PAKISTAN KIDNEY INSTITUTE Audited Financial Statements For the year ended 30th JUNE 2024



NASIR JAVAID MAQSOOD IMRAN Chartered Accountants

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Independent Auditor's Report to the Trustees

Opinion

We have audited the financial statements of PAKISTAN KIDNEY INSTITUTE (the project) which comprise the statement of financial position as at 30th June 2024, and the Statement of income and expenditure 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, and or give a true and fair view of the financial position as at 30th June 2024 and its financial performance 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.

Management's Responsibilities

The Management 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 Management determine(s) is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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.

Boards of Trustees are responsible for overseeing the Trust financial reporting process

Auditor's Responsibilities

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.

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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's 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 Board of Trustees 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: 13 Occumber 2024

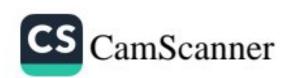
Place: Islamabad

UDIN# AR202410163i2R4HdqUX

Nasir Javaid Magsood Imran

Chartered Accountants

Imran ul Haq, FCA





PAKISTAN KIDNEY INSTITUTE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	NOTE	2024 (Rupees)	2023 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	3	15,891,741	15,509,977
Long term investments	4	44,862,660	37,481,940
		60,754,401	52,991,917
CURRENT ASSETS			
Advances against expenses	5 Γ	30,000	1,846,594
Withholding tax	6 7	2,478,004	1,574,204
Stock	7	17,495,634	18,239,714
Recievables		3,820,345	3,849,768
Bank balances-deposit accounts	8	14,272,923	26,300,628
		38,096,905	51,810,908
TOTAL ASSETS	-	98,851,305	104,802,825
FUND AND LIABILITIES			
FUND			
General fund	9	91,723,934	93,548,650
CURRENT LIABILITIES			
Accrued and other liabilities	10	7,127,371	10,117,298
Provision for taxation		•	1,136,877
TOTAL FUND AND LIABILITIES	_	98,851,305	104,802,825
			-7

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

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PAKISTAN KIDNEY INSTITUTE STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
	NOTE	Rupees	Rupees
INCOME			
INCOME			
Donations	11	50,796,071	72,304,012
Patient income		1,057,686	2,913,749
Other income	12	1,093,796	775,904
Gross profit/(loss) from sale of Medical Surgical Supplies	13	(2,016,773)	1,512,192
, , , , , , , , , , , , , , , , , , , ,		50,930,780	77,505,857
EXPENDITURE			
Salaries, allowances and other benefits	r	7,423,333	7,778,665
Patient care expenses	1	29,916,517	19,267,071
Printing and stationery		321,808	344,721
Conveyance & Transportation		23,920	37,196
		8,750	28,970
Telephone charges		97,910	33,127
Postage and communication		95,000	80,000
Auditors' remuneration		75,000	18,792,908
Flood Relief Expense			94,485
Residiency Program		10 140 640	
Turkiya / Syria Earthquake Relief Expense		19,140,640	51,510

Auditors' remuneration	95,000	80,000
Flood Relief Expense	.	18,792,908
Residiency Program	- 1	94,485
Turkiya / Syria Earthquake Relief Expense	19,140,640	51,510
Consultancy charges	80,000	-
Depreciation	1,929,710	1,848,415
Amortization	54,326	67,908
Computer and website expenses	50,340	114,599
Insurance	374,131	-
Internet Expenses	39,182	33,140
Bank charges	145	3,045
Entertainment	9,655	22,110
Repair and maintenance	221,194	196,650
Software development expense	120,000	-
EOBI Expense	133,550	122,500
Miscellaneous	96,105	92,390
	60,136,216	49,009,410
Profit(Loss)/ Before Taxation	(9,205,436)	28,496,447
Taxation - Current	-	(1,136,877)

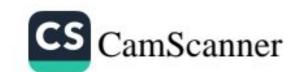
(Deficit)Surplus/ After Taxation transferred to General Fund (9,205,436) 27,359,570

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

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PRESIDENT

TRUSTEE





PAKISTAN KIDNEY INSTITUTE NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2024

1 THE INSTITUTE AND ITS ACTIVITIES

Pakistan Kidney Institute is registered under the Societies Registration Act 1860. The objectives of the institute are to find, build, aid, assist, set up, manage, maintain, own, administer, and run hospitals, medical centers and institutions, laboratories, centers of learning and other institutions for studies and research in the field of medicine.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation

(a) Statement of Compliance

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

Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

(b) Accounting Convention

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

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets. However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

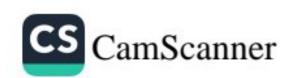
2.3 Foreign exchange

Foreign currency transactions are recorded at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into Pak rupees using exchange rates applicable at the balance sheet date. All gains and losses on settlement and translation at year end are recognised in the income and expenditure account.

2.4 Operating fixed assets

Cost

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises acquisition and other directly attributable cost of bringing the asset to working condition. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Project and the cost of the item can be measured reliably.





Depreciation

Depreciation is charged to income and expenditure account on reducing balance method. Depreciation on additions to operating fixed assets are charged on full year basis.

Derecognition

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income and expenditure account in the year the asset is derecognized.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. Gains and losses on disposal of fixed assets are included in income and expenditure account currently.

Maintenance and repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized and the asset so replaced, if any, are written off. Gains and losses on disposal of assets, if any, are included in income and expenditure account currently.

2.5 Investments

Classification of investment is made on the basis of intended purpose for holding such investment.

Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "investment at fair value through profit and loss" which is initially measured at fair value.

a) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of changes in general fund until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of changes in general fund is included in income and expenditure account.

2.6 Impairment of assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of operating fixed assets, long term investments. In the event that an asset's carrying amount exceeds its recoverable amount and an impairment loss is recognised in the income and expenditure account. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation), had no impairment losses been recognised for the asset in the prior years. Reversal of impairment loss is restricted to the original cost of the asset.

2.7 Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transactions will flow to the project and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

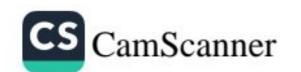
- (i) Donations and patient income are recognized on actual receipt basis;
- (ii) Return on long term investment and return on bank deposits are recognized on accrual basis.

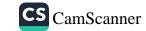
2.8 Other receivables

Other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of debt becomes doubtful a provision is made and charged to the income and expenditure account.

2.9 Accrued and other liabilities

Accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.





2.10 Provisions

Provisions are recognized when the Project has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made of the amount of obligation.

2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximates to its fair value. For the purpose of cash flow statement, cash and cash equivalents comprise cash with banks on current and deposit accounts.

2.12 Stock

All stocks are stated at lower of cost and net realizable value. Cost is determined on FIFO basis.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

2.13 Taxation

Income of trust is subject to tax credit under section 100(c) of income tax ordinance 2001, since it is an approved non-profit organization under section 2(36) of income tax ordinance, 2001. Tax provision is made after taking into consideration the tax credits and rebates, if any.

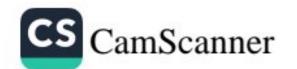


	Medical Equipment	Furniture and fixture	Computer	Software	Total	
			Rupees			
Year ended 30 June 2023						
Opening net book value	14,189,875	427,885	443,060	121,720	15,182,540	
Addition	1,782,440	79,000	164,500	217,820	2,243,760	
Depreciation charge	(1,597,232)	(50,689)	(200,495)	(67,908)	(1,916,323)	
Closing net book value	14,375,084	456,197	407,065	271,632	15,509,977	
At 30 June 2023						
Cost	24,573,796	605,914 0	1,060,282	396,820	26,636,812	
Accumulated depreciation	(10,198,713)	(149,718)	(653,217)	(125,188)	(11,126,835)	
Net book value	14,375,084	456,197	407,065	271,632	15,509,977	
Year ended 30 June 2024						
Opening net book value	14,375,084	456,197	407,065	271,632	15,509,977	
Addition	1,815,800	221,000	329,000		2,365,800	
Depreciation charge	(1,619,088)	(67,720)	(242,902)	(54,326)	(1,984,036)	
Closing net book value	14,571,795	609,477	493,164	217,306	15,891,741	
At 30 June 2024						
Cost	26,389,596	826,914	1,389,282	396,820	29,002,612	
Accumulated depreciation	(11,817,801)	(217,437)	(86,118)	(179,514)	(13,110,871)	
Net book value	14,571,795	609,477	493,164	217,306	15,891,741	r.
				3		4
Annual rate of depreciation (10	10	33	20		

PAKISTAN KIDNEY INSTITUTE NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2024

		Notes	2024 Rupees	2023 Rupees
4	LONG TERM INVESTMENT			1.5375 . 5335.
	Avaiable for sale			
		81	27 (01 040]	74.01.C040
	Cost/Carrying value Unrealised Gain/(Loss)	4.1	37,481,940 7,380,720	54,816,840 (17,334,900)
	United Gail/(Loss)	4.1	44,862,660	37,481,940
4.1				
	It represent 306,000 ordinary shares of Shifa International Hospital	s Ltd. 300,00	0 were received as a donation	previously and 6,000
	ordinary shares as a bonus shares in 2022. Fair value of these share	s is Rs. 146.6	1 (2023: Rs.122.49).	
5	Advances			
U	Advance against expenses		30,000	1,846,594
			30,000	1,846,594
6	Withholding tax			
	Withholding tax opening balance		1,574,204	863,044
	With held during the year		2,040,677	1,197,604
	-Prior		1,136,877	106 111
	-Adjustment		1,130,677	486,444
			1,136,877	486,444
			2,478,004	1,574,204
7	Cost of Goods sold			
	Onesina Inventore		18,239,714	0.260.816
	Opening Inventory Purchases		37,741,515	9,260,816 39,180,024
	Closing Inventory		(17,495,634)	(18,239,714)
			38,485,595	30,201,126
8	Bank Balances		125 400	
	Foreign currency accounts		135,499 14,137,424	98,819
	Local currency accounts		14,137,424	26,201,809 26,300,628
			11,272,725	20,500,020
9	General Fund			
	Opening Balance		93,548,650	83,523,980
	Surplus/(Deficit) for the year		(9,205,436)	27,359,570
	Adjustment (Loss)/Surplus arsising on remeasurement of investment to fair val		7,380,720	(17.224.000)
	Closing Balance	uc	91,723,934	93,548,650
	Closing Dalance		72,720,704	70,040,030
10	Accrued and other Liabilities			
10	Audit Fee Payable		95,000	80,000
	EOBI Payable		1,720	1,080
	Others		6,647,716	9,881,585
	Income Tax Payable		382,935	154,633
			7,127,371	10,117,298
				~







		2024	2023
		Rupees	Rupees
11	Donations	50 FOC 071	20 401 045
	Patient care	50,796,071	30,481,845
	Flood Relief Donation	-	18,715,917
	Donation-Turkiya/Syriya Earthquake	50 704 071	23,106,250
		50,796,071	72,304,012
12	OTHER INCOME		
	Profit on deposit accounts	139,116	316,904
	Exchange Gain	36,680	-
	Dividend from Shifa Hospital	918,000	459,000
	Dividend from omia reoptial	1,093,796	775,904
13	Medical Surgical Supplies Income		
	Income from Medical Surgical supplies	36,468,822	31,713,318
	Less: Cost of sales	(38,485,595)	(30,201,126)
	Gross loss	(2,016,773)	1,512,192
	0.000 1000		
)			12002
		2024	2023
14	Number of employees		
	Average during the period	11 .	13
	As at 30 June 2024	11	11
15	DATE OF AUTHORIZATION FOR ISSUE		
	These financial statements were authorized for issue on	by the Board of Trustees of the Foun	dation.
			at
16	CORRESPONDING FIGURES		
	No significant reclassification / rearrangement of corresponding f	igures has been made.	
17	GENERAL		

PRESIDENT

Figures have been rounded off to the nearest Rupee.

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