

# **BIN QUTAB FOUNDATION**

## **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**

**ILYAS SAEED & CO.**  
CHARTERED ACCOUNTANTS  
A member of

**mgeworldwide** 

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PH: (+92) 42 - 35868849 & 42 - 35861852, FAX: (+92) 42 - 35856145

## **ORGANIZATIONAL INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Muhammad Bashir Malik  
Mr. Muhammad Touqeer Malik  
Mr. Muhammad Tanveer Malik  
Mr. Faisal Mehmood Malik  
Mr. Justice (Retd) Fazal Meran Chohan  
Dr. Sadaf Nisar  
Dr. Saba Pervaiz  
Dr. Muhammad Ajmal Nasir  
Dr. Riaz Ahmad Raja

### **CHIEF EXECUTIVE**

Mr. Muhammad Touqeer Malik

### **COMPANY SECRETARY**

Mr. Muhammad Usman

### **CHIEF FINANCIAL OFFICER**

Mr. Abdul Aleem

### **AUDITORS**

ILYAS SAEED & CO.  
(Chartered Accountants)

### **PRINCIPAL BANKERS**

United Bank Limited  
Bank Alfalah Limited Islamic Banking

### **REGISTERED ADDRESS**

407-A-1, Near Lahore Grammar School, Ghalib Market, Gulberg III, Lahore.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF BIN QUTAB FOUNDATION**  
**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the annexed financial statements of Bin Qutab Foundation (the Foundation), which comprise the statement of financial position as at June 30, 2022 and the related statement of income and expenditure, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2022 and of the deficit, the changes in funds and its' cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with 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 Foundation 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.

**Information Other Than The Financial Statements And Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises of the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so,

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consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We were not provided with any other information; whatsoever, and thus, we have nothing to report in this regard.

### **Responsibilities Of Management And Board of Directors For The Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Foundation'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 the 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 the 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 Foundation's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Foundation'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 Foundation 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 the Board of Directors 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.

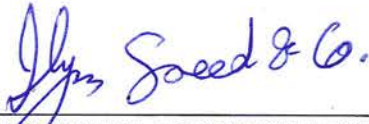
#### **Report On Other Legal And Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980(XVIII of 1980).

#### **Other Matter**

Engagement partner on the audit resulting in this independent auditor's report is Imran Ilyas.

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**CHARTERED ACCOUNTANTS**  
LAHORE: 05-12-2022  
UDIN: AR202210247G9fkHaS06





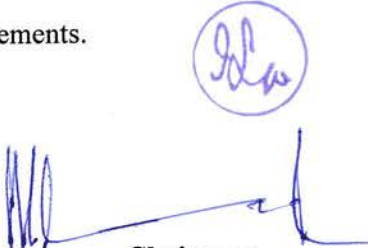
**BIN QUTAB FOUNDATION  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2022**

PARTICULARS	NOTE	2022	2021
		RUPEES <u>Unrestricted</u>	RUPEES <u>Unrestricted</u>
<b>INCOME</b>			
Donations / receipts	14	86,954,464	80,973,917
Other receipts	15	1,796,707	2,267,298
		<b>88,751,170</b>	<b>83,241,215</b>
<b>EXPENDITURE</b>			
Operating expenses	16	(81,560,068)	(65,872,404)
Administrative expenses	17	(14,141,649)	(8,456,654)
Finance costs	18	(265,460)	(183,748)
		<b>(95,967,177)</b>	<b>(74,512,806)</b>
Other income	19	649,895	-
<b>(DEFICIT) / SURPLUS FOR THE YEAR</b>		<b><u>(6,566,111)</u></b>	<b><u>8,728,409</u></b>

The annexed notes from (1) to (27) form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

**BIN QUTAB FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022**

<b>ASSETS</b>	<b>NOTE</b>	<b>2022 RUPEES</b>	<b>2021 RUPEES</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment - unrestricted	4	121,835,317	107,857,191
Intangible assets	5	576,598	526,500
Capital work in progress - unrestricted	6	5,443,086	23,498,317
Long term deposits	7	176,600	76,600
		<b>128,031,602</b>	<b>131,958,608</b>
<b>CURRENT ASSETS</b>			
Loans and advances - unsecured	8	9,824,391	3,102,971
Advance income tax	9	250,190	209,057
Cash and bank balances	10	12,177,289	21,845,256
		<b>22,251,869</b>	<b>25,157,284</b>
<b>TOTAL ASSETS</b>		<b>150,283,471</b>	<b>157,115,892</b>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
General / unrestricted fund	SOCF	135,355,043	138,599,114
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities	11	13,778,428	16,640,950
Short term borrowings	12	1,150,000	1,875,828
		<b>14,928,428</b>	<b>18,516,778</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>150,283,471</b>	<b>157,115,892</b>

The annexed notes from (1) to (27) form an integral part of these financial statements.

**Chief Financial Officer**

**Chief Executive Officer**

**Chairman**

**BIN QUTAB FOUNDATION  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>PARTICULARS</b>	<b>GENERAL FUND RUPEES <u>Unrestricted</u></b>	<b>CAPITAL FUND RUPEES <u>Unrestricted</u></b>	<b>TOTAL RUPEES <u>Unrestricted</u></b>
Balance as at July 01, 2020	112,395,438	16,153,061	128,548,499
Addition during the year (in kind)	1,322,206	-	1,322,206
Surplus for the year	8,728,409	-	8,728,409
Balance as at June 30, 2021	<u>122,446,053</u>	<u>16,153,061</u>	<u>138,599,114</u>
Balance as at July 01, 2021	<b>122,446,053</b>	<b>16,153,061</b>	<b>138,599,114</b>
Addition during the year (in kind)	<b>3,322,040</b>	-	<b>3,322,040</b>
(Deficit) for the year	<b>(6,566,111)</b>	-	<b>(6,566,111)</b>
<b>BALANCE AS AT JUNE 30, 2022</b>	<b><u>119,201,982</u></b>	<b><u>16,153,061</u></b>	<b><u>135,355,043</u></b>

The annexed notes from (1) to (27) form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman





**BIN QUTAB FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>PARTICULARS</b>	<b>NOTE</b>	<b>2022 RUPEES</b>	<b>2021 RUPEES</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Deficit) / surplus for the year		(6,566,111)	8,728,409
Adjustments for:			
Depreciation for the year		11,137,788	10,298,540
Amortization for the year		77,222	58,500
Gain on disposal of vehicle		(632,944)	-
Cash flow before changes in working capital		4,015,954	19,085,449
Working capital changes:			
(Increase) / decrease in Loans and advances		(6,721,420)	(2,065,962)
(Decrease) / increase in Creditors and other accruals		(2,862,522)	11,148,126
Net working capital changes		(9,583,942)	9,082,164
Cash flow from operations		(5,567,988)	28,167,613
Taxes paid - net		(41,132)	(185,953)
<b>Net cash flows from operating activities</b>		<b>(5,609,119)</b>	<b>27,981,660</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed assets purchased		(2,464,580)	(13,884,241)
Additions in intangible assets		(127,320)	-
Proceeds from disposal of vehicle		1,075,000	-
Capital work in progress		(5,038,160)	(5,532,817)
Long term deposits		(100,000)	-
<b>Net cash flows from investing activities</b>		<b>(6,655,060)</b>	<b>(19,417,058)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Donations received during the year		3,322,040	1,322,206
(Decrease) / increase in short term financing		(725,828)	(300,000)
<b>Net cash flows from financing activities</b>		<b>2,596,212</b>	<b>1,022,206</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(9,667,967)</b>	<b>9,586,808</b>
<b>Cash and cash equivalents at the start of the year</b>		<b>21,845,256</b>	<b>12,258,448</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>12,177,289</b>	<b>21,845,256</b>

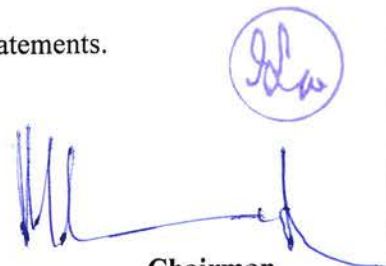
The annexed notes from (1) to (27) form an integral part of these financial statements.



**Chief Financial Officer**



**Chief Executive Officer**



**Chairman**

**BIN QUTAB FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 LEGAL STATUS AND OPERATIONS**

Bin Qutab Foundation (the 'Foundation') was incorporated on June 12, 2007 as an association under section 42 of the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017). The registered office of the Foundation is situated at 407-A-1, Gulberg-III, Lahore. The main object of the Foundation is to aid, assist, set up, maintain, administer and run hospitals, nursing homes, mother & child care centers, clinics, dispensaries, immunization and vaccination centers and places of medical aid, convalescent homes, family planning centers, x-ray clinics, radio therapy centers, pathological and clinical laboratories, blood banks, eye banks or other centers connected with the care of the human body. Currently, the Foundation is running "Begum Noor Memorial Hospital (BNMH)" in Chakwal. The area of land on which the hospital is situated is 15 Kanals. The hospital is duly registered under the Punjab Health Care Commission. The Foundation obtained license to operate as a non-profit-organization from the Securities and Exchange Commission of Pakistan which was valid till 31-12-2020. The Foundation applied for renewal of license however, the Securities and Exchange Commission of Pakistan vide Notification # S.R.O. 1574(1)/2021 dated November 29, 2021 made the amendments to the Association with Charitable and Not For Profit Objects Regulations, 2018 and according to the said Notification, license once granted according to section 42 of the Companies Act, 2017, is no more required to be renewed.

**2 STATEMENT OF COMPLIANCE**

**2.1** These financial statements have been prepared in accordance with the Approved Accounting Standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards and the Accounting Standards for Not For Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017 (the Act) and the provisions of and directives issued under the Companies Act, 2017. Where provisions of and / or directives issued under the Companies Act, 2017 differ from the requirements of IFRSs, the provisions of or directives issued under the Companies Act, 2017 have been followed.

**2.2 NEW AND AMENDED STANDARDS AND INTERPRETATIONS BECOME EFFECTIVE**

The following revised standards, amendments and interpretations with respect to the approved accounting standards, as applicable in Pakistan, become effective during current year:

IFRS 16 – Leases - Annual Improvements to IFRS Standards 2018-2020.

However, this adoption has no impact on the financial statements of the Foundation.





**2.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

The following standards, amendments and interpretations with respect to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IAS 1 – Presentation of Financial Statements – definition of 'material' and classification of liabilities	01 January 2023
IAS 1 – Classification of liabilities as current and non current- Deferral to Effective date Amendments to IAS 01	01 January 2023
IAS 8 – Amended by Definition of Accounting Estimates – Amendments to IAS 8	01 January 2023
IAS 16 – Amended by property, plant and equipment — Proceeds before Intended Use	01 January 2022
IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – costs to include when assessing whether a contract is onerous (Amendments)	01 January 2022
IFRS 1 – First-time Adoption of International Financial Reporting Standards – Annual Improvements to IFRS Standards 2018–2020)	01 January 2022
IFRS 3 – Business Combination – Amendments to clarify reference to the Conceptual Framework	01 January 2022
IFRS 4 – Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9	01 January 2023
IFRS 9 – Financial Instruments – Annual Improvements to IFRS Standards 2018–2020 (Amended)	01 January 2022

**2.3.1** In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB during previous years. Such improvements are generally effective for accounting periods beginning on or after January 01, 2022 and January 01, 2023 respectively. The Foundation expects that such improvements to the standards will not have any significant impact on the Foundation's financial statements in the period of initial application or thereafter.

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IFRS - 17 - Insurance Contracts	01 January 2023

The Foundation expects that the adoption of the above standard will have no material effect on the Foundation's financial statements.



### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies / notes. These accounts have been prepared under accrual basis of accounting except for cash flow information.

The preparation of financial statements is in conformity with the requirements of International Financial Reporting Standards for Not For Profit Organization (IFRS for NPOs) as issued by the International Accounting Standards Board (IASB) as notified by the Securities & Exchange Commission of Pakistan as adopted by the Institute of Chartered Accountants of Pakistan.

#### **3.1 ESTIMATES & JUDGMENTS**

These standards require the 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 apparent 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 recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, amortization and provision for taxation. However, assumptions and judgments made by 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 next year.

#### **3.2 PROPERTY, PLANT & EQUIPMENT**

##### **3.2.1 OWNED**

All the Property, Plant and Equipment have been valued at cost less accumulated depreciation and accumulated impairment losses (if any) except Freehold Land and Capital Work In Progress which are stated at cost. Cost includes purchase price and all incidental expenses incurred up to the date the asset is put to use. The Capital Work In Progress is transferred to fixed assets as and when assets are available for intended use. All expenses including borrowing costs, if any, as per IAS-23, will be capitalized at the time when these assets will start commercial production.



**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

Depreciation on property, plant and equipment is charged as an expense on reducing balance method over its estimated useful life so as to write off the historical cost of an asset at the rates specified. Depreciation on additions is charged on the basis of number of months commencing from the month at which assets becomes available for use, while on disposals, depreciation is charged up to the month of deletion. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

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 Foundation and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged as an expense during the period in which they are incurred.

An item of property, plant and equipment 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 (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the other income / expense in the year the asset is derecognized.

### **3.3 CAPITAL WORK IN PROGRESS**

This represents cost / expenditures, if any, incurred on non-current assets during the installation / erection period. These are transferred to property, plant and equipment as and when the assets are available for use.

### **3.4 INTANGIBLE ASSETS**

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over their estimated useful lives.

Costs that are directly associated with identifiable software products controlled by the Foundation and have probable economic benefit beyond one year are recognized as intangible assets. Cost associated with maintaining computer software products are recognized as expense as and when incurred.

### **3.5 IMPAIRMENT OF ASSETS**

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment and intangible assets. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the statement of receipt and expenditure. A previously recognized impairment loss is reversed only if there has been a change in the





**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years.

**3.6 LONG TERM DEPOSITS**

Long term deposits are stated at cost and are refundable or adjustable on maturity to the Foundation.

**3.7 LOAN AND ADVANCES**

Receivables are carried at original invoice amount less on estimates for doubtful receivable balances based on review of outstanding amounts at the year end. Bad debts are written off when identified.

**3.8 CASH & CASH EQUIVALENTS**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash with banks on current and saving accounts and revolving fund as imprest account.

**3.9 OFFSETTING**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, the Foundation has a legally enforceable right to set-off the recognized amounts and the Foundation intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

**3.10 TRADE & OTHER PAYABLES**

Liabilities for payables are initially recognized at fair value which is normally the transaction cost.

**3.11 EMPLOYEE BENEFITS SCHEME**

The Foundation is operating an un-recognized provident fund scheme for all permanent employees. Equal contributions are made by employees and the Foundation at the rate of 8.33 percent of basic salary per month.

**3.12 TAXATION**

The Foundation is duly approved as Non-Profit Foundation under section 2(36) of the Income Tax Ordinance, 2001. The Foundation is allowed tax credit equal to one hundred percent of the tax payable including minimum tax and final taxes payable, under section 100C of the Income Tax Ordinance, 2001.



### **3.13 INCOME**

#### **3.13.1 UNRESTRICTED / GENERAL FUND**

Donations and other contributions are recognized as income on receipt basis.

#### **3.13.2 RESTRICTED FUND**

The Foundation has adopted the restricted fund method and multi column format for fund accounting whereby a separate column is assigned to each specific purpose fund. During the year, the Foundation has not received any restricted fund.

### **3.14 RELATED PARTY TRANSACTIONS**

All transactions with related parties are made at arm's length prices determined in accordance with comparable uncontrolled price method. Parties are said to be related if they are able to influence the operating and financial decisions of each other.

The related parties and associated undertakings comprise associated companies, companies in which directors are interested, staff retirement funds, directors and key management personnel.

### **3.15 CONTINGENCIES AND COMMITMENTS**

Contingencies and commitments are accounted for when these become due.

### **3.16 SEGMENT REPORTING**

Segment reporting is based on the operating segments of the Foundation. An operating segment is a component of the Foundation that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Foundation's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which, discrete financial information is available.

#### **3.16.1 OPERATING SEGMENTS**

##### **a) BEGUM NOOR MEMORIAL HOSPITAL**

The hospital is providing quality services in the fields of Mother Child Health Care including Gynecology, Incubators for the New Born, OBS, 24/7 Emergency Services, Digital X-Ray with CSR System, 3 Operation Theatres, Minor OT, General Surgery, Pharmacy, Modern and Hi-Tech Diagnostic Laboratory, Multi-Specialty OPD, ICU, NICU, Kidney Dialysis, Disabled Rehab and Medical Consultant Services through various wards



**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

of Male, Female and Children, Dental Care, Dermatology, ENT, Eye, ECG, Ultrasound, Gastroenterology. Apart from that, the Foundation is also facilitating the patients through ambulance services and a shuttle service facilitating patients to come to the hospital from far flung areas.

**b) ISOLATION HOSPITAL AND INFECTIONS TREATMENT CENTER**

The Foundation entered into an agreement with National Disaster Management Authority (NDMA) for provision of management and advisory services with regard to Isolation Hospital and Infections Treatment Center - IHITC, Islamabad, a health care facility purposefully established to build the nations' response and resilience against COVID-19 pandemic and other infectious diseases. Under the agreement, the Foundation is required to work in collaboration with its global health partner "Doctors Worldwide" with regard to operational planning and execution, provide services of Clinical and Non-Clinical Staff and their training, quality healthcare delivery and administration of the IHITC. The Foundation served as the intermediary technical support body for NDMA to operate IHITC. The aforesaid agreement expired on 31st December 2021.



BIN QUTAB FOUNDATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2022

4 PROPERTY PLANT AND EQUIPMENT - UNRESTRICTED

PARTICULARS	2022									
	COST				DEPRECIATION					W.D.V. As At June 30, 2022
	As at July 01, 2021	Additions	(Deletions)	As at June 30, 2022	Rate	As at July 01, 2021	Adjustment for disposal	For the year	As at June 30, 2022	
	-----Rupees-----				-----Rupees-----					
Land- freehold	7,099,170	-	-	7,099,170	-	-	-	-	-	7,099,170
Building on freehold land	73,799,458	23,093,391	-	96,892,849	10%	23,591,192	-	5,929,626	29,520,818	67,372,031
Furniture and fixture	1,124,318	19,945	-	1,144,263	10%	514,112	-	61,475	575,587	568,676
BNM hospital furniture	4,191,338	-	-	4,191,338	10%	1,715,065	-	247,627	1,962,692	2,228,646
Vehicles	6,076,618	-	(1,100,000)	4,976,618	10%	2,745,855	(657,944)	368,919	2,456,830	2,519,788
Office & electric equipment	5,999,698	393,195	-	6,392,893	10%	1,983,243	-	419,152	2,402,395	3,990,498
Medical equipment	56,225,479	1,860,270	-	58,085,749	10%	16,432,113	-	4,027,756	20,459,869	37,625,880
Computers	873,828	191,170	-	1,064,998	20%	551,136	-	83,233	634,369	430,629
<b>TOTAL 30-06-2022</b>	<b>155,389,907</b>	<b>25,557,971</b>	<b>(1,100,000)</b>	<b>179,847,878</b>		<b>47,532,716</b>	<b>(657,944)</b>	<b>11,137,788</b>	<b>58,012,561</b>	<b>121,835,317</b>

4.1 PROPERTY PLANT AND EQUIPMENT - UNRESTRICTED - Comparative

PARTICULARS	2021									
	COST				DEPRECIATION					W.D.V. As At June 30, 2021
	As at July 01, 2020	Additions	(Deletions)	As at June 30, 2021	Rate	As at July 01, 2020	Adjustment for disposal	For the year	As at June 30, 2021	
	-----Rupees-----				-----Rupees-----					
Land- freehold	7,099,170	-	-	7,099,170	-	-	-	-	-	7,099,170
Building on freehold land	73,799,458	-	-	73,799,458	10%	18,012,496	-	5,578,696	23,591,192	50,208,266
Furniture and fixture	1,053,318	71,000	-	1,124,318	10%	453,885	-	60,227	514,112	610,206
BNM hospital furniture	4,191,338	-	-	4,191,338	10%	1,439,924	-	275,141	1,715,065	2,476,273
Vehicles	6,076,618	-	-	6,076,618	10%	2,375,770	-	370,085	2,745,855	3,330,763
Office & electric equipment	5,628,078	371,620	-	5,999,698	10%	1,561,212	-	422,031	1,983,243	4,016,455
Medical equipment	42,809,158	13,416,321	-	56,225,479	10%	12,919,372	-	3,512,741	16,432,113	39,793,366
Computers	848,528	25,300	-	873,828	20%	471,517	-	79,619	551,136	322,692
<b>TOTAL 30-06-2021</b>	<b>141,505,666</b>	<b>13,884,241</b>	<b>-</b>	<b>155,389,907</b>		<b>37,234,176</b>	<b>-</b>	<b>10,298,540</b>	<b>47,532,716</b>	<b>107,857,191</b>



BIN QUTAB FOUNDATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2022

4.2 Fixed assets sold having book value greater than Rs. 500,000/-

2022					
PARTICULARS	SOLD TO	COST	NET BOOK VALUE	SALE PROCEEDS	GAIN / (LOSS) ON PROCEEDS
-----Rupees-----					
Honda Civic (LWL-8927)	Abid Hussain (3rd Party)	1,100,000	442,056	1,075,000	632,944
<b>2022 TOTAL</b>		<b>1,100,000</b>	<b>442,056</b>	<b>1,075,000</b>	<b>632,944</b>
-----Rupees-----					
2021 TOTAL		-	-	-	-

5 INTANGIBLE ASSET

2022										
PARTICULARS	COST				Rate	AMORTIZATION				W.D.V. As At June 30, 2022
	As at July 01, 2021	Additions	(Deletions)	As at June 30, 2022		As at July 01, 2021	Adjustment for disposal	For the year	As at June 30, 2022	
-----Rupees-----										
BNMH Software	650,000	77,320	-	727,320	10%	123,500	-	74,722	198,222	529,098
R & D Software	-	50,000	-	50,000	10%	-	-	2,500	2,500	47,500
<b>TOTAL 30-06-2022</b>	<b>650,000</b>	<b>127,320</b>	<b>-</b>	<b>777,320</b>		<b>123,500</b>	<b>-</b>	<b>77,222</b>	<b>200,722</b>	<b>576,598</b>

5.1 INTANGIBLE ASSET - Comparative

2021										
PARTICULARS	COST				Rate	DEPRECIATION				W.D.V. As At June 30, 2021
	As at July 01, 2020	Additions	(Deletions)	As at June 30, 2021		As at July 01, 2020	Adjustment for disposal	For the year	As at June 30, 2021	
-----Rupees-----										
BNMH Software	650,000	-	-	650,000	10%	65,000	-	58,500	123,500	526,500
<b>TOTAL 30-06-2021</b>	<b>650,000</b>	<b>-</b>	<b>-</b>	<b>650,000</b>		<b>65,000</b>	<b>-</b>	<b>58,500</b>	<b>123,500</b>	<b>526,500</b>

**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>NOTE</u>	<u>2022 RUPEES</u>	<u>2021 RUPEES</u>
<b>6 CAPITAL WORK IN PROGRESS - UNRESTRICTED</b>			
<b>Building on freehold land:</b>			
Opening balance		23,498,317	17,965,500
Addition during the year	6.1	5,038,160	5,532,817
Transferred during the year to fixed assets		<u>(23,093,391)</u>	-
Closing balance		<u>5,443,086</u>	<u>23,498,317</u>
<b>6.1 Capital work in progress - additions</b>			
Addition in cash		5,038,160	5,532,817
Addition in kind		-	-
		<u>5,038,160</u>	<u>5,532,817</u>
<b>7 LONG TERM DEPOSITS</b>			
Security and deposits	7.1	<u>176,600</u>	<u>76,600</u>
		<u>176,600</u>	<u>76,600</u>
7.1 These represent security deposits held with suppliers / vendors.			
<b>8 LOANS AND ADVANCES - UNSECURED</b>			
Advances to staff - considered good	8.1	2,037,593	1,036,223
Advances to suppliers - considered good	8.2	7,216,798	61,748
Other receivable - considered good		570,000	2,005,000
		<u>9,824,391</u>	<u>3,102,971</u>
8.1 These represent interest free short term temporary advances given to the employees of the Foundation to meet the day to day expenses and against their respective salaries.			
8.2 These represent interest free short term advances given to the vendors for supply of goods and services to be received / delivered during the following year.			
<b>9 ADVANCE INCOME TAX</b>			
Opening balance		209,057	23,104
Tax deducted / paid during the year		24,182	202,904
		233,239	226,008
Less: provision for the year			
Current		1,109,390	1,920,250
Tax credit u/s 100C		(1,109,390)	(1,920,250)
Prior period	19	(16,951)	16,951
		<u>(16,951)</u>	<u>16,951</u>
		<u>250,190</u>	<u>209,057</u>

**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>NOTE</u>	<u>2022 RUPEES</u>	<u>2021 RUPEES</u>
<b>10 CASH AND BANK BALANCES</b>			
Cash in hand		1,823,418	1,697,231
Cash at bank - current accounts		988,205	1,424,887
Cash at bank - saving accounts	10.1	9,365,666	18,723,138
		<u>12,177,289</u>	<u>21,845,256</u>

**10.1** The saving accounts carry profit at the rates ranging between 2.75% to 6.5% (2021: 2.75% to 2.90%) per annum.

**11 ACCRUED AND OTHER LIABILITIES**

Sundry creditors		9,269,294	4,240,530
Salaries payable		3,725,975	12,076,694
Audit fee payable		57,750	55,000
Withholding tax payable		43,255	5,833
Provident fund payable		91,240	142,760
Staff performance allowance payable		500,486	94,715
Utilities payable		12,490	5,360
EOBI payable		77,938	20,058
		<u>13,778,428</u>	<u>16,640,950</u>

**12 SHORT TERM BORROWINGS - Unsecured**

Short term borrowings	12.1	1,150,000	1,875,828
		<u>1,150,000</u>	<u>1,875,828</u>

**12.1** These represent short term borrowings provided by the members of the Foundation at no markup to meet the cash deficiency on routine basis. These are returned during the year and borrowed again when needed. The maximum outstanding balance during any month and as at the year end was Rs. 1,875,828/-.

**13 CONTINGENCIES AND COMMITMENTS**

The Foundation has no contingency and / or commitment as at June 30, 2022 (2021: nil).

**14 DONATIONS/ RECIEPTS**

Donations received during the year - gross		56,418,899	58,653,715
Other receipts	22	33,857,605	23,642,408
Less: Donations received in kind	14.1	(3,322,040)	(1,322,206)
Donations received in cash		<u>86,954,464</u>	<u>80,973,917</u>



**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>NOTE</u>	<u>2022 RUPEES</u>	<u>2021 RUPEES</u>
<b>14.1 Donations received in kind</b>			
Donations received in kind		3,322,040	1,322,206
Less: Transferred to:			
CWIP	6.1	-	-
Equipment		-	-
Expenses		(3,322,040)	(1,322,206)
		<u>(3,322,040)</u>	<u>(1,322,206)</u>
		<u>-</u>	<u>-</u>
<b>15 OTHER RECEIPTS</b>			
IHITC HR Services	22.2	1,646,598	1,947,680
Miscellaneous income		150,109	319,618
		<u>1,796,707</u>	<u>2,267,298</u>
<b>16 OPERATING EXPENSES</b>			
Salaries and benefits		28,762,097	22,602,079
Travelling and conveyance		-	350,902
Repairs and maintenance		3,040,687	991,118
Telephone, postage and courier		1,090,408	232,673
Printing, stationery and periodicals		1,732,904	1,227,948
Utilities		4,281,147	4,174,563
Entertainment expenses		1,800	1,667,861
Petrol, oil and lubricants		175,821	598,540
Depreciation expense	4	11,137,788	10,298,540
Miscellaneous expenses		523,574	377,397
Medicine and lab regents		23,026,838	17,864,605
Financial support program	16.1	4,393,352	3,420,972
Advertisement / publicity and promotions		-	99,700
Marketing expenses		2,252,830	970,284
Event expenses		16,500	88,115
Office rent		993,200	752,500
Software amortization expense	5	77,222	58,500
Staff medical assistance		53,900	96,107
		<u>81,560,068</u>	<u>65,872,404</u>
<b>16.1 FINANCIAL SUPPORT PROGRAM (FSP)</b>			
FSP for needy families		4,393,352	3,420,972
FSP for needy patients		-	-
		<u>4,393,352</u>	<u>3,420,972</u>

**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>NOTE</u>	<u>2022 RUPEES</u>	<u>2021 RUPEES</u>
<b>17 ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	17.1	8,230,814	6,404,781
Travelling and conveyance		641,141	168,868
Office supply		626,821	-
Repairs and maintenance		8,310	155,500
Telephone, postage and courier		341,665	567,500
Printing, stationery and periodicals		-	94,554
Legal and professional charges	17.2	998,058	816,624
Auditors' remuneration	17.3	57,750	55,000
Entertainment expenses		2,174,243	129,664
Petrol, oil and lubricants		1,049,647	47,212
Advertisement expenses		13,200	-
Tax expense		-	16,951
		<u>14,141,649</u>	<u>8,456,654</u>
<b>17.1 Salaries and benefits</b>			
Salaries and benefits include provident fund expense of Rs. 250,298/- (2021: Rs. 147,641/-). The aggregate amounts charged for Directors, Chief Executive and Executives numbering nil (2021: nil) for the year has been Rs. Nil (2021: Rs. Nil).			
<b>17.2 Legal and professional charges</b>			
Legal charges and fees		823,527	723,086
Programming and consulting fee		100,769	13,100
Website maintenance charges		73,762	80,438
		<u>998,058</u>	<u>816,624</u>
<b>17.3 Auditors' remuneration</b>			
Annual audit fee		55,000	55,000
Sales tax @5%		2,750	-
		<u>57,750</u>	<u>55,000</u>
<b>18 FINANCE COST</b>			
Bank charges		265,460	183,748
		<u>265,460</u>	<u>183,748</u>
<b>19 OTHER INCOME</b>			
Gain on disposal of vehicle		632,944	-
Prior year tax adjustment	9	16,951	-
		<u>649,895</u>	<u>-</u>

**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE**                      **2022**                      **2021**  
**RUPEES**                      **RUPEES**

**20 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of cash flows comprise of the following statement of financial position amounts:

Cash and bank balances	10	<u>12,177,289</u>	<u>21,845,256</u>
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**21 RELATED PARTY TRANSACTIONS**

The Foundation has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method. Transactions and outstanding balances with related parties during the year are as follows:-

Name and basis of relationship	Nature of transaction		2022	2021
Directors / members	Donations	21.1	<u>1,102,593</u>	<u>786,072</u>
Associated company	Donations	21.2	<u>6,688,882</u>	<u>1,381,395</u>
Members	Short term loan	21.3	<u>1,150,000</u>	<u>1,875,828</u>
Members	Borrowings - net	21.3	<u>(725,828)</u>	<u>1,875,828</u>

21.1 Directors / members are related parties on the basis of being members of the Foundation.

21.2 Bin Qutab International is the associated company of the Foundation on the basis of common directorship.

21.3 Short term borrowings are provided by the members of the Foundation at NIL markup.

**22 SEGMENT REPORTING**

The segment analysis with respect to its income and expenses is as follows:

**22.1 Begum Noor Memorial Hospital (BNMH)**

**Donations / Receipts**

Patient OPD receipts	7,264,710	3,383,390
Lab charges received	117,140	4,488,395
ECG & USG charges received	4,870,460	395,825
Pharmacy charges received	453,870	9,071,978
Mazameen-e-Quran	-	8,900
Procedure fee received	10,832,789	656,510



**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>NOTE</u>	<u>2022 RUPEES</u>	<u>2021 RUPEES</u>
X-ray fee received		-	1,597,180
Dialysis charges received		-	2,979,100
Ambulance charges received		6,835,330	429,600
Miscellaneous income		2,017,422	-
Physio charges		408,800	47,800
Card registration charges		1,057,084	583,730
		<b>33,857,605</b>	<b>23,642,408</b>
<b>Expenses</b>			
Salaries and benefits		28,762,097	22,602,079
Travelling and conveyance		-	350,902
Repairs and maintenance		3,040,687	991,118
Telephone, postage and courier		1,090,408	232,673
Printing, stationery and periodicals		1,732,904	1,227,948
Medicine and lab reagents		23,026,838	17,864,605
Utilities		4,281,147	4,174,563
Entertainment expenses		1,800	1,667,861
Petrol, oil and lubricants		175,821	598,540
Miscellaneous expenses		523,574	377,397
Advertisement / publicity and promotions		-	99,700
Marketing expenses		2,252,830	970,284
Event expenses		16,500	88,115
Financial support program		4,393,352	3,420,972
Rent expenses		993,200	752,500
Staff medical assistance		53,900	96,107
		<b>70,345,059</b>	<b>55,515,364</b>
Net surplus / (deficit)		<b>(36,487,454)</b>	<b>(31,872,956)</b>

**22.2 Isolation Hospital & Infections Treatment Centre (IHITC)**

**Donations / Receipts**

NDMA for July 2020 to December 2020	-	129,792,737
NDMA for January 2021 to June 2021	-	50,462,998
NDMA for July 2021 to December 2021	49,294,173	-
	<b>49,294,173</b>	<b>180,255,735</b>

**Expenses**

Disbursement - expenses July 2020 to December 2020	-	129,792,737
Disbursement - expenses January 2021 to June 2021	-	45,120,800
Disbursement - expenses July 2021 to December 2021	47,647,575	-
	<b>47,647,575</b>	<b>174,913,537</b>

Surplus / (deficit)	<b>1,646,598</b>	<b>5,342,198</b>
Other allowances and expenses	-	(3,394,518)
<b>Total Other Receipt</b>	<b>1,646,598</b>	<b>1,947,680</b>

**BIN QUTAB FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

<u>NOTE</u>	<u>2022 RUPEES</u>	<u>2021 RUPEES</u>
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**22.3** During the previous year, the Foundation entered into an agreement to provide management and advisory services to NDMA (Refer note 3.16.1 (b)) without any service charges for the period from July 2020 to December 2020. However, the Foundation charged 11% and 8.99% administrative charges for each quarter from July 2021 to December 2021 (14% and 11% for each quarter from January 2021 to June 2021).

**23 PROVIDENT FUND**

**23.1** The Foundation has maintained an Employees Provident Fund Trust and investments out of the Fund are made in accordance with the provisions of section 227 of the Companies Act, 2017 and the rules formulated for this purpose. The information of the Fund is as follows:

Size of the fund		1,183,237	913,917
Cost of investment made	23.2	1,091,997	771,157
Percentage of investment made		92%	84%
Fair value of investment		1,091,997	771,157

**23.2 Breakup of cost of investment**

Saving bank account	<u>1,091,997</u>	<u>771,157</u>
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**23.3** The above information is based on the financial statements of the Provident Fund 2022 audited by M/S Bilal Zia & Co., Chartered Accountants.

**24 NUMBER OF EMPLOYEES**

Number of employees at the end of the year	<u>74</u>	<u>82</u>
Average number of employees during the year	<u>78</u>	<u>80</u>

**25 CORRESPONDING FIGURES**

Corresponding figures are re-arranged and / or re-classified, wherever necessary, for the purpose of better comparison. However, no material re-arrangement / re-classification has been done in these financial statements.


**26 DATE OF AUTHORIZATION FOR ISSUE**

The financial statements were authorized for issue by the Board on 05-12-2022.

**27 GENERAL**

Figures have been rounded off to the nearest rupee.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman