

Childlife Foundation

**Financial Statements
For the year ended June 30, 2017**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of Childlife Foundation (the Trust), which comprise the balance sheet as at June 30, 2017 and the income and expenditure account, statement of changes in fund balances and 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 the Trust as at June 30, 2017 and of its financial performance, changes in fund balances and its cash flows for the year then ended in accordance with the 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 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 Trustees 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 Trustees determine(s) 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, Trustees 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.

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.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner
Hena Sadiq

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Dated: 12 6 SEP 2017

Place: Karachi

CHILDLIFE FOUNDATION
BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
NON-CURRENT ASSET			
Property and equipment	5	26,057,292	22,574,468
CURRENT ASSETS			
Consumables	6	6,817,880	5,873,342
Advances, deposits and prepayments	7	2,596,179	281,947
Investments	8	260,990,714	144,591,742
Other receivables		1,275,716	1,121,779
Cash and bank balances	9	103,432,247	77,347,022
		375,112,736	229,215,832
TOTAL ASSETS		401,170,028	251,790,300
FUNDS AND LIABILITIES			
FUNDS			
Un-Restricted Funds			
Inception contribution		10,000	10,000
Zakat fund	10	44,213,911	39,474,965
General fund		24,490,699	24,093,514
		68,714,610	63,578,479
Restricted Funds			
Endowment fund	11	216,486,417	160,096,285
Strategic fund		85,000,000	-
		301,486,417	160,096,285
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income related to property and equipment	12	7,712,548	7,842,153
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	13	23,256,453	20,273,383
TOTAL LIABILITIES		30,969,001	28,115,536
TOTAL FUNDS AND LIABILITIES		401,170,028	251,790,300

The annexed notes 1 to 21 form an integral part of these financial statements.

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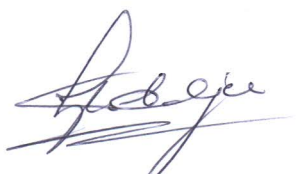
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**CHILDLIFE FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees
INCOME	14	152,511,204	122,165,665
EXPENDITURE			
Salaries and benefits		155,362,697	109,482,843
Medicines consumed		96,071,210	90,017,339
Patient consultation	15	43,656,954	36,431,439
Project renovation		23,526,157	24,396,593
Depreciation		9,862,235	6,917,233
Supplies and consumables		7,482,683	5,613,509
Repairs and maintenance		5,591,512	4,814,762
Resource mobilization and communication	16	5,933,682	3,814,800
Preventive health care		4,748,330	3,252,645
Utilities		3,097,720	1,705,667
Legal and professional		953,060	367,296
Auditors remuneration		264,000	264,000
Others	17	2,199,227	1,999,863
Total expenditure		358,749,467	289,077,989
Less: Utilized from Zakat Fund			
Operating expenses		(166,425,422)	(148,253,288)
Operating expenses clinics	15.2	(31,979,573)	(29,289,433)
Project renovation		(8,230,453)	(2,691,140)
		(206,635,448)	(180,233,861)
		152,114,019	108,844,128
Surplus for the year transferred to general fund	18	397,185	13,321,537

The annexed notes 1 to 21 form an integral part of these financial statements.

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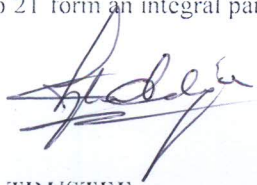

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CHILDLIFE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus of income over expenses for the year	397,185	13,321,537
Adjustments for		
Amortisation of deferred income	(4,052,312)	(4,019,988)
Depreciation charge for the year	9,862,235	6,917,233
Loss on disposal of property and equipment	25,837	1,937
	<u>6,232,945</u>	<u>16,220,719</u>
Working capital changes		
(Increase) / decrease in current assets		
Consumables	(944,538)	(2,161,459)
Other receivables	5,474,044	1,321,106
Advances, deposits and prepayments	(2,314,232)	1,773,292
Increase in current liabilities		
Creditors, accrued and other liabilities	<u>2,983,070</u>	<u>(742,063)</u>
Net cash generated from operating activities (A)	<u>11,431,289</u>	<u>16,411,595</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(13,652,696)	(14,037,599)
Investment in Islamic term deposits	(110,000,000)	(5,000,000)
Investment in Islamic mutual funds	(6,398,972)	(33,591,742)
Proceeds from disposal of property and equipment	281,800	88,000
Net cash used in investing activities (B)	<u>(129,769,868)</u>	<u>(52,541,341)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Zakat fund received	215,297,101	175,683,236
Funds received under restrictions	85,000,000	-
Utilization of Zakat fund	(206,635,448)	(180,233,861)
Endowment fund received	41,366,629	44,112,921
Realized gain from Islamic Investments	9,395,522	6,980,490
Net cash generated from financing activities (C)	<u>144,423,804</u>	<u>46,542,786</u>
Net increase in cash and bank balances (A+B+C)	<u>26,085,225</u>	<u>10,413,040</u>
Cash and cash equivalents at beginning of the year	<u>77,347,022</u>	<u>66,933,982</u>
Cash and cash equivalents at end of the year	<u>103,432,247</u>	<u>77,347,022</u>

The annexed notes 1 to 21 form an integral part of these financial statements.

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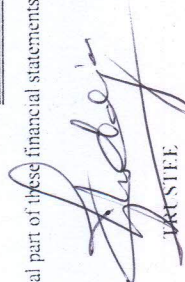
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CHILD LIFE FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Note	Restricted Fund				General Fund			Total
		Inception contribution	Zakat Fund	Endowment Fund	Strategic Fund	Project renovation and capital expenditure	Others	Subtotal	
Balance at June 30, 2015									
Funds received during the year		10,000	46,457,296	106,786,055	-	-	10,771,977	10,771,977	164,025,328
Zakat utilized for operating expenses		-	175,683,236	44,112,921	-	-	-	-	219,796,157
Zakat claim for patients treated at SINA		-	(148,253,288)	-	-	-	-	-	(148,253,288)
Zakat utilized for project renovation	15.2	-	(29,289,433)	-	-	-	-	-	(29,289,433)
Zakat transferred to General Fund		-	(2,691,140)	-	-	-	-	-	(2,691,140)
Surplus for the year		-	(2,431,706)	-	-	2,431,706	-	2,431,706	-
Property and equipment purchased during the year		-	-	-	-	-	13,321,537	13,321,537	13,321,537
Available-for-sale investment		-	-	-	-	(2,431,706)	-	(2,431,706)	-
Unrealized gain on		-	-	-	-	-	-	-	-
- Islamic Term Deposit Receipt		-	-	309,530	-	-	-	-	309,530
- Islamic Mutual Funds Investment		-	-	1,907,289	-	-	-	-	1,907,289
Realized gain on		-	-	-	-	-	-	-	-
- Islamic Mutual Funds Investment		-	-	1,684,453	-	-	-	-	1,684,453
- Islamic Term Deposit Receipt		-	-	4,234,626	-	-	-	-	4,234,626
- Other Islamic investments		-	-	1,061,411	-	-	-	-	1,061,411
Balance at June 30, 2016									
		10,000	39,474,965	160,096,285	-	-	24,093,514	24,093,514	223,674,764
Funds received during the year		-	215,297,101	41,366,629	85,000,000	-	-	-	341,663,730
Zakat utilized for operating expenses		-	(166,425,422)	-	-	-	-	-	(166,425,422)
Zakat claim for patients treated at SINA		-	(31,979,573)	-	-	-	-	-	(31,979,573)
Zakat utilized for project renovation	15.2	-	(8,230,453)	-	-	-	-	-	(8,230,453)
Zakat transferred to General Fund		-	(3,922,707)	-	-	3,922,707	-	3,922,707	-
Surplus for the year		-	-	-	-	-	397,185	397,185	397,185
Property and equipment purchased during the year		-	-	-	-	-	-	-	-
Available-for-sale investment		-	-	-	-	(3,922,707)	-	(3,922,707)	-
Unrealized gain on		-	-	-	-	-	-	-	-
- Islamic Term Deposit Receipt		-	-	495,973	-	-	-	-	495,973
- Islamic Mutual Funds Investment		-	-	4,290,625	-	-	-	-	4,290,625
- Other Islamic investments		-	-	841,383	-	-	-	-	841,383
Realized gain on		-	-	-	-	-	-	-	-
- Islamic Mutual Funds Investment		-	-	2,108,347	-	-	-	-	2,108,347
- Islamic Term Deposit Receipt		-	-	6,507,987	-	-	-	-	6,507,987
- Other Islamic investments		-	-	779,188	-	-	-	-	779,188
Balance at June 30, 2017									
		10,000	44,213,911	216,486,417	85,000,000	-	24,490,699	24,490,699	370,201,027

The annexed notes 1 to 21 form an integral part of these financial statements.

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CHILDLIFE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1. GENERAL INFORMATION

1.1 Childlife Foundation (the Trust) was established under a registered trust deed dated October 27, 2010. The Principal Office of the Trust is situated at 3rd Floor Adamjee House, I.I. Chundrigar Road, Karachi. The principal objects of the Trust are:

- to promote the cause of medical care and manage emergency care units for children and setting-up, establishing, managing, operating, obtaining registrations and recognitions and funding for medical, educational and social welfare institutions;
- to accept donations, grant contributions and subsidies from philanthropists, local and offshore donors, bodies and organisations;
- to acquire, take over or receive by way of donations, develop plots, amenity sites and immovable properties of all kinds out of funds of the Trust; and
- to provide medical and health care facilities for and medical treatment of the people by building, setting-up, establishing, managing, operating, funding, promoting, aiding and assisting hospitals, organising clinics, etc. and to generally do, effectuate, fulfill and undertake all other social welfare and charitable activities and to plan, implement and execute charitable and welfare projects of all kinds as may be permissible under the law.

1.2 The Trust is currently managing the Children's Emergency Unit and Diarrhea Treatment Unit at Civil Hospital Karachi (CHK) under a revised Memorandum of Understanding (MOU) signed last year on May 12, 2016 between the Trust and Government of Sindh (GoS) through the Secretary Health. Under the MOU:

- the GoS through Health Department is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical medical experts, paramedical staff and other experts of related disciplines and would also provide basic utilities; and
- the Trust is responsible for smooth management of the above mentioned units and of the facilities and to ensure that the same will function according to the standard operating procedures agreed with the administration of CHK. Moreover, it is also responsible for financial obligations with respect to the project and in improving the quality of medical services in Sindh.

1.3 The Trust is managing the Children's Emergency Unit under a Memorandum of Understanding (MOU) signed among the Trust, National Institute of Child Health (NICH), Government of Sindh (GoS) through the Secretary Health and SINA Trust under the MOU:

- the NICH is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical medical experts, paramedical staff and other experts of related disciplines and would also provide basic utilities; and

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- the Trust is responsible for smooth management of the above mentioned unit and of the facilities and to ensure that the same will function according to the standard operating procedures agreed with the administration of NICH; further it is also responsible for providing and arranging funds for the complete renovation of the above mentioned unit and to provide medical equipment, air conditioners etc.
- SINA Trust has been operating primary health care clinics in low-income and densely populated areas of Karachi for providing good quality and affordable healthcare for children. Childlife Foundation initiated a strategic partnership with SINA Trust in 2012. The Childlife Foundation is providing the children financial support for free treatment, lab testing, and medicines, as well as helping SINA Trust improving their clinics and expand their network of services in other areas.

1.4 The Trust is also managing the Children's Emergency Unit in Korangi under a Memorandum of Understanding (MOU) signed among the Trust, Sindh Government Hospital Korangi 5 (SGHK), and Government of Sindh (GoS) through the Secretary Health:

- the SGHK is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical medical experts, paramedical staff and other experts of related disciplines and would also provide basic utilities; and
- the Trust is responsible for smooth management of the above mentioned unit and of the facilities and to ensure that the same will function according to the standard operating procedures agreed with the administration of SGHK, further it is also responsible for providing and arranging funds for the renovation as deemed necessary of the above mentioned unit and to provide medical equipment, air conditioners etc.

1.5 The financial statements are presented in Pak Rupees which is the Trust's functional and presentation currency.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards for Small and Medium - Sized Entities (SMEs) and Guidelines for Accounting and Financial Reporting by Non-Government Organizations / Non Profit Organizations issued by the Institute of Chartered Accountants of Pakistan.

3. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except for certain investments that are stated at market values.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and bank deposits.

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4.2 Taxation

The Trust has been approved as a non-profit organization under section 2(36)(c) of the Income Tax Ordinance, 2001. The Trust is allowed tax credit equal to 100% of the tax payable including minimum tax and final taxes, under section 100C of the Income Tax Ordinance, 2001. The management intends to avail a tax credit equal to 100% of the tax payable. Accordingly, no tax charge has been recorded in the financial statements.

4.3 Income recognition

Donation contributions are recognised on receipt basis.

Medicines and other donations received in kind are recorded at fair value as and when they are received.

Donation and Zakat contributions related to specific property and equipment are recognised as deferred income and amortized over the useful lives of the asset from the date the asset is available for intended use.

4.4 Utilities and staff expenses for Children Emergency Units

In accordance with the MOUs (refer notes 1.2, 1.3 and 1.4), CHK, NICH and SGHK also contribute in providing utilities and staff (Medical and Support) for Children Emergency Units being managed by the Trust. These costs are not included in the Income and Expenditure Account of the Trust.

4.5 Property and equipment

Property and equipment are initially recorded at original cost and are depreciated on straight-line basis over their estimated useful service lives with full month depreciation in the month of purchase and no depreciation in the month of disposal at the rates specified in Note 5.

4.6 Consumables

Consumables include medicines purchased by the Trust and received as donation from CHK and NICH. It is recorded at cost, which is determined using first-in-first-out basis.

4.7 Creditors, accrued and other liabilities

Liabilities for creditors, accrued and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust.

4.8 Investments - available for sale

Investments classified as available for sale are initially recognized at fair value, plus transaction costs and are subsequently marked to market using year end bid prices from stock exchange quotations and quotations from brokers and in case of unquoted investments, at cost, less impairment. Any resultant unrealized gain or loss is recognized in statement of changes in fund balances.

Investments are derecognized when the right to receive cash flows from investments have expired or have been transferred and the Trust has transferred substantially all risks and rewards of ownership.

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4.9 Un-restricted funds

Un-restricted funds have been established to meet the day-to-day operational expenses of the Trust from funds received during the year. These include Zakat fund and General fund.

4.9.1 Zakat fund

As recommended by the Zakat Sharia Advisory Committee, the management created a Zakat Fund for the benefits of zakat eligible patients. All the funds received on account of Zakat are directly credited to the fund. The utilization of Zakat funds for operating expenses are duly approved by the Zakat Shariah Advisory Committee and endorsed by the Board of Trustees.

The utilization of Zakat funds for operating expenses except for depreciation were approved by the Zakat Shariah Advisory Committee in the meeting held on September 15, 2012. In the meeting held on June 6, 2015, the committee recommended 67% of operating expenses except for depreciation as adjustable from the Zakat Fund. The Committee also approved the utilization of Zakat fund for patient consultation as per actual number of Zakat eligible patients. The Board of Trustees endorsed this decision in their meeting held on June 21, 2015.

Last year, the Trust received approval of 45% for utilization of Zakat Fund from the Zakat Shariah Advisory committee, in their meeting held on May 13, 2016 for SGHK for (1) purchase of fixed assets, and (2) project renovation expenses.

4.10 Restricted funds

As defined in sub-section 1B of section 100C of the Income Tax Ordinance, 2001, Restricted funds mean "any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor."

The Trust's restricted funds include Endowment fund and Strategic fund. Endowment fund has been created with the approval of the Trustees for the purpose to achieve sustainability. This fund is invested in Islamic Investments.

Apart from the Endowment fund, the Trust received funds during the year for strategic purpose like establishing new Children's Emergency Units. With the approval of the Trustees, it has set aside these funds solely for the expansion of its operations, by establishing such units in Malir and Abbasi Shahced Hospital by the end of the next year.

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5. PROPERTY AND EQUIPMENT

Particulars	Cost			Accumulated depreciation			Rates
	At July 1, 2016	Additions / (Deletions) during the year	At June 30, 2017	At July 01, 2016	Charge / (Disposal) for the year	At June 30, 2017	
	Rupees.....						%
Furniture and fixtures	3,511,219	842,762	4,353,981	2,071,608	639,959	2,711,567	20
Office equipment	10,972,565	2,949,560	13,922,125	4,543,529	2,307,942	6,851,471	20
Computer equipment	12,232,914	3,183,871 (106,800)	15,309,985	4,208,541	3,880,478 (19,663)	8,069,356	33
Medical equipment	11,298,450	6,676,503 (735,000)	17,239,953	6,029,477	2,575,756 (514,500)	8,090,733	20
Motor vehicle	2,290,500	-	2,290,500	878,025	458,100	1,336,125	20
June 30, 2017	40,305,648	13,652,696 (841,800)	53,116,544	17,731,180	9,862,235 (534,163)	27,059,252	
						954,375	20
						26,057,292	
Particulars	Cost			Accumulated depreciation			Rates
	At July 1, 2015	Additions / (Deletions) during the year	At June 30, 2016	At July 01, 2015	Charge / (Disposal) for the year	At June 30, 2016	
	Rupees.....						%
Furniture and fixtures	2,973,359	537,860	3,511,219	1,437,687	633,921	2,071,608	20
Office equipment	8,022,730	2,961,235 (11,400)	10,972,565	2,731,150	1,819,029 (6,650)	4,543,529	20
Computer equipment	4,435,260	7,982,654 (185,000)	12,232,914	2,238,407	2,147,947 (177,813)	4,208,541	33
Medical equipment	8,820,600	2,555,850 (78,000)	11,298,450	4,171,241	1,858,236	6,029,477	20
Motor vehicle	2,290,500	-	2,290,500	419,925	458,100	878,025	20
June 30, 2016	26,542,449	14,037,599 (274,400)	40,305,648	10,998,410	6,917,233 (184,463)	17,731,180	
						22,574,468	

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	Note	2017 Rupees	2016 Rupees
6. CONSUMABLES			
Medicines at CHK		1,355,414	1,106,470
Medicines at NICH		3,661,785	3,279,434
Medicines at K5		1,800,681	1,487,438
		<u>6,817,880</u>	<u>5,873,342</u>

7. ADVANCES, DEPOSITS AND PREPAYMENTS

Advance to suppliers		2,341,035	122,807
Advance to staff		101,170	80,478
Deposits and prepayments		153,974	78,662
		<u>2,596,179</u>	<u>281,947</u>

8. INVESTMENTS

Available for Sale

Islamic Term Deposit Receipts	8.1	221,000,000	111,000,000
Mutual Funds	8.2	39,990,714	33,591,742
		<u>260,990,714</u>	<u>144,591,742</u>

8.1 This represents investments made on behalf of Endowment Fund (refer note-11). It carries profit rate ranging from 4.38% to 5.94% (2016: 4.71 % to 6.59%) per annum and having maturity period of 1 month to 3 years.

8.2 This represents investments made on behalf of Endowment Fund (refer note-11).

8.2.1 Details of investments in Mutual Funds are as follows:

	NAFA Islamic Allocation Fund	Meezan Financial Planning Fund	Total
Number of units	<u>1,154,767</u>	<u>324,707</u>	
Cost at June 30, 2016	<u>16,130,720</u>	<u>15,553,733</u>	<u>31,684,453</u>
Fair value at June 30, 2016	<u>16,416,598</u>	<u>17,175,144</u>	<u>33,591,742</u>
Dividend / Realized gain for the year	<u>1,724,206</u>	<u>384,140</u>	<u>2,108,346</u>

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	NAFA Islamic Allocation Fund	Meezan Financial Planning Fund	Total
Carrying value at June 30, 2017	<u>18,140,804</u>	<u>17,559,284</u>	<u>35,700,088</u>
Fair value at June 30, 2017	<u>19,725,722</u>	<u>20,264,992</u>	<u>39,990,714</u>
Unrealized gain for the year ended June 30, 2017	<u>1,584,918</u>	<u>2,705,708</u>	<u>4,290,626</u>

	Note	2017 Rupees	2016 Rupees
9. CASH AND BANK BALANCES			
Cash in hand		27,783	13,000
Cash at banks in Islamic:			
- Current accounts - Zakat		63,104,532	52,447,497
- Islamic savings accounts	9.1	<u>40,299,932</u>	<u>24,886,525</u>
		<u>103,432,247</u>	<u>77,347,022</u>

9.1 These carry return at the rates ranging from 3.43% to 3.62% percent (2016: 4.37% to 5.3% percent) per annum.

10. ZAKAT FUND

The Zakat fund includes the amount received in the Holy month of Ramadan, which fell close to the year end. This shall be utilized for the operating expenses incurred during the next financial year.

	Note	2017 Rupees	2016 Rupees
11. ENDOWMENT FUND			
Following assets are earmarked against endowment fund:			
Islamic Term Deposit Receipts		175,000,000	111,000,000
Islamic Mutual Funds Investments		39,990,714	33,591,742
Unrealised gain on Islamic investments		1,337,356	309,530
Cash at banks in Islamic saving accounts		<u>158,347</u>	<u>15,195,013</u>
		<u>216,486,417</u>	<u>160,096,285</u>

12. DEFERRED INCOME RELATED TO PROPERTY AND EQUIPMENT

Opening balance		7,842,153	9,430,435
Assets purchased during the year		3,922,707	2,431,706
Amortisation for the year	14	<u>(4,052,312)</u>	<u>(4,019,988)</u>
Closing balance		<u>7,712,548</u>	<u>7,842,153</u>

	Note	2017 Rupees	2016 Rupees
13. CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		19,792,631	15,169,251
Accrued liabilities	13.1	3,142,624	5,098,389
Withholding tax		321,198	5,743
		<u>23,256,453</u>	<u>20,273,383</u>

13.1 This includes staff retirement benefits amounting to Nil (2016: Rs. 1,160,004)

14. INCOME

Donations

Received in cash		115,775,411	99,089,360
Received in kind			
Medicines	14.1	28,514,706	18,743,247
Other		4,168,775	313,070

Amortisation of deferred income related to property and equipment

12	4,052,312	4,019,988
	<u>152,511,204</u>	<u>122,165,665</u>

14.1 This represents medicines received from Civil Hospital Karachi and National Institute of Child Health for Children Emergency Unit operated by the Trust.

	Note	2017 Rupees	2016 Rupees
15. PATIENT CONSULTATION			
SINA Trust	15.1	43,656,954	36,245,752
Memon Medical Institute Hospital		-	185,687
		<u>43,656,954</u>	<u>36,431,439</u>

15.1 This includes Rs. 31,979,573 (2016: Rs. 29,289,433) claimed from Zakat Fund against Zakat eligible patients. It also includes the charges paid by the Trust to one of its strategic partner SINA Trust for treatment of children @ Rs. 350 plus actual lab charges per patient at the clinics being managed by SINA in the urban slums of Karachi. These expenses are reimbursed to SINA Trust after verification of supporting documents. These clinics have been established for providing quality primary health care services to the patients.

16. RESOURCE MOBILIZATION AND COMMUNICATION

This also includes travelling and transportation expenses incurred for fund raising activities by the management. All expenses related to travel of the Trustees for fund raising activities have been paid by the the Trust.

	2017 Rupees	2016 Rupees
17. OTHERS		
Loss on disposal of property and equipment	25,837	1,937
Miscellaneous	2,173,390	1,997,926
	<u>2,199,227</u>	<u>1,999,863</u>

18. SURPLUS FOR THE YEAR TRANSFERRED TO GENERAL FUND

The surplus for the year ended June 30, 2016 and 2017 has been utilized to purchase fixed assets required for the smooth operations of the Trust.

19. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of common trustees of the trust. Transactions with related parties not shown elsewhere in financial statements are as follows:

Relationship with the Trust	Nature of transaction	2017 Rupees	2016 Rupees
SINA Trust (Dr. Naseeruddin Mahmood is a common Trustee)	Payments made to SINA Trust for:		
	- Renovation of Clinic	5,115,000	11,535,000
	- Patient consultation	43,656,954	36,245,752

20. GENERAL

20.1 Figures have been rounded off to the nearest Rupee.

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Trustees on 25 SEP 2017.

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