



**Building a better
working world**

BAIT-UL-SUKOON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

EY Ford Rhodes
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AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of Bait-ul-Sukoon (the Trust), which comprise of the balance sheet as at 30 June 2016, and the income and expenditure account, the statement of comprehensive income, the statement of changes in fund and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Trust Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Guidelines for Accounting and Financial Reporting by Non-Government Organisation (NGOs) / Non-Profit Organisation (NPOs) issued by Institute of Chartered Accountants of Pakistan and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Guidelines for Accounting and Financial Reporting by Non-Government Organisation (NGOs) / Non-Profit Organisation (NPOs) issued by Institute of Chartered Accountants of Pakistan.

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner: Shaikh Ahmed Salman

Date: 10 February 2017

Place: Karachi

**BAIT-UL- SUKOON
BALANCE SHEET
AS AT 30 JUNE 2016**

ASSETS	Note	2016 Rupees	2015 Rupees
NON-CURRENT ASSETS			
Fixed assets	4	48,423,192	43,491,817
Long-term investments	5	<u>10,494,762</u>	<u>10,563,610</u>
		58,917,954	54,055,427
CURRENT ASSETS			
Stock in hand	6	3,139,869	2,932,471
Advances, prepayments and other receivables	7	5,309,368	5,483,777
Return on investments receivable	8	26,373,875	12,182,655
Short-term investments	9	363,736,556	343,746,138
Cash and bank balances	10	<u>6,211,562</u>	<u>5,502,136</u>
		404,771,230	369,847,177
CURRENT LIABILITIES			
	11	5,122,551	4,995,029
NET CURRENT ASSETS			
		<u>399,648,679</u>	<u>364,852,148</u>
NET ASSETS			
		<u>458,566,633</u>	<u>418,907,575</u>
REPRESENTED BY:			
Endowment Fund		300,000,000	280,000,000
Building Fund		96,711,920	96,711,920
General Fund		<u>61,854,713</u>	<u>42,195,655</u>
		458,566,633	418,907,575

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

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 MANAGING TRUSTEE	 TRUSTEE	 HONORARY TREASURER
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BAIT-UL- SUKOON
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
INCOME			
Donations	12	91,014,533	101,596,242
Return on investments and bank deposits	13	26,251,559	31,676,186
Other income	14	5,285,000	-
Donation from K-Electric		2,257,970	1,451,635
		<u>124,809,062</u>	<u>134,724,063</u>
EXPENSES			
Patient care expenses	15	(67,304,992)	(62,653,671)
Support expenses	16	(17,845,012)	(16,851,866)
		(85,150,004)	(79,505,537)
SURPLUS OF INCOME OVER EXPENDITURE		<u>39,659,058</u>	<u>55,218,526</u>
TRANSFERRED TO:			
Endowment Fund		20,000,000	51,000,000
General Fund		19,659,058	4,218,526
		<u>39,659,058</u>	<u>55,218,526</u>

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

Zameer A. Shadman
MANAGING TRUSTEE

Fatima Agha
TRUSTEE

[Signature]
HONORARY TREASURER

BAIT-UL- SUKOON
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus of income over expenditure for the year		39,659,058	55,218,526
Adjustments:-			
Depreciation	4.1	3,652,682	1,883,164
Amortisation of intangibles	4.2	-	18,745
Gain on disposal of fixed assets		(1,285,000)	-
Loss / (gain) on revaluation of mutual funds		9,582	(44,966)
Profit on bank balances and investments		(26,251,559)	(31,676,186)
Amortization of deferred costs	5	68,848	62,438
		(23,805,447)	(29,756,805)
Operating surplus before working capital changes		15,853,611	25,461,721
Working capital changes			
Increase in current assets		(32,989)	(3,608,654)
Increase / (decrease) in current liabilities		127,522	(1,796,831)
		94,533	(5,405,485)
Net cash inflow from operating activities		15,948,144	20,056,236
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of short term investments - net		(20,000,000)	(45,000,000)
Acquisition of fixed assets		(8,584,057)	(867,761)
Profit received on investments		12,060,339	28,250,860
Proceeds from disposal of fixed assets		1,285,000	-
Net cash used in investing activities		(15,238,718)	(17,616,901)
NET INCREASE IN CASH AND CASH EQUIVALENTS		709,426	2,439,335
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		45,502,136	43,062,801
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	46,211,562	45,502,136

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

Zamir A. Chohan
MANAGING TRUSTEE

Fatima Agha
TRUSTEES

[Signature]
HONORARY TREASURER

BAIT-UL- SUKOOON
STATEMENT OF CHANGES IN ACCUMULATED FUND
AS AT YEAR 30 JUNE 2016

	Restricted Endowment	Restricted Building Fund	General Fund	Accumulated Surplus	Total
	----- (Rupees) -----				
Balance as at 1 July 2014	229,000,000	96,711,920	37,977,129	-	363,689,049
Surplus for the year	-	-	-	55,218,526	55,218,526
Transfer of surplus of income over expenditure	51,000,000	-	4,218,526	(55,218,526)	-
Surplus as at June 30, 2015	280,000,000	96,711,920	42,195,655	-	418,907,575
Surplus for the year	-	-	-	39,659,058	39,659,058
Transfer of surplus of income over expenditure	20,000,000	-	19,659,058	(39,659,058)	-
Balance as 30 June 2016	<u>300,000,000</u>	<u>96,711,920</u>	<u>61,854,713</u>	<u>-</u>	<u>458,566,633</u>
					₹44

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

Kamish A. Ibrahim
MANAGING TRUSTEE

Fatima Agha
TRUSTEE

[Signature]
HONORARY TREASURER

BAITUL SUKOOK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. NATURE OF ACTIVITIES

Bait-ul-Sukoon (the Trust) is a non-profitable hospital registered in Pakistan on March 10, 1999 under the Trust Act, 1882. The Trust is situated at S.N.P.A. 17-J, Block-3, K.C.H.S. Union, Karachi.

The objective of the Trust is to provide curative and palliative management of cancer patients.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with guidelines for Accounting and Financial Reporting by Non-Government Organization (NGOs) / Non-Profit Organization (NPOs) as issued by the Institute of Chartered Accountants of Pakistan.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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

3.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Trust's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

3.3 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except leasehold land, which is stated at cost.

Depreciation on property and equipment is charged to income and expenditure account applying the straight-line method at the rates specified in note 4.1 to the financial statements, whereby the cost of an asset is written off over its estimated useful life. The asset's useful life is reviewed, and adjusted if appropriate, at each balance sheet date.

Maintenance and normal repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalised.

Gain and loss on disposal of fixed asset is included in income and expenditure account currently.

Depreciation on additions is charged to the income and expenditure account from the year in which the asset is put to use while no depreciation is charged in the year in which the assets are disposed off.

3.4 Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. All intangible assets are amortised using straight-line method over their estimated useful lives from the month the asset is available for use.

Intangible assets are amortized using straight-line method over the period of three years. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

3.5 Stock in hand

Stock in hand includes medicines, stationary and supplies. Cost of stock in hand is recorded using first-in first-out method. These are valued at lower of cost and net realizable value. Net realizable value represents estimated selling prices in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

3.6 Investments

3.6.1 Available for sale

Investments have been classified as "Available for Sale". All investments are initially recognised at cost, being the fair value of the consideration given. Subsequent to initial recognition, available for sale investments are measured at fair value subject to a review for impairment at each balance sheet date. Fair value is determined by reference to quoted market price.

Any gain or loss from a change in the fair value of investments available for sale is recognised directly in equity until the investment is derecognised or is determined to be impaired, at which time cumulative gain or loss previously recognised in equity is taken to the income and expenditure account.

3.6.2 Held-to-maturity

Investments with fixed maturity, where the management has both the intent and ability to hold till maturity, are classified as held-to-maturity.

After initial recognition, such investments are carried at amortized cost less any provision for impairment.

Premiums and discounts on investments are amortized on a straight line basis over the tenure of the investment.

Provision for diminution in the value of securities is made after considering impairment, if any, in their value and charged to income and expenditure account.

3.6.3 Fair value through profit and loss

These are securities, which are either acquired for generating a profit from short-term fluctuations in market prices, interest rate movements, dealers margins or are securities included in a portfolio in which a pattern of short-term trading exists.

After initial recognition, such investments are carried at fair value and any changes in the fair value of the assets are immediately recognized in the income and expenditure account of the period.

3.7. Impairment

Assets are periodically reviewed for impairment particularly whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognized in income and expenditure account.

3.8. Financial Instruments

All the financial assets and financial liabilities are recognised at the time when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cashflows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to the income and expenditure account in the period in which it arises.

3.9. Taxation

The trust is exempt from income tax under section 100(C) of the Income Tax Ordinance, 2001.

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3.10. Provisions

Provisions are recognized in the balance sheet when the Trust has a present legal or constructive obligation as a result of past events and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made.

3.11 Staff retirement benefits

Each employee is entitled to a month gross salary as gratuity for each year of service or any part thereof. The period of service and amount of gratuity will be frozen for each completed year of service or any part thereof. No mark-up will be paid on frozen amount of gratuity.

3.12 Deferred capital grant

Deferred capital grant represents the donations received in kind for capital expenditure which are amortized over the useful life of such assets.

3.13 Fund account**3.13.1 Endowment fund**

Endowment fund comprises of donations and amounts transferred from other funds. These are to be invested as per the decisions of the Trustees in fixed measurable securities.

3.13.2 Building Fund

The Trust was constructing a building for its terminally ill cancer patients and was collecting funds for this purpose. The amounts received were only used for construction of building and purchase of equipment and furniture. In 2008 the construction of the building was completed.

3.13.3 General Fund

Any excess of income over expenditure which is not transferred to Endowment or Building Fund is taken to the General Fund.

3.14 Revenue recognition**3.14.1 Donation in cash / cheque**

Donations are recorded as income in the income and expenditure account when received.

3.14.2 Donations in kind

Donations received as medicines, food and other consumables are recognized as income in the income and expenditure account when they are received.

3.14.3 Other revenue

Return on bank deposits and investments are recorded on accrual basis.

Income on Term Deposit is recognized at the rate of return implicit in the instrument on a time proportionate basis.

Gains / (losses) arising on sale of investment are included in the income and expenditure on the date at which the transaction takes place.

3.15 Cash and cash equivalents

Cash and Cash equivalents include cash in hand, cash at bank fixed deposit accounts and term deposit accounts having maturity of 3 months and less.

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	Note	2016 Rupees	2015 Rupees
4. FIXED ASSETS			
Property ,Plant and Equipment	4.1	48,423,192	43,491,817
Intangibles Assets	4.2	-	-
		<u>48,423,192</u>	<u>43,491,817</u>

2016	COST		ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE	Depreciation Rate %
	As at July 01 2015	Additions / (Deletions)	As at June 30 2016	As at July 01 2015	Charge for the year / (Deletions)	As at June 30 2016	As at June 30 2016	
	(Rupees)							
Building	49,439,452	-	49,439,452	8,644,860	1,235,986	9,880,846	39,558,606	2.5
Leasehold land	330,000	-	330,000	-	-	-	330,000	-
Furniture and fixtures	8,333,350	806,087	9,139,437	8,228,819	211,324	8,440,143	699,294	20
Office and hospital equipment	42,495,121	3,831,430 (3,847,071)	42,479,480	40,238,801	1,410,397 (3,847,071)	37,802,127	4,677,353	20
Vehicle	660,550	3,946,540	4,607,090	654,176	794,975	1,449,151	3,157,939	20
	<u>101,258,473</u>	<u>8,584,057</u> <u>(3,847,071)</u>	<u>105,995,459</u>	<u>57,766,656</u>	<u>3,652,682</u> <u>(3,847,071)</u>	<u>57,572,267</u>	<u>48,423,192</u>	

2015	COST		ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE	Depreciation Rate %
	As at July 01 2014	Additions / (Deletions)	As at June 30 2015	As at July 01 2014	Charge for the year / (Deletions)	As at June 30 2015	As at June 30 2015	
	(Rupees)							
Building	49,439,452	-	49,439,452	7,408,874	1,235,986	8,644,860	40,794,592	2.5
Leasehold land	330,000	-	330,000	-	-	-	330,000	-
Furniture and fixtures	8,333,350	-	8,333,350	8,175,967	52,852	8,228,819	104,531	20
Office and hospital equipment	41,627,360	867,761	42,495,121	39,652,975	585,826	40,238,801	2,256,320	20
Vehicle	660,550	-	660,550	645,676	8,500	654,176	6,374	20
	<u>100,390,712</u>	<u>867,761</u>	<u>101,258,473</u>	<u>55,883,492</u>	<u>1,883,164</u>	<u>57,766,656</u>	<u>43,491,817</u>	

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2016	COST		ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE		Amortization Rate %
	As at July 01 2015	Additions	As at June 30, 2016	As at July 01 2015	Charge for the year	As at June 30 2016	As at June 30 2016	
	------(Rupees)-----							
Software	1,168,845	-	1,168,845	1,168,845	-	1,168,845	-	33
	<u>1,168,845</u>	<u>-</u>	<u>1,168,845</u>	<u>1,168,845</u>	<u>-</u>	<u>1,168,845</u>	<u>-</u>	

2015	COST		ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE		Amortization Rate %
	As at July 01 2014	Additions	As at June 30 2015	As at July 01 2014	Charge for the year	As at June 30 2015	As at June 30 2015	
	------(Rupees)-----							
Software	1,168,845	-	1,168,845	1,150,100	18,745	1,168,845	-	33
	<u>1,168,845</u>	<u>-</u>	<u>1,168,845</u>	<u>1,150,100</u>	<u>18,745</u>	<u>1,168,845</u>	<u>-</u>	

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	Note	2016 Rupees	2015 Rupees
15. PATIENT CARE EXPENSES			
Medical staff salaries and other benefits		16,117,557	15,494,104
Consultant's charges		590,340	515,555
Chemotherapy		23,365,336	24,191,362
Radiotherapy		9,583,200	7,429,100
Medicines		4,707,382	3,680,299
Operations		7,041,381	6,670,327
Patients' food		1,287,747	1,069,535
Patients' laundry		202,101	223,524
Ultrasound and X-ray		705,985	513,475
Laboratory		3,476,413	2,762,090
Oxygen cylinders utilized		227,550	104,300
		<u>67,304,992</u>	<u>62,653,671</u>
16. SUPPORT EXPENSES			
Support staff salaries and other benefits		4,730,982	4,460,761
Contract staff salaries		1,997,092	2,088,091
E.O.B.I contribution		349,020	312,960
SESSI contribution		280,000	280,000
Utilities		2,490,704	3,236,397
Conveyance & fuel		188,593	209,801
Courier charges		7,419	18,184
Rent, rates and taxes		-	79,589
Repair and maintenance		2,540,373	2,666,426
Stationery and office supplies		479,767	180,350
Printing		-	48,383
Auditors remuneration	16.1	140,560	124,500
Amortization of intangibles	4.2	-	18,745
Depreciation		3,652,682	1,883,164
Bank charges		45,957	48,533
Inventory written-down		59,248	1,430
Insurance		340,692	315,280
Advertisement		409,690	517,431
Others		132,233	361,841
		<u>17,845,012</u>	<u>16,851,866</u>
16.1 Auditors' remuneration			
Audit fee		115,560	104,500
Out of pocket expenses		25,000	20,000
		<u>140,560</u>	<u>124,500</u>
17. TAXATION			

The Trust is entitled to tax credit under section 100C of the Income Tax Ordinance, 2001 (the Ordinance). Accordingly, no tax would be due with the return of income for the year ended 30 June 2016.

The Trust is also exempt from minimum tax under section 113 of the Ordinance, in view of clause (11A) of Part IV of the second schedule to the Ordinance. Therefore no tax provision has been made in these financial statements

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	2016 Rupees	2015 Rupees
18. CASH AND CASH EQUIVALENTS		
In hand	30,000	30,000
With bank in saving accounts	6,181,562	5,472,136
Term Deposit Receipts (having maturity of 3 months)	40,000,000	40,000,000
	<u>46,211,562</u>	<u>45,502,136</u>

19. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 June 2016

20. CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged wherever necessary, for the purpose of comparison. Hence, there is no significant reclassification to report.

21. DATE OF AUTHORIZATION

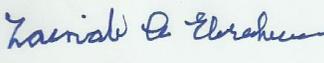
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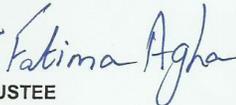
These financial statements were authorized for issue on _____ by the Trustees.

22. GENERAL

Figures have been rounded off to the nearest rupee.

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 MANAGING TRUSTEE


 TRUSTEE


 HONORARY TREASURER