



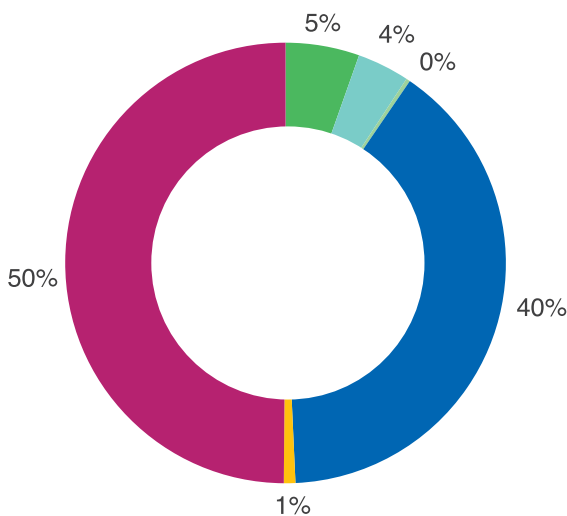
FINANCIALS



Financial Highlights

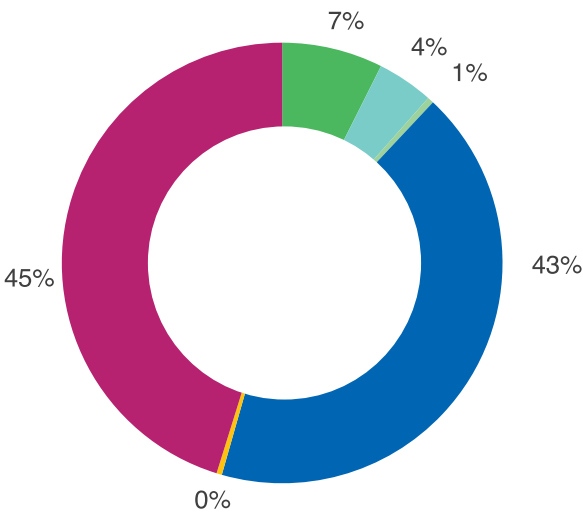
Graphical Presentation of Balance Sheet

Assets 2022

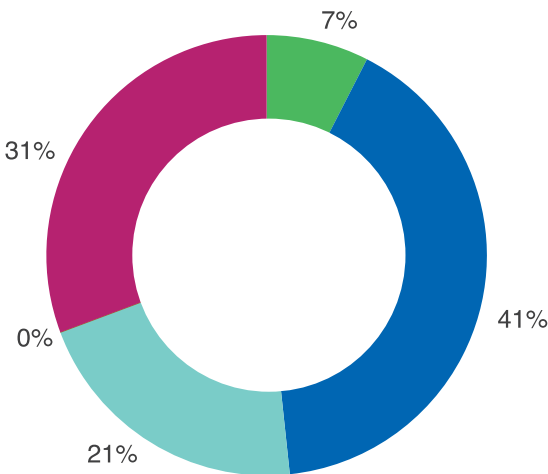


- Investments
- Cash and Bank Balances
- Operating Fixed + Intangible Assets
- Other receivables
- Consumables
- Advances, deposits and prepayments

Assets 2021

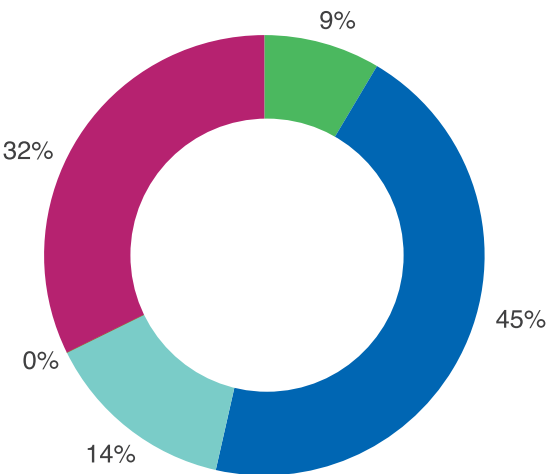


Funds and Reserves 2022



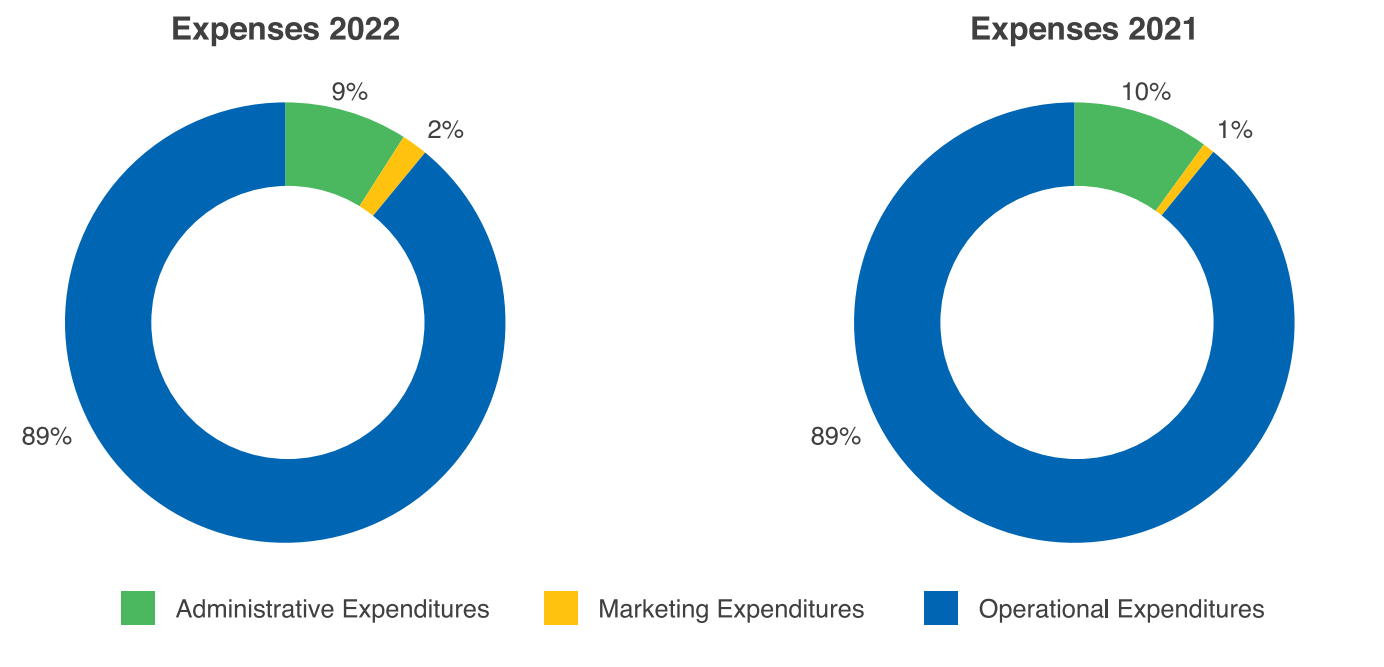
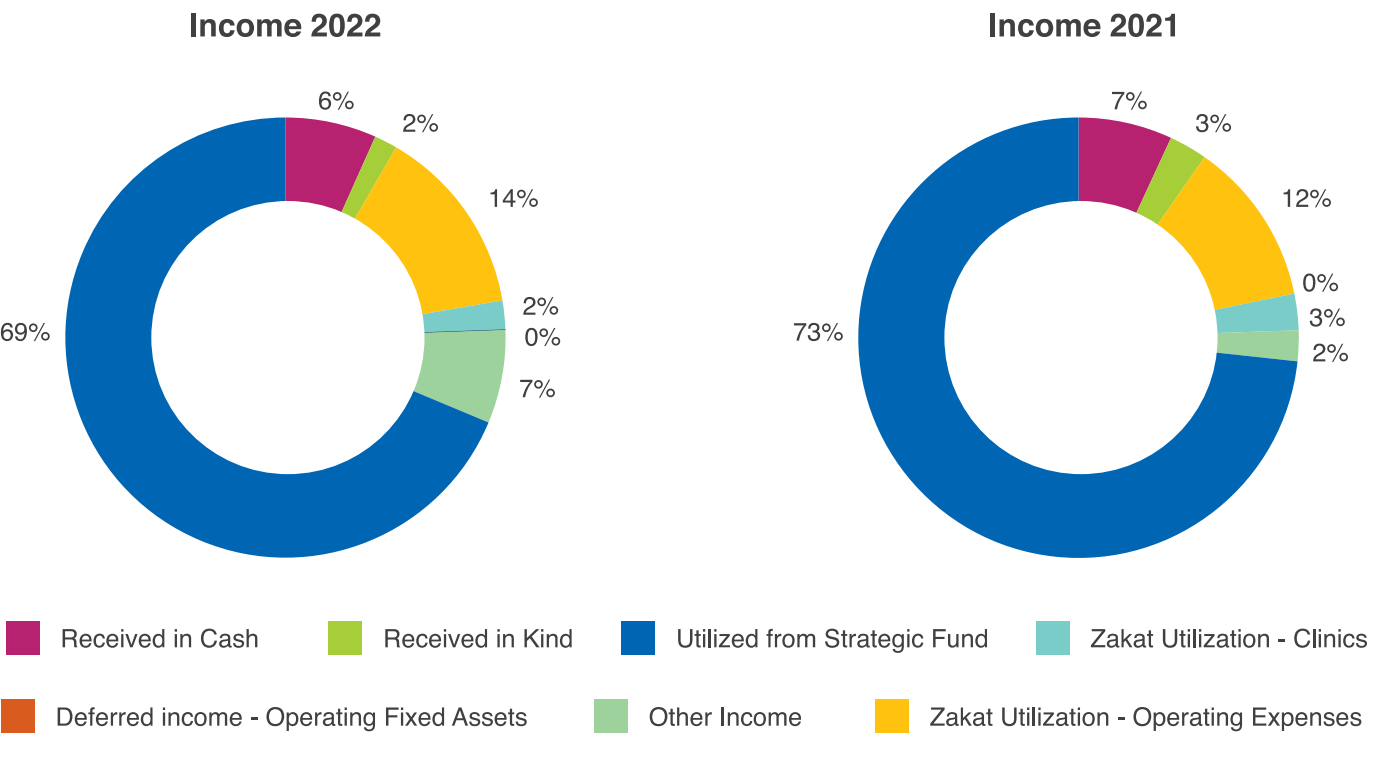
- Strategic Fund
- Endowment Fund
- Zakat Fund
- General Fund
- Inception Contribution

Funds and Reserves 2021



Financial Highlights

Graphical Presentation of Income and Expenditure Account



Receipts Pattern

Total receipts represents collection of donation, donation in kind, zakat collection, endowment, strategic funds, amortization of deferred income and net gain on investments.



Financial Highlights

Key Financial Indicators and Ratios

KEY FINANCIAL INDICATORS:	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Total Income	1,956,783,256	1,401,341,494	1,275,586,860	911,157,076	771,305,140	359,146,652
Total Expenses	1,713,250,827	1,237,651,925	1,046,248,456	775,405,414	590,306,932	358,749,467
Surplus/(deficit) for the year transferred to general fund	243,532,429	163,689,569	229,338,404	135,751,662	180,998,208	397,185
STATEMENT OF FINANCIAL POSITION						
Non-Current Assets	136,101,728	126,743,675	129,493,889	87,909,980	82,747,121	26,057,292
Current Assets	2,377,124,672	1,585,076,435	1,260,193,997	1,116,365,927	614,953,308	375,112,736
Total Assets	2,513,226,400	1,711,820,110	1,389,687,886	1,204,275,907	697,700,429	401,170,028
Total Funds	2,407,477,319	1,642,990,955	1,319,243,127	1,147,951,634	606,770,775	370,201,027
Liabilities:						
Non-current liabilities	-	-	32,629	1,305,671	3,453,563	7,712,548
Current liabilities	105,749,081	68,829,155	70,412,130	55,018,602	87,476,091	23,256,453
Total Liabilities	105,749,081	68,829,155	70,444,759	56,324,273	90,929,654	30,969,001
Total Funds & Liabilities	2,513,226,400	1,711,820,110	1,389,687,886	1,204,275,907	697,700,429	401,170,028

KEY FINANCIAL RATIOS:	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Profitability Ratios						
Cost/income Ratio	87.6%	88.3%	82.0%	85.1%	76.5%	99.9%
Net Surplus/Income Ratio	12.4%	11.7%	18.0%	14.9%	23.5%	0.1%
Liquidity Ratios						
Current Ratio	22.48	23.03	17.90	20.29	7.03	16.13
Quick / Acid Test Ratio	21.57	22.00	17.13	19.81	6.74	15.84
Cash to Current Liabilities	11.85	11.24	12.21	8.68	2.15	4.45
Turnover Ratios						
Inventory Turnover Ratio	4.13	4.28	5.00	5.50	5.72	15.14
No. of Days in Inventory	88	85	73	66	64	24
Activity ratios						
Return on assets	10%	10%	17%	11%	26%	0%
Fixed assets to income ratio	7%	9%	10%	10%	11%	7%
Total assets to income ratio	128%	122%	109%	132%	90%	112%
Capital Structure						
Debt to fund ratio	0%	0%	0%	0%	0%	0%

Summary of Cash Flow

Description	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Cash and cash equivalents at beginning of the year	773,492,204	859,836,715	477,380,961	188,449,717	103,432,247	77,347,022
Net cash generated from operating activities	199,978,211	148,653,697	169,265,460	128,970,350	76,541,048	11,431,289
Net cash generated from / (used in) investing activities	159,031,117	(395,056,467)	271,237,205	(262,167,898)	(182,192,890)	(129,769,868)
Net cash generated from / (used in) financing activities	520,953,935	160,058,259	(58,046,911)	422,128,792	190,669,312	144,423,804
Net increase / (decrease) in cash and bank balances	879,963,263	(86,344,511)	382,455,754	288,931,244	85,017,470	26,085,225
Cash and cash equivalents at end of the year	<u>1,653,455,467</u>	<u>773,492,204</u>	<u>859,836,715</u>	<u>477,380,961</u>	<u>188,449,717</u>	<u>103,432,247</u>

Cashflow Statement of Zakat Funds (Direct Method)

Description	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Opening balance	140,419,067	109,916,429	42,063,047	35,333,877	44,213,911	39,474,965
Received during the period	355,007,575	237,360,640	251,162,491	236,863,781	166,499,320	215,297,101
Utilization	(314,128,231)	(206,858,002)	(183,309,109)	(230,134,611)	(175,379,354)	(210,558,155)
Closing balance	<u>181,298,411</u>	<u>140,419,067</u>	<u>109,916,429</u>	<u>42,063,047</u>	<u>35,333,877</u>	<u>44,213,911</u>

Commentary on Financial Ratios

Profitability Ratios

ChildLife Foundation is a non-profit organization and providing health care services in Children Emergency Rooms and Telemedicine Satellite Centers in Government Hospitals. ChildLife is a service-based organization and human capital intensive.

Main cost comprises of human resource whether in the form of own employees or third party. The focus is not to earn surplus but to be rational in spending in all areas. Our cost to income ratio has improved from 88.3% in FY 2020-21 to 87.6% in FY 2021-22 due to more focused approach in spending. On the other hand, we have also focused to increase self-generated funds from donation and zakat venues.

Liquidity Ratios

Liquidity is the efficiency or ease with which asset or security can be converted into ready cash without affecting its market price.

In terms of liquidity, ChildLife is performing very well in current and past years. The main reason is to maintain self-sustainability being an organization serving in sensitive children emergency care. These ratios may be affected in case of non release of grant in aid funds from provincial governments.

Inventory Turnover Ratio

The inventory turnover ratio measures how many times a business sells and replaces its stock of goods in a given period of time. This ratio looks at medicine consumption relative to average inventory in the period.

Our policy is to keep at least 2 to 3 months stock at every emergency room for smooth operations. Our operations also relate to rural areas of Pakistan. However, we are striving hard to minimize the stock holding by adopting modern day techniques. This will further improve the quick ratios.

Activity Ratios

The asset turnover ratio, also known as the total asset turnover ratio, measures how efficient a company uses its assets to generate funds. This ratio looks at how many rupees in receipts are generated per rupee of total assets that the company owns.

These ratios are low in ChildLife as ChildLife is human capital intensive and not a machine-based organization. Further as compared to tertiary care hospitals, our specialty is pediatric emergency where heavy duty hospital equipment is not required.

Capital Structure

A leverage ratio is any kind of financial ratio that indicates the level of debt incurred by a business entity against several other accounts in its balance sheet, income statement, or cash flow statement.

We don't have any sort of financing facilities from banking sector, and we purely rely on government grant-in aid and donations from donors. That is why we have zero leverage in our business model.

ChildLife Foundation

Six Years' Vertical Analysis

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Income:						
Received in Cash	6.70%	6.90%	25.79%	1.95%	33.67%	32.24%
Received in Kind	1.70%	2.80%	1.76%	2.06%	4.58%	9.10%
Zakat Utilization - Operating Expenses	13.91%	12.10%	11.46%	20.09%	16.84%	48.63%
Zakat Utilization - Clinics	2.14%	2.67%	2.91%	5.17%	5.90%	8.90%
Deferred income - Operating Fixed Assets	0.00%	0.00%	0.10%	0.24%	0.56%	1.13%
Other income	6.86%	2.25%	4.76%	7.52%	2.27%	0.00%
Utilized from Strategic Fund	68.69%	73.28%	53.22%	62.97%	36.18%	0.00%
Total Income	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Expenses:						
Salaries and benefits	41.12%	45.40%	47.06%	48.33%	35.35%	36.96%
Third party contractual services	8.93%	9.18%	6.72%	9.34%	4.54%	5.40%
Medicines consumed	20.15%	21.52%	19.19%	18.26%	15.40%	26.78%
Patient consultation	3.52%	3.88%	4.57%	7.72%	9.55%	12.17%
Project renovation	6.91%	5.52%	9.12%	1.09%	23.52%	6.56%
Depreciation & Amortization	3.10%	3.78%	3.36%	3.62%	2.33%	2.75%
Supplies and consumables	2.90%	1.90%	3.15%	4.13%	2.19%	2.09%
Oxygen supplies	3.83%	2.01%	1.36%	1.05%	0.02%	0.00%
Repairs and maintenance	1.50%	1.23%	0.49%	1.08%	1.32%	1.55%
Travelling and related expense	2.02%	1.36%	1.00%	0.69%	1.38%	1.64%
Utilities	1.43%	0.86%	0.68%	0.75%	0.61%	0.86%
Cartage expense	0.45%	0.25%	0.19%	0.18%	0.00%	0.00%
Insurance expense	0.64%	0.85%	0.82%	0.71%	0.45%	0.47%
Training and development	0.30%	0.14%	0.27%	0.28%	0.36%	0.54%
Information system maintenance	0.64%	0.61%	0.59%	0.37%	0.13%	0.00%
Legal and professional	0.34%	0.20%	0.09%	0.16%	0.07%	0.27%
Auditors' remuneration	0.02%	0.08%	0.04%	0.04%	0.04%	0.07%
Advertisement	1.77%	0.92%	0.64%	1.04%	1.45%	1.26%
Programmatic activities and preventive health care	0.15%	0.06%	0.04%	0.11%	0.23%	0.07%
Others	0.28%	0.25%	0.62%	1.05%	1.06%	0.56%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FINANCIAL POSITION:						
Assets:						
Operating Fixed Assets	5.42%	7.40%	9.32%	7.30%	11.86%	6.49%
Consumables	3.84%	4.13%	3.88%	2.20%	3.57%	1.70%
Advances, deposits and prepayments	0.28%	0.46%	1.24%	0.58%	3.73%	0.65%
Investments	39.74%	42.42%	23.37%	49.91%	53.43%	65.06%
Other receivables	0.85%	0.40%	0.32%	0.37%	0.40%	0.32%
Cash and bank balances	49.87%	45.19%	61.87%	39.64%	27.01%	25.78%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Funds:						
Inception contribution	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Zakat fund	7.53%	8.55%	8.33%	3.66%	5.82%	11.94%
General fund	40.79%	44.99%	43.73%	30.27%	33.87%	6.62%
Endowment fund	20.99%	14.18%	17.56%	19.93%	38.73%	57.33%
Unrealized gain on available for sale investment	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%
Strategic fund	30.69%	32.28%	30.38%	46.14%	21.58%	22.96%
Total Funds	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities:						
Deferred income related to operating fixed assets	0.00%	0.00%	0.05%	2.32%	3.80%	24.90%
Creditors, accrued and other liabilities	100.00%	100.00%	99.95%	97.68%	96.20%	75.10%
Total Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Funds & Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

ChildLife Foundation

Six Years' Horizontal Analysis

Income:

	% Variation					
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Received in Cash	113%	83%	284%	15%	224%	100%
Received in Kind	102%	120%	69%	57%	108%	100%
Zakat Utilization - Operating Expenses	156%	97%	84%	105%	74%	100%
Zakat Utilization - Clinics	131%	117%	116%	147%	142%	100%
Deferred income - Operating Fixed Assets	0%	1%	31%	53%	106%	100%
Other income*	768%	181%	347%	392%	100%	0%
Utilized from Strategic Fund*	482%	368%	243%	206%	100%	0%
Total Income	545%	390%	355%	254%	215%	100%

Expenses:

Salaries and benefits	531%	424%	371%	283%	157%	100%
Third party contractual services	790%	586%	363%	374%	138%	100%
Medicines consumed	359%	277%	209%	147%	95%	100%
Patient consultation	138%	110%	110%	137%	129%	100%
Project renovation	503%	290%	405%	36%	590%	100%
Depreciation & Amortization	539%	474%	356%	285%	139%	100%
Supplies and consumables	663%	315%	441%	428%	173%	100%
Oxygen supplies*	51107%	19348%	11102%	6260%	100%	0%
Repairs and maintenance	462%	273%	93%	151%	139%	100%
Travelling and related expense	588%	286%	177%	91%	138%	100%
Utilities	791%	345%	228%	189%	116%	100%
Cartage expense**	542%	217%	137%	100%	0%	0%
Insurance expense	650%	626%	513%	328%	157%	100%
Training and development	266%	87%	148%	114%	110%	100%
Information system maintenance	77032%	53522%	43117%	20403%	5410%	100%
Legal and professional	612%	258%	103%	133%	46%	100%
Auditors' remuneration	160%	388%	169%	100%	100%	100%
Advertisement	667%	251%	149%	177%	189%	100%
Programmatic activities and preventive health care	991%	289%	161%	328%	521%	100%
Others	238%	152%	324%	406%	313%	100%
Total Expenses	478%	345%	292%	216%	165%	100%

Surplus/(deficit) for the year transferred to general fund

61315%	41212%	57741%	34178%	45570%	100%
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FINANCIAL POSITION:

Assets:

	% Variation					
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Operating Fixed Assets + Intangibles	522%	486%	497%	337%	318%	100%
Consumables	1414%	1037%	790%	389%	366%	100%
Advances, deposits and prepayments	280%	305%	661%	267%	1002%	100%
Investments	383%	278%	124%	230%	143%	100%
Other receivables	1665%	532%	353%	352%	217%	100%
Cash and bank balances	1212%	748%	831%	462%	182%	100%
Total Assets	626%	427%	346%	300%	174%	100%

Funds:

Inception contribution	100%	100%	100%	100%	100%	100%
Zakat fund	410%	318%	249%	95%	80%	100%
General fund	4009%	3019%	2356%	1419%	839%	100%
Endowment fund	238%	110%	109%	108%	111%	100%
Unrealized gain on available for sale investment	-100%	-100%	-100%	-100%	-100%	100%
Strategic fund	869%	624%	471%	623%	154%	100%
Total Funds	650%	444%	356%	310%	164%	100%

Liabilities:

Deferred income related to operating fixed assets	0%	0%	0%	17%	45%	100%
Creditors, accrued and other liabilities	455%	296%	303%	237%	376%	100%
Total Liabilities	341%	222%	227%	182%	294%	100%

Total Funds & Liabilities

626%	427%	346%	300%	174%	100%
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* Base Year is taken as 2017-18

** Base Year is taken as 2018-19

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE TRUST

Opinion

We have audited the financial statements of ChildLife Foundation (the Trust), which comprise the statement of financial position as at June 30, 2022 and the statement of income and expenditure and other comprehensive income, 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, 2022, and of 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 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 annual 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 of 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 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 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.



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92(21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

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.



A.F. Ferguson & Co.
Chartered Accountants
Date: December 12, 2022
Karachi
Engagement Partner: Shahbaz Akbar
UDIN: AR202210068PYpA9hBzv

Statement of Financial Position

AS AT JUNE 30, 2022

	Note	2022	2021
		Rupees	
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	5	134,480,692	121,399,656
Intangible asset	6	1,621,036	5,344,019
		136,101,728	126,743,675
CURRENT ASSETS			
Consumables	7	96,382,911	70,682,479
Advances, deposits and prepayments	8	7,259,011	7,909,374
Investments	9	998,781,387	726,208,890
Other receivables		21,245,896	6,783,488
Cash and bank balances	10	1,253,455,467	773,492,204
		2,377,124,672	1,585,076,435
TOTAL ASSETS		2,513,226,400	1,711,820,110
FUNDS AND LIABILITIES			
FUNDS			
Un-Restricted Funds			
Inception contribution		10,000	10,000
General fund		981,952,435	739,255,295
		981,962,435	739,265,295
Restricted Funds			
Zakat fund		181,298,411	140,419,067
Endowment fund		505,373,641	233,030,185
Strategic fund	11	738,842,832	530,276,408
		1,425,514,884	903,725,660
TOTAL FUNDS		2,407,477,319	1,642,990,955
LIABILITIES			
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	12	105,749,081	68,829,155
TOTAL LIABILITIES		105,749,081	68,829,155
TOTAL FUNDS AND LIABILITIES		2,513,226,400	1,711,820,110
CONTINGENCIES AND COMMITMENTS			

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The annexed notes from 1 to 30 form an integral part of these financial statements.


Trustee


Trustee

Statement of Income and Expenditure and Other Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		Rupees	
INCOME	15	1,956,783,256	1,401,341,494
EXPENDITURE			
Operating expenses	16	1,525,578,423	1,103,013,544
Administrative expenses	17	154,848,417	122,484,429
Marketing expenses	18	32,823,987	12,153,952
Total expenditure		1,713,250,827	1,237,651,925
Surplus for the year before taxation		243,532,429	163,689,569
Taxation	20	-	-
Net surplus for the year		243,532,429	163,689,569
Other Comprehensive Income for the year		-	-
Total Comprehensive Surplus for the year		243,532,429	163,689,569

The annexed notes from 1 to 30 form an integral part of these financial statements.



Trustee



Trustee

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		243,532,429	163,689,569
Adjustments for:			
Amortization of deferred income	15	-	(32,629)
Depreciation	5	49,789,134	43,513,296
Amortization	6.1	3,331,799	3,274,705
Profit on investments and bank deposits	15.3	(92,764,905)	(49,890,396)
Gain on investments	15.3	(835,289)	(4,073)
Gain on disposal of assets	15.3	(482,405)	(488,963)
		202,570,763	160,061,509
(Increase) / decrease in current assets			
Consumables		(25,700,432)	(16,806,631)
Other receivables		(14,462,409)	(2,274,713)
Advances, deposits and prepayments		650,363	9,256,507
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities		36,919,926	(1,582,975)
Net cash generated from operating activities		199,978,211	148,653,697
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets	5	(63,993,038)	(42,120,771)
Purchase of intangible asset		(664,372)	(1,917,025)
Dividend received		-	1,398,040
Matured / (investment in) Islamic term deposit receipts	9	101,218,613	(400,000,000)
Redemption of / (investment in) Islamic mutual funds	9	26,208,890	(1,402,112)
Realized gain from Islamic investments		93,949,824	48,734,801
Proceeds from disposal of operating fixed assets		2,311,200	250,600
Net cash generated from / (used in) investing activities		159,031,117	(395,056,467)
CASH FLOWS FROM FINANCING ACTIVITIES			
Zakat fund received		355,007,575	237,360,640
Strategic fund received	11	1,552,753,009	1,156,534,870
Endowment fund received		271,508,167	-
Utilization of zakat fund		(314,128,231)	(206,858,002)
Utilization of strategic fund	11	(1,344,186,585)	(1,026,979,249)
Net cash generated from financing activities		520,953,935	160,058,259
Net Increase / (decrease) in cash and cash equivalents		879,963,263	(86,344,511)
Cash and cash equivalents at beginning of the year		773,492,204	859,836,715
Cash and cash equivalents at end of the year	21	1,653,455,467	773,492,204

The annexed notes from 1 to 30 form an integral part of these financial statements.


Trustee


Trustee

Statement of Changes in Fund Balances

FOR THE YEAR ENDED JUNE 30, 2022

Note	Un-Restricted funds		Restricted funds			Total
	Inception contribution	General fund	Zakat fund	Endowment fund	Strategic fund	
	Rupees					
Balance as at June 30, 2020	10,000	576,967,839	109,916,429	231,628,072	400,720,787	1,319,243,127
Funds received during the year	-	-	237,360,640	-	1,156,534,870	1,393,895,510
Zakat utilized for operating expenses	-	-	(169,503,126)	-	-	(169,503,126)
Zakat claim for patients treated at SINA Trust	16.1	-	(37,354,876)	-	-	(37,354,876)
Surplus for the year	-	163,689,569	-	-	-	163,689,569
Funds utilized during the year	11	-	-	-	(1,026,979,249)	(1,026,979,249)
Dividend income on mutual funds	-	(1,398,040)	-	1,398,040	-	-
Unrealized gain on:						
- Islamic mutual funds investments	-	(4,073)	-	4,073	-	-
Balance as at June 30, 2021	10,000	739,255,295	140,419,067	233,030,185	530,276,408	1,642,990,955
Funds received during the year	-	-	355,007,575	271,508,167	1,552,753,009	2,179,268,751
Zakat utilized for operating expenses	-	-	(272,265,822)	-	-	(272,265,822)
Zakat claim for patients treated at SINA Trust	16.1	-	(41,862,409)	-	-	(41,862,409)
Surplus for the year	-	243,532,429	-	-	-	243,532,429
Funds utilized during the year	11	-	-	-	(1,344,186,585)	(1,344,186,585)
Realized gain upon encashment	-	(835,289)	-	835,289	-	-
Balance as at June 30, 2022	10,000	981,952,435	181,298,411	505,373,641	738,842,832	2,407,477,319

The annexed notes from 1 to 30 form an integral part of these financial statements.


Trustee


Trustee

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND OBJECTIVES

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 objectives 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;
- accept donations, grant contributions and subsidies from philanthropists, local and offshore donors, bodies and organisations;
- 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
- 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.

Following are the geographical locations and addresses of all Children's Emergency units operated by the Trust:

Head Office:

1st floor, Najeeb Center 172-B, Shahra-e-Quaideen, Block 2, P.E.C.H.S, Karachi, in the province of Sindh.

Children's Emergency Units:

- Civil Hospital, Karachi (CHK)
- National Institute of Child Health (NICH)
- Sindh Government Hospital Korangi 5 (SGHK)
- Abbasi Shaheed Hospital (ASH)
- Maternal and Child Health Institute, District Shaheed Benazirabad, Nawabshah (NWB)
- Children Hospital, Larkana (LKN)
- Sindh Government Lyari General Hospital (LGH)
- Ghulam Mohammad Maher Medical College Teaching Hospital, Sukkur (GMMMC)
- Liaquat University of Medical and Health Sciences Teaching Hospital, Jamshoro (LUMHS)
- Civil Hospital, Quetta (CHQ)
- Mayo Hospital Lahore (MHL)
- PIMS Hospital Islamabad (PIMS)

1.2 The Trust is currently managing the Children's Emergency Unit at CHK, NICH, SGHK, ASH, NWB, LKN, LGH, GMMMC and LUMHS under revised Memorandum of Understanding (MOU) signed on August 17, 2021, 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 without cost and the use of an appropriate stand-by generator; and
- the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Units as and where necessary on its sole discretion. Further, the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of medicines and medical equipment, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.

- 1.3** The Trust is also managing the Children's Emergency Unit in CHQ under a revised MOU signed on March 3, 2021 between the Trust and Government of Balochistan (GoB) through the Secretary Health. Under the MOU:
- the GoB 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 without cost and the use of an appropriate stand-by generator; and
 - the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Unit as and where necessary on its sole discretion. Further the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of medicines and medical equipment, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.
- 1.4** The Trust is also managing the Children's Emergency Unit in MHL under a MOU signed on June 17, 2021 between the Trust and Mayo hospital, Lahore (MHL) through its Chairman, Board of Governors. Under the MOU:
- MHL 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 without cost and the use of an appropriate stand-by generator; and
 - the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Unit as and where necessary on its sole discretion. Further the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of medicines and medical equipment, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.
- 1.5** The Trust will also manage the Children's Emergency Unit in PIMS under a MOU signed on January 28, 2022 between the Trust and Federal Medical Teaching Institute, PIMS, Islamabad through its Chairman, Board of Governors. Under the MOU:
- PIMS 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 without cost and the use of an appropriate stand-by generator; and
 - the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Unit as and where necessary on its sole discretion. Further the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of medicines and medical equipment, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.
- 1.6** The Trust initiated a strategic partnership with SINA Trust under signed MOU dated July 1, 2015. Based on the MOU, SINA leads construction of clinics and provides OPD services to all patients and Childlife donates a certain amount per patient. Rates of donations are further detailed in note 16.1.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Acts [i.e. Sindh Trust Act, 2020, Punjab Trust Act, 2020, Balochistan Trust Act, 2020, KPK Trust Act, 2020 and Islamabad Capital Territory (ICT) Trust Act, 2020] as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Acts have been introduced. The Trust has submitted the required documents for registration to the Registrar to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act, 2020. Moreover, as the Trust is going to be registered under the province of Sindh hence it is not required to be registered under other Provincial Trust Acts.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan (SECP);
- Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

In case requirements differ, the Accounting Standard for Not for Profit Organizations (NPOs) shall prevail.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

There are certain new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Trust for accounting periods beginning on or after July 1, 2021. These are considered either not to be relevant or not to have any significant impact on the Trust's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments with respect to the accounting and reporting standards, would be effective from the dates mentioned below against respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023

These amendments may impact the financial statements of the Trust on adoption. The management is in the process of assessing the impact of these amendments on the financial statements of the Trust.

2.3.2 There are certain other new standards, interpretations and amendments that are mandatory for the Trust's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Trust's operations and, therefore, have not been detailed in these financials statements.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

3.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates. The financial statements are presented in Pakistani Rupees, which is the Trust's functional and presentation currency.

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated 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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The assumptions underlying the estimates are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Trust's financial statements or where judgement was exercised in application of accounting policies are as follows:

- a) Useful lives, residual values and depreciation method of operating fixed assets (notes 4.1 and 5);
- b) Useful life, residual value and amortization method of intangible asset (notes 4.2 and 6);
- c) Impairment of financial and non-financial assets (notes 4.3 and 4.4.1.2); and
- d) Provisions (note 4.11)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to income applying the straight line method at the rates specified in note 5 to the financial statements.

In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

The residual values and useful lives of operating fixed assets are reviewed and adjusted, if appropriate, at each reporting date.

Assets are derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of operating fixed assets, if any, are recognised in the statement of income and expenditure as and when incurred.

Repairs and maintenance costs are recognised in the statement of income and expenditure as and when incurred.

4.2 Intangible assets

Intangible assets comprise of cost of computer software and is stated at cost less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets is amortized over the estimated useful life using the straight line method. Costs associated with maintaining the computer software are recognised as expense in the statement of income and expenditure as and when incurred. The useful life, residual value and amortization method of intangible asset is reviewed and adjusted, if appropriate, at each reporting date.

4.3 Impairment of non-financial assets

The Trust assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of income and expenditure. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognised. Reversal of impairment loss is recognised as income.

4.4 Financial instruments

4.4.1 Financial assets

4.4.1.1 Classification and subsequent measurement

The Trust has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit and loss (FVTPL).

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Trust's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Trust classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.4.1.2.

b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognised and measured as described in note 4.4.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the statement of income and expenditure. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of income and expenditure.

c) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the statement of income and expenditure in the period in which it arises.

4.4.1.2 Impairment

The Trust assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Trust recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

4.4.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the Trust transfers substantially all the risks and rewards of ownership; or
- (ii) the Trust neither transfers nor retains substantially all the risks and rewards of ownership and the Trust has not retained control.

4.4.2 Financial liabilities

All financial liabilities are recognised initially at fair value less directly attributable cost, if any, and subsequently measured at amortized cost.

4.4.2.1 Derecognition of financial liabilities

The Trust derecognises financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of income and expenditure.

4.5 Offsetting of financial assets and liabilities

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

4.6 Foreign currency transactions and translation

Foreign currency transactions are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities, denominated in foreign currencies are translated into reporting currency equivalents using year-end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rates that existed when these were initially recognised.

Gains and losses arising on retranslation are included in the statement of income and expenditure for the period.

4.7 Retirement benefit obligation

4.7.1 Defined contribution plan

The Trust also operates an unrecognised provident fund scheme for the permanent employees. Contributions to fund are made monthly by the Trust and employee at the rate of 8.33% of the basic salary. The Trust's contributions are recognised as employee benefit expense when they are due.

4.8 Consumables

Consumables include medicines and general store items purchased by the Trust and received as donation from CHK, NICH, SGHK, ASH, NWB, LKN, LGH, GMMMC, LUMHS, CHQ, MHL and PIMS. They are initially recorded at the cost and are subsequently valued using the weightage average cost method.

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of balances with banks and short term highly liquid investments with maturities of less than three months.

4.10 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.

4.11 Provisions

Provisions are recognised when the Trust has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.12 Advances, deposits and prepayments

These include advance to suppliers for contract work at Emergency care units, security deposit made against rented property and prepayments. These are stated at cost less estimates made for doubtful receivables based on review of all outstanding amounts at year end. Balances considered bad and irrecoverable are written off when identified.

4.13 Taxation

The Trust is registered with the income tax authorities as a non-profit organisation under section 2(36)(c) of the Income Tax Ordinance, 2001 read with Rules 212 and 220 of the Income Tax Rules, 2002. The Trust does not account for taxation, as non-profit organisations are allowed a tax credit equal to one hundred percent (100%) of the tax payable including minimum tax and final tax payable, under section 100C of the Income Tax Ordinance, 2001, subject to fulfilment of certain conditions stipulated therein.

4.14 Income recognition

Donation contributions are recognised on receipt basis.

Medicines and other donations received in kind are recorded at fair value, being the deemed cost of the Trust, as and when they are received.

Zakat represents actual amount transferred to income in accordance with approval received from the Shariah Advisory Committee (SAC).

Donation and Zakat contributions related to specific operating fixed assets are recognised as deferred income and amortized over the useful lives of the asset when the asset is available for intended use.

4.15 Fund accounting

Resources are categorised, for accounting and reporting purposes, into funds in accordance with activities or objectives specified by the donor. Accordingly, two main groups of funds are distinguished - Unrestricted and Restricted funds.

4.15.1 Un-restricted funds

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

4.15.1.1 General Fund

General fund is used to record all resource inflows and outflows that are not associated with specific funds.

4.15.2 Inception Fund

Inception fund represents the initial token amount received by the Trust at the time of formation of the Trust.

4.15.3 Restricted funds

The Trust's restricted funds include Zakat fund, Endowment fund and Strategic fund.

4.15.3.1 Zakat fund

Zakat fund mainly includes the amount received in the Holy month of Ramadan. Funds received are utilized for the operating expenses of the Trust in accordance with approved SAC guidelines.

As recommended by the SAC, the fund was created for the benefits of Zakat eligible patients. All the funds received on account of Zakat are directly credited to the fund. Each year, the utilization of Zakat funds for operating expenses are duly approved by the SAC and endorsed by the Board of Trustees.

In a meeting held on June 6, 2015, the SAC recommended 67% of operating expenses except for depreciation as adjustable from Zakat fund. The SAC also approved the utilization of Zakat fund for patient consultation as per actual number of Zakat eligible patients. This was endorsed by the Board of Trustees in their meeting held on June 21, 2015.

4.15.3.2 Endowment fund

Endowment fund has been created with the approval of the Trustees for the purpose to achieving sustainability. This fund is invested in Islamic investments. Any gain on investments pertaining to the Endowment fund are appropriated to the Endowment fund through an appropriation of surplus.

4.15.3.3 Strategic fund

The Trust receives funds each year for strategic purposes such as establishing new Children's Emergency Care Units in various cities of Pakistan. At the discretion of donors, it has set aside these funds solely for the expansion of such units and for their routine operating expenditures.

4.16 Government Grant

Government grants are recognized at the fair value of consideration received. A grant that imposes specified future performance obligations is recognized in income when all those conditions are met. Government grants are recognized in the statement of income and expenditure on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate and are presented separately in "strategic fund utilized".

5 OPERATING FIXED ASSETS

	June 30, 2022					
	Furniture and fixtures	Office equipment	Computer equipment	Medical equipment	Motor vehicle	Total
	Rupees					
At July 1, 2021						
Cost	23,647,405	94,721,090	44,046,908	91,954,260	2,290,500	256,660,163
Accumulated depreciation	(13,022,581)	(36,875,068)	(36,260,854)	(46,811,504)	(2,290,500)	(135,260,507)
Net book value	10,624,824	57,846,022	7,786,054	45,142,756	-	121,399,656
Additions during the year	3,619,615	16,657,273	17,256,816	22,406,396	4,052,938	63,993,038
Disposals / write-offs						
Cost	(2,843,164)	(2,039,496)	(9,118,758)	(3,205,951)	(2,290,500)	(19,497,869)
Accumulated depreciation	2,665,511	1,583,748	8,885,799	2,949,443	2,290,500	18,375,001
	(177,653)	(455,748)	(232,959)	(256,508)	-	(1,122,868)
Depreciation charge for the year	(4,444,561)	(19,578,183)	(7,495,190)	(18,001,004)	(270,196)	(49,789,134)
Closing net book value	<u>9,622,225</u>	<u>54,469,364</u>	<u>17,314,721</u>	<u>49,291,640</u>	<u>3,782,742</u>	<u>134,480,692</u>
At June 30, 2022						
Cost	24,423,856	109,338,867	52,184,966	111,154,705	4,052,938	301,155,332
Accumulated depreciation	(14,801,631)	(54,869,503)	(34,870,245)	(61,863,065)	(270,196)	(166,674,640)
Net book value	9,622,225	54,469,364	17,314,721	49,291,640	3,782,742	134,480,692
Depreciation rate per annum	20%	20%	33%	20%	20%	
	June 30, 2021					
	Furniture and fixtures	Office equipment	Computer equipment	Medical equipment	Motor vehicle	Total
	Rupees					
At July 1, 2020						
Cost	21,449,776	75,119,576	39,307,034	81,214,964	2,290,500	219,381,850
Accumulated depreciation	(9,125,023)	(26,031,090)	(28,001,295)	(31,141,752)	(2,290,500)	(96,589,660)
Net book value	12,324,753	49,088,486	11,305,739	50,073,212	-	122,792,190
Additions during the year	2,238,501	24,403,100	4,739,874	10,739,296	-	42,120,771
Disposals / write-offs						
Cost	(40,872)	(4,801,586)	-	-	-	(4,842,458)
Accumulated depreciation	40,865	4,801,584	-	-	-	4,842,449
	(7)	(2)	-	-	-	(9)
Depreciation charge for the year	(3,938,423)	(15,645,562)	(8,259,559)	(15,669,752)	-	(43,513,296)
Closing net book value	<u>10,624,824</u>	<u>57,846,022</u>	<u>7,786,054</u>	<u>45,142,756</u>	<u>-</u>	<u>121,399,656</u>
At June 30, 2021						
Cost	23,647,405	94,721,090	44,046,908	91,954,260	2,290,500	256,660,163
Accumulated depreciation	(13,022,581)	(36,875,068)	(36,260,854)	(46,811,504)	(2,290,500)	(135,260,507)
Net book value	10,624,824	57,846,022	7,786,054	45,142,756	-	121,399,656
Depreciation rate per annum	20%	20%	33%	20%	20%	

- 5.1 The Trust capitalizes assets purchased via funding received from its strategic partnerships with the Government of Sindh (GOS) and Government of Balochistan (GOB). The partnerships are governed by MOUs signed with the GOS and the GOB. The arrangements with GOS are for a period of 10 years extendable with consent of both parties, while arrangements with GOB are valid for three years, subject to yearly renewal by both parties and after three years they will be extendable with consent of both parties. The Trust has capitalized the assets as the substantial period of useful lives of these assets falls within the length of contract where the Trust will control the assets and receive the economic benefits flowing from them.

Purchase of the above assets is reflected in the income and expenditure account as part of 'Strategic fund utilized' and recorded as revenue when the Trust spends them on the purpose of the funding, i.e. to operate the Emergency Care Units.

	Note	2022	2021
		Rupees	
6 INTANGIBLE ASSET			
Computer software	6.1	1,621,036	4,279,559
Software under implementation		-	1,064,460
		1,621,036	5,344,019

6.1 Computer Software

Particulars	Cost				Accumulated amortization			Carrying value		Annual rate of amortization
	At July 1, 2021	Addition during the year	Disposal / Write-offs	At June 30, 2022	At July 1, 2021	Charge for the year	Accumulated amortization on Disposal / Write-offs	At June 30, 2022	At June 30, 2022	
	Rupees									%
Computer software	10,148,430	1,728,832	(2,000,000)	9,877,262	5,868,871	3,331,799	(944,444)	8,256,226	1,621,036	33
June 30, 2022	10,148,430	1,728,832	(2,000,000)	9,877,262	5,868,871	3,331,799	(944,444)	8,256,226	1,621,036	

Particulars	Cost				Accumulated amortization			Carrying value		Annual rate of amortization
	At July 1, 2020	Addition during the year	Disposal / Write-offs	At June 30, 2021	At July 1, 2020	Charge for the year	Accumulated amortization on Disposal / Write-offs	At June 30, 2021	At June 30, 2021	
	Rupees									%
Computer software	7,695,865	2,452,565	-	10,148,430	2,594,166	3,274,705	-	5,868,871	4,279,559	33
June 30, 2021	7,695,865	2,452,565	-	10,148,430	2,594,166	3,274,705	-	5,868,871	4,279,559	

	Note	2022	2021
		Rupees	
7 CONSUMABLES			
Balance as at July 1		70,682,479	53,875,848
Purchases during the year		400,194,892	300,444,067
Consumed during the year		(374,494,460)	(283,637,436)
Balance as at June 30		96,382,911	70,682,479

8 ADVANCES, DEPOSITS AND PREPAYMENTS

Advance to suppliers	8.1	2,269,876	3,772,851
Advance to staff		222,003	794,693
Deposits	8.2	3,253,930	2,060,580
Prepayments	8.3	1,513,202	1,281,250
		7,259,011	7,909,374

8.1 This represents advance given for the following purposes:

Advance against construction / renovation of Emergency care units		1,406,596	1,439,335
Advance against maintenance expense - software		190,864	770,980
Promotional expenses		-	1,012,656
Others		672,416	549,880
		2,269,876	3,772,851

8.2 This represents security deposits given in relation to head office premises, water supply, oxygen and LPG cylinders.

	Note	2022	2021
		Rupees	
8.3 This represents prepayments made for the following purposes:			
Health insurance		1,356,610	1,189,620
Life insurance		106,590	86,410
Vehicle insurance		50,002	5,220
		1,513,202	1,281,250

9 INVESTMENTS

Islamic term deposit receipts with banks - at amortized cost	9.1	998,781,387	700,000,000
Mutual funds - at FVTPL		-	26,208,890
		998,781,387	726,208,890

9.1 This includes investments made on behalf of Endowment and other funds. They carry return at rates ranging from 10.25% to 12.00% (2021: 6.25% to 6.80%) per annum and are due to mature in July, August, December of 2022 and April, June of 2023.

	Note	2022	2021
		Rupees	
10 CASH AND BANK BALANCES			
Cash in hand		322,536	269,480
Cash at banks:			
- Local currency			
Current accounts	10.1	182,826,524	141,947,859
Savings accounts	10.2	579,089,237	430,248,453
		761,915,761	572,196,312
- Foreign currency			
Savings account	10.2	491,217,170	201,026,412
		1,253,455,467	773,492,204

10.1 These include Zakat current accounts amounting to Rs. 181.298 million (2021: Rs. 140.419 million).

10.2 These carry return at the rates ranging from 0.25% to 11.40% (2021: 0.75% to 6.60%) per annum.

	Note	2022	2021
		Rupees	
11 STRATEGIC FUND			
Balance as at July 01		530,276,408	400,720,787
Received during the year	11.1	1,552,753,009	1,156,534,870
Utilized during the year	11.2	(1,344,186,585)	(1,026,979,249)
Balance as at June 30	11.3	738,842,832	530,276,408

11.1 This represents funds received during the year for construction and running operations of Emergency Care Units in Pakistan.

11.2 Represents utilisation of funds in meeting operational expenses of Emergency Care Units in CHK, NICH, SGHK, ASH, NWB, LKN, LGH, GMMMC, LUMHS and CHQ.

11.3 The management intends to utilize these funds for meeting the expenditures of Emergency Care Units in Pakistan.

	Note	2022	2021
		Rupees	
12 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		55,606,096	36,117,670
Accrued liabilities		42,336,094	28,037,422
Others	12.1	7,806,891	4,674,063
		105,749,081	68,829,155

12.1 This includes retention money withheld at the rate of 5.00% (2021: 5.00%) on the amount of invoices paid to contractors.

13 CONTINGENCIES AND COMMITMENTS

- 13.1** On May 30, 2022, the Deputy Commissioner Inland Revenue (DCIR) issued a demand of Rs. 40.830 million pertaining to tax year 2019 that the Company has not obtained approval from the Chief Commissioner in order to become eligible for tax credit as required under section 100C(2)(c) of the Income tax Ordinance 2001. In calculating the tax demand DCIR made an addition on account of exchange gain amounting to Rs. 56.218 million despite the fact that said exchange gain has already been declared by the company as part of taxable income in the return of income. Being aggrieved by the decision, the Company in consultation with its tax consultant has filed an appeal before the Commissioner (Appeals) on grounds that the requirement was withdrawn by Finance Act 2019 and simultaneously filed stay application. Therefore no provision for taxation has been made in the financials.

	2022	2021
	Rupees	
14 MAJOR SOURCES OF CONTRIBUTIONS		
Major contributories of the Trust during the year are as follows:		
Government of Sindh	1,200,000,000	900,000,000
ChildLife America	702,970,340	68,063,604
Government of Balochistan	95,000,000	190,000,000
Mr. Mohammad Shoaib	32,405,000	14,000,000
Lucky Textile Mills Limited	29,450,000	30,995,240
Artistic Fabric & Garment Industries (Pvt.) Limited	24,000,000	26,000,000
Shahbaz Garments (Pvt.) Limited / Mr. Mustafa Kassam	18,450,000	11,767,250
Grupo Karims Foundation	14,600,000	19,536,840
CJMF Foundation	13,145,747	-
Mr. Abdul Kadir Adam	12,500,000	-
Khaadi Pakistan SMC (Pvt.) Limited	10,000,000	-
Mr. Muhammad Tahsin ul haq	9,209,920	17,399,840
ICI Pakistan Foundation	7,600,000	7,500,000
Sajjadiyya Trust	7,625,142	12,226,850
National Institute of Child Health	6,811,180	8,487,586
Hanif Adamjee Charitable Trust	6,746,848	5,443,450
Dr. Ruth Pfau Civil Hospital	6,676,687	7,508,152
Indus Motor Company Limited	6,500,000	-
Ismail Industries Limited	6,000,000	2,000,000
Liaquat University Hospital Hyderabad	5,084,326	5,397,112
Hinovex Trading	5,000,000	-
HBL Foundation	5,000,000	-
Mr. Mohamed Kassam	4,970,025	-
Chandka Medical College Larkana	4,408,475	2,934,392
GMC Hospital Sukkur	4,146,912	4,043,120
Iqbal Adamjee Trust	3,500,000	10,000,000
Ghazala Khan	3,500,000	280,000
Syed Umair Ahmed/Ruhiya Ahmed	3,065,000	-
Mr. Abdullah	4,800,000	6,300,000
Mr. Khalid Mirza	3,000,000	-
CDC – Trustee Meezan Islamic Fund	3,000,000	2,000,000
Nutrico Morinaga (Pvt.) Limited	-	29,517,906
Soorty Enterprises (Pvt.) Limited	-	20,000,000
Mr. Imran Rauf	-	15,353,700
Bank Al Habib Limited	-	15,000,000

	Note	2022 Rupees	2021
15 INCOME			
Strategic fund utilized	11.2	1,344,186,585	1,026,979,249
Donations			
Received in cash / Bank		130,911,109	96,667,697
Received in kind	15.1	33,287,634	39,199,171
Zakat utilised for			
Operating expenses	15.2	272,265,822	169,503,126
Operating expenses clinics	16.1	41,862,409	37,354,876
Amortization of deferred income related to			
Operating fixed assets		-	32,629
Other income	15.3	134,269,697	31,604,746
		<u>1,956,783,256</u>	<u>1,401,341,494</u>

15.1 This represents medicines received from CHK, NICH, SGHK, ASH, NWB, LKN, LGH, GMMMC, LUMHS, CHQ and MHL for Emergency Care Units operated by the Trust.

15.2 This represents actual amount transferred to income in accordance with approval received from the SAC. During the year, 19.18% (2021: 17.27%) of operating expenses (excluding depreciation) have been utilized from Zakat fund.

	Note	2022 Rupees	2021
15.3 Other income			
Income:			
- Profit on bank deposits		21,515,855	26,174,905
- Net gain on sale of assets		132,775	250,591
- Exchange gain / (loss)		40,187,098	(18,778,686)
- Other		349,630	238,372
- Income from investments	15.3.1	72,084,339	23,719,564
		<u>134,269,697</u>	<u>31,604,746</u>

15.3.1 Income from investments

Term deposit receipts	71,249,050	22,317,451
Realised gain on Islamic mutual funds investments	835,289	-
Unrealised gain on revaluation of investments classified as		
'financial assets at fair value through income or expenditure' - net	-	4,073
Dividend income	-	1,398,040
	<u>72,084,339</u>	<u>23,719,564</u>

	Note	2022	2021
		Rupees	
16 OPERATING EXPENSES			
Salaries and benefits	19	598,264,192	473,475,908
Third party contractual services		149,447,217	110,888,455
Medicines consumed		345,265,295	266,348,987
Patient consultation	16.1	60,310,775	47,993,270
Project renovation		117,343,608	67,470,299
Depreciation		44,172,717	40,667,860
Amortization		1,574,766	2,224,861
Supplies and consumables		47,478,283	19,394,519
Oxygen supplies		65,621,350	24,843,319
Repairs and maintenance		23,853,145	14,253,790
Travelling and related expense		31,322,248	13,418,628
Utilities		20,926,239	8,476,780
Cartage expense		7,692,310	3,073,864
Insurance expense		9,795,427	8,509,916
Training and development		1,031,222	728,302
Information system maintenance		172,803	677,880
Legal and professional		-	124,700
Others		1,306,826	442,206
		1,525,578,423	1,103,013,544

16.1 Patient consultation

This include charges paid by the Trust to SINA Trust for treatment of children @ Rs. 443 (2021: @ Rs. 403) plus actual lab charges per patient at the clinics being managed by SINA Trust in the urban slums of Karachi. Funds utilized from Zakat fund amount to Rs. 41.862 million (2021: Rs. 37.354 million) against Zakat eligible patients.

	Note	2022	2021
		Rupees	
17 ADMINISTRATIVE EXPENSES			
Salaries and benefits	19	106,226,123	88,403,163
Third party contractual services		3,606,560	2,747,357
Project renovation		1,058,546	811,938
Depreciation		5,616,417	2,845,445
Amortization		1,757,033	1,049,844
Supplies and consumables		2,134,444	4,154,378
Repairs and maintenance		1,913,865	991,771
Travelling and related expense		3,285,688	3,437,973
Utilities		3,570,070	2,213,064
Insurance expense		1,117,596	1,992,357
Training and development		4,080,086	952,971
Information system maintenance		10,773,415	6,927,641
Legal and professional		5,829,243	2,329,712
Auditors' remuneration	17.1	422,496	1,025,322
Others	17.2	3,456,835	2,601,493
		154,848,417	122,484,429

	Note	2022	2021
		Rupees	
17.1 Auditors' remuneration			
Annual audit fee		350,000	885,000
Out of pocket expense		41,200	64,520
Sales tax		31,296	75,802
		422,496	1,025,322

17.2 Others			
Head office rent expense		2,743,393	2,448,379
Miscellaneous		713,442	153,114
		3,456,835	2,601,493

18 MARKETING EXPENSES

Programmatic activities and preventive health care		2,565,518	747,891
Advertisement	18.1	30,258,469	11,406,061
		32,823,987	12,153,952

18.1 Advertisement

This includes resource mobilization, fund raising and advertisement cost for Emergency Care Units.

19 SALARIES AND BENEFITS

19.1 Salaries and benefits include Rs. 20.72 million (2021: Rs. 17.57 million) in respect of employees' provident fund.

19.2 The following information is based on un-audited financial statements of the Fund. The funds have been kept in Meezan Islamic Income Fund and Meezan Cash Fund (2021: Meezan Islamic Income Fund and Meezan Cash Fund).

	2022	2021
Cost of investments made (Rs.)	97,460,569	69,667,380
Percentage of investments made	100%	100%
Fair value of investments (Rs.)	97,622,605	69,705,424
Size of the fund - Total assets		
Money Market	8.97%	11.81%
Income	91.03%	88.19%

20 TAXATION

The Trust has been approved as a non-profit organization under Section 2(36)(c) of the Income Tax Ordinance, 2001 (the Ordinance). The Trust is allowed tax credit equal to 100% of the tax payable including minimum tax and final taxes, under section 100C of the Ordinance. 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.

As per section 100C of the Income Tax Ordinance, 2001, non profit organisations, trusts or welfare organisations as mentioned in sub section 2 of section 100C shall be allowed a tax credit equal to the one hundred percent of the tax payable, including minimum and final tax payable under any of the provisions of the Income Tax Ordinance, 2001, subject to the following conditions, namely:

- (a) return has been filed;
- (b) tax required to be deducted or collected has been deducted or collected and paid;
- (c) withholding tax statements for the immediately preceding tax year have been filed;
- (d) the administrative and management expenditure does not exceed 15% of the total receipts;
- (e) approval of Commissioner has been obtained as per requirement of clause (36) of section 2;
- (f) none of the assets of trusts or welfare institutions confers, or may confer, a private benefit to the donors or family, children or author of the trust or his descendants or the maker of the institution or to any other person and where such private benefit is conferred, the amount of such benefit shall be added to the income of the donor; and
- (g) a statement of voluntary contributions and donations received in the immediately preceding tax year has been filed in the prescribed form and manner

The Trust has complied with the aforementioned conditions of the Income Tax Ordinance, 2001 and obtained certificate from Pakistan Centre for Philanthropy which is valid upto 30th March 2025.

The operations of the Trust fall within the purview of section 100C of the Income Tax Ordinance, 2001 and the tax credit of hundred percent is allowed under section 100C of the Income Tax Ordinance, 2001 in respect of tax payable including minimum and final taxes payable and consequently no charge has been recognised in these financial statements.

	Note	2022 Rupees	2021
21 CASH AND CASH EQUIVALENTS			
Cash and bank balances	10	1,253,455,467	773,492,204
Term deposit receipt maturing within 3 months	9	400,000,000	-
		<u>1,653,455,467</u>	<u>773,492,204</u>

22 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Trust comprise of employees' provident fund, trustees of the Trust, associated undertakings with common trustees and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust. The Trust considers Chief Executive Officer, Director Finance, Director Clinical Affairs, Director Operations, Director Communications, Director Planning & Services and Associate Director Quality as its key management personnel. Transactions with related parties not shown elsewhere in financial statements are as follows:

Relationship with the Trust	Nature of Transaction	2022	2021
		Rupees	
SINA Trust (Dr. Naseeruddin Mahmood is a common Trustee)	Expenses for patient consultation made to SINA Trust	60,310,775	47,993,270
ChildLife America (Mr. Osman Rashid is a common Trustee)	Strategic funds received	257,753,009	68,063,604
	Endowment funds received	271,508,167	-
	Zakat received	173,709,164	-
Lucky Textile Mills Limited (Mr. Sohail Tabba, the Trustee of Childlife Foundation is Director of Lucky Textile Mills Limited)	Zakat received	29,450,000	30,995,240
ICI Pakistan Limited (Mr. Abid Ganatra, the Trustee of Childlife Foundation is Executive Director of ICI Pakistan Limited) (Mr. Sohail Tabba, the Trustee of Childlife Foundation is Chairman of ICI Pakistan Limited)	Purchases of medicine from ICI Pakistan	4,323,265	2,313,598
	Donations received	7,600,000	7,500,000
Nutrigo Morinaga (Pvt.) Limited (Mr. Sohail Tabba, the Trustee of Childlife Foundation is Chairman of Nutrigo Morinaga)	Zakat received	-	29,517,906
Iqbal Adamjee Trust (Mr. Iqbal Adamjee is a common Trustee)	Donations received	-	10,000,000
	Zakat received	3,500,000	-
Dr. Ahson Rabbani (Chief Executive Officer)	Donations received	2,500,000	1,000,000
Mr. Abid Ganatra (Trustee)	Zakat received	1,000,000	500,000

22.1 Remuneration of Chief Executive officer and Directors

	2022		2021	
	Chief Executive Officer	Directors	Chief Executive Officer	Directors
	Rupees			
Gross salary (net of deductions)	13,094,598	20,568,551	12,024,672	11,342,511
Allowances and reimbursements	349,397	2,201,424	726,619	1,295,508
Provident fund contribution	803,298	1,089,772	730,224	716,918
	14,247,293	23,859,747	13,481,515	13,354,937
Number of persons	1	6	1	4

		2022	2021
		Number	
23	NUMBER OF EMPLOYEES		
	- At June 30	911	752
	- Average during the year	811	732

24 FINANCIAL INSTRUMENTS BY CATEGORIES

		June 30, 2022		
	Note	At amortised cost	At fair value through income and expenditure	Total
		Rupees		
Financial assets				
Deposits	8	3,253,930	-	3,253,930
Investments	9	998,781,387	-	998,781,387
Other receivables		21,245,896	-	21,245,896
Cash and bank balances	10	1,253,455,467	-	1,253,455,467
		2,276,736,680	-	2,276,736,680

		June 30, 2022		
	Note	At amortised cost		Total
		Rupees		
Financial liabilities				
Creditors, accrued and other liabilities	12	103,429,343		103,429,343

		June 30, 2021		
	Note	At amortised cost	At fair value through income and expenditure	Total
		Rupees		
Financial assets				
Deposits	8	2,060,580	-	2,060,580
Investments	9	700,000,000	26,208,890	726,208,890
Other receivables		6,783,488	-	6,783,488
Cash and bank balances	10	773,492,204	-	773,492,204
		1,482,336,272	26,208,890	1,508,545,162

		June 30, 2021		
	Note	At amortised cost		Total
		Rupees		
Financial liabilities				
Creditors, accrued and other liabilities	12	66,575,825		66,575,825

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Trustees has overall responsibility for the establishment and oversight of the Trust's financial risk management. The responsibility includes developing and monitoring the Trust's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Trust's financial risk exposures. The Trust's exposure to the risks associated with the financial instruments and the risk management policies and procedures adopted by it are summarized as follows:

25.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from the inability of the issuers of the instruments, relevant financial institution or counter parties, in case of placements or other arrangements, to fulfill their obligations.

Exposure to credit risk

Credit risk of the Trust mainly arises from balances with banks, deposits and other receivables. The maximum exposure to credit risk at the reporting date is as follows:

	2022	2021
	Rupees	
Deposits	3,253,930	2,060,580
Other receivables	21,245,896	6,783,488
Investments in term deposit receipts	998,781,387	700,000,000
Investments in mutual funds	-	26,208,890
Bank balances	1,253,455,467	773,492,204
	<u>2,276,736,680</u>	<u>1,508,545,162</u>

For deposits, the management does not expect to incur material losses and considers that such amount is receivable upon termination of contract. For other receivables (includes accrued markup), bank balances and investment in term deposit receipts with banks, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Investments in mutual funds are placed with funds having good credit ratings assigned by credit rating agencies. The credit quality of banks as per credit rating agencies are as follows:

Name of banks	Rating	
	Short-term	Long-term
Habib Bank Limited	A1+	AAA
Meezan Bank Limited	A1+	AAA
Bank Al-Habib Limited	A1+	AAA
Dubai Islamic Bank Limited	A1+	AA
Sindh Bank Limited	A1	A+

25.2 Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. To guard against the risk, the Trust has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents.

The following are the contractual maturities of financial liabilities:

	2022		
	Contractual cash flows	Upto one year	More than one year
	Rupees		
Non-derivative financial liabilities			
Creditors, accrued and other liabilities	103,429,343	103,429,343	-
	2021		
	Contractual cash flows	Upto one year	More than one year
	Rupees		
Non-derivative financial liabilities			
Creditors, accrued and other liabilities	66,575,825	66,575,825	-

25.3 Market risk

Market risk is the risk that changes in market price, such as currency exchange rates and interest rates will affect the Trust's income or the value of its holdings of financial instruments.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

25.3.1 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. Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Trust monitors exchange rates on a regular basis.

As at the reporting date, the Trust is exposed to currency risk on its foreign currency bank account:

	2022	2021
	Rupees	
Foreign currency bank account	491,217,170	201,026,412

The following exchange rates have been applied:

	Average rates		Reporting date rates	
	2022	2021	2022	2021
	Rupees		Rupees	
USD to PKR	179.31	159.56	204.84	157.54

As at the reporting date, if the Rupee is strengthened / weakened by 10% against the US dollar, with all other variables held constant, surplus for the year and total funds would have been lower/higher by Rs. 49.121 million (June 30, 2021: Rs. 20.102 million) mainly as a result of net foreign exchange loss / gain on translation of foreign currency bank account. This analysis assumes that all other variables, in particular interest rates, remain constant. The sensitivity analysis is performed on the same basis as for 2021.

25.3.2 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.

Sensitivity analysis for variable rate instruments:

As at the reporting date, the Trust has the following variable interest bearing assets where interest rate risk may arise due to fluctuations in the rates:

Financial assets	2022	2021
	Rupees	
Variable rate instruments		
Savings accounts	1,070,306,407	631,274,865
	<u>1,070,306,407</u>	<u>631,274,865</u>

With all other variables held constant, in case of 100 basis points increase / decrease in applicable rates at the last repricing date, the surplus of income over expenditure and total funds would have been higher / lower by Rs. 10.703 million (2021: Rs. 6.312 million).

26 FUND MANAGEMENT

The objective of the Trust when managing funds is to safeguard its ability to continue as a going concern so that it can invest in profitable investments and earn benefits which in turn, can help the Trust to grow and contribute to its objectives; and to maintain a strong fund base to support the sustained development of the Trust and to maintain confidence of donors, creditors and market.

27 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Trust does not hold any financial instrument which can be classified under the above mentioned levels.

28 RECLASSIFICATION

Comparative figures have been re-arranged and re-classified for the purpose of better presentation, the effect of which is not material.

29 GENERAL

29.1 Rounding off

Figures have been rounded off to the nearest Rupee unless otherwise stated.

30 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Trustees on November 28, 2022.



Trustee

Trustee