SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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Independent auditor's report to the Board of Governors

Opinion

We have audited the annexed financial statements of **Shaheed Mohtarma Benazir Bhutto Institute of Trauma at Karachi** (the Institute), which comprise of the statement of financial position as at 30 June 2020, and the statement of income and expenditure, statement of changes in fund and 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 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 as at 30 June 2020, the statement of income and expenditure, the statement of changes in fund and the statement of cash flows for the year then ended together with the notes to the financial statements present fairly, in all material respects in accordance with approved accounting and reporting standards as applicable in Pakistan.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute 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 opinion.

Responsibilities of Management and Board of Governors for the Financial Statements

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 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, Management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Board of governors are responsible for overseeing the Institute's financial reporting process.

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Auditors' 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 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 the 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 Institute's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness on the management's use of 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 Institute'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 Institute 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 governors 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.

The engagement partner on the audit resulting in this independent auditors' report is Imran Shaikh.

Crowe Hussain

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: 25 AUG 2023

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020
		----Rupees----
ASSETS		
NON CURRENT ASSETS		
Property and equipment	4	3,673,666,813
Intangible assets	5	63,343,780
		3,737,010,593
CURRENT ASSETS		
Inventories	6	491,397,461
Receivable from Government of Sindh		131,241,845
Other receivables		165,000
Cash at banks	7	191,609,195
		814,413,501
TOTAL ASSETS		4,551,424,094
FUND BALANCE		
Accumulated fund balance		228,738,807
LIABILITIES		
CURRENT LIABILITIES		
Project director's liability	8	131,241,847
Trade payables, accrued liabilities and other payables	9	316,577,112
		447,818,959
NON CURRENT LIABILITIES		
Deferred liability - capital grant	10	3,874,866,328
TOTAL LIABILITIES		4,322,685,287
CONTINGENCIES AND COMMITMENTS	11	-
TOTAL FUND BALANCE AND LIABILITIES		4,551,424,094

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

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EXECTUIVE DIRECTOR

MEMBER OF BOG

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020
		-------Rupees------
Grant income	12	1,863,240,710
Other income		1,154,622
		1,864,395,332
Expenditures		
Salaries, wages and other benefits		536,214,200
Salaries and wages of outsourced staff		122,773,109
Medicines and other supplies consumed	13	725,576,626
Medical oxygen consumed		560,700
Depreciation expense	4.1	616,063,363
Loss on disposal of assets	4.1.1	481,885
Amortization of intangible asset	5	11,517,051
Telephone and communication		561,034
Utilities		203,189,492
Fuel expense		2,184,450
Security services		29,168,904
Auditor's remuneration	14	1,239,000
Training expense		78,750
Printing and stationary		105,000
Publications, newspaper periodicals and books		51,934
Uniform & protective clothing		97,200
Repair and maintenance of building, medical and other equipments		52,897,988
		2,302,760,686
Deficit for the year		**(438,365,354)**

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

GTC

EXECTUIVE DIRECTOR

MEMBER OF BOG

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Surplus / (Deficit) for the year	Transfer reserves	Total
		-----------------------------Rupees-----------------------------		
Balance as at 30 June 2019		-	-	-
Adjustment in respect of transfer of assets and liabilities from Shaheed Benazir Bhutto Accident Emergency & Trauma Centre, Civil Hospital Karachi to Shaheed Mohtarma Benazir Bhutto Institute of Trauma at Karachi (the Institute) on constitution as a separate body corporate under Shaheed Mohtarma Benazir Bhutto Institute Of Trauma at Karachi Act, 2018	3.12	-	667,104,161	667,104,161
Adjusted balance as at 30 June 2019		-	**667,104,161**	**667,104,161**
Total deficit for the year ended 30 June 2020		(438,365,354)	-	(438,365,354)
Balance as at 30 June 2020		**(438,365,354)**	**667,104,161**	**228,738,807**

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

EXECTUIVE DIRECTOR

MEMBER OF BOG

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020
		-------Rupees------
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year		(438,365,354)
Adjustments for non cash and other items		
- Depreciation	4.1	616,063,363
- Amortization of intangible asset	5	11,517,051
- Value of services rendered to patients through government grant		(1,224,219,251)
- Value of services rendered to patients through deferred capital grant		(628,062,299)
- Loss on disposal of assets		481,885
		(1,224,219,251)
Working capital changes		
(Increase) / decrease in current assets		
- Inventories		302,752,611
- Other receivables		(47,200)
Increase / (decrease) in current liabilities		
- Accrued and other payables		179,224,664
		481,930,075
Grant income received from government	12.1	1,224,219,251
Net cash generated from operating activities		43,564,721
CASH FLOWS FROM INVESTING ACTIVITIES		
- Additions to property and equipment		(10,959,160)
Net cash used in investing activities		(10,959,160)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Capital grant received during the year		10,959,160
Net cash generated from financing activities		10,959,160
Net decrease in cash and cash equivalents		43,564,721
Cash and cash equivalents at the beginning of the year		148,044,474
Cash and cash equivalents at the end of the year		191,609,195

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

EXECTUIVE DIRECTOR

MEMBER OF BOG

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Shaheed Mohtarma Benazir Bhutto Institute Of Trauma at Karachi ("the Institute") was established in 2019 as an institute approved by Government of Sindh under "Shaheed Mohtarma Benazir Bhutto Institute Of Trauma at Karachi Act, 2018" (SMBBIT Act, 2018).

The institute is located at Chand Bibi road, near Civil Hospital Karachi.

1.2 The functions of the Institute are as follows:

i) to undertake treatment and acquire latest physical facilities necessary for carrying out investigation and treatment of various diseases and injuries in the field of Orthopedic Surgery, Neurosurgery, Traumatology, Vascular Surgery and Rehabilitation;

ii) to develop methodology and standardize technique for the investigation and- treatment of various diseases or injuries in the field of Orthopedic Surgery, Neurosurgery, Traumatology, Vascular Surgery and Rehabilitation;

iii) to provide the optimum, emergency, subsequent definite treatment and post-trauma rehabilitation to the accident injured victims, triaged from accident site and referred from Karachi, outskirts, satellite trauma center of the Institute at other districts of the Province of Sindh;

iv) to administer and control all trauma centers established by Government throughout the Province of Sindh;

v) to undertake teaching in the principles of Orthopedic surgery, Neurosurgery, Traumatology, Vascular Surgery and Rehabilitation, with emphasis to transfer skill and impart knowledge in view of innovations to doctors, nurses, paramedical technologists, biomedical technologists and others;

vi) to undertake postgraduate teaching programmes such as FCPS, M.S., M.D., Ph.D., and other diploma in the field of Orthopedic Surgery, Neurosurgery, Traumatology, Vascular Surgery, Rehabilitation and Emergency Medicines, in collaboration with the College of Physicians and Surgeons Pakistan or University of Medical or Health Sciences recognized by the Higher Education Commission or Pakistan Medical Dental Council;

vii) to hold examinations and to award and confer degrees, diplomas, certificate and other academic distinctions to the persons who have been admitted to and have passed its examinations under the prescribed conditions;

viii) to undertake training of nursing and paramedical staff including technicians both graduate and postgraduate in the field of Orthopedic Surgery, Neurosurgery, Traumatology, Vascular Surgery, Rehabilitation and Emergency Medicine;

ix) to carry out and promote research, surveys, experiments and demonstrations and to develop data base registry to be used for improvement of services, preventive methodologies and future planning in the field of Orthopedic Surgery, Neurosurgery, Traumatology, Vascular. Surgery, Emergency Medicines and Rehabilitation;

x) to publish research papers, studies and such other works as are completed at the Institute or are prepared in collaboration with any other similar institute or agency, local or foreign or which are otherwise of substantial value to the institute;

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xi) to organize seminars and conferences, workshops to transform knowledge, skill of new innovations and to promote co-operation with national and international agencies, organization, institutions, fellowship colleges and universities in activities, falling within the purview of the Institute; and

xii) to undertake all such activities or do such other acts and things as may be necessary to further the objectives of the Institute.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as notified in Companies Act, 2017; and
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017

2.2 Basis of Measurement

These financial statements have been prepared under historical cost convention and following accrual basis of accounting except cash flows information.

2.3 Presentation and functional currency

These financial statements are presented in Pak Rupees, which is the Institute's functional and presentation currency.

2.4 Initial application of standards, amendments and intepretations to existing standards

a) Amendments to accouting and reporting standards that became effective duing the year

There are certain amendments to accounting and reporting standards that are applicable for the financial year beginning on 01 July 2019, However, these are considered not to be relevant or do not have any significant impact on the Institute's financial reporting and operations and, therefore, have not been presented in these financial statements.

b) Standards and amendements to accounting and reporting standards that are not yet effective and have not been early adopted by the hospital

There are other new accounting and amedmentsto accounting and reporting standards that are not yet effective are either considered not to be relevant or donot have any significant impact on the Institute's financial reporting and operations and, therefore, have not been presented in these financial statements.

2.5 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to:

- exercise its judgment in process of applying the Institute's accounting policies, and
- use of certain critical accounting estimates and assumptions concerning the future.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:

a) Property and equipment

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment and intangible assets. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangible assets with corresponding effect on the depreciation charge and impairment loss.

b) Impairment

The carrying amount of the Institute assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amount is estimated in order to determine the extent of impairment loss, if any.

c) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Institute, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/non-occurrence of the uncertain future event(s).

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

a) Operating fixed assets

Initial recognition

The cost of an item of property and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of operating fixed assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement subsequent to initial recognition

All the items of the property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work in progress which are stated at cost.

Cost in relation to items of property and equipment stated at cost represent historical costs. Cost comprises acquisitions and other directly attributable cost.

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b) **Impairment of financial assets**

Financial assets other than trade receivables

Financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.10 Impairment of Non- financial assets

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Institute recognises the reversal immediately in the statement of profit or loss.

3.11 Taxation

The Institute holds Free Tax Number (FTN) which is issued by Federal Board of Revenue to government organization who are otherwise exempt from holding National Tax Number for the purposes of identification and therefore, is exempt from the provision of the Income Tax Ordinance, 2001.

3.12 Transfer of assets and liabilities from Shaheed Benazir Bhutto Accident Emergency & Trauma Centre, Civil Hospital Karachi (SBBAET) to Shaheed Mohtarma Benazir Bhutto Institute of Trauma at Karachi (the Institute) on constitution as a separate body corporate under SMBBIT Act, 2018

On July 01, 2019 SBBAET, a department of Civil Hospital Karachi was constituted as as a separate body corporate - the Institute, with perpetual succession, under SMBBIT Act, 2018.

Upon the constitution, following book value of assets and liabilities of the erstwhile department were transferred to the newly constituted Institute.

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	Note	2020
		----Rupees----
Property and equipment	4.1.4	4,127,995,461
Capital work-in-progress	4.2.2	151,257,438
Intangible assets	5	74,860,831
Inventories	13	794,150,072
Receivable from Government of Sindh		131,241,845
Other receivables		165,000
Cash and bank balances		148,044,474
Deferred liability - capital grant	10	(4,491,969,467)
Project directors' liability		(131,241,845)
Trade payables, accrued liabilities and other payables		(136,911,446)
Payable to treasury		(488,202)
		667,104,161

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4 PROPERTY AND EQUIPMENT

	Note	2020 ----- RUPEES -----
Operating assets	4.1	3,534,170,999
Capital work-in-progress	4.2	139,495,814
		3,673,666,813

4.1 OPERATING ASSETS

Description	2020 COST: Assets transferred from SMBBT, Civil Hospital under SMBBIT ACT 2019 on July 01, 2019	COST: Additions	COST: (Disposal)	COST: As at 30 June 2020	Depreciation: Assets transferred from SMBBT, Civil Hospital under SMBBIT ACT 2019 on July 01, 2019	Depreciation: For the year	Depreciation: (Disposal)	Depreciation: As at 30 June 2020	Written down value as at 30 June 2020	Useful life in years
- Land	1	-	-	1	-	-	-	-	1	
- Building and civil work on land	2,855,802,877	-	-	2,855,802,877	499,765,503	142,790,144	-	642,555,647	2,213,247,230	20
- Heating, ventilation, and air conditioning	596,700,307	6,931,000	-	603,631,307	208,845,107	59,785,547	-	268,630,654	335,000,653	10
- Medical Equipments	1,713,994,842	15,789,784	(1,480,193)	1,728,304,433	735,191,679	301,996,256	(998,308)	1,036,189,627	692,114,807	3 - 10
- Hospital Bed and Ancillary	181,715,459	-	-	181,715,459	103,926,754	36,343,092	-	140,269,846	41,445,613	5
- Furniture and fixtures	146,962,973	-	-	146,962,973	88,177,784	29,392,595	-	117,570,379	29,392,594	5
- Lifts and generators	314,660,479	-	-	314,660,479	81,349,853	31,466,048	-	112,815,901	201,844,579	10
- Computer Equipment	51,194,656	-	-	51,194,656	15,779,453	14,289,681	-	30,069,134	21,125,522	5
	5,861,031,594	22,720,784	(1,480,193)	5,882,272,185	1,733,036,133	616,063,363	(998,308)	2,348,101,188	3,534,170,999	

4.1.1 Disposal of fixed assets

Particulars	Year	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain/(loss)	Mode of disposal	Sold To
		----------Rupees----------						
Medical Equipments	2020	1,480,193	998,308	481,885	-	(481,885)	write off	The asset has been written off during the year and will be auctioned for sale subsequent to year end
Grand Total		1,480,193	998,308	481,885	-	(481,885)		

4.1.2 The project building was constructed on land of Civil Hospital, Karachi. Initially the project was department of Civil Hospital namely Shaheed Benazir Bhutto Accident Emergency & Trauma Centre, Civil Hospital, Karachi. Subsequent to the enactment of SMBBIT Act, 2018, the said department was constituted as a separate body corporate on July 01, 2019. However, the title of land was not transferred to the Institute and therefore the land remains property of Civil Hospital, Karachi. Consequently, the fair value of land can not be measured reliably and therefore it is recognized at nominal value of Rs. 1 to ensure monitoring and accountability.

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4.1.3 The ground breaking for the construction of building and civil works thereon commenced on September 07, 2009 by Ministry of Health, Government of Sindh (GoS) and was formally inaugurated for operation on December 23, 2015. It commenced its full operational activities from July 01, 2016 under administration of Civil Hospital, Karachi. The project was in the name of the Project Director office (PD) who was responsible for planning, designing construction and completion of the project. The project includes building & civil work along with all the other fixtures & equipment. The title of project's complex will be transferred to the Institute subsequent to the submission of PC - IV to the GoS after settlement of final liabilities amounting to Rs. 131.24 million by GoS. Since, the control of building resides with the Institute the same was capitalized in the financial statements.

4.1.4 Upon constitution as a separate body corporate on July 01, 2019, the property and equipments were transferred to the Institute and recognized at written down value as follows:

Assets category	**Written down value as at 1 July 2019**	**Remaining Useful lifes in years as at 1 July 2019**
- Land	1	
- Building and civil work on Land	2,356,037,374	16.5
- Heating, ventilation, and air conditioning	387,855,200	16.5
- Medical Equipments	978,803,163	4 - 7
- Hospital bed and ancillary	77,788,705	2
- Furniture and fixtures	58,785,189	2
- Lifts and generators	233,310,626	8
- Computer equipment	35,415,203	2
	4,127,995,461	

4.1.5 Fixed assets also includes the fully depreciated vehicles transferred from Civil hospital Karachi.

4.2 Capital work-in-progress

4.2.1 Capital work in progress is related to medical equipment's which were purchased in prior years but not installed till the reporting date.

4.2.2 Movement of capital work-in-progress

	Note	**2020**
		----- Rupees -----
Transferred from Shaheed Benazir Bhutto Accident Emergency & Trauma Centre, (SBBAET)		151,257,438
Transferred to property and equipment during the year		(11,761,624)
Closing balance as at 30 June 2020		**139,495,814**

5 INTANGIBLE ASSETS

Description	Year	Cost				Amortization			Written down as at 30 June 2020	Amortization rate
		Assets transferred from SBBAET on July 01, 2019	Additions	(Disposal)	As at 30 June 2020	Assets transferred from SBBAET on July 01, 2019	Charge for the year	As at 30 June 2020		
		---------- Rupees ----------								
Finite Useful life										
Information Technology & Building Management	**2020**	115,170,510	-	-	115,170,510	40,309,679	11,517,051	51,826,730	63,343,780	10%

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6 INVENTORIES	**Note**	**2020** **----Rupees----**
Medicines		158,561,579
Consumables		23,289,348
Instruments		278,602,465
Patient diet items		2,874,885
Stationary printing and publication		4,826,272
Others		23,242,912
		491,397,461

7 CASH AT BANKS		
- Current accounts	7.1	**191,609,195**

7.1 This includes Rs. 148 million received from GoS on account of purchase of MRI machine.

8 PROJECT DIRECTOR'S LIABILITY

This represents the amount payable to project director in respect of the construction of SMBBIT building. This amount will be payable to project director subject to receipt from Govt. of Sindh.

9 TRADE PAYABLES, ACCRUED LIABILITIES AND OTHER PAYABLES	**Note**	**2020** **----Rupees----**
Payable to vendors / creditors		77,494,154
Accrued liabilities	9.1	229,704,675
Other payables	9.2	9,378,283
		316,577,112

9.1 Accrued Liabilities	
Staff salaries payable	72,036,140
Utilities payable	156,429,535
Auditors remuneration payable	1,239,000
	229,704,675

9.2 This includes Rs. 9.155 million to government authorities on account of withholding taxes payable.

10 DEFERRED LIABILITY - CAPITAL GRANT

2020	Deferred grant transferred from SBBAET on July 01, 2019	During the year			Closing deferred liability as at June 30, 2020
		Grant received	Grant income recognized	Grant transferred	
	----Rupees----				
Land	1	-	-	-	1
Building and civil work on land	2,356,037,373	-	142,790,144	-	2,213,247,229
Heating, ventilation, and air conditioning	387,855,199	6,931,000	59,785,547	-	335,000,652
Information technology and building managei	74,860,831	-	11,517,051	-	63,343,780
Medical Equipments	978,803,163	4,028,160	302,478,141	11,761,624	692,114,806
Hospital Bed and Ancillary	77,788,705	-	36,343,092	-	41,445,613
Furniture and fixtures	58,785,189	-	29,392,595	-	29,392,594
Lifts and generators	233,310,626	-	31,466,048	-	201,844,578
Computer Equipment	35,415,203	-	14,289,681	-	21,125,522
Capital work-in-progress	151,257,438	-	-	(11,761,624)	139,495,814
LC MRI Machine	137,855,739	-	-	-	137,855,739
	4,491,969,467	10,959,160	628,062,299	-	3,874,866,328

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11 CONTINGENCIES AND COMMITMENTS

No contingencies and commitments were there during the year.

12 GRANT INCOME

	Note	2020 ----Rupees----
Grant related to income	12.1	**1,235,178,411**
Amortization of deferred liability - capital grant	10 & 12.2	**628,062,299**
		1,863,240,710

12.1 Grant related to income

Grant income from Government of Sindh (GoS)	**1,032,907,000**
Grant income from AG Sindh	**202,271,411**
	1,235,178,411

12.1.1 Grant related to income pertains to the grant provided by GoS for the operational expenses of the institute.

12.2 This income represents the amortization of deferred capital grant on capital assets to match depreciation and amortization expense recognized during the year on related capital assets.

13 MEDICINES AND OTHER SUPPLIES CONSUMED

	Note	2020 ----Rupees----
Opening stock		**-**
Add: Inventories transferred from Shaheed Benazir Bhutto Accident Emergency & Trauma Centre, Civil Hospital Karachi		**794,150,072**
Add: purchases during the year		**422,711,605**
Add: donations received during the year		**112,410**
Less: closing stock		**(491,397,461)**
Consumed during the year		**725,576,626**

14 AUDITOR'S REMUNERATION

Audit fee including sales tax on services	**1,134,000**
Auditors out of pocket expenses	**105,000**
	1,239,000

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15 TRANSACTIONS WITH RELATED PARTIES

Related parties include Government of Sindh, Board of Governors (BOG), associated undertakings in which Governors hold common directorship / membership and key management personnel of the Institute. All related party transactions are measured in accordance with the terms agreed with the related parties. Details of transactions with related parties, other than those which have been disclosed elsewhere in the financial statements are as follows:

Relationship with related parties and nature of transactions	Amount
	----Rupees----
A. Government of Sindh	
Grant Income received during the year	1,863,240,710
Outstanding balances receivable at year end	131,241,845
B. Associated Undertaking	
Net assets transferred from the Shaheed Benazir Bhutto Accident Emergency & Trauma Centre, Civil Hospital Karachi to the Institute on constitution as a separate body corporate under SMBBIT Act, 2018	667,104,159
Purchase of medicines during the year	32,157,529

16 REMUNERATION OF CHIEF OPERATING OFFICER, BOG AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration, including certain benefits to chief operating officer, members of the BOG and executives of the Institute, are as follows:

Particulars	2020			
	Chief Operating Officer	Members of BOG	Executives	Total
Basic Salary	-	-	19,500,000	19,500,000
Other Benefits and allowances	-	-	62,027,856	62,027,856
	-	-	81,527,856	81,527,856
Number of persons	1	11	26	

Chief operating officer and members of BOG works for the Institute without any remuneration.

17 NUMBER OF EMPLOYEES

	2020
	---- Number ----
Number of employees including contractual employees at the end of year	908
Average number of employees including contractual employees during the year	856

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18 FINANCIAL INSTRUMENTS BY CATEGORY

	2020
Financial Assets	---- Rupees ----
At amortized cost	
Receivables from Government of Sindh	131,241,845
Other receivables	165,000
Cash at banks	191,609,195
	323,016,040
Financial liabilities	
At amortized cost	
Project director's liability	131,241,847
Trade payables, accrued liabilities and other payables	316,577,112
	447,818,959

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is unadjusted) inputs.

As at 30 June 2020	Level I	Level II	Level III	Total
Receivables from Government of Sindh	-	131,241,845	-	131,241,845
Advance, prepayment and other receivable	-	165,000	-	165,000
Cash at banks	-	191,609,195	-	191,609,195
	-	323,016,040	-	323,016,040

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors The Institute's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk. The BOG has overall responsibility for the establishment and oversight of the Institute's risk management framework. The BOG is also responsible for developing and monitoring the Institute's risk management policies.

20.1 Market risk

20.1.1 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Institute is not materially exposed to price risk as it does not have any significant price sensitive instruments.

20.2 Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk arises from deposits with banks and financial institutions, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating. The Institute monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings.

Out of the total financial assets of Rs. 323,016,040 the financial assets exposed to credit risk amount to Rs. 323,16,040. The carrying values of financial assets exposed to credit risk which are neither past due nor impaired are as follows:

	2020
	----Rupees----
Receivables from Government of Sindh	131,241,845
Other receivables	165,000
Cash at banks (note 7)	191,609,195
	323,016,040

Credit risk from bank deposits is managed by placing deposits with banks / mutual funds having sound credit ratings. The credit quality of Institute's bank balances can be assessed with reference to external credit ratings as follows:

Banks

		Rating	
	Agency	**Short term**	**Long term**
Habib Bank Limited	VIS	A-1+	AAA
Sindh Bank Limited	VIS	A-1	A+
National Bank of Pakistan	PACRA	A-1+	AAA

20.3 Liquidity risk

Liquidity risk represents the risk that the Institute will encounter difficulties in meeting obligations associated with financial liabilities. The Institute's liquidity management involves maintaining sufficient cash, projecting cash flows and considering the level of liquid assets necessary to meet obligations associated with financial liabilities. The table below analyses the Institute's financial liabilities held at amortized cost into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	30-Jun-20		
	Maturity up to one year	**Maturity after one year**	**Total**
Project director's liability	131,241,847	-	131,241,847
Trade payables, accrued liabilities and other payables	316,577,112	-	316,577,112
	447,818,959	**-**	**447,818,959**

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21 GENERAL

Figures have been rounded off to the nearest Rupees. This is first year of operation so there is no comparative figures available.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorized for issue on ___________________ by the Board of Governors of the Institute.

EXECTUIVE DIRECTOR

MEMBER OF BOG