

THE INDUS HOSPITAL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

A. F. FERGUSON & CO.
Chartered Accountants
a member firm of the PwC network



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of The Indus Hospital (the Hospital) as at June 30, 2012 and the related income and expenditure account and cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Hospital's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Hospital as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Hospital's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Hospital;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account and cash flow statement together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Hospital's affairs as at June 30, 2012 and of the deficit and its cash flows for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



**Chartered Accountants
Karachi
Date: April 18, 2013**

Engagement Partner: Waqas A. Sheikh

THE INDUS HOSPITAL
BALANCE SHEET
AS AT JUNE 30, 2012

	Note	2012	2011
Rupees			
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	518,849,062	525,489,160
Intangible assets	5	480,000	600,000
		<u>519,329,062</u>	<u>526,089,160</u>
Current Assets			
Inventories	6	179,428,067	137,727,291
Advances, deposits, prepayments and other receivables	7	22,732,843	23,695,957
Short term investments	8	259,849,410	134,929,484
Cash and bank balances	9	102,614,199	147,675,925
		<u>564,624,519</u>	<u>444,028,657</u>
		<u>1,083,953,581</u>	<u>970,117,817</u>
EQUITY			
Funds			
Restricted Fund	10	655,648,641	553,502,417
Accumulated Fund	11	335,537,153	351,481,781
		<u>991,185,794</u>	<u>904,984,198</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	12	92,767,787	65,133,619
CONTIGENCIES AND COMMITMENTS			
		<u>-</u>	<u>-</u>
		<u>1,083,953,581</u>	<u>970,117,817</u>

The annexed notes 1 to 18 form an integral part of these financial statements.

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Chief Executive Officer


Director

**THE INDUS HOSPITAL
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012**

	Note	2012	2011
		Rupees	
INCOME			
Value of services rendered to patients			
financed through restricted fund (note 10):			
- zakat		402,905,595	205,482,207
- donations		296,789,944	316,989,597
		<u>699,695,539</u>	<u>522,471,804</u>
Other income	13	7,225,898	2,294,211
		<u>706,921,437</u>	<u>524,766,015</u>
EXPENDITURE			
Medicines and other supplies consumed	14	273,536,532	219,420,092
Salaries, wages and other benefits	15	281,350,842	193,360,041
Depreciation	4.1	81,756,822	68,893,343
Amortization	5	220,000	200,000
Repair and maintenance		7,140,658	5,983,332
Insurance/Takaful		562,145	337,076
Fuel		17,064,675	12,862,715
License fee		51,846	59,913
Printing, stationery and courier		2,226,875	1,560,322
Utilities		22,154,675	17,263,746
Travelling and transportation		1,288,611	179,847
Technical and professional services		4,288,104	1,298,324
Auditor's remuneration		50,000	50,000
Uniform and laundry		695,874	1,518,925
Kitchen supplies consumed		-	248,870
Security services		2,040,000	1,857,500
Clearing and forwarding		981,668	474,790
Marketing		4,698,343	416,499
Inventories written-off		21,302	46,803
Outdoor Projects costs:	15		
- Hepatitis - B Program		-	957,888
- IDRF Health Worker Program		-	446,130
- Photovoice Project		180,000	-
- Phela Qadam Project		158,000	-
- TB MDR Project (Round 9)		4,759,196	326,400
- TB Reach Project		15,977,361	5,314,836
- Flood relief camp		-	1,011,067
		<u>21,074,557</u>	<u>8,056,321</u>
Other expenses		1,662,536	1,007,169
		<u>722,866,065</u>	<u>535,095,628</u>
Deficit for the year	11	<u>(15,944,628)</u>	<u>(10,329,613)</u>

The annexed notes 1 to 18 form an integral part of these financial statements.

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Chief Executive Officer

Director

**THE INDUS HOSPITAL
CASH FLOW STATEMENT
FOR THE YEAR JUNE 30, 2012**

	2012	2011
Note	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Deficit for the year	(15,944,628)	(10,329,613)
Adjustments for non - cash charges and other items:		
Depreciation	81,756,822	68,893,343
Amortization	220,000	200,000
Inventories written-off	21,302	46,803
Value of services rendered to patients	(699,695,539)	(522,471,804)
	(617,697,415)	(453,331,658)
Working capital changes		
(Increase)/Decrease in current assets:		
Inventories	(41,722,078)	(14,674,098)
Advances, deposits and prepayments and other receivables	963,114	(17,786,058)
	(40,758,964)	(32,460,156)
Increase in current liabilities:		
Trade and other payables	27,634,168	31,243,111
	(13,124,796)	(1,217,045)
Net cash utilized in operating activities	(646,766,839)	(464,878,316)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(75,116,724)	(334,144,749)
Purchase of intangible assets	(100,000)	-
Investment made during the year - net	(119,656,190)	(84,895,000)
Profit received on short term investments	17,181,286	2,673,078
Net cash utilized in investing activities	(177,691,628)	(416,366,671)
CASH FLOW FROM FINANCING ACTIVITIES		
Donations received during the year	479,918,983	794,646,572
Zakat received during the year	299,477,758	184,204,965
Net cash generated from financing activities	779,396,741	978,851,537
Net increase / (decrease) in cash and cash equivalents	(45,061,726)	97,606,550
Cash and cash equivalents at beginning of the year	147,675,925	50,069,375
Cash and cash equivalents at end of the year	9 102,614,199	147,675,925

The annexed notes 1 to 18 form an integral part of these financial statements.

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Chief Executive Officer

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Director