

REPORT

PROJECT AND CLIENT
INFORMATION (PLEASE PROVIDE ALL
RELEVANT)

FORM 100 PROJECT CHECK SHEET (REV. 11/01)

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF PAKISTAN RED CRESCENT SOCIETY PUNJAB PROVINCIAL BRANCH

Opinion

We have audited the financial statements of **PAKISTAN RED CRESCENT SOCIETY PUNJAB PROVINCIAL BRANCH (The Society)**, which comprise the statement of financial position as at December 31, 2019, and the income and expenditure statement, statement of cash flows and statement of changes in accumulated funds for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2019, and its financial performance, its cash flows and its accumulated funds for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of Financial Statements section of our report. We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 7 of the financial statements which describes the uncertainty related to the outcome of the lawsuit filed by the Society. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

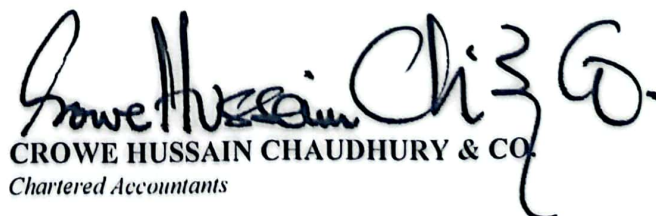
As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society'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 Society 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 those charged with governance 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.

04 SEP 2021

Lahore
Dated


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

(Engagement Partner: Amin Ali)




**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	Note	2019 Rupees	2018 Rupees
Non Current Assets			
Operating fixed assets - at written down value	4	366,639,929	337,930,337
Capital work in progress	5	273,037,022	241,609,845
Intangible asset	6	659,794	36,038
Long term investments	7	38,500,000	38,500,000
Long term security deposits		1,477,400	780,900
		680,314,145	618,857,120
Current Assets			
Stores and spares	8	7,194,799	7,024,901
Receivables against fees	9	1,402,167	4,972,119
Advances and other receivables	10	2,054,522	14,644,914
Cash and bank balances	11	251,616,856	114,402,810
		262,268,344	141,044,744
Current Liabilities			
Trade and other payables	12	119,941,660	38,661,720
Current portion of lease liabilities	15	600,359	-
College fees received in advance	13	211,488,497	172,855,126
Rent received in advance		6,188,400	2,126,554
		(338,218,916)	(213,643,400)
Net Current Liabilities		(75,950,572)	(72,598,656)
Non Current Liabilities			
Deferred income	14	(27,872,049)	(30,968,943)
Liabilities against assets subject to finance lease	15	(1,673,772)	-
Contingencies and Commitments	16	-	-
NET ASSETS		<u>574,817,752</u>	<u>515,289,521</u>
REPRESENTED BY			
Accumulated Funds		<u>574,817,752</u>	<u>515,289,521</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.


SECRETARY


HONORARY TREASURER


MANAGER ACCOUNTS & FINANCE

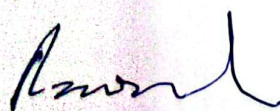
**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Note	2019 Rupees	2018 Rupees
Income			
Medical and Dental College	17	355,409,866	242,448,504
Rental income		30,016,546	29,256,833
Grant for projects		10,087,862	8,638,676
Medical and Dental College Teaching Hospital	18	17,118,279	7,924,776
Profit on investments and deposits		5,821,635	7,075,556
Sale of donation tickets		9,228,201	6,441,240
Amortization of deferred income		3,096,894	3,440,994
Liabilities written back		4,422,520	-
Laboratory services		454,130	657,640
Donations in cash		771,500	553,035
Membership fee		30,000	25,000
Other income		58,572	108,893
		436,516,005	306,571,147
Expenditures			
Medical and dental college expenses	19	230,973,275	122,824,584
Teaching hospital expenses	20	93,081,216	62,733,626
Salaries and allowances	21	18,543,056	18,883,395
Administrative expenses	22	11,222,217	14,572,030
Project expenses - First aid programme	23	11,378,278	13,367,932
Grants, relief and services	24	5,924,103	5,004,873
Other operating expenses	25	5,865,629	1,525,433
		(376,987,774)	(238,911,873)
Net Surplus Transferred to Accumulated Funds		<u>59,528,231</u>	<u>67,659,274</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.


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MANAGER ACCOUNTS & FINANCE

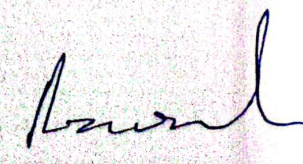
**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	59,528,231	67,659,274
Adjustments for:		
Depreciation	30,069,153	25,112,185
Amortization	36,038	55,667
Balances / asset written off	7,013,914	281,209
Liabilities written back	(6,508,151)	-
Amortization of deferred income	(3,096,894)	(3,440,994)
	<u>27,514,060</u>	<u>22,008,067</u>
Operating surplus before working capital changes	87,042,291	89,667,341
Increase / decrease in current assets		
Stores and spares	(169,898)	988,517
Receivables against fees	3,569,952	422,187
Advances and other receivables	5,576,478	511,053
Increase / (decrease) in current liabilities		
Trade and other payables	87,788,091	6,686,203
Refundable to students	-	(264,168,666)
College income received in advance	38,633,371	20,890,126
Rent received in advance	4,061,846	2,103,771
	<u>139,459,840</u>	<u>(232,566,809)</u>
Net Cash Generated from / (Used in) Operating Activities	226,502,131	(142,899,468)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(56,247,745)	(65,791,208)
Capital work in progress	(31,427,177)	(117,120,195)
Intangibles	(659,794)	-
Long term security deposits	(696,500)	-
	<u>(89,031,216)</u>	<u>(182,911,403)</u>
Net Cash Used in Investing Activities	(89,031,216)	(182,911,403)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease - repayment	(256,869)	-
	<u>(256,869)</u>	<u>-</u>
Net Increase / (Decrease) in Cash and Cash Equivalents During the Year	137,214,046	(325,810,871)
Cash and cash equivalents at the beginning of the year	114,402,810	440,213,681
Cash and Cash Equivalents at the End of the Year	<u>251,616,856</u>	<u>114,402,810</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.


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MANAGER ACCOUNTS & FINANCE

**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**


**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Accumulated funds - un-restricted
	Rupees
Balance as at December 31, 2017	447,630,247
Net surplus for the year	67,659,274
Balance as at December 31, 2018	515,289,521
Net surplus for the year	59,528,231
Balance as at December 31, 2019	574,817,752

The annexed notes from 1 to 31 form an integral part of these financial statements.

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MANAGER ACCOUNTS & FINANCE

**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1

Status and Operations

Pakistan Red Crescent Society, Punjab Provincial Branch (the Society) was constituted under the Pakistan Red Crescent Society Act (XV of 1920) as amended up to February 1974. The principal activity of the Society is to provide humanitarian and voluntary services to mankind in war and peace. The Society is domiciled in Pakistan and its registered office is situated at 2 - Shara-e-Fatima Jinnah, Lahore. The Society has setup and operates Pakistan Red Crescent Medical and Dental College and hospital. The registered address of the College is 48-KM Multan Road, Lahore.

Note 2

Basis of Preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise International Accounting and Financial Reporting Standards for Small and Medium Sized Entities (SMEs) issued by the International Accounting Standards Board (IASB) and Accounting Standard for Non-profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Accounting convention

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

2.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable by the management under different circumstances. These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made.

Significant management estimates in these financial statements relate to the useful life of operating fixed assets, provisions for doubtful receivables, loss on investments and slow moving and obsolete inventory. However, the management believes that the change in outcome of these estimates would not have a material effect on the amounts disclosed in the financial statements.

2.4 Financial and Presentation Currency

These financial statements are prepared and presented in Pak Rupees which is the Society's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest rupee, unless otherwise stated.

Note 3

Significant Accounting Policies

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

3.1 Operating fixed assets

Plant and equipment are stated at written down value except freehold land which is stated at cost.

Depreciation on fixed assets is charged using the reducing balance method at the rates specified in Note 4. Full year depreciation is provided on assets in year of purchase, while no depreciation is provided for the year of disposal.

Note 3, Significant Accounting Policies - Cont ...

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repairs and maintenance costs are included in the income and expenditure statement during the period in which they are incurred.

The Society reviews the useful lives of operating fixed assets on a regular basis. Any change in the management's estimates might affect the carrying amount of respective item of operating fixed assets, with a corresponding effect on the depreciation charge and impairment.

Fixed assets received as a donations or endowments are recognized at fair value and a corresponding amount is recognised in deferred income account. Such items are thereafter depreciated in accordance with the Society's policy and corresponding amounts are transferred from deferred income to the income and expenditure statement.

Cost of any improvements in land is capitalised as part of the cost of land. In case of vested government land, the cost of improvement to land is not capitalised but treated as revenue expenditure. Cost of any structure build on donated land is capitalised separately.

Profit or (loss) on disposal of fixed assets is reflected in the current income. Major repairs and maintenance are capitalized while normal repairs and maintenance expenses are charged to income and expenditure statement.

3.2 Intangible assets

The intangible asset comprises the accounting software. The intangible asset is amortized over three years using the straight line method. Amortization on addition / up gradation is charged from the month in which the asset is available for use.

3.3 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss, if any.

3.4 Impairment

Carrying amount of the Society's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount is the higher of the fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use.

3.5 Investments

These are stated at cost.

3.6 Stores, spares and stocks

These are valued at lower of cost and net realizable value. Cost is determined using first in first out basis. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

3.7 Provisions

A provision is recognized in the financial statements when the Society has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.8 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank.

Note 3, Significant Accounting Policies - Continued...

3.9 Receivables

Known bad debts are written off and provision is made for receivables considered doubtful, if any.

3.10 Retirement benefits

In the year 1992, the Society introduced General Provident Fund and Pension Fund Schemes for its employees as per the Punjab Government Rules. Employees make monthly contributions to the fund at the rate of 10% of basic salary. Employees are paid commutation and pension at and after the retirement of service. However, in the absence of any actuarial valuation no provision as to liability for pension and related benefits is incorporated in these financial statements and the related expense is recorded on cash payment basis.

3.11 Revenue recognition

The Society recognizes its income as under:

- Membership subscriptions are accounted for on receipt basis.
- Donations in cash are accounted for on receipt basis.
- Red Crescent week collections are accounted for on receipt basis.
- Profits on investments are accounted for on accrual basis.
- Rental income is accounted for on accrual basis.
- Fee from Medical and Dental College is recognized in income and expenditure statement on time proportionate basis.

- Grant including non-monetary grants at fair value are recognised only if the conditions for its receipts have been complied with and there is reasonable assurance that grant will be received. If there is no reasonable assurance that the donation or grant, or any part thereof, will be received recognition of such donation or grant, or part thereof, should be postponed and such donation or grant is recognised in the period in which reasonable assurance is obtained that the donation or grant will be received.

3.12 Translations in Foreign Currency

Foreign currency transactions are translated at rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing on the reporting date. Exchange differences, if any, are taken to the income and expenditure statement.

3.13 Deferred income

Funds relating to fixed assets are included in non-current liabilities as deferred credit and credited to the income and expenditure statement over the expected lives of related assets. The unamortized portion of deferred credit is recognized as a long-term liability in the statement of financial position.

3.14 Financial instruments

The Society accounts for its financial instruments as per International Financial Reporting Standards for Small and Medium-Sized Entities (SMEs). The management determines the classification of its financial instruments at the time of initial recognition. The Institute classifies its financial assets as basic financial instruments initially measured at transaction price. Subsequently, these financial instruments are measured at undiscounted transaction price less any impairment. Financial assets are derecognized when rights to cash flows from financial assets are settled or expired and financial liabilities are derecognized when these are extinguished.

3.15 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Society and the related party are at arm's length prices determined as per the Society policy except in circumstances where it is not in the interest of the Society to do so.

3.16 Taxation

The income of the Society is clubbed into income of Pakistan Red Crescent Society and is taxable at National level. Therefore, no impact of IS has been incorporated in these financial statements.

Operating Fixed Assets - Written Down Value

Particulars	Note	Written Down Value			Depreciation		Adjustment	As at December 31, 2019
		As at January 01, 2019	Additions	As At December 31, 2019	Rate	Charge for the year		
		Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees
Land								
Shahalam Market - Freehold		2,533,600	-	2,533,600	-	-	-	2,533,600
Dena Nath - Freehold		29,389,925	-	29,389,925	-	-	-	29,389,925
Buildings								
R.C House office on leasehold land	4.1	3,460,389	-	3,460,389	5	173,019	-	3,287,370
R.C Training Centre, Murree on leasehold land	4.2	1,531,782	-	1,531,782	5	76,589	-	1,455,193
R.C House Shahalam Market on freehold land		500,630	-	500,630	5	25,032	-	475,598
Red Crescent Medical and Dental College		139,199,279	-	139,199,279	5	6,959,964	-	132,239,315
R.C.B.D.C - Thallasimia centre		26,447,131	-	26,447,131	5	1,322,357	-	25,124,774
Plant and equipment								
Electric installation		232,952	84,000	316,952	10	31,695	-	285,257
Computers and accessories		382,415	3,320,539	3,702,954	30	1,110,887	-	2,592,067
Office equipment		3,375,383	298,300	3,673,683	10	367,368	-	3,306,315
Blood donor service		31,653,454	-	31,653,454	10	3,165,345	-	28,488,109
Clinical laboratory		19,863	-	19,863	5	993	-	18,870
Maternity hospital		220,262	-	220,262	10	22,026	-	198,236
Eye department		113,997	-	113,997	10	11,400	-	102,597
Red Crescent M.C.H. Centre, Murree		793,281	-	793,281	10	79,328	-	713,953
Red Crescent Thallasemia Centre		10,598	-	10,598	10	1,060	-	9,538
Red Crescent Medical and Dental College		81,530,627	47,801,298	129,331,925	10	13,009,143	-	116,322,782
Furniture and fixture								
Office		291,343	85,890	377,233	10	37,723	-	339,510
Blood donor service		178,991	-	178,991	10	17,899	-	161,092
Red Crescent Training Centre, Murree		67,289	-	67,289	10	6,729	-	60,560
Red Crescent Complex Dena Nath		5,965,519	-	5,965,519	10	596,552	-	5,368,967
Red Crescent Medical and Dental College		2,943,039	4,216,817	7,159,856	10	715,986	-	6,443,870
Library Books			382,941	382,941	15	57,441	-	325,500
Vehicles / Ambulances		7,088,588	-	7,088,588	20	1,417,717	-	5,670,871
Vehicle - lease assets		-	2,588,960	2,588,960	33.33	862,900	-	1,726,060
Total Rupees 2019		<u>337,930,337</u>	<u>58,778,745</u>	<u>396,709,082</u>		<u>30,069,153</u>	-	<u>366,639,929</u>
Total Rupees 2018		<u>289,462,300</u>	<u>73,580,222</u>	<u>363,042,522</u>		<u>25,112,185</u>	-	<u>337,930,337</u>

4.1 The Society possess 99 years' rights of use for the leasehold land measuring 0.706 acres in Lahore for Provincial Headquarter and 8 kanals and 4 marlas in Murree for Red Crescent Training Centre. The remaining lease period as on December 31, 2019 is 47 years (2018: 48 years) for both leases.

4.2 There have been no disposals or adjustments during the year (2018: Nil)

Note 5

Capital Work in Progress

		2019	2018
	Note	Rupees	Rupees
Medical College at Dena Nath	5.1	259,312,022	227,884,845
Land	5.2	13,725,000	13,725,000
		<u>273,037,022</u>	<u>241,609,845</u>

5.1 Medical College at Dena Nath

Opening balance	227,884,845	124,485,031
Additions during the year	31,427,177	103,399,814
Closing balance	<u>259,312,022</u>	<u>227,884,845</u>

5.2 This represents advance given to district government for purchase of land measuring 12 Kanal and 4 Marla situated at Dinnath.

Note 6

Intangible Asset

		2019	2018
	Note	Rupees	Rupees
Software	6.1	-	36,038
Capital work in progress	6.2	659,794	-
		<u>659,794</u>	<u>36,038</u>

6.1 Software

Opening balance	36,038	91,705
Addition	-	-
Amortization	36,038	91,705
	<u>(36,038)</u>	<u>(55,667)</u>
	<u>-</u>	<u>36,038</u>

Accounting software:

Cost	167,000	167,000
Accumulated amortization	<u>(167,000)</u>	<u>(130,962)</u>
	<u>-</u>	<u>36,038</u>

Amortization rate

<u>33%</u>	<u>33%</u>
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6.2 This represents partial payment made to vendor for purchase of software for hospital and college.

Note 7

Long Term Investments - at cost

	2019	2018
	Rupees	Rupees
Innovative Investment Bank Limited	<u>38,500,000</u>	<u>38,500,000</u>

7.1 This represents the cost of investments made in Regular Income Certificates and Term Deposit Certificates issued by the then Crescent Standard Investment Bank Limited, carrying markup at rates of 8.5% and 11.25%, respectively. Pursuant to merger of Crescent Standard Investment Bank Limited into Innovative Investment Bank Limited such investments were replaced by fresh Certificates of Deposits carrying markup at 7% per annum and maturing earliest by July 29, 2009. Upon such maturity, the principal as well as the accrued markup thereon was not paid to the Society, which therefore filed a recovery suit for these amounts. Furthermore society has not incorporated any accrual for markup for the year.

7.2 During the proceedings mentioned in Note 7.1 above, the Honorable Lahore High Court, through an order dated February 08, 2011, passed an interim decree of Rs. 50,842,152 in favor of the Society. The satisfaction of the decree through attachment and sale of Bank's property was not effected owing to the pendency of winding up proceedings of the investee bank in another Court. However, the management intends to pursue the original recovery suit and is hopeful for favorable outcome.

Note 8
Stores and Spares

	2019	2018
	Rupees	Rupees
General stores and spares	<u>7,194,799</u>	<u>7,024,901</u>

Note 9
Receivables against fees

	2019	2018
	Rupees	Rupees
College fees	754,167	2,971,119
Hostel Dues	648,000	2,001,000
	<u>1,402,167</u>	<u>4,972,119</u>

Note 10
Advances and Other Receivables

	2019	2018
	Rupees	Rupees
Advances to: (Unsecured) - considered good		
- Employees against expenses	285,633	3,046,356
- Employees against salaries	1,612,563	563,161
- Vendors	5,574	4,147,466
	<u>1,903,770</u>	<u>7,756,983</u>
Rent receivable	-	6,612,901
Other receivables	150,752	275,030
	<u>2,054,522</u>	<u>14,644,914</u>

Note 11
Cash and Bank Balances

	2019	2018
	Rupees	Rupees
Cash in hand	46	119,066
Cash at banks in:		
- Current accounts	18,319,252	299,842
- Savings accounts	233,297,558	113,983,902
	<u>251,616,856</u>	<u>114,402,810</u>

Note 12
Trade and Other Payables

		2019	2018
	Note	Rupees	Rupees
Payable to National Headquarter		8,649,421	8,649,421
Creditors		9,901,963	7,323,463
Income tax payable		23,813,544	10,936,002
Rent security		668,000	568,000
Payable to other medical colleges	12.1	43,740,400	-
Other payable		3,622,900	-
Accrued and other liabilities		29,545,432	11,184,834
		<u>119,941,660</u>	<u>38,661,720</u>

12.1 This represents payable to other medical colleges under student exchange program.

Note 13

College Fees Received in Advance

	2019	2018
	Rupees	Rupees
Medical college tuition fee	197,612,022	155,227,126
Hostel dues	13,876,475	17,628,000
	<u>211,488,497</u>	<u>172,855,126</u>

Note 14

Deferred Income

		2019	2018
	Note	Rupees	Rupees
Opening balance		30,968,943	34,409,937
Addition		-	-
Amortization		30,968,943	34,409,937
Closing Balance	14.1	<u>(3,096,894)</u>	<u>(3,440,994)</u>
		<u>27,872,049</u>	<u>30,968,943</u>

14.1 This represent the un-amortized balance of grant received from donors by way of medical equipment for blood donor service center at PHQ. The grant income will be included in income over useful life of assets acquired through grant.

Note 15

Liabilities Against Assets Subject to Finance Lease

	2019	2018
	Rupees	Rupees
The amount of future payments and the period in which they will become due are as under:		
2019 - 2020	912,624	-
2020 - 2021	912,624	-
2021 - 2022	456,312	-
	<u>2,281,560</u>	-
Add: Security deposits	506,200	-
Gross minimum lease payments	2,787,760	-
Less: Finance cost allocated to future periods	(513,629)	-
Present value of minimum lease payments	2,274,131	-
Less: Current portion	(600,359)	-
	<u>1,673,772</u>	-

The reconciliation between gross minimum lease payments and present value of minimum lease payments is as under:

Gross minimum lease payments:

- Due not later than one year	912,624	-
- Due later than one year but not later than five years	1,875,136	-
	<u>2,787,760</u>	-

Present value of minimum lease payments:

- Due not later than one year	600,359	-
- Due later than one year but not later than five years	1,673,772	-
	<u>2,274,131</u>	-

This represents lease arrangement entered into with Bank Al Habib Limited for lease of vehicle. The liability is repayable latest by June 2022 in monthly installments. Monthly lease rentals include finance cost at the rate of 20.78% (2018: Nil) per annum which is used as discounting factor. Taxes, repairs, replacements and Insurance costs are borne by the Company. This lease is secured against security deposits, title of leased assets and personal guarantees of directors.

Note 16

Contingencies and Commitments

16.1 Contingencies

- As mentioned in Note 7, the Society owes the decretal amount of Rs. 50.842 million from Innovative Investment Bank Limited through interim decree order issued by the Honorable Lahore High Court, Lahore.
- Bank has given bank guarantee of Rs. 50 million (2018: Nil) in favour of Pakistan Medical Council on behalf of the College.

16.2 Commitments

Capital commitment for construction of building is 21.925 million (2019: Rs.53.352 million).

Note 17

Medical and Dental College

	2019	2018
	Rupees	Rupees
Medical college tuition fee	308,572,544	215,350,580
Hostel rent and other service charges	35,899,265	23,074,080
Profit on investments and deposits	7,313,926	3,909,944
Prospectus and processing fee	294,000	3,000
Liabilities written back	2,085,631	-
Miscellaneous	1,244,500	110,900
	<u>355,409,866</u>	<u>242,448,504</u>

Note 18

Medical and Dental College Teaching Hospital

	2019	2018
	Rupees	Rupees
Prescription fees and other receipts	16,246,279	7,924,776
Donation	872,000	-
	<u>17,118,279</u>	<u>7,924,776</u>

Note 19

Medical and Dental College Expenses

	2019	2018
	Rupees	Rupees
Salaries and other benefits	151,957,883	73,100,856
Transportation	2,053,540	1,938,040
Fees and subscription	27,008,948	18,026,927
Utilities	5,820,558	3,753,256
Fuel expenses	1,717,564	1,377,365
Repairs and maintenance	6,217,385	3,170,836
Printing and stationery	2,009,734	528,639
Advertisement	363,956	958,876
Telephone and postage charges	54,601	338,442
Entertainment	1,313,313	1,214,513
Bank deductions / charges	1,051,272	589,052
Guarantee commission	2,321,000	-
Interest expense on lease liabilities	199,443	-
Audit fee	225,000	150,000
Other expenses	75,828	-
Balances written off	5,155,820	-
Depreciation	23,427,430	17,677,782
	<u>230,973,275</u>	<u>122,824,584</u>

Note 20
Teaching Hospital Expenses

	2019	2018
	Rupees	Rupees
Salaries and other benefits	66,780,590	38,688,188
Transportation	880,089	830,588
Utilities	5,820,554	3,753,256
Fuel expenses	1,717,564	1,377,365
Repairs and maintenance	8,490,644	7,398,617
Printing and stationery	1,339,823	792,958
Medicine and laboratory expenses	6,960,193	8,888,792
Telephone and postage charges	13,650	84,610
Entertainment	328,328	303,627
Laundry	749,781	615,625
	<u>93,081,216</u>	<u>62,733,626</u>

Note 21
Salaries and Allowances

	2019	2018
	Rupees	Rupees
Staff salaries:		
- General	12,522,541	13,568,071
- Red Crescent House - General	571,800	395,927
- Pension and commutation	5,448,715	4,919,397
	<u>18,543,056</u>	<u>18,883,395</u>

Note 22
Administrative Expenses

	2019	2018
	Rupees	Rupees
Travelling	73,440	77,267
Printing and stationery	285,229	511,497
Postage and telegram	160,665	153,057
Utilities	1,461,423	1,435,547
Entertainment expenses	156,736	159,937
Repairs and maintenance	790,918	753,917
Fuel expenses	622,293	765,964
First aid training expenses	-	110,570
Legal charges	682,075	2,645,000
Red Crescent Training Centre, Murree	-	23,830
Transport	61,960	27,540
Miscellaneous	249,717	417,834
Depreciation	6,641,723	7,434,403
Amortization	36,038	55,667
	<u>11,222,217</u>	<u>14,572,030</u>

Note 23
Expenses relating to project

	2019	2018
	Rupees	Rupees
Salaries and allowances	8,094,997	10,236,982
Travelling	1,752,642	1,020,542
Accommodation charges	870,491	1,052,228
Repairs and maintenance	307,714	148,960
Printing and stationery	293,734	821,720
Miscellaneous	58,700	87,500
	<u>11,378,278</u>	<u>13,367,932</u>

Note 24

Grants, Relief and Services

	2019	2018
	Rupees	Rupees
Relief to other charitable institutions	50,000	550,000
Services:		
- <u>Blood donor service</u>		
Salaries and allowances	2,657,361	910,269
Laboratory materials	943,381	2,244,176
Printing and stationery	-	30,490
Repairs and maintenance	78,569	508,213
	<u>3,679,311</u>	<u>3,693,148</u>
- <u>Thalassemia centre expenses</u>		
Salaries and allowances	945,285	-
Food for patients	226,630	232,795
Medicines	282,760	114,947
	<u>1,454,675</u>	<u>347,742</u>
- <u>Red Crescent Dispensary, PHQ, Lahore</u>		
Salaries and allowances	711,117	314,986
Medicines	29,000	79,997
Miscellaneous	-	19,000
	<u>740,117</u>	<u>413,983</u>
	<u><u>5,924,103</u></u>	<u><u>5,004,873</u></u>

Note 25

Other Operating Expenses

	2019	2018
	Rupees	Rupees
Audit Fee	100,000	100,000
Publicity and advertisement	84,885	663,229
Bank deductions / charges	120,488	53,218
Tax deducted at source	3,302,162	427,777
Settlement claim of tenant	400,000	-
Balances / asset written off	1,858,094	281,209
	<u><u>5,865,629</u></u>	<u><u>1,525,433</u></u>

Note 26

Number of Employees

	2019	2018
	Number	Number
Number of employees as at December 31,	<u><u>468</u></u>	<u><u>258</u></u>

Note 27

Key Management Personnel Remuneration

	2019	2018
	Rupees	Rupees
Salary of Secretary	<u><u>2,350,000</u></u>	<u><u>1,800,000</u></u>

Note 28

Transaction with Related parties

Related parties include PRCS National Head Quarter, members and key management personnel. Transactions with related parties, except the salaries and remuneration paid to key management personnel as per terms of their employment, are as follows:

	<u>2019</u>	<u>2018</u>
	Rupees	Rupees
Transactions during the year		
Pakistan Red Crescent Society, National Headquarter	10,087,862	8,638,676
Balance outstanding as at December 31,		
Payable to National Head Quarter	<u>8,649,421</u>	<u>8,649,421</u>

Note 29

Basic Financial Instruments by Categories

Financial Assets as at December 31, 2018

	Cash and Cash Equivalents	Loans and Receivables	Total
	Rupees	Rupees	Rupees
- Long term investment	-	38,500,000	38,500,000
- Long term security deposit	-	1,477,400	1,477,400
- Receivable against fees	-	1,402,167	1,402,167
- Rent and other receivable	-	150,752	150,752
- Cash and cash equivalents	251,616,856	-	251,616,856
	<u>251,616,856</u>	<u>41,530,319</u>	<u>293,147,175</u>

Financial Assets as at December 31, 2017

	Cash and Cash Equivalents	Loans and Receivables	Total
	Rupees	Rupees	Rupees
- Long term investment	-	38,500,000	38,500,000
- Long term security deposit	-	1,477,400	1,477,400
- Receivable against fees	-	4,972,119	4,972,119
- Rent and other receivable	-	6,887,931	6,887,931
- Cash and cash equivalents	114,402,810	-	114,402,810
	<u>114,402,810</u>	<u>51,837,450</u>	<u>166,240,260</u>

- Liabilities against assets subject to finance lease
- Trade and other payables

	<u>2018</u>	<u>2017</u>
	Rupees	Rupees
	2,274,131	-
	96,128,116	27,725,718
	<u>98,402,247</u>	<u>27,725,718</u>

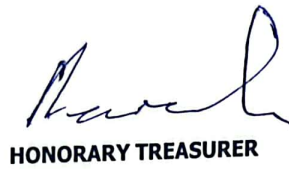
Note 30
Date of Authorization for Issue

These financial statements have been authorized for issue by the Management Committee of the Society on

04 SEP 2021
Note 31
General

Comparative figures are rearranged / reclassified for better presentation. No material rearrangement has been made in these financial statements.


SECRETARY


HONORARY TREASURER


MANAGER ACCOUNTS & FINANCE

