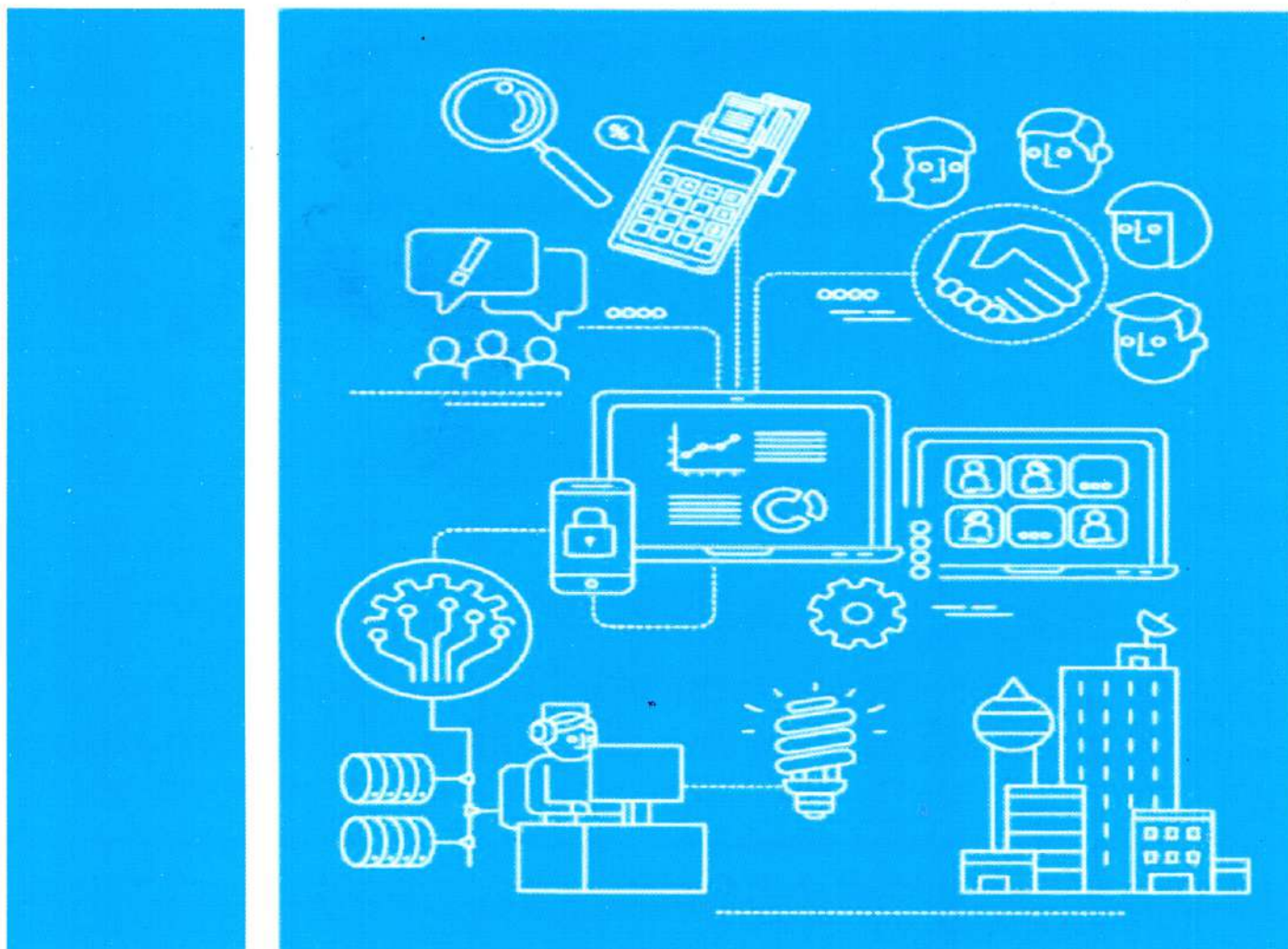


INDEPENDENT AUDITOR'S REPORT

DR. A.Q. KHAN HOSPITAL TRUST
FINANCIAL STATEMENTS
JUNE 30, 2021



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

001961

We have audited the financial statements of **DR. A.Q. KHAN HOSPITAL TRUST (the "Trust")** which comprise the statement of financial positions at June 30, 2021 and the statement of income or expenditure, the statement of changes in equity 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 **DR. A.Q. KHAN HOSPITAL TRUST** as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Governors are 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 Board of Governors determine 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, Board of Governors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 Auditors' 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

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Other Offices at
Islamabad: House # 136-B,
Street # 43 Sector F-10/4
Islamabad - Pakistan
T: +92 (51) 211 4096 /7/8
F: +92 (51) 229 6688
Canada: 865 Laurelwood
Drive, Waterloo,
Ontario Canada.

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 Auditors' 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 Auditors' report. However, future events or conditions may cause the Trust's 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 Muhammad Rashid Khan, FCA.

LAHORE:

DATE: 09-03-2022



NAUMAN JAVED HASNAIN RASHID
CHARTERED ACCOUNTANTS

DR. A.Q. KHAN HOSPITAL TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees Restated	2019 Rupees Restated
ASSETS				
Non-current assets				
Property, plant and equipment	6	80,538,179	68,207,946	65,477,649
Capital work in progress	7	397,674,310	354,373,048	237,304,973
Intangible assets	8	401,472	501,840	267,300
Long term investment		-	-	2,959,422
		478,613,962	423,082,835	306,009,344
Current assets				
Inventory	9	2,532,630	2,347,045	1,955,871
Advances, deposits, and prepayments	10	14,349,009	18,850,014	26,379,259
Cash and bank balances	11	310,299,697	182,407,352	218,497,829
		327,181,336	203,604,411	246,832,958
Total Assets		805,795,298	626,687,246	552,842,302
LIABILITIES				
Current Liabilities				
Trade and other payables	12	16,306,351	27,639,073	29,479,758
Total Liabilities		16,306,351	27,639,073	29,479,758
FUNDS				
Unrestricted				
General fund		354,486,442	333,446,883	323,637,164
Restricted				
Construction fund		435,002,505	265,601,290	199,725,380
Total funds		789,488,947	599,048,173	523,362,544
Contingencies and Commitments	13	-	-	-
Total Liabilities and Funds		805,795,298	626,687,246	552,842,302

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

Lahore:


Chairman


General Secretary



DR. A.Q. KHAN HOSPITAL TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021		2020	
		Unrestricted General fund	Restricted Construction fund	Unrestricted General fund	Restricted Construction fund
INCOME					
Clinical income	14	14,946,807	-	12,883,440	12,883,440
Donations	15	135,304,809	169,401,215	146,744,132	65,875,910
		150,251,616	169,401,215	159,627,572	65,875,910
					225,503,482
EXPENSES					
Clinical expenses	16	79,903,118	-	80,807,526	-
General and administration expenses	17	22,029,192	-	41,703,156	-
Marketing and fund raising expenses	18	27,021,516	-	27,316,267	-
Capital expenditure		-	-	-	-
		128,953,826	-	149,826,948	-
Exchange gain / (loss)	20	(136,661)	-	57,384	-
Finance cost	21	(121,569)	-	(48,289)	-
Surplus for the year		21,039,560	169,401,215	190,440,774	65,875,910
				9,809,719	75,685,629

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

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Lahore:

Chairman

General Secretary

M. Zahid

DR. A.Q. KHAN HOSPITAL TRUST
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Unrestricted General fund	Restricted Construction fund	Total
	-----Rupees-----		
Balance as at June 30, 2019	323,637,164	199,725,380	523,362,544
Surplus for the year	9,809,719	65,875,910	75,685,629
Other comprehensive income	-	-	-
Total comprehensive income	9,809,719	65,875,910	75,685,629
Balance as at June 30, 2020	333,446,883	265,601,290	599,048,173
Surplus for the year	21,039,560	169,401,215	190,440,775
Other comprehensive income	-	-	-
Total comprehensive income	21,039,560	169,401,215	190,440,775
Balance as at June 30, 2021	354,486,442	435,002,505	789,488,947

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

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Lahore:



Chairman





General Secretary

DR. A.Q. KHAN HOSPITAL TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees Restated
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year		190,440,774	75,685,629
Adjustment for non-cash items			
Depreciation	6.1	11,772,823	10,673,018
Donation in kind	15	(12,143,702)	(21,790,002)
Medicines consumed received in kind	16.1	12,007,041	11,487,386
Exchange (gain) / loss	20	136,661	(57,384)
Amortization on intangibles	8	100,368	125,460
Finance cost	21	121,569	48,289
		11,994,760	486,767
Operating profit before working capital changes		202,435,534	76,172,396
Working capital changes			
Inventory	9	(185,585)	(391,174)
Advances, deposits, and prepayments	10	4,501,005	7,529,245
Trade and other payables	12	(11,332,723)	(1,840,685)
		(7,017,303)	5,297,386
Cash generated from operations		195,418,231	81,469,782
Finance cost paid	21	(121,569)	(48,289)
Net cash from operating activities		195,296,663	81,421,493
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	6.1	(24,117,883)	(3,403,316)
Intangible assets		-	-
Proceeds from disposal of PPE		14,827	-
Capital expenditure	7	(43,301,262)	(117,068,075)
Long term investments			2,959,422
Net cash used in investing activities		(67,404,318)	(117,511,969)
Net increase/(decrease) in cash & cash equivalents		127,892,345	(36,090,476)
Cash and cash equivalents at the beginning of year		182,407,352	218,497,829
Cash and cash equivalents at the end of year		310,299,697	182,407,352

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

Lahore:


Chairman


Mr. Salim


General Secretary

DR. A.Q. KHAN HOSPITAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 The trust, operations and registered office

Dr. A.Q. Khan Hospital Trust is formed by Doctor Abdul Qadeer Khan (Mohsin-e-Pakistan) and his associate personnel registered under Trust Act 1882, on October 29, 2013. Dr. A.Q. Khan Hospital Trust is providing services of health and awareness for poor and underprivileged people of Pakistan. Dr. A.Q. Khan Hospital is located at 78 Maulana Ahmed Ali Road near Minar-e-Pakistan, Lahore. It is a 300 bed hospital. The trust's registered office is situated at 18-K, Model Town, Lahore.

2 Statement of compliance and Basis of preparation

2.1 Statement of compliance

These accounts have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial reporting Standard for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of preparation

The financial statements have been prepared under the "historical cost" convention. Except for the cash flow statement, all transactions in these financial statements have been accounted for on accrual basis.

3 Significant accounting estimates and judgments

The preparation of financial statements in conformity with Accounting and Financial Reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources, actual results may differ from the estimates. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in applications of accounting policies are as follows:

- Useful life of property, plant and equipment
- Provisions for doubtful debts
- Provisions for slow moving inventories
- Taxation

4 Change in accounting policy

In accordance with the guidelines issued by The Institute of Chartered Accountants of Pakistan for "ACCOUNTING AND FINANCIAL REPORTING BY NON-PROFIT ORGANISATIONS (NPOs)", Trust has changed its accounting policy regarding classification of funds collected or received from general public to give more reliable and relevant information to the donors and other stakeholders.

The funds are in the following two categories:-

- General fund unrestricted
- Construction fund restricted

Effect of change is as follows

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DR. A.Q. KHAN HOSPITAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Unrestricted fund			
General fund	15	135,304,809	146,744,132
Restricted fund			
Construction fund	15	169,401,215	65,875,910
		<u>304,706,024</u>	<u>212,620,042</u>

5 Summary of significant accounting policies

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year.

5.1 Property, plant and equipment

Owned operating assets

Fixed assets are stated at cost less accumulated depreciation and any identified impairment loss except freehold land which is stated at cost. Cost includes expenditure that are directly attributable to the acquisition of the item.

Depreciation is recognized in Income and Expenditure by applying reducing balance method over the useful life of each item of fixed asset, using the rates specified in note 6 to the accounts. The asset's residual values, depreciation method and useful lives are reviewed, at each year end and adjusted if impact on depreciation is significant.

Depreciation on additions to fixed asset is charged from the month in which the item becomes available for use. Depreciation is discontinued for the month in which it is disposed off or classified as held for disposal.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will to the Trust and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Normal repairs and maintenance is charged to profit and loss account as and when incurred, while major renewals and replacements are capitalized if it is probable that the respective future economic benefits will flow to the Company and the cost of the item can be measured reliably, and assets so replaced, if any, are retired."

Profit or loss on disposal of operating fixed assets is included to current year's income.

5.2 Intangible assets

The Hospital reviews appropriateness of amortization, useful life and residual values used for recording the amortization of the Hospital's intangibles on annual basis Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

5.3 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any and includes the expenditures on material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of hospital building. These costs are transferred to property, plant and equipment as and when related items become available for intended use.

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DR. A.Q. KHAN HOSPITAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.4 Inventory

Inventories comprise medicines, consumables and general supplies such as surgical supplies, stationery, grocery items, etc. These are valued at cost. Cost is determined on First In First Out (FIFO) basis. Cost comprises the purchase cost and other related costs incurred in bringing the inventories to their present location and condition. Donated inventories are carried at a valuation equivalent to the cost, which would have been incurred in bringing such inventories to their present location and condition had these inventories been purchased. Provision is made for slow moving and expired stock where necessary.

5.5 Taxation

The Hospital is exempt from income tax under section 100 C clause 66 Part I of the Second Schedule of the Income Tax Ordinance 2001. Consequently no provision for taxation has been made in these financial statements.

5.6 Provisions

A provision is recognized when the Company has a present, legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made.

5.7 Functional Currency

All monetary assets and liabilities in foreign currency are translated into Pakistan rupees at the rates of exchange prevailing on the balance sheet date, while the transaction in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transactions date.

5.8 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.9 Offsetting of financial assets with financial liabilities

All the financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the company loses control of the contractual rights that comprise the financial asset. Financial liabilities are de-recognized when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired.

5.10 Advances, deposits, prepayments and other receivables

Advances, deposits, prepayments and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amount. Carrying amount of advances and receivables are assessed on a regular basis.

5.11 Creditors, accrued and other Liabilities

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

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DR. A.Q. KHAN HOSPITAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.12 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, cash at bank in current account, deposit accounts and foreign currency accounts.

5.13 Dividend Income

Dividend income is recognized when the Trust's right to receive payment has been established and is recognized in Statement of Income and Expenditure and included in other income.

5.14 Revenue recognition

Donations are recognized when they are received in cash or deposited in banks. Donations received in kind are measured at the market value prevailing at the time of the transaction.

5.14.1 Unrestricted/General fund

Funds received as donations without any direct request being made, or without any defined terms and conditions being laid down with regard to utilisation, are unrestricted. In such circumstances, there will be an unwritten agreement, that the funds will be utilised within the objectives of the Trust.

5.14.2 Restricted fund

Construction fund

Donations received from general public under construction fund are recognized on receipt basis and are used for construction of new hospital building located at 78 Maulana Ahmed Ali Road near Minar-e-Pakistan, Lahore.

Deferred capital grant is recognized as income to match depreciation and amortisation provided during the year on the related capital assets.

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DR. A.Q. KHAN HOSPITAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees Restated
6 Property, plant and equipment			
Operating fixed assets	6.1	80,538,179	68,207,946
		<u>80,538,179</u>	<u>68,207,946</u>
6.1 Please refer to operating fixed assets schedule.			
7 Capital work in progress			
Construction of OPD building:			
Opening balance		354,373,048	237,304,973
Add : Additions during the year		43,301,262	117,068,075
Less : Transferred to property, plant and equipment		-	-
Closing balance		<u>397,674,310</u>	<u>354,373,048</u>
8 Intangible Assets			
Opening Balance		501,840	267,300
Add : Additions during the year		-	360,000
Less : Disposals during the year		-	-
Less : Amortization		(100,368)	(125,460)
Closing Balance		<u>401,472</u>	<u>501,840</u>
9 Inventory			
Inventory		2,532,630	2,347,045
		<u>2,532,630</u>	<u>2,347,045</u>
10 Advances, deposits, and prepayments			
Security deposit		1,824,919	1,914,919
Advances income tax		2,743,377	2,725,455
Advance against capital expenditure		2,500,000	1,000,000
Advances to employees (Considered good)		1,070,806	749,798
Advances to suppliers (Secured)		1,333,573	1,083,064
Mobilization advance SCC (PVT) Ltd.		4,876,334	11,376,778
		<u>14,349,009</u>	<u>18,850,014</u>
11 Cash and bank balances			
Cash in hand		412,417	388,417
Cash at bank			
- current accounts		309,887,280	182,018,935
		<u>310,299,697</u>	<u>182,407,352</u>
12 Trade and other payables			
Security payable	12.1	2,191,091	2,020,421
Withholding tax payable		3,241,352	5,180,599
Others		10,873,908	20,438,053
		<u>16,306,351</u>	<u>27,639,073</u>

12.1 This amount represents the amount payable to employees in respect of deduction from salaries.

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DR. A.Q. KHAN HOSPITAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

13 Contingencies and Commitments

There is not outstanding contingencies and commitments at year end. (2020: Nil)

	Note	2021 Rupees	2020 Rupees Restated
14 Clinical income			
Receipts from OPD		12,106,333	11,653,045
Receipts from lab centre		8,075,046	9,113,675
Less: Discount to poor patients		(5,234,572)	(7,883,280)
		<u>14,946,807</u>	<u>12,883,440</u>

15 Donation

	Unrestricted General fund	Restricted Construction fund		
Donations	123,161,107	151,735,315	274,896,422	190,830,040
Donations in Kind	12,143,702	17,665,900	29,809,602	21,790,002
	<u>135,304,809</u>	<u>169,401,215</u>	<u>304,706,024</u>	<u>212,620,042</u>

16 Clinical expenses

Medicines consumed	16.1	32,211,310	32,460,818
Other consumables		5,814,535	5,613,443
Salaries, wages and other benefits		23,761,250	24,906,213
Utility bills		3,778,445	3,534,987
Rent, rates and taxes		819,709	1,456,397
Printing and stationery		176,213	258,539
Computer accessories consumption		95,950	63,396
Entertainment		689,511	501,868
Travelling and conveyance		247,491	552,126
Repair & maintenance		1,229,543	1,012,894
Depreciation	6.2	10,515,724	9,785,270
Cleaning & sanitation		449,348	438,368
Miscellaneous		114,089	223,207
		<u>79,903,118</u>	<u>80,807,526</u>

16.1 Medicines Consumed

Opening stocks	2,347,045	1,955,871
Donation	12,143,702	11,790,002
Purchases	20,253,193	21,061,990
	34,743,940	34,807,863
Less: Closing stock	2,532,630	2,347,045
	<u>32,211,310</u>	<u>32,460,818</u>

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DR. A.Q. KHAN HOSPITAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees Restated
17 General and administration expenses			
Salaries ,wages and other benefits		9,488,417	9,175,393
Travelling and conveyance		1,324,874	1,377,604
Utility bills		1,319,084	1,492,843
Printing and stationery		1,308,051	805,961
Computer accessories consumption		556,277	637,565
Entertainment		999,986	859,019
Vehicle running and maintenance		480,412	1,401,156
Rent, rates and taxes		1,338,942	1,147,220
Repair & maintenance		728,752	1,451,803
Non-refundable Security deposit		-	20,000,000
Legal and professional		293,130	363,530
Postage		2,172,936	1,039,481
Depreciation	6.2	1,257,099	887,748
Amortization	8	100,368	125,460
Auditors remuneration	17.1	300,000	175,000
Miscellaneous		360,864	763,373
		<u>22,029,192</u>	<u>41,703,156</u>
17.1 Auditors remuneration			
Audit fee		300,000	175,000
Out of pocket expenses		-	-
		<u>300,000</u>	<u>175,000</u>
18 Marketing and fund raising expenses			
Salaries, wages and other benefits		4,495,036	4,726,718
Travelling and conveyance		567,803	590,402
Utility bills		565,322	639,790
Printing and stationery		560,593	345,412
Advertisement		14,341,696	17,324,088
Fund raising events campaigns		6,285,175	3,089,362
Vehicle running and maintenance		205,891	600,495
		<u>27,021,516</u>	<u>27,316,267</u>
19 Taxation			
The Hospital is exempt from income tax under section 100 C clause 66 Part I of the Second Schedule of the Income Tax Ordinance 2001. Consequently no provision for taxation has been made in these financial statements.			
20 Exchange gain			
Exchange gain/Loss		(136,661)	57,384
		<u>(136,661)</u>	<u>57,384</u>
21 Finance cost			
Bank charges		121,569	48,289
		<u>121,569</u>	<u>48,289</u>

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DR. A.Q. KHAN HOSPITAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

22 Financial instruments by category

Financial assets as per balance sheet		
Trade deposits	14,349,009	18,850,014
Cash and bank balances	310,299,697	182,407,352
	<u>324,648,706</u>	<u>201,257,366</u>
Financial liabilities as per balance sheet		
Trade and other payables	16,306,351	27,639,073
	<u>16,306,351</u>	<u>27,639,073</u>

22.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

23 Financial instruments

23.1 Financial Risk Factors

The Trust's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Trust's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Trust's finance department under policies approved by the Board of Governors.

Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Trust is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Trust's foreign exchange risk exposure is restricted to foreign currency bank balances and foreign currency donations.

	Note	2021 Rupees	2020 Rupees
Cash at bank in foreign currency (USD 21,612, 2020; 21,112)		3,407,292	3,547,884
Net exposure		<u>3,407,292</u>	<u>3,547,884</u>

The following significant exchange rates have been applied at the reporting dates:

USD to PKR	<u>157.54</u>	<u>167.86</u>
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(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Trust has no interest-bearing assets, therefore the Trust's income and operating cash flows are substantially independent of changes in market interest rates.

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(iii) Fair value sensitivity analysis for fixed rate instruments:

The Trust does not account for any fixed rate financial assets and liabilities at fair value through Income and Expenditure. Therefore, a change in interest rates at the reporting date would not affect Statement of Income and Expenditure.

(iv) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial

(v) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation.

The Trust monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:

	Note	2021 Rupees	2020 Rupees
Trade deposits		14,349,009	18,850,014
Cash and bank balances		310,299,697	182,407,352
		<u>324,648,706</u>	<u>201,257,366</u>

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses. The credit quality of Trust's bank balances can be assessed with reference to external credit ratings as follows:

Bank Name	* Credit rating		Source	Balance at June 30, 2021
	Short Term	Long term		
United Bank Limited	A1+	AAA	JCR-VIS	19,282,519
MCB Bank Limited	A1+	AAA	PACRA	18,789,200
National Bank of Pakistan	A1+	AAA	PACRA	14,946,133
Soneri Bank Limited	A1+	AA-	PACRA	46,905,648
Bank Al-Falah Limited	A1+	AA+	PACRA	19,522,615
Faysal Bank Limited	A1+	AA+	JCR-VIS	10,440,476
JS Bank Limited	A1+	AA-	PACRA	3,733,251
Summit Bank Limited	A-3	AAA	JCR-VIS	6,707,397
Silk Bank Limited	AA+	BBB-	JCR-VIS	14,680,724
Bank of Khyber Limited	A-1	A	PACRA	85,522
Sindh Bank Limited	A-1	A+	PACRA	2,750,605
SME Bank Limited	B	CCC	PACRA	935,352
Apna Microfinance Bank Limited	A-3	BBB+	PACRA	59,795,266
Askari Bank Limited	A1+	AA+	PACRA	16,561,360
Bank of Punjab Limited	A1+	AA+	PACRA	6,751,212
				<u>241,887,280</u>

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(vi) Liquidity risk

Liquidity risk represents the risk that the Trust will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Trust's operations, the Board maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts of the Trust's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Trust. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Trust's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal requirements, and maintaining debt financing plans.

The table shows analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

24 Related parties

The related parties comprise associated undertaking companies, related group companies and board of governors etc. Transactions with related parties other than remuneration and other benefits paid to chairman, trustees and key management personnel which are considered at arm's-length are as follows:

Key management personnel

Qaiser Amin Butt
Shaukat Babar Virk
Muhammad Sohail

Chairman
 General Secretary
 Trustee

2021 Rupees	2020 Rupees
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25 Remuneration of chief executive

Number of person

1

1

Remuneration

397,986

233,750

26 Events after the statement of financial position date

There were no adjusting and non-adjusting events after the statement of financial position date.

27 Date of authorization

These financial statements were authorized on 09-03-2022 by the Board of Governors of the Trust.

28 General

28.1 Figures have been rounded off to the nearest rupee.

28.2 Figures of the previous year have been rearranged and reclassified wherever necessary for the purpose of comparison.

Lahore:



Chairman




General Secretary

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6.1 Operating fixed assets schedule

Particulars	Building on free-hold land	Land	Furniture & Fixture	Vehicles	Computers	Electric Appliances	Medical Equipment	Total
Cost								
Balance as at July 01, 2016	33,610,573	-	1,517,195	37,000	1,907,658	1,052,768	9,823,167	47,948,361
Additions	19,747,301	-	295,293	-	1,142,428	225,570	12,472,690	33,883,282
Disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	53,357,874	-	1,812,488	37,000	3,050,086	1,278,338	22,295,857	81,831,643
Balance as at July 01, 2017	53,357,874	-	1,812,488	37,000	3,050,086	1,278,338	22,295,857	81,831,643
Additions	9,022,100	-	75,430	3,383,227	463,300	1,755,565	2,664,000	17,363,622
Disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	62,379,974	-	1,887,918	3,420,227	3,513,386	3,033,903	24,959,857	99,195,265
Balance as at July 01, 2018	62,379,974	-	1,887,918	3,420,227	3,513,386	3,033,903	24,959,857	99,195,265
Additions	11,095,000	-	50,500	790,000	192,607	368,125	64,170	12,560,402
Disposals	(18,428,801)	-	-	-	-	-	-	(18,428,801)
Balance as at June 30, 2019	55,046,173	-	1,938,418	4,210,227	3,705,993	3,402,028	25,024,027	93,326,866
Balance as at July 01, 2019	55,046,173	-	1,938,418	4,210,227	3,705,993	3,402,028	25,024,027	93,326,866
Additions	10,000,000	-	208,300	-	223,765	1,144,039	1,827,212	13,403,316
Disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2020	65,046,173	-	2,146,718	4,210,227	3,929,758	4,546,067	26,851,239	106,730,182
Balance as at July 01, 2020	65,046,173	-	2,146,718	4,210,227	3,929,758	4,546,067	26,851,239	106,730,182
Additions	3,400,000	-	223,400	-	618,150	2,133,431	77,002	24,117,883
Disposals	-	-	-	-	-	(31,000)	-	(31,000)
Balance as at June 30, 2021	68,446,173	17,665,900	2,370,118	4,210,227	4,547,908	6,648,498	26,928,241	130,817,065
Depreciation								
Balance at July 01, 2015	-	-	171,635	13,320	269,151	72,337	95,853	622,296
On opening	-	-	92,318	4,734	319,320	58,480	565,530	1,040,382
Additions	2,637,036	-	24,277	-	5,431	22,993	148,142	2,837,879
Disposals	-	-	-	-	-	-	-	-
Balance at June 30, 2016	2,637,036	-	288,230	18,054	593,902	153,810	809,525	4,500,557

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Balance as at July 01, 2016	2,637,036	-	288,230	18,054	593,902	153,810	809,525	4,500,557
On opening	3,097,354	-	122,897	1,895	262,751	179,792	901,364	4,566,052
Additions	1,390,945	-	13,416	-	123,563	11,548	428,348	1,967,819
Disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	7,125,334	-	424,543	19,949	980,216	345,149	2,139,237	11,034,428

Balance as at July 01, 2017	7,125,334	-	424,543	19,949	980,216	345,149	2,139,237	11,034,428
On opening	4,623,254	-	138,795	1,705	413,974	186,638	2,015,662	7,380,027
Additions	526,289	-	5,934	258,415	54,972	331,215	62,075	1,238,900
Disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	12,274,878	-	569,271	280,069	1,449,162	863,002	4,216,974	19,653,355

Balance as at July 01, 2018	12,274,878	-	569,271	280,069	1,449,162	863,002	4,216,974	19,653,355
On opening	6,237,997	-	188,792	342,023	702,677	606,781	2,495,986	10,574,255
Additions	1,109,500	-	5,050	79,000	38,521	73,625	6,417	1,312,113
Disposals	(3,690,507)	-	-	-	-	-	-	(3,690,507)
Balance as at June 30, 2019	15,931,868	-	763,113	701,092	2,190,360	1,543,408	6,719,377	27,849,217

Balance as at July 01, 2019	15,931,868	-	763,113	701,092	2,190,360	1,543,408	6,719,377	27,849,217
On opening	5,504,617	-	193,842	421,023	370,599	340,203	2,502,403	9,332,687
Additions	1,000,000	-	20,830	-	22,377	114,404	182,721	1,340,332
Disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2020	22,436,485	-	977,785	1,122,114	2,583,336	1,998,014	9,404,500	38,522,236

Balance as at July 01, 2020	22,436,485	-	977,785	1,122,114	2,583,336	1,998,014	9,404,500	38,522,236
On opening	6,504,617	-	214,672	421,023	392,976	909,213	2,685,124	11,127,625
Additions	340,000	-	22,340	-	61,815	213,343	7,700	645,198
Disposals	-	-	-	-	-	(16,173)	-	(16,173)
Balance as at June 30, 2021	29,281,103	-	1,214,797	1,543,137	3,038,127	3,104,398	12,097,325	50,278,886

Carrying amounts	42,609,688	-	1,168,933	3,088,113	1,346,422	2,548,053	17,446,739	68,207,946
As at June 30, 2020	39,165,070	-	1,155,321	2,667,090	1,509,781	3,544,100	14,830,916	80,538,179
As at June 30, 2021	29,281,103	-	1,214,797	1,543,137	3,038,127	3,104,398	12,097,325	50,278,886

Rate of depreciation (%)	10%	0%	10%	10%	20%	20%	10%	
Cost of sales	6,844,617	-	189,609	-	227,395	561,278	2,692,824	10,515,724
Admin	-	-	47,402	421,023	227,395	561,278	-	1,257,099
	6,844,617	-	237,012	421,023	454,791	1,122,557	2,692,824	11,772,823

6.2 Allocation of depreciation

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