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Deloitte Yousuf Adil
Chartered Accountants

THE DIABETES CENTRE - TDC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Member of

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
18-B/1
Chohan Mansion,
G-8 Markaz, Islamabad
Pakistan

Tel: +92(51) 8350601
+92(51) 8734400-3
Fax: +92(51) 8350602

www.deloitte.com

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **The Diabetes Centre** (the Company) as at June 30, 2016 and the related income and expenditure account, cash flow statement and statement of changes in fund together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

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Chartered Accountants

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and the statement of changes in fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 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, 2016 and of the surplus, its cash flows and changes in fund for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Shahzad Ali

Islamabad
Date: February 18, 2017

THE DIABETES CENTRE - TDC
BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
Non - current assets			
Property and equipment	4	**160,610,812**	104,801,038
Intangible assets	5	**564,940**	136,081
Security deposit		**200,000**	200,000
		161,375,752	105,137,119
Current assets			
Stock	6	**2,102,592**	-
Prepayments, accrued interest and other receivables	7	**143,332**	340,115
Investment	8	**20,000,000**	29,000,000
Cash and bank balance	9	**17,715,261**	7,484,783
		39,961,185	36,824,898
TOTAL ASSETS		**201,336,937**	141,962,017
Less: Liabilities			
Trade and other payables	10	**951,351**	237,631
NET ASSETS		**200,385,586**	141,724,386
Funds			
Accumulated surplus fund		**190,574,946**	130,376,175
Restricted Fund - Zakat		**9,810,640**	11,348,211
		200,385,586	141,724,386
Contingencies and commitments	11		

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

CHIEF EXECUTIVE **DIRECTOR**

THE DIABETES CENTRE - TDC
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	General Fund Rupees	Restricted Fund Rupees	2016 Rupees	2015 Rupees
INCOME					
Clinical income	12	12,609,908	-	12,609,908	2,013,572
Donations	13	61,721,192	23,610,723	85,331,915	56,877,534
Other income	14	1,152,673	-	1,152,673	916,818
		75,483,773	23,610,723	99,094,496	59,807,924
EXPENDITURES					
Clinical expenses	15	6,455,230	22,990,708	29,445,938	8,878,248
Administrative expenses	16	8,747,373	2,157,586	10,904,959	7,450,680
Finance cost		82,399	-	82,399	95,394
		15,285,002	25,148,294	40,433,296	16,424,322
Taxation	3.17	-	-	-	-
Total surplus / (deficit) for the year		60,198,771	(1,537,571)	58,661,200	43,383,602

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

CHIEF EXECUTIVE

DIRECTOR

THE DIABETES CENTRE - TDC
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	Note	General Fund Rupees	Restricted Fund Rupees	2016 Rupees	2015 Rupees
Total surplus for the year		**60,198,771**	**(1,537,571)**	**58,661,200**	43,383,602
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		**60,198,771**	**(1,537,571)**	**58,661,200**	43,383,602

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

CHIEF EXECUTIVE

DIRECTOR

THE DIABETES CENTRE - TDC
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
Cash flows from operating activities		
Surplus for the year	**58,661,200**	43,383,602
Adjustments for:		
Depreciation on property and equipment	**1,935,642**	1,536,994
Amortization of deferred income	**-**	(41,561)
Amortization of Intangibles	**201,140**	32,027
	2,136,782	1,527,460
Changes in working capital		
(Increase) / Decrease in current assets	**7,094,191**	(29,047,703)
Increase / (Decrease) in current liabilities	**713,720**	(907,699)
Cash generated from operations	**7,807,911**	(29,955,402)
Net cash generated from operating activities	**68,605,893**	14,955,660
Cash flows from investing activities		
Purchase of property and equipment & capital work in progress	**(57,745,416)**	(43,508,483)
Purchase of Intangible asset	**(629,999)**	(168,108)
Net cash used in investing activities	**(58,375,415)**	(43,676,591)
Net (decrease) / increase in cash and cash equivalents	**10,230,478**	(28,720,931)
Cash and cash equivalents at the beginning of the year	**7,484,783**	36,205,714
Cash and cash equivalents at the end of the year	**17,715,261**	7,484,783

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

CHIEF EXECUTIVE

DIRECTOR

THE DIABETES CENTRE - TDC
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Note	Surplus over expenditure	Restricted Fund- Zakat	Total
		-------------------------------Rupees-----------------------------		
Balance as at July 1, 2014		92,304,778	6,036,006	98,340,784
Surplus for the year		38,071,397	5,312,205	43,383,602
Balance as at June 30, 2015		130,376,175	11,348,211	141,724,386
Surplus / (deficit) for the year		60,198,771	(1,537,571)	58,661,200
Balance as at June 30, 2016	17	**190,574,946**	**9,810,640**	**200,385,586**

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

CHIEF EXECUTIVE **DIRECTOR**

THE DIABETES CENTRE - TDC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of international Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMES) issued by IASB, Accounting Standards for Not for Profit Organisation (NPOs), and provisions of and directives issued under the Companies Ordinance,1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) through SRO 928(I)/2015 dated September 10, 2015, amended the Fifth Schedule to the Companies Ordinance, 1984 (the Ordinance). These amendments pertain to:

(i) changes in the definitions of 'Medium Sized Company' and 'Small Sized Company',
(ii) deletion of definition of 'Economically Significant Company', and
(iii) inclusion of definition of 'Large Sized Company', 'Public Interest Company', 'Public Interest and Large Sized Company licensed / formed under Section 42 and Section 43 of the Ordinance' and 'Small and Medium Sized Company licensed/ formed under Section 42 and Section 43 of the Ordinance'.

Through another SRO 929(I)2015 dated September 10, 2015, the SECP has notified the applicable accounting and financial reporting standards for the preparation of financial statements for each class of company to which Fifth Schedule is applicable. An ammendment to the above SRO was also made through SRO 413 dated May 11, 2016 which is also applicable for the Companies registered under section 42 and 43 of the Ordinance. The accounting and financial reporting standards relevant to each class of companies are applicable for annual financial period beginning on or after January 1, 2015.

Consequent to above SROs, the Company will meet the definition of 'Small and Medium Sized Company licensed/ formed under Section 42 and 43 of the Ordinance' having annual gross revenue not less than Rs. 200 million. Accordingly, TDC has prepared its financial statements for the year ended June 30, 2016, using the IFRS for SME's issued by International Accounting Standards Board (IASB) and notified by SECP and Accounting standards for NPOs issued by the Institute of Chartered Accountants of Pakistan (ICAP).

The financial statements for the year ended June 30, 2015 and earlier years were prepared in accordance with the requirements of Accounting and Financial Reporting Standards for Medium-Sized Entities. The above mentioned change in accounting framework for the preparation of the financial statements has not resulted in any material adjustments to the carrying values of the assets and liabilities of TDC as at June 30, 2015 or at previous reporting date and did not require any change in the accounting policies of TDC.

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.

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 any not be recoverable. An impairment loss is recognized for 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 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 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.

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.

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

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

Income is recognized when it is probable that the economic benefits associated with the transaction will flow to the entity and the income can be measured reliably. Clinical income is recognized at the time when service are rendered. Zakat and donations are recognized when received. Return on deposits is accrued on time proportion basis by reference to the principal outstanding and the applicable rate of return. Properties and other items received as donation in kind are recorded at market value at the time of receipt of donations.

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 Restricted Fund

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

3.17 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 filing of annual tax return as per section 118(2)(a) read with Rule 217(1)(b)(vi) of the Income Tax Rules 2002.

4 PROPERTY AND EQUIPMENT

	Note	2016 Rupees	2015 Rupees
Operating fixed assets	4.1	**44,406,002**	42,740,395
Capital work in progress	4.3	**116,204,810**	62,060,643
		160,610,812	104,801,038

4.1 Operating fixed assets

Description	Land	Clinic Building	Furnitures and Fixtures	Computer Equipment	Office Equipment	Lab Equipment	Medical Equipment	Vehicles	Total
	(Rupees)								
Cost									
As at July 1, 2014	26,375,000	6,002,994	302,664	125,895	2,636,148	1,510,000	-	731,500	37,684,201
Additions	-	224,711	87,423	759,221	606,186	60,000	2,545,000	2,765,672	7,048,213
Disposal	-	-	-	-	-	-	-	-	-
As at June 30, 2015	26,375,000	6,227,705	390,087	885,116	3,242,334	1,570,000	2,545,000	3,497,172	44,732,414
As at July 1, 2015	**26,375,000**	**6,227,705**	**390,087**	**885,116**	**3,242,334**	**1,570,000**	**2,545,000**	**3,497,172**	**44,732,414**
Additions	-	**1,831,735**	**107,000**	**234,333**	**1,171,381**	-	**256,800**	-	**3,601,249**
Disposal	-	-	-	-	-	-	-	-	-
As at June 30, 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**
Accumulated depreciation									
As at July 1, 2014	-	125,062	18,966	58,343	117,371	37,750	-	97,533	455,025
Charge for the year	-	301,676	32,363	232,718	287,026	152,225	127,625	403,361	1,536,994
Depreciation on disposal	-	-	-	-	-	-	-	-	-
As at June 30, 2015	-	426,738	51,329	291,061	404,397	189,975	127,625	500,894	1,992,019
As at July 1, 2015	-	**426,738**	**51,329**	**291,061**	**404,397**	**189,975**	**127,625**	**500,894**	**1,992,019**
Charge for the year	-	**381,635**	**42,433**	**212,566**	**308,831**	**138,003**	**252,918**	**599,256**	**1,935,642**
Depreciation on disposal	-	-	-	-	-	-	-	-	-
As at June 30, 2016	-	**808,373**	**93,762**	**503,627**	**713,228**	**327,978**	**380,543**	**1,100,150**	**3,927,661**
Carrying amount as at June 30, 2015	26,375,000	5,800,967	338,758	594,055	2,837,937	1,380,025	2,417,375	2,996,278	42,740,395
Carrying amount as at June 30, 2016	**26,375,000**	**7,251,067**	**403,325**	**615,822**	**3,700,487**	**1,242,022**	**2,421,257**	**2,397,022**	**44,406,002**
Rate of depreciation per annum %	-	5	10	33	10	10	10	20	

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

	Note	2016 Rupees	2015 Rupees
Clinical expenses	15	**390,921**	279,850
Administrative expenses	16	**1,544,721**	1,257,144
		1,935,642	1,536,994

		Note	2016 Rupees	2015 Rupees
4.3	**Capital work in progress**			
	Opening balance		**62,060,643**	25,600,373
	Additions during the year		**54,144,167**	36,460,270
			116,204,810	62,060,643
4.3.1	**Cost of construction**			
	Opening balance		**62,060,643**	25,600,373
	Additions during the year		**42,421,667**	
			104,482,310	25,600,373
4.3.2	**Advances for construction work**			
	Opening balance		**-**	-
	Additions during the year		**11,722,500**	-
			11,722,500	-

These advances include amounts paid to suppliers for the installation of air-conditioning system, procurement of tiles, firefighting system etc.

		Note	2016 Rupees	2015 Rupees
5	**INTANGIBLE ASSETS**			
	Opening balance		**136,081**	-
	Additions during the year		**629,999**	168,108
	Less: Amortization for the year	5.1	**(201,140)**	(32,027)
	Closing balance		**564,940**	136,081

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

	Note	2016 Rupees	2015 Rupees
Clinical expenses	15	**168,773**	27,027
Administrative expenses	16	**32,367**	5,000
		201,140	32,027

		Note	2016 Rupees	2015 Rupees
6	**STOCK**	6.1	**2,102,592**	-

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

		Note	2016 Rupees	2015 Rupees
7	**PREPAYMENTS, ACCRUED INTEREST AND OTHER RECEIVABLES**			
	Prepaid vehicle insurance		**-**	57,491
	Accrued interest on TDRs & PLS a/c		**143,332**	282,624
	Other receivables - Considered doubtful		**616,295**	464,233
			759,627	804,348
	Provision for doubtful - other receivable	7.1	**(616,295)**	(464,233)
			143,332	340,115
7.1	**Provision for doubtful - other receivable**			
	Opening balance		**464,233**	-
	Provision for the year		**152,062**	464,233
	Closing balance		**616,295**	464,233
8	**INVESTMENT**			
	Held to maturity			
	Term Deposit Certificates		**20,000,000**	29,000,000

Investments made in Term Deposits Certificate carrying markup ranging from 2.65% p.a to 4.19% p.a (2015: 3.93% to 5.21%). Maturity period of TDRs are 3-6 months.

		Note	2016 Rupees	2015 Rupees
9	**CASH AND BANK BALANCE**			
	Cash in hand		**732,811**	106,560
	Cash at bank - local currency			
	-deposit account		**5,740,953**	2,550,190
	-current account		**7,959,194**	1,366,114
	Cash at bank - foreign currency			
	-current account		**3,282,303**	3,461,919
			17,715,261	7,484,783

9.1 Deposit account carries effective markup ranging from 1.65% - 2.38% (2015: 2.29% - 4.75%) per annum.

		Note	2016 Rupees	2015 Rupees
10	**TRADE AND OTHER PAYABLES**			
	Creditors		**268,333**	-
	Salaries payable		**324,180**	-
	Auditors' remuneration payable		**50,000**	50,000
	Accrued liabilities		**101,843**	66,900
	Withholding tax payable		**206,995**	120,731
			951,351	**237,631**

11 CONTINGENCIES AND COMMITMENTS

TDC has been selected for income tax audit for the tax year 2013. The case is still pending and management having certificate under Section 2(36) of Income Tax Ordinance, 2001 is of the view that order may be withdrawn.

		Note	2016 Rupees	2015 Rupees
12	**CLINICAL INCOME**	12.1	**12,609,908**	2,013,572

12.1 This represents income earned in respect of fees charged to patients.

		Note	2016 Rupees	2015 Rupees
13	**DONATIONS**			
	Donations	13.1	**83,145,153**	56,314,034
	Membership fee	13.2	**2,186,762**	563,500
			85,331,915	56,877,534

13.1 Donations includes received on account of zakat of Rs. 23,610,723 (2015: Rs. 11,370,360) and donations in kind of Rs. 200,000 (2015: Rs.4,063,751).

13.2 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	2016 Rupees	2015 Rupees
14	**OTHER INCOME**			
	Income from financial assets			
	Interest on deposits and investment		**1,102,951**	615,962
	Exchange gain		**49,722**	259,295
	Income from non-financial assets			
	Amortization of deferred Income		**-**	41,561
			1,152,673	916,818
15	**CLINICAL EXPENSES**			
	Salaries of doctors and paramedical staff		**7,359,289**	3,271,367
	Medical supplies and consumables		**21,526,955**	5,300,004
	Depreciation	4.2	**390,921**	279,850
	Amortization	5.1	**168,773**	27,027
			29,445,938	8,878,248
16	**ADMINISTRATIVE EXPENSES**			
	Salaries of administrative staff		**4,128,112**	2,763,605
	Staff training and education expenses		**-**	12,255
	Zakat management system fee		**302,975**	-
	Utilities		**317,603**	322,014
	Security expenses		**420,930**	448,596
	Marketing expenses		**1,217,431**	409,938
	Printing and stationery		**478,861**	157,918
	Professional fees and charges		**30,750**	197,690
	Auditors' remuneration		**50,000**	50,000
	Entertainment		**295,978**	108,012
	Communication		**178,645**	88,022
	Travelling and conveyance		**190,020**	29,045
	Repair and maintenance		**458,022**	195,105
	Vehicle running and maintenance		**652,692**	520,781
	Fuel for generator		**238,552**	288,930
	Miscellaneous expense		**157,747**	94,853
	Insurance expense		**57,491**	37,539
	Depreciation	4.2	**1,544,721**	1,257,144
	Provision for doubtful other receivables		**152,062**	464,233
	Amortization	5.1	**32,367**	5,000
			10,904,959	7,450,680
17	**RESTRICTED FUND - ZAKAT**			
	Opening balance		**11,348,211**	6,036,006
	Received during the year	13.1	**23,610,723**	11,370,360
	Payments made:			
	Staff salaries and wages		**9,175,647**	2,573,863
	Medical supplies and consumables		**15,376,116**	2,095,248
	Other clinical expenses		**596,531**	1,389,044
			25,148,294	6,058,155
			9,810,640	11,348,211

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

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:

	2016 Rupees	2015 Rupees
Directors		
Donations received during the year	**9,845,023**	1,071,668

19 FINANCIAL INSTRUMENTS

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

19.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	2016	2015
	(Rupees)	
Accrued interest	**143,332**	282,624
Short term investment	**20,000,000**	29,000,000
Cash and bank balance	**17,715,261**	7,484,783
	37,858,593	36,767,407

19.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

	Carrying amount	Contractual cash flows	One to twelve months	One to five years
	(Rupees)			
June 30, 2016				
Trade and other payables	**744,356**	**744,356**	**744,356**	-
June 30, 2015				
Trade and other payables	116,900	116,900	116,900	-

19.3 Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

19.3.1 Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

	Interest rate		Carrying amounts	
	2016	2015	2016	2015
	(%)		(Rupees)	
Financial assets				
Short term investment	2.65-4.19%	3.93-5.21%	20,000,000	29,000,000
Bank balances	1.65-2.38%	2.29-4.75%	5,740,953	2,550,190

Interest rate sensitivity analysis

The Company does not account for any financial assets and liabilities at fair value through surplus or deficit, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect surplus or deficit.

19.3.2 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk on bank balance.

		2016		2015	
		Rupees	**AED/USD/GBP**	**Rupees**	**AED/USD/GBP**
Bank balance					
	AED	1,033,032	36,894	1,069,015	38,317
	USD	2,249,271	21,524	-	-
	GBP	-	-	2,392,904	14,965

The following significant exchange rates applied during the period:

	Average rates		Reporting date spot rates	
	30-Jun-16	**30-Jun-15**	**30-Jun-16**	**30-Jun-15**
Rupees/ AED	28.39	27.58	28	27.90
Rupees/ USD $	104.24	101.30	104.50	101.73
Rupees/ GBP	154.49	159.44	140.18	159.90

Foreign currency sensitivity analysis

A 10 percent variation of the PKR against the AED, US $ & GBP at June 30 would have effected funds and surplus or deficit by the amounts shown below. This analysis assumes that all other variables, in particular markup rates, remain constant.

		Change in Foreign Exchange Rates %	Effect due to change
June 30, 2016	Impact	+10	328,230
		-10	(328,230)
June 30, 2015	Impact	+10	346,190
		-10	(346,190)

19.4 Fair value of financial assets and liabilities

The fair value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	2016		2015	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Assets carried at amortized cost	----(Rupees)----		----(Rupees)----	
Accrued interest	143,332	143,332	282,624	282,624
Short term investment	20,000,000	20,000,000	29,000,000	29,000,000
Cash and bank balance	17,715,261	17,715,261	7,484,783	7,484,783
	37,858,593	37,858,593	36,767,407	36,767,407

	2016		2015	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Liabilities carried at amortized cost	----(Rupees)----		----(Rupees)----	
Trade and other payables	744,356	744,356	116,900	116,900
	744,356	744,356	116,900	116,900

20 NUMBER OF EMPLOYEES

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

	2016	2015
	---- (No of employees) ----	
Total employees at year end	31	18
Average employees during the year	23	14

21 CORRESPONDING FIGURES

Corresponding figures have been reclassified for the purpose of better presentation. Material changes made during the year are as follows

Prior year classification	Note	Current year classification	Rupees
Accumulated surplus fund	17	Restricted Fund - Zakat	9,810,640

22 Figures have been rounded off to the nearest Rupee.

23 These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 18.02.2017.

CHIEF EXECUTIVE

DIRECTOR