

**THE NATIONAL INSTITUTE OF CHILD
HEALTH TRUST**

Financial Statements

For the year ended 30 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

We have audited the financial statements of **The National Institute of Child Health Trust** (the Trust), which comprise the balance sheet as at June 30, 2022 and the income and expenditure account, cash flow statement, statement of comprehensive income and statement of changes in fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Trustees is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board of Trustees 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, Board of Trustees is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.


As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Date: 11 January 2023
Karachi
UDIN: AR202210595aNz4ljSqp




M. AKHTAR & CO.
CHARTERED ACCOUNTANTS

Name of engagement partner: Mahmood Akhtar


The National Institute of Child Health Trust

Balance Sheet

As at 30 June 2022

	Note	2022 (Rupees)	2021 (Rupees)
GENERAL FUND	3	<u>27,413,096</u>	<u>29,443,104</u>
CURRENT LIABILITIES			
Creditors		968,450	4,887,112
Accrued Expenses		2,339,876	2,130,490
		3,308,326	7,017,602
		<u>30,721,422</u>	<u>36,460,706</u>
NON CURRENT ASSETS			
Fixed Assets - net	4	3,371,345	3,898,010
CURRENT ASSETS			
Cash and Bank Balances	6	23,755,927	28,958,517
Advances, Deposit & prepayments		3,300,362	2,571,408
Inventory		293,788	1,032,771
		27,350,077	32,562,696
NET ASSETS		<u>30,721,422</u>	<u>36,460,706</u>

These accounts should be read in conjunction with the attached notes.


HONORARY GENERAL
SECRETARY


TREASURER

The National Institute of Child Health Trust
Income and Expenditure Account

For the year ended 30 June 2022

	Note	2022 (Rupees)	2021 (Rupees)
INCOME			
Donation		32,771,375	73,880,354
Zakat		14,864,398	13,876,490
Donation in Kind		-	52,447
Profit on bank deposits		802,429	503,820
		<u>48,438,202</u>	<u>88,313,111</u>

OPERATING EXPENSE


Donation in kind to National Institute of Child Health	7	10,185,003	47,203,955
Medical Support		9,422,889	5,973,403
Scholarships to students		153,300	109,050
Advertising & Marketing		3,993,800	3,960,000
Salaries and Wages		21,379,463	24,014,780
		<u>45,134,455</u>	<u>81,261,188</u>

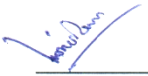
ADMINISTRATIVE EXPENSE

Salaries and Wages	2,771,600	2,771,600
General Expenses	58,707	183,220
Communication	267,288	229,140
Fuel & Conveyance	109,495	64,954
Legal & Professional	341,800	293,535
Food & Entertainment	26,220	860,604
Symposium Expense	194,780	475,000
Printing and Stationery	366,845	726,695
Repairs & Maintenance	193,200	1,601,584
Postage & Courier	81,531	169,209
Depreciation Expense	706,665	906,152
Bank Charges	110,856	123,201
Tax Expense	53,618	134,300
Computer Expense	51,150	265,932
	<u>5,333,755</u>	<u>8,805,126</u>

(Deficit) transferred to the General Fund	<u>(2,030,008)</u>	<u>(1,753,203)</u>
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These accounts should be read in conjunction with the attached notes.



**HONORARY GENERAL
 SECRETARY**


TREASURER

The National Institute of Child Health Trust
Statement of comprehensive income

As at 30 June 2022

	2022 (Rupees)	2021 (Rupees)
Net (Deficit) for the year	(2,030,008)	(1,753,203)
Total comprehensive income for the year	<u><u>(2,030,008)</u></u>	<u><u>(1,753,203)</u></u> <i>lll</i>



HONORARY GENERAL
SECRETARY



TREASURER

The National Institute of Child Health Trust

Cash Flow Statement

For the year ended 30 June 2022

	2022 (Rupees)	2021 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) for the year	(2,030,008)	(1,753,203)
Adjustments for non cash items:		
Depreciation	706,665	906,152
(Deficit) before changes in working capital	(1,323,343)	(847,051)
Working capital changes		
(Decreases) / Increases in current liabilities	(3,709,276)	3,609,916
Decreases in current assets	10,029	687,756
	(3,699,247)	4,297,672
Net cash flow from operating activities	(5,022,590)	3,450,621
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure - net	(180,000)	(3,167,275)
Net outflow from investing activities	(180,000)	(3,167,275)
Net (decreases) / increase in cash and cash equivalents	(5,202,590)	283,346
Cash and cash equivalents at the beginning of the year	28,958,517	28,675,171
Cash and cash equivalents at end of the year	23,755,927	28,958,517

These accounts should be read in conjunction with the attached notes.


HONORARY GENERAL
SECRETARY


TREASURER

The National Institute of Child Health Trust

Statement of changes in Fund

As at 30 June 2022

	General Fund (Rupees)
Balance as at June 30, 2020	31,196,307
Net (Deficit) for the year	(1,753,203)
Balance as at June 30, 2021	<u><u>29,443,104</u></u>
Net (Deficit) for the year	(2,030,008)
Balance as at June 30, 2022	<u><u>27,413,096</u></u> <i>lll</i>

HONORARY GENERAL
SECRETARY

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TREASURER

The National Institute of Child Health Trust

Notes to the Accounts

For the year ended 30 June 2022

1. STATUS AND NATURE OF OPERATIONS

The National Institute of Child Health Trust (the NICH Trust) was incorporated on 06 May 2014 in Karachi. The NICH Trust primarily helps the National Institute of Child Health Karachi (a hospital set up / administered by government) by providing lifesaving medicines, human resource and equipment, capacity enhancement and assistance in provision of speciality healthcare services.

The management, finances and operations of the trust is independent of the National Institute of Child Health.

2. ACCOUNTING POLICIES

2.1 Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention.

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan.

2.2 Income Recognition

Donations are recognized as and when such donations are received.

2.3 Fixed Assets

These are stated at written down value. Depreciation is charged to income applying the written down value method. Full year's depreciation is charged in the year of purchase whereas no depreciation is charged in the year of sale.

2.4 Cash and Cash Equivalentents

Cash and cash equivalentents include cash at bank in current account.

3. GENERAL FUND

	2022 (Rupees)	2021 (Rupees)
Opening Balance	29,443,104	31,196,307
(Deficit) / Surplus for the year	(2,030,008)	(1,753,203)
Balance as at 30 June	<u>27,413,096</u>	<u>29,443,104</u>

4 FIXED ASSETS

(Rupees)

Particulars	COST		DEPRECIATION			Rate	Written Down Value as at 30 June 2022	
	As at 01 July 2021	Additions	As at 30 June 2022	As at 01 July 2021	For the year			As at 30 June 2022
Leasehold Improvements	2,578,150		2,578,150	257,815	232,033	489,848	10%	2,088,302
Electrical & Office Equipm	2,992,680		2,992,680	2,193,249	199,858	2,393,107	25%	599,573
Computer Equipment	1,705,222	180,000	1,885,222	1,053,968	249,376	1,303,344	30%	581,878
Furniture & Fixtures	310,035	-	310,035	183,045	25,398	208,443	20%	101,592
2022	7,586,087	180,000	7,766,087	3,688,077	706,665	4,394,742		3,371,345

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5. Construction Work In Progress

This represent amount incurred on the construction and development work of Medical ICU for National Institute of Child Health. The work started in June 2017 and has been completed in August 2018. The medical ICU and all related equipments were then transferred to / donated as a donation from the Trust.

6. CASH AND BANK BALANCES

	2022 (Rupees)	2021 (Rupees)
Cash in hand	-	3,000
Cash at bank – in current account	23,755,927	28,955,517
	<u>23,755,927</u>	<u>28,958,517</u>

7. DONATION IN KIND TO National Institute of Child Health

In August 2018 and as mentioned in Note # 5 the medical ICU and all related equipments including ventilators, patient monitors with central monitoring facility, paperless X-ray system, blood gas analyzers and a point of care ultrasound, all housed within the ICU, were transferred / donated as a donation from the Trust.

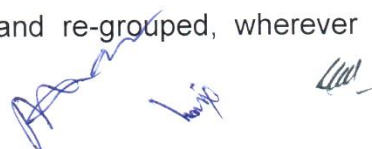
This year we directly donated equipments including incubators, ventilators, biological safety cabinet, medical refrigerator, dialysis machine, customized medicine trollies, parameter monitors, ECG machine, Defibrillator machine, computerized radiography CR system, portable ultrasound and portal x-ray machine to medical ICU, COVID-19 ICU, Neonatology and Pharmacy departments. Further completes system and fitting of Medical gas pipeline system for COVID-19 ICU and renovation of faculty room at NICH.

8. TAXATION

The Trust, being a welfare organization, under section 2(36) and the income is subject to 100% tax credit under section 100C of the Income Tax Ordinance. Further, turnover tax is also not applicable in terms of Clause 11A of Part IV to the Second Schedule of the Ordinance.

9. GENERAL

9.1 Previous year's figures have been re-arranged and re-grouped, wherever necessary, for the purposes of comparison.



9.2 These financial statements were authorised for issue in the Trustees meeting held on 11 July 2024 .

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Adam

**HONORARY GENERAL
SECRETARY**

John

TREASURER