

THE DIABETES CENTRE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Deloitte Yousuf Adil

Chartered Accountants
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **The Diabetes Centre** (the Company) as at June 30, 2017 and the related income and expenditure account, cash flow statement and statement of changes in funds 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;
- 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 funds 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, 2017 and of the surplus, its cash flows and changes in funds 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:
Rana M. Usman Khan

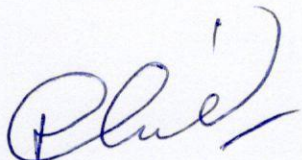
Islamabad
Date: March 10, 2018

**THE DIABETES CENTRE
BALANCE SHEET
AS AT JUNE 30, 2017**

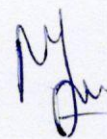
	2017	2016
Note	------(Rupees)-----	
ASSETS		
Non-current assets		
Property and equipment	4 219,914,822	160,610,812
Intangible assets	5 298,904	564,940
Security deposit	200,000	200,000
	220,413,726	161,375,752
Current assets		
Stock	6 1,857,670	2,102,592
Prepayments, accrued interest and other receivables	7 541,335	143,332
Investment	8 20,000,000	20,000,000
Cash and bank balances	9 50,101,002	17,715,261
	72,500,007	39,961,185
TOTAL ASSETS	292,913,733	201,336,937
Less: Liabilities		
Trade and other payables	10 1,382,665	951,351
NET ASSETS	291,531,068	200,385,586
Funds		
Accumulated surplus fund	263,785,201	190,574,946
Restricted fund - Zakat	21,620,867	9,810,640
	285,406,068	200,385,586
Surplus on revaluation of land	4 6,125,000	-
	291,531,068	200,385,586
Contingencies and commitments	11	

The annexed notes from 1 to 22 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



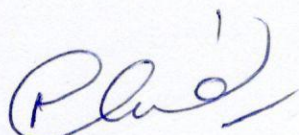
DIRECTOR

**THE DIABETES CENTRE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

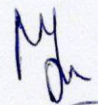
		2017		2016	
		General Fund	Restricted Fund	Total	Total
		Rupees			
INCOME	Note				
Clinical income	12	22,487,989	-	22,487,989	12,609,908
Donations	13	62,450,008	50,491,684	112,941,692	85,331,915
Other income	14	1,186,557	-	1,186,557	1,152,673
		86,124,554	50,491,684	136,616,238	99,094,496
EXPENDITURE					
Clinical expenses	15	35,426,267	-	35,426,267	29,445,938
Administrative expenses	16	16,060,573	-	16,060,573	10,904,959
Finance cost		108,916	-	108,916	82,399
Expenses against zakat income		(38,681,457)	38,681,457	-	-
		12,914,299	38,681,457	51,595,756	40,433,296
Taxation	3.17	-	-	-	-
Total surplus for the year		<u>73,210,255</u>	<u>11,810,227</u>	<u>85,020,482</u>	<u>58,661,200</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



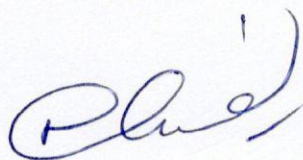
DIRECTOR

**THE DIABETES CENTRE
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017**

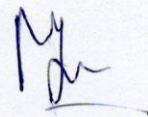
	General fund	Restricted fund	2017	2016
 Rupees			
Total surplus for the year	73,210,255	11,810,227	85,020,482	58,661,200
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	73,210,255	11,810,227	85,020,482	58,661,200

The annexed notes from 1 to 22 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



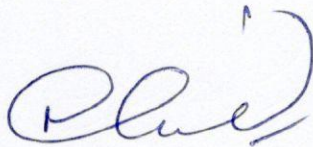
DIRECTOR

**THE DIABETES CENTRE
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

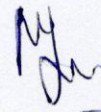
	<u>2017</u>	<u>2016</u>
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	85,020,482	58,661,200
Adjustments for:		
Depreciation on property and equipment	2,125,407	1,935,642
Amortization of intangibles	266,036	201,140
Provision against other receivables	232,002	152,062
	2,623,445	2,288,844
Changes in working capital:		
(Increase) / decrease in current assets		
Stock	244,922	(2,102,592)
Prepayments, accrued interest and other receivables	(630,005)	44,721
Investment	-	9,000,000
Increase / (Decrease) in current liabilities		
Trade and other payables	431,314	713,720
Cash generated from operations	46,231	7,655,849
Net cash generated from operating activities	87,690,158	68,605,893
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(55,304,417)	(57,745,416)
Purchase of intangible asset	-	(629,999)
Net cash used in investing activities	(55,304,417)	(58,375,415)
Net increase in cash and cash equivalents	32,385,741	10,230,478
Cash and cash equivalents at the beginning of the year	17,715,261	7,484,783
Cash and cash equivalents at the end of the year	50,101,002	17,715,261

The annexed notes from 1 to 22 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



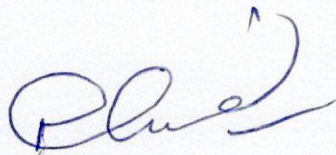
DIRECTOR

**THE DIABETES CENTRE
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

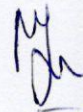
	Accumulated surplus fund	Restricted fund- Zakat	Total
	-----Rupees-----		
Balance as at July 1, 2016	130,376,175	11,348,211	141,724,386
Surplus for the year	60,198,771	(1,537,571)	58,661,200
Balance as at June 30, 2016	190,574,946	9,810,640	200,385,586
Surplus for the year	73,210,255	11,810,227	85,020,482
Balance as at June 30, 2017	263,785,201	21,620,867	285,406,068

The annexed notes from 1 to 22 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

THE DIABETES CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1. STATUS AND NATURE OF BUSINESS

- 1.1** The Diabetes Centre - ("TDC" or "the Company") 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 the Company 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 International Accounting Standards Board (IASB), Accounting Standards for Not for Profit Organisations (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.

During the year, the Companies Act, 2017 was enacted and promulgated by the Securities Exchange and Commission of Pakistan (SECP) on May 30, 2017. However, SECP has notified through circular No. 17 of July 20, 2017 that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

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

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 may 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 Investments

Investments intended to be held for less than twelve months from the balance sheet date 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.

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 where maturity is 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 dispose off the investments within twelve months from balance sheet date.

d) Held to maturity

These are financial assets with fixed or determinable payments, fixed maturity and the management intends to hold till maturity.

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 commits to purchase or sell 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, which 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 Available For Sale securities 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

Assets received as donation are measured at the market value prevailing on the date when risks and rewards are transferred to the Company.

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 for 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 and deposits 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 is 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 and the difference is recognized in income and expenditure account.

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	2017 ----- (Rupees)	2016 ----- (Rupees)
4.1	52,683,235	44,406,002
4.3	167,231,587	116,204,810
	<u>219,914,822</u>	<u>160,610,812</u>

4.1 Operating fixed assets

Description	Land	Clinic building	Furnitures and fixtures	Computer equipment	Office equipment	Lab equipment	Medical equipment	Vehicles	Total
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
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	-	-	-	-	-	-	-	-	-
Revaluation	6,125,000	-	-	-	-	-	-	-	6,125,000
As at June 30, 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

Accumulated depreciation

As at July 1, 2015	-	426,738	93,762	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	1,936,642
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
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	-	1,170,929	139,314	711,839	1,109,045	452,592	783,414	1,685,935	6,053,068
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
Carrying amount as at June 30, 2017	32,500,000	6,888,511	772,176	643,534	3,810,323	1,146,515	4,268,713	2,653,463	52,683,235
Rate of depreciation per annum %	-	5	10	33	10	10	10	10	20

4.1.1 Revaluation of land

The Company's freehold land is carried at the fair value at the date of revaluation, less any subsequent accumulated impairment losses. The fair value measurements of the Company's land as at November 16, 2016 were performed by M/S DIMENSIONS, independent valuers not related to the Company. M/S DIMENSIONS are on list of approved valuers issued by Pakistan Banks Association. They have the appropriate qualifications and experience in fair value measurement in the relevant locations.

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

	Note	2017 ------(Rupees)-----	2016
Clinical expenses	15	527,485	390,921
Administrative expenses	16	1,597,922	1,544,721
		<u>2,125,407</u>	<u>1,935,642</u>

4.3 Capital work in progress

Opening balance		116,204,810	62,060,643
Additions during the year		51,026,777	54,144,167
		<u>167,231,587</u>	<u>116,204,810</u>

4.3.1 Cost of construction

Opening balance		104,482,310	62,060,643
Additions during the year		41,874,616	42,421,667
		<u>146,356,926</u>	<u>104,482,310</u>

4.3.2 Advances for construction work

Opening balance		11,722,500	-
Additions during the year		9,152,161	11,722,500
	4.3.2.1	<u>20,874,661</u>	<u>11,722,500</u>

4.3.2.1 These advances include amounts paid to suppliers for the construction of building.

	Note	2017 ------(Rupees)-----	2016
5. INTANGIBLE ASSETS			
Opening balance		564,940	136,081
Additions during the year		-	629,999
Less: Amortization for the year	5.1	<u>(266,036)</u>	<u>(201,140)</u>
Closing balance		<u>298,904</u>	<u>564,940</u>

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

Clinical expenses	15	223,226	168,773
Administrative expenses	16	42,810	32,367
		<u>266,036</u>	<u>201,140</u>

6. STOCK

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

	Note	2017 ------(Rupees)-----	2016
7. PREPAYMENTS, ACCRUED INTEREST AND OTHER RECEIVABLES			
Prepaid vehicle insurance		71,451	-
Accrued interest	7.1	469,884	143,332
Other receivables - Considered doubtful		848,297	616,295
		<u>1,389,632</u>	<u>759,627</u>
Provision for doubtful - other receivable	7.2	<u>(848,297)</u>	<u>(616,295)</u>
		<u>541,335</u>	<u>143,332</u>

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

	2017	2016
	------(Rupees)-----	
7.2 Provision for doubtful - other receivable		
Opening balance	616,295	464,233
Provision for the year	<u>232,002</u>	<u>152,062</u>
Closing balance	<u><u>848,297</u></u>	<u><u>616,295</u></u>

8. INVESTMENT

Investment has been made in TDRs carrying markup ranging from 4.48% p.a to 4.88% p.a (2016: 2.65% p.a to 4.19% p.a).

	2017	2016
	------(Rupees)-----	
9. CASH AND BANK BALANCES		
Cash in hand	554,140	732,811
Cash at bank - local currency		
-deposit account	17,094,750	5,740,953
-current account	31,966,397	7,959,194
Cash at bank - foreign currency		
-current account	485,715	3,282,303
	<u><u>50,101,002</u></u>	<u><u>17,715,261</u></u>

9.1 Deposit account carries effective markup ranging from 2.12% to 2.40% (2016: 1.65% - 2.38%) per annum.

	2017	2016
	------(Rupees)-----	
10. TRADE AND OTHER PAYABLES		
Creditors	127,792	268,333
Salaries payable	182,366	324,180
Auditors' remuneration payable	70,000	50,000
Accrued liabilities	734,346	101,843
Withholding tax payable	268,161	206,995
	<u><u>1,382,665</u></u>	<u><u>951,351</u></u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

- (i) The tax department is in process of 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 has strong cases. Hence, no provision has been recorded in these financial statements.

11.2 Commitments

No commitment exists as at June 30, 2017 (2016: Nil).

	2017	2016
	------(Rupees)-----	
12. CLINICAL INCOME		
12.1 This represents income earned in respect of fees charged to patients.	<u><u>22,487,989</u></u>	<u><u>12,609,908</u></u>

Note

12.1

		2017	2016
		------(Rupees)-----	
13.	DONATIONS		
	Donations	13.1 112,250,492	83,145,153
	Membership fee	13.2 691,200	2,186,762
		<u>112,941,692</u>	<u>85,331,915</u>

13.1 Donations include amount received on account of zakat of Rs. 50,434,484 (2016: Rs. 23,610,723) and donations in kind amounting to Rs. 2,068,487 (2016: Rs. 200,000).

13.2 TDC's membership is awarded on the basis of following criteria:

a) Founding 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. They will be eligible for free medical treatment including spouse. However, this excludes 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. They become eligible for free consultation from the hospital.

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

		2017	2016
		------(Rupees)-----	
14.	OTHER INCOME		
	Income from financial assets		
	Interest on deposits and investment	1,176,173	1,102,951
	Exchange gain	10,384	49,722
		<u>1,186,557</u>	<u>1,152,673</u>

		2017	2016
		------(Rupees)-----	
15.	CLINICAL EXPENSES		
	Salaries of doctors and paramedical staff	10,953,585	7,359,289
	Medical supplies and consumables	23,721,971	21,526,955
	Depreciation	4.2 527,485	390,921
	Amortization	5.1 223,226	168,773
		<u>35,426,267</u>	<u>29,445,938</u>

		2017	2016
		------(Rupees)-----	
16.	ADMINISTRATIVE EXPENSES		
	Salaries of administrative staff	5,599,928	4,128,112
	Staff training and education expenses	65,000	-
	Zakat management system fee	452,794	302,975
	Utilities	902,245	317,603
	Security expenses	668,160	420,930
	Marketing expenses	3,563,699	1,217,431
	Printing and stationery	396,950	478,861
	Professional fees and charges	151,030	30,750
	Auditors' remuneration	70,000	50,000
	Entertainment	305,144	295,978
	Communication	187,091	178,645
	Travelling and conveyance	153,300	190,020
	Repair and maintenance	524,654	458,022
	Vehicle running and maintenance	673,507	652,692
	Fuel for generator	170,068	238,552
	Insurance expense	36,100	57,491
	Depreciation	4.2 1,597,922	1,544,721
	Provision against other receivables	232,002	152,062
	Amortization	5.1 42,810	32,367
	Miscellaneous expenses	268,169	157,747
		<u>16,060,573</u>	<u>10,904,959</u>

	Note	2017	2016
		----- (Rupees) -----	
17. RESTRICTED FUND - ZAKAT			
Opening balance		9,810,640	11,348,211
Received during the year	13.1	50,491,684	23,610,723
Payments made:			
Staff salaries and wages		-	9,175,647
Medical supplies and consumables		-	15,376,116
Other clinical expenses		-	596,531
Amount utilized under free treatment of zakat patients		38,681,457	-
		38,681,457	25,148,294
		21,620,867	9,810,640

17.1 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 the Company during the period. Detail of transactions with related parties are as follows:

	2017	2016	
		----- (Rupees) -----	
Nature			
Donations received by the Company from the Directors	10,729,094	9,845,023	

19. FINANCIAL INSTRUMENTS

19.1 Financial instruments by category

	2017	2016	
		----- (Rupees) -----	
Financial assets as per balance sheet			
Loans and receivables			
Accrued interest	469,884	143,332	
Investment	20,000,000	20,000,000	
Cash and bank balances	50,101,002	17,715,261	
	70,570,886	37,858,593	
Financial liabilities as per balance sheet			
Amortized cost			
Trade and other payables	1,114,504	744,356	
	1,114,504	744,356	

20. **NUMBER OF EMPLOYEES**

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

	2017 ----- (No of employees) -----	2016 -----
Total employees at reporting date	<u>46</u>	<u>31</u>
Average employees during the year	<u>36</u>	<u>23</u>

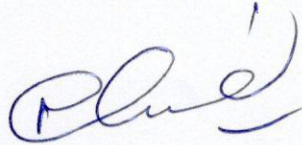
21. **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 10 MAR 2018

22. **GENERAL**

Figures have been rounded off to the nearest Rupee.

DYK



CHIEF EXECUTIVE OFFICER



DIRECTOR