clean Report

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Crowe

Crowe Hussain Chaudhury & Co.
F-4/2, Mustafa Avenue, Behind'
"The Forum" Block 9, Clifton,
Karachi, Pakistan.
Office +92 (0)21 35877806-10
www.crowe.pk

Independent Auditor's Report
To the Board of Governors of Shaheed Mohtarma Benazir Bhutto Institute of Trauma
Report on the Audit of the Financial Statements

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 2023, 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 2023, 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.

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

Gm

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 Chaudhury & Co.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: 27 MAY 2024

UDIN Number: AR202310207hpY2Ps93y

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
STATEMENT OF FINANCIAL POSIITION
AS AT 30 JUNE 2023

	Note	2023	2022
		--------------Rupees--------------	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	**3,794,443,908**	3,045,493,370
Intangible assets	5	**28,792,627**	40,309,680
		3,823,236,535	3,085,803,050
CURRENT ASSETS			
Inventories	6	**384,844,206**	361,368,803
Receivable from Government of Sindh		**131,241,845**	131,241,845
Advance, prepayment and other receivables		**9,708,770**	1,980,826
Cash at banks	8	**32,102,135**	86,248,802
		557,896,955	580,840,276
TOTAL ASSETS		**4,381,133,490**	3,666,643,326
FUND BALANCE			
Accumulated fund balance		**314,562,012**	290,067,798
LIABILITIES			
CURRENT LIABILITIES			
Project director's liability	9	**131,241,845**	131,241,845
Trade, accrued liabilities and other payables	10	**112,093,101**	159,530,637
		243,334,946	290,772,482
NON CURRENT LIABILITIES			
Deferred liability - capital grant	11	**3,823,236,532**	3,085,803,045
TOTAL LIABILITIES		**4,066,571,478**	3,376,575,527
CONTINGENCIES AND COMMITMENTS	12		
TOTAL FUND BALANCE AND LIABILITIES		**4,381,133,490**	3,666,643,326

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

EXECUTIVE DIRECTOR **MEMBER OF BOG**

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		-------------Rupees-------------	
INCOME			
Grant income	13	**3,289,009,694**	2,426,923,330
Other income		**32,599,793**	4,000,319
		3,321,609,487	2,430,923,649
EXPENDITURE			
Salaries, wages and other benefits		**1,094,894,554**	820,255,161
Salaries and wages of outsourced staff		**286,454,371**	135,345,838
Medicines and other supplies consumed	14	**844,598,237**	619,478,925
Medical oxygen consumed		**33,999,941**	29,378,870
Depreciation expense	4	**433,278,349**	439,287,990
Amortization of intangible asset	5	**11,517,051**	11,517,051
Telephone and communication		**495,000**	2,039,246
Utilities		**380,155,538**	262,127,728
Fuel expense		**17,791,801**	9,342,617
Security services		**55,154,673**	36,640,425
Insurance charges		**2,430,449**	1,444,242
IT Equipment accessories		**-**	1,387,655
Auditor's remuneration	15	**1,696,900**	1,239,000
Training expense		**1,237,800**	1,794,478
Other expenses		**43,309,333**	-
Publications, newspaper periodicals and books		**7,082**	165,374
Repair and maintenance of building, medical and other equipments		**90,094,194**	68,149,545
		3,297,115,273	2,439,594,145
(Deficit) /Surplus for the year		**24,494,214**	(8,670,496)

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

EXECUTIVE DIRECTOR

MEMBER OF BOG

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		--------------Rupees--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / Surplus for the year		**24,494,214**	(8,670,496)
Adjustments for non cash and other items			
- Depreciation expense	4.1	**433,278,349**	439,287,990
- Amortization of intangible asset	5	**11,517,051**	11,517,051
- Value of services rendered to patients through government grant		**(2,844,214,292)**	(2,056,582,425)
- Value of services rendered to patients through deferred capital grant		**(444,795,400)**	(450,805,040)
- Loss on disposal of assets		**-**	-
		(2,844,214,292)	(2,056,582,424)
Working capital changes			
(Increase) / decrease in current assets			
- Inventories		**(23,475,403)**	66,794,829
- Other receivables		**(7,727,945)**	150,632,560
Increase / (decrease) in current liabilities			
- Accrued and other payables		**(47,437,534)**	16,490,459
		(78,640,882)	233,917,848
Grant income received from government used	13.1	**2,844,214,292**	2,054,857,374
Net cash generated from operating activities		**(54,146,668)**	223,522,302
CASH FLOWS FROM INVESTING ACTIVITIES			
- Additions to property and equipment		**(605,224,689)**	(284,122,788)
Net cash used in investing activities		**(605,224,689)**	(284,122,788)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Capital grant received during the year		**605,224,689**	78,571,097
Net cash generated from financing activities		**605,224,689**	78,571,097
Net increase / (decrease) in cash and cash equivalents		**(54,146,667)**	17,970,611
Cash and cash equivalents at the beginning of the year		**86,248,802**	68,278,191
Cash and cash equivalents at the end of the year		**32,102,135**	86,248,802

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

EXECUTIVE DIRECTOR

MEMBER OF BOG

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Surplus / (Deficit) for the year	Transfer reserves	Total
	--------------------Rupees--------------------		
Balance as at 30 June 2021	(438,365,354)	667,104,161	228,738,807
Suplus / (Deficit) for the year	69,999,487	-	69,999,487
Balance as at 30 June 2021	(368,365,867)	667,104,161	298,738,294
Suplus / (Deficit) for the year	(8,670,496)	-	(8,670,496)
Balance as at 30 June 2022	(377,036,363)	667,104,161	290,067,798
Suplus / (Deficit) for the year	**24,494,214**	**-**	**24,494,214**
Balance as at 30 June 2023	**(352,542,149)**	**667,104,161**	**314,562,012**

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

Ctrl

EXECUTIVE DIRECTOR

MEMBER OF BOG

SHAHEED MOHTARMA BENAZIR BHUTTO INSTITUTE OF TRAUMA AT KARACHI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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.

In may 2023, 100 beded Shaheed Mohtarma Benazir Bhutto Trauma and emergency response centre was operationalized under the umbrella of institute as Sattelite unit in Larkana, Sindh. The satellite unit has capacity to handle 150 plus emergency cases on daily basis.

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;

Grc

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;

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 2021. 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.

GTC

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.

Gxc

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.

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 Institute and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure during the period in which they are incurred.

De-recognition

An item of property, plant and equipment is derecognized on disposal; or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal or retirement of an asset is recognized as an income or expense.

Depreciation

Depreciation is charged in the income and expenditure and other comprehsive income using straight-line method in accordance with useful lifes specified in the note 4. Depreciation is charged on additions during the period from the month of purchase whereas no depreciation is charged in the month of disposal.

Useful lives are determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

b) Capital work in progress

Capital work in progress is stated at cost less impairment (if any). All expenditure connected with specific assets incurred during the installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use.

c) Impairment

The Institute assesses whether there is any indication that Property and Equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amount, by recognizing the difference in the income and expenditure account currently.

3.2 Intangibles

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is provided on a straight line basis at the rates disclosed in the note 5 to the financial statements on monthly basis. Cost associated with maintaining computer softwares is recognized as an expense as and when incurred.

Cuu

3.3 Inventories

Inventories comprise medicines, instruments, consumables and general supplies such as surgical supplies, stationery, grocery items, etc. These are valued at cost. Cost is determined on weighted average basis. Cost comprise the purchase cost and other related costs incurred in bringing the inventories to their present location and condition.

Donated inventories are carried at a valuation equivalent to the cost, which would have been incurred in bringing such inventories to their present location and condition had these inventories been purchased or where the cost of the donated inventories cannot be measured with sufficient reliability such inventories are valued at token value of Rs. 1. Provision is made for slow moving and expired stock where necessary.

3.4 Deferred capital grant

Grants restricted for capital expenditure are recognised as 'deferred capital grant' when received.

3.5 Provision

Provision are recognized when the Institute has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date to reflect the current best estimate.

3.6 Trade payables, Accrued and other payables

Accrued and other payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed or not to the Institute.

3.7 Revenue recognition

Grants received in cash and/ or in kind are treated as "Grant income" in the period in which these are received and is credited to income and expenditure account. Excess amount not utilized is returned to the Government of Sindh.

Deferred capital grant is amortised and recognized as income to match the depreciation and amortisation expense provided during the year on related capital assets.

3.8 Cash and cash equivalents

For the purpose of statement of cash flow cash, cash equivalents comprise of balances with banks.

3.9 Financial instruments

a) Initial measurement and recognition

Financial assets

Non-derivative financial assets are recognised at the time when the Institute becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Institute has transferred substantially all the risks and rewards of ownership.

Gro

Financial liabilities

Financial liabilities are recognised at the time when the Institute becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortized cost. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Institute has a legal enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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.

Gru

4 PROPERTY AND EQUIPMENT

	Note	2023	2022
		------- RUPEES -------	
Operating assets	4.1	**3,339,788,503**	2,864,851,413
Capital work-in-progress	4.2	**454,655,405**	180,641,957
		3,794,443,908	3,045,493,370

4.1 OPERATING ASSETS

2023

Description	COST				Depreciation				Written down value as at 30 June 2023	Useful life in years
	As at 01 July 2022	Additions / Transfer	(Disposal)	As at 30 June 2023	As at 01 July 2022	For the year	(Disposal)	As at 30 June 2023		
Land	**1**		**-**	**1**	**-**	**-**	**-**	**-**	**1**	
Building and civil work on land	**2,871,189,961**	**160,507,667**	**-**	**3,031,697,628**	**928,969,402**	**144,390,260**	**-**	**1,073,359,662**	**1,958,337,966**	**20**
Heating, ventilation, and air conditioning	**629,813,807**	**47,781,466**	**-**	**677,595,273**	**392,411,541**	**66,132,567**	**-**	**458,544,108**	**219,051,165**	**10**
Medical equipments	**2,024,213,615**	**697,225,248**	**-**	**2,721,438,863**	**1,483,034,191**	**188,144,273**	**-**	**1,671,178,464**	**1,050,260,399**	**3 - 10**
Hospital bed and ancillaries	**184,198,775**	**-**	**-**	**184,198,775**	**180,085,061**	**2,535,289**	**-**	**182,620,350**	**1,578,425**	**5**
Furniture and fixtures	**147,028,073**	**-**	**-**	**147,028,073**	**146,970,568**	**13,020**	**-**	**146,983,588**	**44,485**	**5**
Lifts and generators	**314,660,479**	**-**	**-**	**314,660,479**	**175,747,997**	**31,466,048**	**-**	**207,214,045**	**107,446,434**	**10**
Computer Equipments	**52,018,542**	**2,701,060**	**-**	**54,719,602**	**51,053,082**	**596,892**	**-**	**51,649,974**	**3,069,628**	**5**
	6,223,123,253	**908,215,441**	**-**	**7,131,338,694**	**3,358,271,842**	**433,278,349**	**-**	**3,791,550,191**	**3,339,788,503**	

Addition to operating assets includes Rs.604.53 million (2022: Nil) which belongs to Larkana unit.

2022

Description	COST				Depreciation				Written down value as at 30 June 2022	Useful life in years
	As at 01 July 2021	Additions	(Disposal)	As at 30 June 2022	As at 01 July 2021	For the year	(Disposal)	As at 30 June 2022		
Land	1	-	-	1	-	-	-	-	1	
Building and civil work on land	2,871,189,961	-	-	2,871,189,961	785,409,904	143,559,498	-	928,969,402	1,942,220,559	20
Heating, ventilation, and air conditioning	629,813,807	-	-	629,813,807	329,430,160	62,981,381	-	392,411,541	237,402,266	10
Medical equipments	1,742,519,226	281,694,389	-	2,024,213,615	1,291,815,744	191,218,447	-	1,483,034,191	541,179,424	3 - 10
Hospital bed and ancillaries	184,070,775	128,000	-	184,198,775	176,689,910	3,395,151	-	180,085,061	4,113,714	5
Furniture and fixtures	146,962,973	65,100	-	147,028,073	146,962,973	7,595	-	146,970,568	57,505	5
Lifts and generators	314,660,479	-	-	314,660,479	144,281,949	31,466,048	-	175,747,997	138,912,482	10
Computer Equipments	51,549,442	469,100	-	52,018,542	44,393,212	6,659,870	-	51,053,082	965,460	5
	5,940,766,664	282,356,589	-	6,223,123,253	2,918,983,852	439,287,990	-	3,358,271,842	2,864,851,413	

4.1.1 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 01 July 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.

4.1.2 The ground breaking for the construction of building and civil works thereon commenced on 07 September 2009 by Ministry of Health, Government of Sindh (GoS) and was formally inaugurated for operation on 23 December 2015. It commenced its full operational activities from 01 July 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.

4.2 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

	2023	2022
	------- RUPEES -------	
Opening balance as at 01 July	**180,641,957**	178,875,758
Addition	**345,614,671**	58,292,223
Transferred to property and equipment	**(71,601,223)**	(56,526,024)
Closing balance as at 30 June	**454,655,405**	180,641,957

Addition to CWIP includes Rs. 81.12 million (2022: Nil) which belongs to Larkana unit.

5 INTANGIBLE ASSETS

	2023									
Description	COST				Amortization				Written down value as at 30 June 2023	Amoritization Rate
	As at 01 July 2022	Additions	(Disposal)	As at 30 June 2023	As at 01 July 2022	For the year	(Disposal)	As at 30 June 2023		
Information Technology & Buiding Management	**115,170,510**	-	-	**115,170,510**	**74,860,832**	**11,517,051**	-	**86,377,883**	**28,792,627**	**10%**

	2022									
Description	COST				Amortization				Written down value as at 30 June 2022	Amoritization Rate
	As at 01 July 2021	Additions	(Disposal)	As at 30 June 2022	As at 01 July 2021	For the year	(Disposal)	As at 30 June 2022		
Information Technology & Buiding Management	115,170,510	-	-	115,170,510	63,343,781	11,517,051	-	74,860,832	40,309,680	10%

Gar

		2023	2022
6 INVENTORIES	**Note**	------------Rupees------------	
Medicines		**105,140,832**	93,605,541
Consumables		**8,374,476**	16,863,343
Instruments		**223,579,656**	227,226,442
Patient diet items		**4,194,027**	1,902,017
Stationary printing and publication		**9,083,545**	3,806,171
Others		**34,471,670**	17,965,289
		384,844,206	361,368,803

7 ADVANCE, PREPAYMENT AND OTHER RECEIVABLE

	2023	2022
Prepayments:		
Insurance	**9,384,132**	1,814,581
Other receivable		
From canteen	**110,000**	-
Other	**214,638**	166,245
	9,708,770	1,980,826

8 CASH AT BANKS

	2023	2022
Current accounts	**32,102,135**	86,248,801

9 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.

		2023	**2022**
10 TRADE PAYABLES, ACCRUED LIABILITIES AND OTHER PAYABLES		------------Rupees------------	
Accrued liabilities	10.1	**101,095,364**	159,211,569
Other payables	10.2	**10,997,737**	319,068
		112,093,101	159,530,637

10.1 Accrued Liabilities

	2023	2022
Staff salaries payable	**4,950,244**	72,786,057
Utilities payable	**94,448,219**	82,708,512
Auditors remuneration payable	**1,696,901**	3,717,000
	101,095,364	159,211,569

Cnu

11 DEFERRED LIABILITY - CAPITAL GRANT

2023	Opening Deferred Liability as at June 30 2022	During year			Closing Deferred Liability as at June 30 2023
		Grant Received	Grant Income recognized	Grant Transferred	
	---Rupees---				
DEFFERED INCOME					
Land	**1**		**-**	**-**	**1**
Building and civil work on land	**1,942,220,558**	**160,507,667**	**144,390,260**	**-**	**1,958,337,965**
Heating, ventilation, and air conditioning	**237,402,265**	**47,781,466**	**66,132,567**	**-**	**219,051,163**
Medical equipments	**541,179,424**	**625,624,025**	**188,144,273**	**71,601,223**	**1,050,260,399**
Hospital bed and ancillaries	**4,113,714**	**-**	**2,535,289**	**-**	**1,578,425**
Furniture and fixtures	**57,505**	**-**	**13,020**	**-**	**44,485**
Lifts and generators	**138,912,483**	**-**	**31,466,049**	**-**	**107,446,434**
Computer equipments	**965,460**	**2,701,060**	**596,892**	**-**	**3,069,628**
Information technology and building management	**40,309,678**	**-**	**11,517,051**	**-**	**28,792,627**
	2,905,161,088	**836,614,218**	**444,795,401**	**71,601,223**	**3,368,581,127**
DEFFERED LIABILITY					
Capital work-in-progress	**180,641,957**	**345,614,671**	**-**	**(71,601,223)**	**454,655,405**
LC MRI machine	**-**	**-**	**-**	**-**	**-**
	180,641,957	**345,614,671**	**-**	**(71,601,223)**	**454,655,405**
TOTAL	**3,085,803,045**	**1,182,228,889**	**444,795,401**	**-**	**3,823,236,532**

2022	Opening Deferred Liability as at June 30 2021	During year			Closing Deferred Liability as at June 30 2022
		Grant Received	Grant Income recognized	Grant Transferred	
	---Rupees---				
DEFERRED INCOME					
Land	1		-		1
Building and civil work on land	2,085,780,056	-	143,559,498		1,942,220,558
Heating, ventilation, and air conditioning	300,383,646	-	62,981,381		237,402,265
Medical equipments	450,703,482	225,168,365	191,218,447	56,526,024	541,179,424
Hospital bed and ancillaries	7,380,865	128,000	3,395,151		4,113,714
Furniture and fixtures	-	65,100	7,595		57,505
Lifts and generators	170,378,530	-	31,466,048		138,912,482
Computer equipments	7,156,230	469,100	6,659,870		965,460
Information technology and building management	51,826,729	-	11,517,051		40,309,678
					-
	3,073,609,539	225,830,565	450,805,040	56,526,024	2,905,161,088
DEFERRED LIABILITY					
Capital work-in-progress	178,875,758	58,292,223	-	(56,526,024)	180,641,957
LC MRI machine	207,276,739	-	-	(207,276,739)	-
	386,152,497	58,292,223	-	(263,802,763)	180,641,957
TOTAL	3,459,762,036	284,122,788	450,805,040	(207,276,739)	3,085,803,045

12 CONTINGENCIES AND COMMITMENTS

No contingencies and commitments were there during the year (2022: Nil).

13 GRANT INCOME	Note	2023	2022
		------------Rupees------------	
Grant related to income	13.1	**2,844,214,292**	1,976,118,290
Capital grant income	11 & 13.2	**444,795,402**	450,805,040
		3,289,009,694	2,426,923,330

13.1 Grant related to income pertains to the grant provided by GoS for the operational expenses of Institute, amounting to Rs. 2,869.30 million (2022: Rs. 1,976.12 million).

13.2 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.

14 MEDICINES AND OTHER SUPPLIES CONSUMED	2023	2022
	------------Rupees------------	
Opening stock	**361,368,803**	428,163,632
Add: purchases during the year	**867,291,432**	552,354,666
Add: donations received during the year	**782,208**	329,470
Less: closing stock	**(384,844,206)**	(361,368,803)
Consumed during the year	**844,598,237**	619,478,925

Purchase includes Rs.121.93 million (2022: Nil) purchase of Larkana unit.

15 AUDITOR'S REMUNERATION

	2023	2022
Audit fee including sales tax on services	**1,571,400**	1,134,000
Auditors out of pocket expenses	**125,500**	105,000
	1,696,900	1,239,000

16 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:

Lmc

Relationship with related parties and nature of transactions	**2023**	**2022**
	-------------Rupees-------------	
A. Government of Sindh		
Grant Income received during the year	**3,315,409,168**	2,426,923,330
Outstanding balances receivable at year end	**131,241,845**	131,241,845
B. Associated Undertaking		
Purchase of medicines during the year	**32,804,602**	32,418,327

17 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:

Particular	2023			
	Chief Operating Officer	Member of BOG	Executives	Total
Basic Salary	-	-	**48,600,000**	**48,600,000**
Other Benefits and allowances	-	-	**128,082,876**	**128,082,876**
			176,682,876	**176,682,876**
Number Of Persons	**1**	**11**	**28**	

Particular	2022			
	Chief Operating Officer	Member of BOG	Executives	Total
Basic Salary	-	-	37,500,000	37,500,000
Other Benefits and allowances	-	-	92,665,284	92,665,284
			130,165,284	130,165,284
Number Of Persons	1	11	25	

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

18 NUMBER OF EMPLOYEES

	2023	**2022**
	-------------Number-------------	
Number of employees including contractual employees at the end of year	**1,229**	1,180
Average number of employees including contractual employees during the year	**1,205**	1,129

CMC

19 FINANCIAL INSTRUMENTS BY CATEGORY

	2023	2022
	-------------Rupees-------------	
Financial Assets		
At fair value		
Receivables from Government of Sindh	**131,241,845**	131,241,845
Advance, prepayment and other receivable	**9,708,770**	1,980,826
Cash at banks	**32,102,135**	86,248,802
	173,052,750	219,471,473
Financial liabilities		
At fair value		
Project director's liability	**131,241,845**	131,241,845
Trade, accrued liabilities and other payables	**112,093,101**	159,530,637
	243,334,946	290,772,482

20 FAIR VALUE MEASUREMENT 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.

	Level I	Level II	Level III	Total
As At 30 June 2023				
Receivables from Government of Sindh	-	**131,241,845**	-	**131,241,845**
Advance, prepayment and other receivable	-	**9,708,770**	-	**9,708,770**
Cash at banks	-	**32,102,135**	-	**32,102,135**
	-	**173,052,750**	-	**173,052,750**
As at 30 June 2022				
Receivables from Government of Sindh	-	131,241,845	-	131,241,845
Advance, prepayment and other receivable	-	1,980,826	-	1,980,826
Cash at banks	-	86,248,802	-	86,248,802
	-	**219,471,473**	-	**219,471,473**

Gru

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Institute's activities expose it to a variety of financial risks such as 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.

21.1 Market risk

21.1.1 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.

21.2 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. 165.48 millon (2022: Rs. 219.47 million) the financial assets exposed to credit risk amount to Rs. 165.48 miilion (2022: Rs. 219.47 million). The carrying values of financial assets exposed to credit risk which are neither past due nor impaired are as follows:

	2023	2022
	-------------Rupees-------------	
Receivables from Government of Sindh	**131,241,845**	131,241,845
Advance, prepayment and other receivable	**9,708,770**	1,980,826
Cash at banks	**32,102,135**	86,248,802
	173,052,750	219,471,473

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+
United bank Limited	VIS	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAA
National Bank of Pakistan	PACRA	A-1+	AAA

Cre

21.3 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-23		
	Maturity up to one year	**Maturity after one year**	**Total**
Project director's liability	**131,241,845**	-	**131,241,845**
Trade payables, accrued liabilities and other payables	**112,093,101**	-	**112,093,101**
	243,334,946	-	**243,334,946**

	30-Jun-22		
	Maturity up to one year	Maturity after one year	Total
Project director's liability	131,241,845	-	131,241,845
Trade payables, accrued liabilities and other payables	159,530,637	-	159,530,637
	290,772,482	-	290,772,482

22 GENERAL

Figures have been rounded off to the nearest Rupees.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorized for issue on 17th MAY 2024 by the Board of Governors of the Institute.

Cte

EXECUTIVE DIRECTOR

MEMBER OF BOG