |
| Adjustment for non-cash items: | | | |
| Depreciation | 4.1 | 16,789,759 | 17,424,424 |
| Amortization of intangible asset | 5 | 192,555 | 192,555 |
| Amortisation of Pakistan Investment Bonds | | - | 15,271 |
| Subsidy from K-Electric | | (500,000) | (500,000) |
| Profit on bank balances and investments | | (108,261,601) | (69,264,768) |
| | | <u>89,249,765</u> | <u>77,335,910</u> |
| (Increase) / decrease in current assets | | | |
| Stock in hand | | (2,780,385) | (2,920,905) |
| Stores and spares | | 291,853 | (540,834) |
| Advances, deposits, prepayments and other receivables | | (1,868,678) | 3,947,126 |
| Advance taxation | | (1,717,382) | (3,135,082) |
| | | <u>(6,074,592)</u> | <u>(2,649,695)</u> |
| Increase / (decrease) in current liabilities | | | |
| Salaries payable | | 1,301,483 | 320,060 |
| Staff gratuity payable | | 307,791 | (2,092,545) |
| Accrued expenses | | (8,564,534) | 3,543,072 |
| Withholding tax payable | | (95,341) | 37,601 |
| | | <u>(7,050,601)</u> | <u>1,808,188</u> |
| Cash generated from operations | | <u>76,124,572</u> | <u>76,494,403</u> |
| Tax paid | | - | (8,142,875) |
| Net cash flows from operating activities | | <u>76,124,572</u> | <u>68,351,528</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to fixed assets | | (3,207,744) | (34,920,489) |
| Sale proceeds on disposal of fixed assets | | 3,500,000 | - |
| Subsidy from K-Electric | | 500,000 | 500,000 |
| Purchase of investments | | (274,609,694) | (122,597,638) |
| Profit / interest received on investments | | 111,238,134 | 67,405,296 |
| Maturity / encashment of investments | | 57,433,872 | 70,000,000 |
| Net cash used in investing activities | | <u>(105,145,432)</u> | <u>(19,612,831)</u> |
| Net increase in cash and cash equivalents during the year | | <u>(29,020,860)</u> | <u>48,738,697</u> |
| Cash and cash equivalents at beginning of the year | | 101,971,699 | 53,233,002 |
| Cash and cash equivalents at end of the year | 12 | <u>72,950,839</u> | <u>101,971,699</u> |

The annexed notes from 1 to 25 form an integral part of these financial statements.

Zainab A. Elshah
CHAIRPERSON

Jawad Yousaf
CO-CHAIRPERSON

**BAIT-UL-SUKOON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. NATURE AND STATUS OF BUSINESS

Bait-ul-Sukoon (Trust) is a non-profitable organisation registered in Pakistan on March 10, 1999 under the Trust Act, 1882. The Trust is situated at S.N.P.A. 17-J, Block-3, K.C.H.S. Union, Karachi.

The objective of the Trust is to provide curative and palliative management of cancer patients.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) as applicable in Pakistan and Accounting Standard for Not-for-Profit Organizations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis except for the short term investments which are valued at fair value through profit or loss.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupee ('Rupees' or 'Rs') which is functional and presentation currency for the Trust.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied for the year presented, unless otherwise stated.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income and expenditure account using the straight-line method. Full year depreciation is charged for assets purchased at any time in a financial year while no depreciation is charged in the month of an assets disposal. The assets' residual values and useful lives are reviewed periodically and adjusted if it impacts on depreciation.

Maintenance and normal repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalised.

Gain and loss on disposal of fixed assets is included in statement of income and expenditure currently.

3.2 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. All intangible assets are amortised using straight-line method over their estimated useful lives from the month the asset is available for use.

Intangible assets are amortised using the straight-line method over the period of three years. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

3.3 Stock in hand

Stock in hand includes medicines, stationary and supplies. Cost of stock in hand is recorded using first-in first-out method. These are valued at lower of cost and net realisable value. Net realisable value represents estimated selling prices in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

3.4 Investments

a) Available for sale

Investments classified as "Available for Sale" are initially recognised at cost, being the fair value of the consideration given. Subsequent to initial recognition, available for sale investments are measured at fair value subject to a review for impairment at each balance sheet date. Fair value is determined by reference to quoted market price.

Any gain or loss from a change in the fair value of investments available for sale is recognised directly in equity until the investment is derecognised or is determined to be impaired, at which time cumulative gain or loss previously recognised in equity is taken to the statement of income and expenditure.

b) Held to maturity

Investments with fixed maturity, where the management has both the intent and ability to hold till maturity, are classified as held to maturity.

After initial recognition, such investments are carried at amortised cost less any provision for impairment.

Premiums and discounts on investments are amortised on a straight line basis over the tenure of the investment.

Provision for diminution in the value of securities is made after considering impairment, if any, in their value and charged to statement of income and expenditure.

c) Fair value through profit or loss

These are securities, which are either acquired for generating a profit from short term fluctuations in market prices, interest rate movements, dealers margins or are securities included in a portfolio in which a pattern of short-term trading exists.

After initial recognition, such investments are carried at fair value and any changes in the fair value of the assets are immediately recognised in the statement of income and expenditure.

3.5 Impairment

Assets are periodically reviewed for impairment particularly whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognised in the statement of income and expenditure..

3.6 Financial Instruments

All the financial assets and financial liabilities are recognised at the time when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the assets expires. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to the statement of income and expenditure in the period in which it arises.

3.7 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents consists of cash in hand and balances with banks net of borrowings not considered to be in the nature of financing activities.

3.8 Revenue recognition

Donations and other revenues are recorded as income in statement of income and expenditure when received.

a) Donation in cash/ cheque

Donation received in cash is recorded on receipt basis

b) Donation in kind

Donations received as medicines, food and other consumables are recognised as income in statement of income and expenditure when they are received.

c) Other revenue

Return on bank deposits and investments are recorded on accrual basis.

Income on Term Deposit is recognised at the rate of return implicit in the instrument on a time proportionate basis.

Gains/ (losses) arising on sale of investment are included in the income and expenditure on the date at which transaction takes place.

3.9 Fund account

a) Restricted Fund

Restricted Fund means the fund which consist of amount received from donor but could not be spent during the year due to any restriction placed by the donor.

b) General Fund

Any excess of income over expenditure which is not transferred to Restricted fund is taken to the General Fund.

3.10 Taxation

The Trust claims tax credit equal to one hundred per cent of the tax payable under section 100C of Income Tax Ordinance, 2001, including minimum tax and final taxes payable. Therefore, no provision for taxation has been recorded in these financial statements for current year.

3.11 Staff retirement benefits

Each employee is entitled to one month's basic salary as gratuity for each year of service. The period of service and the amount of gratuity is frozen for each completed year of service. No mark-up will be paid on frozen amount of gratuity.

3.12 Significant accounting judgements and critical accounting estimates / assumptions

The following involves critical accounting estimates and significant assumptions:

a) Property and equipment

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment loss.

b) Intangible assets

Management has made estimates of useful lives and recoverable amounts of certain items of intangible asset. Any change in these estimates in future years might affect the carrying amounts of the respective items of intangible asset with corresponding effect on the amortization charge and impairment loss.

4 PROPERTY AND EQUIPMENT

| Particulars | Cost | | | Rate % | Depreciation | | | Written down value as at June 30, 2023 |
|-------------------------------|---------------------|-------------------|--------------------|--------------------|---------------------|-------------------|--------------------|--|
| | As at July 01, 2022 | Additions | Disposals | | As at June 30, 2023 | For the year | Disposals | |
| Lease hold land | 330,000 | - | - | 330,000 | 0% | - | - | 330,000 |
| Building on leasehold land | 56,000,349 | - | - | 56,000,349 | 2.5% | 1,400,009 | 19,024,816 | 36,975,533 |
| Furniture and fixtures | 14,348,185 | 7,000 | - | 14,355,185 | 20% | 919,572 | 12,193,115 | 2,162,070 |
| Office and computer equipment | 36,997,623 | 1,017,644 | - | 38,015,267 | 20% | 4,617,736 | 26,293,714 | 11,721,553 |
| Medical equipment | 47,465,442 | 214,250 | - | 47,679,692 | 20% | 4,476,229 | 34,570,755 | 13,108,937 |
| Vehicles | 4,310,248 | 1,533,850 | (3,434,000) | 2,410,098 | 20% | 322,870 | (3,434,000) | 1,243,179 |
| Operation theater | 24,831,713 | 435,000 | - | 25,266,713 | 20% | 5,053,343 | - | 10,465,005 |
| Total rupees - 2023 | 184,283,560 | 3,207,744 | (3,434,000) | 184,057,304 | | 16,789,759 | (3,434,000) | 76,006,277 |
| Total rupees - 2022 | 155,376,468 | 34,411,989 | (5,504,897) | 184,283,560 | | 17,424,424 | (5,504,896) | 89,588,290 |

5 INTANGIBLE ASSETS

| Particulars | Cost | | | Rate | Amortization | | | Written down value as at June 30, 2023 |
|----------------------------|---------------------|----------------|-----------|------------------|---------------------|----------------|------------------|--|
| | As at July 01, 2022 | Additions | Disposals | | As at June 30, 2023 | For the year | Disposals | |
| Oracle | 1,388,359 | - | - | 1,388,359 | 33% | - | 1,388,359 | - |
| Liscense | 90,540 | - | - | 90,540 | 33% | - | 90,540 | - |
| Limton | 75,000 | - | - | 75,000 | 33% | 24,750 | 74,250 | 750 |
| Softronic | 508,500 | - | - | 508,500 | 33% | 167,805 | 335,610 | 172,890 |
| Total rupees - 2023 | 2,062,399 | - | - | 2,062,399 | | 192,555 | 1,888,759 | 173,640 |
| Total rupees - 2022 | 1,553,899 | 508,500 | - | 2,062,399 | | 192,555 | 1,696,204 | 366,195 |

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|--------------------|--------------------|
| 11 SHORT-TERM INVESTMENTS | | | |
| Fair value through profit or loss | | | |
| Mutual fund units | 11.1 | 33,365,428 | 29,708,870 |
| At Amortized cost | | | |
| Market Treasury Bills | 11.2 | - | 40,933,874 |
| Term Deposit Receipts (TDRs) | | | |
| Bank Al Habib Limited | 11.3 | 360,953,136 | 30,000,000 |
| Habib Metropolitan Bank Limited | 11.4 | 380,000,000 | 30,000,000 |
| Bank Islami Pakistan Limited | 11.5 | 30,000,000 | - |
| | | <u>804,318,564</u> | <u>130,642,744</u> |

11.1 Fair value through profit or loss

| Number of Units | | Open-end Mutual Funds | | |
|-----------------|---------|-------------------------|-------------------|-------------------|
| 2023 | 2022 | | 2023 | 2022 |
| 179,184 | 156,883 | First Habib Cash Fund | 18,146,348 | 15,837,576 |
| 116,358 | 101,834 | First Habib Income Fund | 11,779,600 | 10,286,426 |
| 44,851 | 44,851 | First Habib Stock Fund | 3,439,480 | 3,584,868 |
| | | | <u>33,365,428</u> | <u>29,708,870</u> |

11.2 Market Treasury Bills

| | | | |
|---|--------|--------------|-------------------|
| Cost | | 40,933,874 | 39,942,946 |
| Add: discount amortised during the year | | 1,966,126 | 990,928 |
| Less: Matured during the year | | (42,900,000) | - |
| | 11.2.1 | <u>-</u> | <u>40,933,874</u> |

11.2.1 These Treasury bills have a Yield rate of 14.45% per annum and have matured on November 03, 2022.

11.3 This TDRs having maturity of 1 Months and carry markup of 20.25% (2022:10.5%).

11.4 This TDRs having maturity of 1 years and carry markup of 20.50% (2022:13.25%).

11.5 This TDRs having maturity of 1 years and carry markup of 20.50% (2022:Nil.).

12 CASH AND BANK BALANCES

| | | | |
|------------------|------|-------------------|--------------------|
| Cash in hand | | 29,560 | 30,919 |
| Cash at bank | | | |
| Current accounts | | 9,899,584 | 2,199,802 |
| Saving accounts | 12.1 | 63,021,695 | 99,740,978 |
| | | <u>72,950,839</u> | <u>101,971,699</u> |

12.1 These carry interest ranging between 12.25% to 20.5% (2022: 5.50% to 12.25%) per annum.

| | Note | 2023 Rupees | 2022 Rupees |
|--|--|--------------------|--------------------|
| 13 | | | |
| TRADE AND OTHER PAYABLES | | | |
| Accrued expenses | | 8,167,704 | 16,732,238 |
| Salaries payable | | 5,421,523 | 4,120,040 |
| Staff gratuity payable | | 6,712,321 | 6,404,530 |
| Withholding tax payable | | - | 95,341 |
| | | <u>20,301,548</u> | <u>27,352,149</u> |
| 14 | | | |
| DONATIONS | | | |
| Donations | | 184,985,875 | 128,242,596 |
| Zakat | | 90,302,053 | 86,369,277 |
| Khums | | 6,063,802 | 3,927,116 |
| Donation In kind - medicines | | 6,914,162 | 10,150,457 |
| Donation In kind - Other | | 31,251 | 20,607,600 |
| | | <u>288,297,143</u> | <u>249,297,046</u> |
| 15 | | | |
| RETURN ON INVESTMENTS AND BANK DEPOSITS | | | |
| Returns on investments | 15.1 | 101,351,736 | 65,659,996 |
| Bank deposits | | 6,909,865 | 3,604,772 |
| | | <u>108,261,601</u> | <u>69,264,768</u> |
| 15.1 | This include unrealized loss of Rs. 61,854 (2022: Rs. 346,573) on remeasurement of the investments made in Mutual funds. | | |
| 16 | | | |
| PATIENT CARE EXPENSES | | | |
| Medical staff salaries and other benefits | | 39,988,976 | 33,602,522 |
| Chemotherapy | | 58,406,193 | 31,162,568 |
| Radiotherapy | | 6,942,198 | 20,088,630 |
| Medicines | | 18,968,433 | 14,793,102 |
| Operations | | 6,919,033 | 6,368,163 |
| Patient's food | | 3,111,600 | 2,220,423 |
| Patient's laundry | | 141,800 | 247,231 |
| Radiology - In house | | 65,921 | - |
| Radiology - Out sourced | | 2,893,900 | 1,605,722 |
| Laboratory - In house | | 5,184,921 | 3,200,498 |
| Laboratory - Out sourced | | 5,018,110 | 5,447,473 |
| Oxygen / Nitrus cylinders utilized | | 675,170 | 841,445 |
| | | <u>148,316,255</u> | <u>119,577,777</u> |

| | Note | 2023 Rupees | 2022 Rupees |
|--------------------------------|------|-------------------|-------------------|
| 17 | | | |
| SUPPORT EXPENSES | | | |
| | | 21,011,189 | 17,090,593 |
| | | 1,150,620 | 778,230 |
| | | 654,416 | 680,901 |
| | | 7,360,871 | 5,503,391 |
| | | 6,283,092 | 10,165,846 |
| | | 286,443 | 117,160 |
| | | 322,284 | 471,409 |
| | | <u>37,068,915</u> | <u>34,807,530</u> |
| 18 | | | |
| ADMINISTRATIVE EXPENSES | | | |
| | | 580,800 | 580,800 |
| | | 12,069,818 | 13,292,865 |
| | | 552,993 | 488,674 |
| | | 16,315 | 18,870 |
| | | 1,859,137 | 1,408,328 |
| | | 316,900 | 583,110 |
| | | 60,000 | 50,000 |
| | 18.1 | 418,800 | 354,000 |
| | | 35,000 | - |
| | 4 | 16,789,759 | 17,424,425 |
| | 5 | 192,555 | 192,555 |
| | | 38,684 | 39,160 |
| | | 1,213,761 | 775,292 |
| | | <u>34,144,522</u> | <u>35,208,079</u> |
| 18.1 | | | |
| Auditor's remuneration | | | |
| | | 360,000 | 300,000 |
| | | 30,000 | 30,000 |
| | | 28,800 | 24,000 |
| | | <u>418,800</u> | <u>354,000</u> |
| 19 | | | |
| TAXATION | | | |
| | 19.1 | - | - |
| | 19.2 | - | 8,142,875 |
| | | <u>-</u> | <u>8,142,875</u> |

19.1 The Trust being a charitable organisation has met the required conditions to qualify for hundred percent tax credit u/s 100C(2)(i) of Income Tax Ordinance, 2001 including minimum taxes and final taxes payable, if any, under any of the provisions of the Ordinance, therefore, no provision for tax is made for the year.

19.2 In 2022, the Additional Commissioner Inland Revenue Karachi (ACIR), has passed order u/s 122(5A) of the Income tax Ordinance, 2001 dated January 28, 2022 which stated that for the year 2018, the Trust did not obtained the renewal of the approval u/s 2(36)(c) of the Income Tax Ordinance, 2001 finding to charge normal tax on declared income. The Trust file an appeal against the order with the commissioner Appeals Inland Revenue Karachi CIR(A) Which was dismissed under order u/s 129(1) of the Income Tax Ordinance,2001 dated April 28, 2022. The Trust has filed an appeal against the order u/s 129(1)with the Appellate Tribunal Inland Revenue Karachi, on June 27, 2022 which is pending for hearing.

20 CONTINGENCIES AND COMMITMENTS

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

21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties include Trustees. The Trust in the normal course of business carries out transactions with related parties. The names of related parties, nature and basis of relationship are:

| Name of related party | Nature and basis of Relation |
|---------------------------|------------------------------|
| Zainab Ali Raza Ebrahim | Chairperson |
| Jameel Yusuf Ahmed | Co-Chairperson |
| Syed Masoud Ali Naqvi | Trustee |
| Nadra Masood Sohail | Trustee |
| Fatima Altaf Hussain Agha | Trustee |
| Syed Shomail Abbas Naqvi | Trustee |
| Mohsin Ali Gheewala | Trustee |

21.1 The transactions and balances with related parties are:

| Name of related party | Nature of transaction | '2023 'Rupees | '2022 'Rupees |
|-----------------------|-------------------------|------------------|------------------|
| Jameel Yusuf Ahmed | Insurance | 1,213,761 | 703,194 |
| Jameel Yusuf Ahmed | Security guard services | 580,800 | 580,800 |

21.2 Year end balances

| | | | |
|-------------------|-------------------|---------|---------|
| TPL Insurance Ltd | Prepaid insurance | 417,904 | 470,222 |
|-------------------|-------------------|---------|---------|

22 NUMBER OF EMPLOYEES

The number of employees as at the year end were 106 (2022: 96)

23 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. However, no significant reclassification has been made during the year.

24 **DATE FOR AUTHORIZATION FOR ISSUE**

The Board of Trustees authorized these financial statements for issue on 06 MAR 2024.

25 **GENERAL**

Figures have been rounded off to the nearest rupee unless stated otherwise. *R/2*

Zainab Q. Elbeshiri

CHAIRPERSON

Jamal Younis
CO-CHAIRPERSON