

**THE DIABETES CENTRE - TDC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

INDEPENDENT AUDITOR'S REPORT

To the members of The Diabetes Centre

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of The Diabetes Centre, which comprise the statement of financial position as at June 30, 2018 and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of other comprehensive income, statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the surplus, other comprehensive income, the changes in funds and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with 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 Company 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 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 includes director's report, but does not include the financial statements and our auditor's report thereon. The director's report was not made available for our review.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company'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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 Company'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 Company 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 the board of directors 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Umar Daraz.

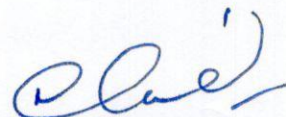
Deloitte Yousuf Adil.
Chartered Accountants

Islamabad
Date: November 26, 2018

THE DIABETES CENTRE - TDC
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

		June 30, 2018	June 30, 2017	June 30, 2016
	Note		Restated (Note 3.19)	Restated (Note 3.19)
..... Rupees				
ASSETS				
Non - current assets				
Property and equipment	4	307,287,205	219,914,822	160,610,812
Intangible assets	5	32,871	298,904	564,940
Security deposit		853,410	200,000	200,000
		308,173,486	220,413,726	161,375,752
Current assets				
Stock	6	3,237,770	1,857,670	2,102,592
Prepayments, accrued interest and other receivables	7	3,044,496	541,335	143,332
Investment	8	10,000,000	20,000,000	20,000,000
Cash and bank balance	9	142,297,657	50,101,002	17,715,261
		158,579,923	72,500,007	39,961,185
TOTAL ASSETS		466,753,409	292,913,733	201,336,937
Less: Liabilities				
Trade and other payables	10	5,974,111	1,382,665	951,351
Less: Non current liabilities				
Deferred government grant	11	97,094,017	-	-
NET ASSETS		363,685,281	291,531,068	200,385,586
Funds				
Accumulated surplus fund		87,624,252	87,349,055	63,545,847
Restricted Fund - Zakat		39,601,900	21,620,867	9,810,640
Restricted Fund - Building		230,334,129	176,436,146	127,029,099
		357,560,281	285,406,068	200,385,586
Surplus on revaluation of Land	4	6,125,000	6,125,000	-
		363,685,281	291,531,068	200,385,586
Contingencies and commitments	12			

The annexed notes 1 to 23 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

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DIRECTOR

THE DIABETES CENTRE - TDC
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017 Restated (Note 3.19)
	Note	Rupees
INCOME		
Clinical income	13	36,271,660
Donations	14	14,375,356
Income recognised from restricted funds		25,290,255
Other income	15	1,414,610
		77,351,881
EXPENDITURES		
Clinical expenses	16	72,702,710
Administrative expenses	17	4,298,917
Finance cost		75,057
Expenses against zakat income		-
		77,076,684
Taxation	3.20	-
Total surplus for the year		275,197
		23,803,208

The annexed notes 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

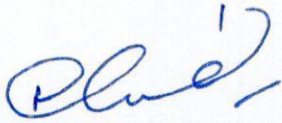
DIRECTOR

THE DIABETES CENTRE - TDC
 STATEMENT OF OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2018

	General Fund Rupees	Restricted Fund Zakat Rupees	Restricted Fund Building Rupees	June 30, 2018 Rupees	June 30, 2017 Rupees (Restated)
Total surplus for the year	275,197	-	-	275,197	23,803,208
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	275,197	-	-	275,197	23,803,208

The annexed notes 1 to 23 form an integral part of these financial statements.

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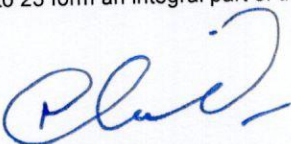


DIRECTOR

**THE DIABETES CENTRE - TDC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	June 30, 2018	June 30, 2017 (Restated)
	Rupees	Rupees
Cash flows from operating activities		
Surplus for the year	275,197	23,803,208
Adjustments for:		
Depreciation on property and equipment	4,444,923	2,125,407
Amortization of Intangibles	266,033	266,036
Amortization of restricted fund	(25,290,255)	(38,681,457)
Provision against other receivables	223,006	232,002
	(20,356,293)	(36,058,012)
Changes in working capital		
(Increase) / Decrease in current assets		
Stock	(1,380,100)	244,922
Prepayments	(2,726,167)	(630,005)
Investment	10,000,000	-
Increase / (Decrease) in current liabilities		
Trade and other payables	4,591,446	431,314
Cash generated from operations	10,485,179	46,231
Net cash used in operating activities	(9,595,917)	(12,208,573)
Cash flows from investing activities		
Purchase of property and equipment & capital work in progress	(91,817,306)	(55,304,417)
Investment in long term deposits	(653,410)	-
Net cash used in investing activities	(92,470,716)	(55,304,417)
Cash flows from financing activities		
Government grant received	97,094,017	-
Donations received on account of zakat	41,387,848	50,491,684
Donations received for construction of building	55,781,423	49,407,047
Net cash generated from investing activities	194,263,288	99,898,731
Net increase in cash and cash equivalents	92,196,655	32,385,741
Cash and cash equivalents at the beginning of the year	50,101,002	17,715,261
Cash and cash equivalents at the end of the year	142,297,657	50,101,002

The annexed notes 1 to 23 form an integral part of these financial statements.

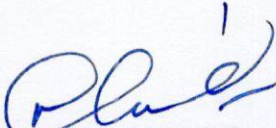

CHIEF EXECUTIVE OFFICER


DIRECTOR

THE DIABETES CENTRE - TDC
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Accumulated surplus fund	Restricted Fund- Zakat	Restricted Fund- Building	Total
	-----Rupees-----			
Balance as at July 1, 2016 restated	63,545,847	9,810,640	127,029,099	200,385,586
Surplus for the year	23,803,208	-	-	23,803,208
Donations received	-	50,491,684	49,407,047	99,898,731
Income recognised during the year		(38,681,457)	-	(38,681,457)
Balance as at June 30, 2017 restated	<u>87,349,055</u>	<u>21,620,867</u>	<u>176,436,146</u>	<u>285,406,068</u>
Surplus / (deficit) for the year	275,197	-	-	275,197
Donations received	-	41,387,848	55,781,423	97,169,271
Income recognised during the year	-	(23,406,815)	(1,883,440)	(25,290,255)
Balance as at June 30, 2018	<u><u>87,624,252</u></u>	<u><u>39,601,900</u></u>	<u><u>230,334,129</u></u>	<u><u>357,560,281</u></u>

The annexed notes 1 to 23 form an integral part of these financial statements. *Dya*


CHIEF EXECUTIVE OFFICER


DIRECTOR

**THE DIABETES CENTRE - TDC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

1. STATUS AND NATURE OF BUSINESS

- 1.1 The Diabetes Centre - TDC is a company limited by guarantee incorporated in Pakistan on December 7, 2011 under section 42 of the Companies Ordinance, 1984. The Company's registered office is located at Phulgran stop, near toll Plaza Muree Expressway Islamabad.
- 1.2 The principal objective of TDC is to establish, support, run, manage and maintain hospitals, clinics, diagnostic center and indoor and out door treatment facilities all over Pakistan particularly for diabetes and generally for other diseases.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Accounting Standards for Not for Profit Organisation (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, have been followed.

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation of Financial Statements

These financial statements have been prepared under the historical cost convention.

3.2 Property and equipment

Property and equipment except freehold land are stated at cost less accumulated depreciation and any identified impairment losses. Freehold land is stated at revalued amount less any identified impairment loss. Cost comprises acquisition and other directly attributable costs.

Depreciation on property and equipment is charged to income and expenditure account using reducing balance method so as to write-off the depreciable amount of the assets over their estimated useful life. Depreciation on additions to property and equipment is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

3.3 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to property, plant and equipment as and when these are available for use.

3.4 Intangible assets

Computer Software

Expenditure incurred to acquire computer software is capitalized as intangible asset and stated at cost less accumulated amortization and any identified impairment loss. Computer software is amortized using straight line method over a period of three years.

Amortization on additions in computer software is charged from the month in which the asset is available for use while no amortization is charged for the month in which the asset is disposed off.

3.5 Impairment of non-financial assets

Assets that have an infinite useful life - for example land - are not subject to depreciation/amortization and are tested annually for impairment. Assets that are subject to depreciation/amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for

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the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

3.6 Investment

Investment intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of the investments at the time of purchase and re-evaluates such designation on regular basis.

Investment by the company are classified for the purpose of measurement into the following categories as explained in the note 3.7.

3.7 Financial assets

3.7.1 Classification

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss,
- loans and receivables,
- available for sale and
- held to maturity.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in short term. Assets in this category is classified in current assets if expected to be settled within twelve months, otherwise they are classified in non-current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. They are included in current assets, except for maturities are greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise, loans, advances, deposits and other receivables and cash and cash equivalent in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any other categories. They are included in current assets unless management intends to disposed of the investments within twelve months from balance sheet date.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortized cost.

3.7.2 Recognition and measurement

All financial assets are recognized at the time when the company becomes a party to contractual provision of the instrument. Regular purchases and sales of investments are recognized on trade-date - the date on which the Company commit to purchase or sale the asset. Financial assets are carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income and expenditure account. Financial assets are derecognized when the rights to receive cash flow from assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets are financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using effective interest rate method.

Gain or losses arising from changes in the fair value of the 'financial assets through profit or loss' category are presented in the income and expenditure account in the period in which they arise.

Changes in fair value of securities classified as available-for-sale are recognized in other comprehensive income. When securities available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in the fund are reclassified from the fund to income and expenditure account as reclassification adjustment. Interest on available-for-sale securities calculated using the effective interest method is recognized in income and expenditure account.

3.8 Financial liabilities

All financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

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3.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to setoff the recognized amount and the company intends either to settle on a net basis or to realize the assets and settle liabilities simultaneously.

3.10 Donation in kind

Land and properties received as donation are initially measured at the market value prevailing at the date of acquisition of the property. At subsequent reporting date, these are remeasured at their fair value prevailing at balance sheet date and the difference in the fair value is charged to income.

3.11 Stock

Stock is stated at lower of cost and net realizable value. Cost is determined on weighted average value basis. Net realizable value is determined with reference to estimated selling price less estimated expenditures to make the sale.

3.12 Trade and other receivables

Trade debts and other receivables are stated at original invoice amount as reduced by appropriate provision for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

3.13 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposit held at call with banks.

3.14 Income recognition

- a) Externally restricted contributions are recognized as revenue in the year in which the related expense are recognized.
- b) Contribution restricted for the purchase of capital assets/construction of building are deferred and amortized into revenue based on the amortization rate on the related capital assets.
- c) Endowment contributions are presented as direct increase in net assets.
- d) Unrestricted contributions are recognized as revenue when received or receivables, if the amount to be received can be reliably estimated and collection is reasonably assured.
- e) Return on deposits is accrued on time proportion basis by reference to the principal outstanding and the applicable rate of return.
- f) Clinical income is recognized at the time when service are rendered.
- g) Zakat and donations are recognized when received.

3.15 Foreign Currency

Transaction in foreign currency during the year are translated in to PKR at the rate of exchange prevailing at the date of transaction. All monetary assets and liabilities are translated into PKR at the rate of exchange prevailing at the balance sheet date.

3.16 Unrestricted Fund

Unrestricted funds represents donations by donors on account of charity and sadqa. 20% of donation received is classified as separate unrestricted fund and is used to fund the operating expenses. 80% of donation received is classified as separate restricted fund for construction of building and accumulated in respective balance of building fund.

3.17 Restricted Fund

Zakat Fund

This restricted fund is utilized for the treatment of patients who are eligible for zakat.

Building Fund

Building fund has been established to complete and maintain building structure of the TDC hospital.

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3.18 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the income and expenditure account on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to income and expenditure account on a systematic and rational basis over the useful lives of the related assets.

3.19 Change in accounting policy

The Company has changed its method of accounting for donation income from "Income" to "the deferral method". As a result of this change donations in funds are deferred and recognised as income only when related expenses are occurred. Further as a result of this change, accumulated surplus fund has been split into accumulated surplus and restricted fund.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, change in accounting estimates and errors' and the comparative figures have been restated as follows:

Effect of restatement on statement of financial position

	As at June 30, 2017			As at June 30, 2016		
	As previously reported	As restated	restatement	As previously reported	As restated	restatement
	-----Rupees-----					
Restricted funds - Building fund	-	49,407,047	49,407,047	-	127,029,099	127,029,099
Accumulated surplus	263,785,201	87,349,055	(176,436,146)	190,574,946	63,545,847	(127,029,099)

Effect of restatement on statement of changes in funds

	As at June 30, 2017			As at June 30, 2016		
	As previously reported	As restated	restatement	As previously reported	As restated	restatement
	-----Rupees-----					
Restricted funds	-	176,436,146	176,436,146	-	127,029,099	127,029,099
Accumulated surplus	263,785,201	87,349,055	(176,436,146)	190,574,946	63,545,847	(127,029,099)

Effect of restatement on statement of income and expenditure account

	As at June 30, 2017		
	As previously reported	As restated	restatement
	-----Rupees-----		
Donation	61,758,808	12,351,761	(49,407,047)
Income recognised from restricted funds	50,491,684	38,681,457	(11,810,227)
	112,250,492	51,033,218	(61,217,274)

3.20 Taxation

As per provisions of section 100C of Income Tax Ordinance, 2001, the company is allowed a tax credit equal to 100% of the tax payable upon complying conditions given in the said section of the Income Tax Ordinance, 2001.

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	Note	June 30, 2018 Rupees	June 30, 2017 Rupees
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	295,961,855	52,683,235
Capital work in progress	4.3	11,325,350	167,231,587
		<u>307,287,205</u>	<u>219,914,822</u>

4.1 Operating fixed assets

Description	Land	Building TDC	Clinic Building	Furnitures and Fixtures	Computer Equipment	Office Equipment	Lab Equipment	Medical Equipment	Vehicles	Total
.....(Rupees).....										
Cost										
As at July 1, 2016	26,375,000	-	8,059,440	497,087	1,119,449	4,413,715	1,570,000	2,801,800	3,497,172	48,333,663
Additions	-	-	-	414,403	235,924	505,653	29,107	2,250,327	842,226	4,277,640
Disposal	-	-	-	-	-	-	-	-	-	6,125,000
Revaluation	6,125,000	-	-	-	-	-	-	-	-	-
As at June 30, 2017	<u>32,500,000</u>	-	<u>8,059,440</u>	<u>911,490</u>	<u>1,355,373</u>	<u>4,919,368</u>	<u>1,599,107</u>	<u>5,052,127</u>	<u>4,339,398</u>	<u>58,736,303</u>
As at July 1, 2017	32,500,000	-	8,059,440	911,490	1,355,373	4,919,368	1,599,107	5,052,127	4,339,398	58,736,303
Additions	-	226,012,853	-	14,100	376,475	19,372,470	232,723	1,664,922	-	247,723,543
Disposal	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
As at June 30, 2018	<u>32,500,000</u>	<u>226,012,853</u>	<u>8,059,440</u>	<u>925,590</u>	<u>1,731,848</u>	<u>24,291,838</u>	<u>1,881,830</u>	<u>6,717,049</u>	<u>4,339,398</u>	<u>306,459,846</u>
Accumulated depreciation										
As at July 1, 2016	-	-	808,373	93,762	503,627	713,228	327,978	380,543	1,100,150	3,927,661
Charge for the year	-	-	362,556	45,552	208,212	395,817	124,614	402,871	585,785	2,125,407
Depreciation on disposal	-	-	-	-	-	-	-	-	-	-
As at June 30, 2017	-	-	<u>1,170,929</u>	<u>139,314</u>	<u>711,839</u>	<u>1,109,045</u>	<u>452,592</u>	<u>783,414</u>	<u>1,685,935</u>	<u>6,053,068</u>
As at July 1, 2017	-	-	1,170,929	139,314	711,839	1,109,045	452,592	783,414	1,685,935	6,053,068
Charge for the year	-	1,883,440	344,426	126,755	266,029	701,638	121,720	470,223	530,692	4,444,923
Depreciation on disposal	-	-	-	-	-	-	-	-	-	-
As at June 30, 2018	-	<u>1,883,440</u>	<u>1,515,355</u>	<u>266,069</u>	<u>977,868</u>	<u>1,810,683</u>	<u>574,312</u>	<u>1,253,637</u>	<u>2,216,627</u>	<u>10,497,991</u>
Carrying amount as at June 30, 2017	<u>32,500,000</u>	-	<u>6,888,511</u>	<u>772,176</u>	<u>643,534</u>	<u>3,810,323</u>	<u>1,146,515</u>	<u>4,268,713</u>	<u>2,653,463</u>	<u>52,683,235</u>
Carrying amount as at June 30, 2018	<u>32,500,000</u>	<u>224,129,413</u>	<u>6,544,085</u>	<u>659,521</u>	<u>753,980</u>	<u>22,481,155</u>	<u>1,307,518</u>	<u>5,463,412</u>	<u>2,122,771</u>	<u>295,961,855</u>
Rate of depreciation per annum %	-	5	5	10	33	10	10	10	20	

4.2 Depreciation charge for the year has been allocated as follows:

	Note	2018 Rupees	2017 Rupees
Clinical expenses	16.	4,136,685	1,997,573
Administrative expenses	17.	308,238	127,834
		<u>4,444,923</u>	<u>2,125,407</u>

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	Note	June 30, 2018 Rupees	June 30, 2017 Rupees
4.3 Capital work in progress			
Opening balance		167,231,587	116,204,810
(Transfer) / Additions during the year		<u>(155,906,237)</u>	<u>51,026,777</u>
		<u>11,325,350</u>	<u>167,231,587</u>

4.3.1 Cost of construction

Opening balance		146,356,926	104,482,310
(Transfer) / Additions during the year		<u>(146,356,926)</u>	<u>41,874,616</u>
		<u>-</u>	<u>146,356,926</u>

4.3.2 Advances for construction work

Opening balance		20,874,661	11,722,500
(Adjustments) / additions during the year		<u>(9,549,311)</u>	<u>9,152,161</u>
		<u>11,325,350</u>	<u>20,874,661</u>

These advances include amounts paid to suppliers for the window work and medical equipment etc.

	Note	June 30, 2018 Rupees	June 30, 2017 Rupees
5. INTANGIBLE ASSETS			
Opening balance		298,904	564,940
Additions during the year		-	-
Less: Amortization for the year	5.1	<u>(266,033)</u>	<u>(266,036)</u>
Closing balance		<u>32,871</u>	<u>298,904</u>

5.1 Amortization charge for the year has been allocated as follows:

Clinical expenses	16.	259,648	259,614
Administrative expenses	17	<u>6,385</u>	<u>6,422</u>
		<u>266,033</u>	<u>266,036</u>

6. STOCK

This represents medicines and medical consumable items carried at weighted average value.

	Note	June 30, 2018 Rupees	June 30, 2017 Rupees
7. PREPAYMENTS, ACCRUED INTEREST AND OTHER RECEIVABLES			
Prepayments		1,716,657	71,451
Accrued interest on TDRs & PLS a/c	7.1	725,589	469,884
Advance for medical equipments		602,250	-
Other receivables - Considered doubtful		<u>1,071,303</u>	<u>848,297</u>
		<u>4,115,799</u>	<u>1,389,632</u>
Provision for doubtful - other receivable	7.2	<u>(1,071,303)</u>	<u>(848,297)</u>
		<u>3,044,496</u>	<u>541,335</u>

7.1 This amount represents interest accrued on Term Deposits Receipts (TDRs) and bank balances.

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	June 30, 2018 Rupees	June 30, 2017 Rupees
7.2 Provision for doubtful - other receivable		
Opening balance	848,297	616,295
Provision for the year	<u>223,006</u>	<u>232,002</u>
Closing balance	<u><u>1,071,303</u></u>	<u><u>848,297</u></u>

8. INVESTMENT

Held to maturity

Term Deposit Certificates	<u><u>10,000,000</u></u>	<u><u>20,000,000</u></u>
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Investments made in Term Deposits Certificate carrying markup ranging from 4.47% p.a to 5.58% p.a (2017: 4.48% p.a to 4.88% p.a). Maturity period of TDRs is 6 month.

	June 30, 2018 Rupees	June 30, 2017 Rupees
9. CASH AND BANK BALANCE		
Cash in hand	327,268	554,140
Cash at bank - local currency		
-deposit account	120,934,635	17,094,750
-current account	21,030,259	31,966,397
Cash at bank - foreign currency		
-current account	5,495	485,715
	<u><u>142,297,657</u></u>	<u><u>50,101,002</u></u>

9.1 Deposit account carries effective markup ranging from 2.23% - 2.66% (2017: 2.12% - 2.40%) per annum.

	June 30, 2018 Rupees	June 30, 2017 Rupees
10. TRADE AND OTHER PAYABLES		
Creditors	4,272,852	127,792
Salaries payable	13,499	182,366
Auditors' remuneration payable	70,000	70,000
Accrued liabilities	1,476,173	734,346
Withholding tax payable	<u>141,587</u>	<u>268,161</u>
	<u><u>5,974,111</u></u>	<u><u>1,382,665</u></u>

11. DEFERRED GOVERNMENT GRANT

This amount has been received from the Government of Pakistan vide letter no 1(4)/2014-15-General, dated June 01, 2018 for the purchase of hospital equipment.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

(i) The tax department is in process finalizing audit of the Company for the tax year 2013. Further, notice under section 161 (1A) of Income Tax Ordinance, 2001 for the tax year 2016 has been received by the Company during the year, giving an opportunity to the Company to explain the position for non deduction of withholding tax amounting to Rs. 1,937,460. The management of the Company and tax advisors are of the opinion that the Company expects favourable decision, therefore, no provision has been made.

(ii) The Company has received Government grants amounting to Rs. 97 million from the Federal government for the purchase of medical equipments.

12.2 No commitment exists as at June 30, 2018 (2017: Nil). *Dya*

	Note	June 30, 2018 Rupees	June 30, 2017 Rupees
13. CLINICAL INCOME	13.1	<u>36,271,660</u>	<u>22,487,989</u>
13.1 This represents income earned in respect of fees charged to patients.			
14. DONATIONS			
Donations	14.1	13,945,356	12,351,761
Membership fee	14.2	430,000	691,200
		<u>14,375,356</u>	<u>13,042,961</u>

14.1 Donations includes amount received on account of sadqa and charity and it also includes donations in kind of Rs. 3,068,655 (2017: Rs. 2,068,487).

14.2 TDC membership is awarded on the basis of following criteria:

a) Founder members - against a one time non-refundable deposit of AED 100,000 or equivalent US\$ for overseas members and Rs. 2,500,000 for Pakistani members and they will be eligible for free medical treatment for member and spouse excluding major heart or other surgery.

b) Members - against a one time non-refundable deposit of AED 10,000 or equivalent US\$ for overseas members and Rs. 250,000 for Pakistani members and they will be eligible for free consultation from the hospital.

c) Voluntary membership - Free of cost and on commitment of providing personnel services for TDC development.

	Note	June 30, 2018 Rupees	June 30, 2017 Rupees
15. OTHER INCOME			
Income from financial assets			
Interest on deposits and investment		1,119,259	1,176,173
Exchange gain		182,726	10,384
Misc receipts		112,625	-
		<u>1,414,610</u>	<u>1,186,557</u>

16. CLINICAL EXPENSES

Salaries, wages and benefits		22,063,623	15,713,524
Medical supplies and consumables		33,002,995	23,721,971
Depreciation	4.2	4,136,685	1,997,573
Amortization	5.1	259,648	259,614
Staff training and education expenses		268,417	65,000
Zakat management system fee		491,896	452,794
Utilities		708,364	830,065
Security expenses		1,115,760	567,936
Printing and stationery		830,216	337,408
Professional fees and charges		1,263,653	128,376
Entertainment		254,155	259,372
Communication		4,650,818	3,188,172
Travelling and conveyance		381,072	130,305
Repair and maintenance		1,097,634	445,955
Vehicle running and maintenance		828,455	572,481
Fuel for generator		662,072	156,463
Insurance expense		122,975	30,685
Miscellaneous expense		564,272	227,944
		<u>72,702,710</u>	<u>49,085,638</u>

Dya

	Note	June 30, 2018 Rupees	June 30, 2017 Rupees
17. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		1,611,706	839,989
Utilities		61,597	72,179
Security expenses		196,899	100,224
Marketing expenses		663,320	534,555
Printing and stationery		146,509	59,543
Professional fees and charges		222,997	22,655
Auditors' remuneration		70,000	70,000
Entertainment	17.1	44,851	45,772
Communication		157,412	28,063
Travelling and conveyance		67,248	22,995
Repair and maintenance		193,700	78,698
Vehicle running and maintenance		146,198	101,026
Fuel for generator		57,572	13,605
Insurance expense		21,702	5,415
Depreciation	4.2	308,238	127,834
Provision for doubtful other receivables		223,006	232,002
Amortization	5.1	6,385	6,422
Miscellaneous expense		99,577	40,225
		<u>4,298,917</u>	<u>2,401,202</u>

17.1 The auditor has provided services at subsidized rate to TDC, being charitable organization.

18. TRANSACTIONS WITH RELATED PARTIES

The related parties include Chief Executive and Directors. No remuneration or any other benefits were paid to them by company during the period. Detail of transactions with related parties are as follows:

Nature	June 30, 2018 Rupees	June 30, 2017 Rupees
Donations received by the Company from Directors	-	10,729,094

19. FINANCIAL INSTRUMENTS

19.1 Financial instruments by category

Financials assets as per balance sheet

Accrued interest	725,589	469,884
Short term investment	10,000,000	20,000,000
Cash and bank balance	142,297,657	50,101,002
	<u>153,023,246</u>	<u>70,570,886</u>

Financials liabilities as per balance sheet

Trade and other payables	<u>5,832,524</u>	<u>1,114,504</u>
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20. NUMBER OF EMPLOYEES

Total and average number of employees of the Company were as follows:

	June 30, 2018 ----- (No of employees) -----	June 30, 2017 -----
Total employees at year end	<u>73</u>	<u>46</u>
Average employees during the year	<u>60</u>	<u>36</u>

21. CORRESPONDING FIGURES

Corresponding figures have been reclassified for the purpose of better presentation. Following expenses have been reclassified as clinical expenses whereas in previous year these expenses were classified as administrative expenses.

Description	Rupees
Staff Salaries	4,759,939
Staff training and education expenses	65,000
Zakat management system fee	452,794
Utilities	830,065
Security expenses	567,936
Marketing expenses	3,029,144
Printing and stationery	337,408
Professional fees and charges	128,376
Entertainment	259,372
Communication	159,027
Travelling and conveyance	130,305
Repair and maintenance	445,955
Vehicle running and maintenance	572,481
Fuel for generator	156,463
Insurance expense	30,685
Depreciation	1,470,088
Amortization	36,389
Miscellaneous expense	227,944
	<u>13,659,371</u>

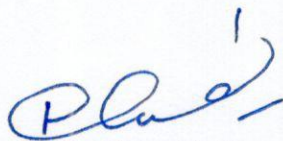
22. GENERAL

Figures have been rounded off to the nearest Rupee.

23. DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on

Nov 26, 2018 *Dya*



CHIEF EXECUTIVE OFFICER



DIRECTOR