

AUDITOR'S REPORT

**PAKISTAN RED CRESCENT
SOCIETY - PUNJAB
PROVINCIAL BRANCH**

FOR THE YEAR ENDED December 31, 2021

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

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, 2021, the income and expenditure statement, the statement of changes in accumulated funds for the year then ended, the statement of cash flows and notes to and forming part of the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and its financial performance, its accumulated funds for the year then ended and its cash flows in accordance with the approved accounting 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 the 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 2.1 to the annexed financial statements, which describes the basis of accounting. These financial statements have been prepared to comply with requirements the Applicable Financial Reporting Requirements relevant to the Society and for reporting to the members to the Society. As a result, these financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

We draw further 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Requirements as stated in Note 2.1 of the financial statements, and for such internal control as 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 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 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.

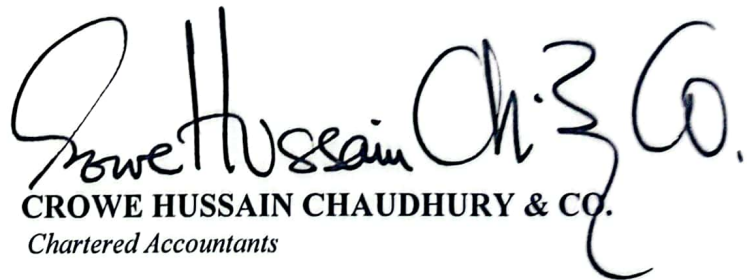
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore

Dated

10 5 MAR 2024

**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	2021 Rupees	2020 Rupees
Non Current Assets			
Operating fixed assets - at written down value	4	578,593,519	622,780,359
Capital work in progress	5	15,100,000	13,725,000
Intangible asset	6	1,616,000	2,672,000
Long term investments	7	5,500,000	5,500,000
Long term security deposits		2,477,400	1,477,400
		603,286,919	646,154,759
Current Assets			
Stores and spares		12,094,919	13,428,522
Receivables against fees	8	-	1,541,717
Advances and other receivables	9	12,441,674	13,343,505
Cash and bank balances	10	149,481,348	190,978,720
		174,017,941	219,292,464
Current Liabilities			
Trade and other payables	11	76,790,412	54,265,666
Current portion of lease liabilities	14	955,754	737,682
College fees received in advance	12	5,833,801	239,756,422
Rent received in advance		7,735,504	7,735,504
		(91,315,471)	(302,495,274)
Net Current Assets / (Liabilities)		82,702,470	(83,202,810)
Non Current Liabilities			
Deferred income	13	(22,576,360)	(25,084,845)
Liabilities against assets subject to finance lease	14	-	(936,089)
		(22,576,360)	(26,020,934)
Contingencies and Commitments	15	-	-
NET ASSETS		<u>663,413,029</u>	<u>536,931,015</u>
REPRESENTED BY			
Accumulated Funds		<u>663,413,029</u>	<u>536,931,015</u>

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


SECRETARY


HONORARY TREASURER


ASSISTANT DIRECTOR ACCOUNTS &
FINANCE

**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 Rupees	2020 Rupees
Income			
Medical and Dental College	16	515,182,849	360,575,359
Rental income		37,479,290	34,393,542
Grant for projects	17	32,455,563	10,863,815
Medical and Dental College Teaching Hospital	18	53,546,181	52,352,907
Profit on investments and deposits		6,157,061	4,198,090
Sale of donation tickets		6,941,039	5,782,730
Amortization of deferred income		2,508,485	2,787,204
Liabilities written back		-	8,649,421
Donations in cash		1,786,574	1,655,710
Membership fee		69,000	25,000
Other income		2,813,237	517,449
		658,939,279	481,801,227
Expenditures			
Medical and dental college expenses	19	329,503,798	316,383,438
Teaching hospital expenses	20	134,735,821	148,049,583
Salaries and allowances	21	18,824,008	18,909,978
Administrative expenses	22	18,032,080	15,909,939
Project expenses - First aid programme	23	21,791,160	12,380,050
Grants, relief and services	24	5,273,948	5,170,752
Other operating expenses	25	4,296,450	2,884,224
		(532,457,265)	(519,687,964)
Net Surplus / (Deficit) for the Year		<u>126,482,014</u>	<u>(37,886,737)</u>

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


SECRETARY


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ASSISTANT DIRECTOR ACCOUNTS
& FINANCE




**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Accumulated funds - un-restricted
	Rupees
Balance as at December 31, 2019	574,817,752
Net deficit for the year	(37,886,737)
Balance as at December 31, 2020	536,931,015
Net surplus for the year	126,482,014
Balance as at December 31, 2021	663,413,029

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


SECRETARY


HONORARY TREASURER


ASSISTANT DIRECTOR ACCOUNTS &
FINANCE

**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	126,482,014	(37,886,737)
Adjustments for:		
- Depreciation	47,727,870	42,959,154
- Amortization	1,056,000	528,000
- Balances / asset written off	77,886	161,000
- Provision against advances	1,204,916	-
- Liabilities written back	(3,747,036)	(8,649,421)
- Amortization of deferred income	(2,508,485)	(2,787,204)
	<u>43,811,151</u>	<u>32,211,529</u>
Operating surplus / (deficit) before working capital changes	170,293,165	(5,675,208)
(Increase) / decrease in current assets		
- Stores and spares	1,333,603	(6,233,723)
- Receivables against fees	1,541,717	(139,550)
- Advances and other receivables	(380,971)	(11,449,983)
Increase / (decrease) in current liabilities		
- Trade and other payables	26,271,782	(57,026,573)
- College income received in advance	(233,922,621)	28,267,925
- Rent received in advance	-	1,547,104
Long term security deposits	(1,000,000)	-
	<u>(206,156,490)</u>	<u>(45,034,800)</u>
Net Cash Used in Operating Activities	(35,863,325)	(50,710,008)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,541,030)	(19,474,113)
Capital work in progress	(1,375,000)	(20,313,449)
Intangibles	-	(2,540,206)
Long term investment	-	33,000,000
Net Cash Used in Investing Activities	(4,916,030)	(9,327,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease - repayment	(718,017)	(600,360)
Net Decrease in Cash and Cash Equivalents	(41,497,372)	(60,638,136)
Cash and cash equivalents at the beginning of the year	190,978,720	251,616,856
Cash and Cash Equivalents at the End of the Year	149,481,348	190,978,720

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


SECRETARY


HONORARY TREASURER


**ASSISTANT DIRECTOR ACCOUNTS
& FINANCE**

**PAKISTAN RED CRESCENT SOCIETY
PUNJAB PROVINCIAL BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 standard 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 and the directives / financial manual approved by the Board of Governors of the Society.

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 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

Operating fixed assets 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.

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.

Note 3, Significant Accounting Policies - Continued ...

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.

Operating 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 and hospital management system. The intangible assets are 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.

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.

Note 3, Significant Accounting Policies - Continued...

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.

Note 4

Operating Fixed Assets - Written Down Value

Particulars	Note	Written Down Value			Depreciation		As at December 31, 2021
		As at January 01, 2021	Additions	As at December 31, 2021	Rate	Charge for the year	
		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	3,123,001	-	3,123,001	5	156,150	2,966,851
R.C Training Centre, Murree on leasehold land	4.1	1,382,433	-	1,382,433	5	69,122	1,313,311
R.C House Shahalam Market on freehold land	4.3	451,818	-	451,818	5	22,591	429,227
Red Crescent Medical and Dental College		391,271,547	-	391,271,547	5	19,563,577	371,707,970
R.C.B.D.C - Thalasimia centre		23,868,535	-	23,868,535	5	1,193,427	22,675,108
Plant and equipment							
Electric installation		256,731	-	256,731	15	38,510	218,221
Computers and accessories		1,917,137	74,300	1,991,437	30	597,431	1,394,006
Office equipment		2,995,143	-	2,995,143	10	299,514	2,695,629
Blood donor service		25,639,298	-	25,639,298	15	3,837,088	21,802,210
Maternity hospital		178,412	-	178,412	15	26,762	151,650
Eye department		92,337	-	92,337	15	13,851	78,486
Red Crescent M.C.H. Centre, Murree		642,558	-	642,558	15	96,384	546,174
Red Crescent Medical and Dental College		118,399,514	887,250	119,286,764	15	17,893,015	101,393,749
Generartor		1,097,477	2,539,480	3,636,957	15	545,544	3,091,413
Furniture and fixture							
Office		364,671	-	364,671	15	54,701	309,970
Blood donor service		144,983	-	144,983	15	21,747	123,236
Red Crescent Complex Dena Nath		4,832,070	-	4,832,070	15	724,811	4,107,259
Red Crescent Medical and Dental College		8,235,033	40,000	8,275,033	15	1,241,255	7,033,778
Library Books		276,675	-	276,675	15	41,501	235,174
Vehicles / Ambulances		4,536,697	-	4,536,697	20	907,339	3,629,358
Vehicle - lease assets		1,150,764	-	1,150,764	33.33	383,550	767,214
Total Rupees 2021		<u>622,780,359</u>	<u>3,541,030</u>	<u>626,321,389</u>		<u>47,727,870</u>	<u>578,593,519</u>
Total Rupees 2020		<u>366,639,929</u>	<u>299,099,584</u>	<u>665,739,513</u>		<u>42,959,154</u>	<u>622,780,359</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, 2021 is 45 years (2020: 46 years) for both leases.
- 4.2 There have been no disposals or adjustments during the year (2020: nil).
- 4.3 Operating fixed assets include buildings on freehold land which are rented out by the Society to various other parties.
- 4.4 Depreciation rate has been changed from 10% to 15% for certain items. Had there been no change in depreciation rate, depreciation charge for the year would have been lower by Rs. 7.985 million.

Note 5
Capital Work In Progress

	Note	2021 Rupees	2020 Rupees
Medical College at Dena Nath	5.1	1,375,000	-
Land	5.2	13,725,000	13,725,000
		<u>15,100,000</u>	<u>13,725,000</u>

5.1 This represents 50% advance given to vendor for electrical installation work.

5.2 This represents advance given to district government for purchase of land measuring 12 Kanal and 4 Marla situated at dinnath. Ownership of land was not transferred to the Society as land owner had raised an objection. Resultantly, the Society filed an application before Honorable Lahore High Court and the date of hearing had not been fixed. Subsequent to the reporting date, the case has been disposed off by the Honorable Lahore High Court and the matter between the parties has been settled out of the court.

Note 6
Intangible Asset

	Note	2021 Rupees	2020 Rupees
Softwares	6.1	<u>1,616,000</u>	<u>2,672,000</u>

6.1 Net Carrying Value

Net carrying value - Opening balance	2,672,000	659,794
Additions during the year	-	2,540,206
	<u>2,672,000</u>	<u>3,200,000</u>
Amortization during the year	(1,056,000)	(528,000)
Net carrying value as at June 30	<u>1,616,000</u>	<u>2,672,000</u>

6.2 Gross Carrying Value

Cost	3,200,000	3,200,000
Accumulated amortization	(1,584,000)	(528,000)
Net book value	<u>1,616,000</u>	<u>2,672,000</u>
	<u>33%</u>	<u>33%</u>

Note 7
Long Term Investments - at cost

	2021 Rupees	2020 Rupees
Innovative Investment Bank Limited	<u>5,500,000</u>	<u>5,500,000</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, the 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. The Society recovered Rs. 33 million against this investment in previous year and remaining Rs. 5.5 million is outstanding as at reporting date.

Note 8
Receivables against Fees

	2021	2020
	Rupees	Rupees
College fees	-	1,334,117
Hostel dues	-	207,600
	<u>-</u>	<u>1,541,717</u>

Note 9
Advances and Other Receivables

	2021	2020
	Rupees	Rupees
	Note	
Advances to: (Unsecured) - considered good		
- Employees against expenses	2,130,395	1,532,967
- Employees against salaries	350,338	1,268,289
- Vendors	-	11,459
	<u>2,480,733</u>	<u>2,812,715</u>
Rent receivable	342,805	771,481
Receivable from other medical college	9,450,000	9,450,000
Other receivables	168,136	309,309
	<u>12,441,674</u>	<u>13,343,505</u>

9.1 This represents receivable from Watim Medical & Dental College under student exchange program. The amount has been received subsequent to the reporting date.

Note 10
Cash and Bank Balances

	2021	2020
	Rupees	Rupees
Cash in hand	247,002	-
Cash at banks in:		
- Current accounts	1,418,173	37,218,210
- Savings accounts	147,816,173	153,760,510
	<u>149,481,348</u>	<u>190,978,720</u>

Note 11
Trade and Other Payables

	2021	2020
	Rupees	Rupees
Creditors	2,096,233	3,992,955
Income tax payable	30,412,299	18,444,768
Rent security	730,000	678,000
Other payable	-	3,941,733
Accrued and other liabilities	42,173,130	26,564,988
Provident fund payable	1,378,750	643,222
	<u>76,790,412</u>	<u>54,265,666</u>

Note 12
College Fees Received in Advance

	2021	2020
	Rupees	Rupees
Medical college tuition fee	5,833,801	227,050,094
Hostel dues	-	12,706,328
	<u>5,833,801</u>	<u>239,756,422</u>

Note 13

Deferred Income

	Note	2021 Rupees	2020 Rupees
Opening balance		25,084,845	27,872,049
Addition		-	-
		25,084,845	27,872,049
Amortization		(2,508,485)	(2,787,204)
Closing Balance	13.1	22,576,360	25,084,845

13.1 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 14

Liabilities Against Assets Subject to Finance Lease

	2021 Rupees	2020 Rupees
The amount of future payments and the period in which they will become due are as under:		
2020 - 2021	-	912,624
2021 - 2022	466,888	456,312
	466,888	1,368,936
Add: Security deposits	506,200	506,200
Gross minimum lease payments	973,088	1,875,136
Less: Finance cost allocated to future periods	(17,334)	(201,365)
Present value of minimum lease payments	955,754	1,673,771
Less: Current portion	(955,754)	(737,682)
	-	936,089

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	466,888	912,624
- Due later than one year but not later than five years	-	456,312
	466,888	1,368,936

Present value of minimum lease payments:

- Due not later than one year	449,554	737,682
- Due later than one year but not later than five years	-	429,889
	449,554	1,167,571

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 Kibor + 1.5% (2020: Kibor + 1.5%) per annum which is used as discounting factor. Taxes, repairs, replacements and insurance costs are borne by the Society. This lease is secured against security deposits and title of leased assets.

Note 15

Contingencies and Commitments

15.1 Contingencies

- The Honorable Lahore High Court, Lahore has allowed Pakistan Red Crescent Medical and Dental College to continue with accepting admissions from students on an interim basis. However, the final list of admissions shall be subject to final decision by the Honorable Court, which matter is pending for further adjudication.
- Bank has given bank guarantee of Rs. 50 million (2020: Rs. 50 million) in favour of Pakistan Medical Council on behalf of the College.
- Ownership of land was not transferred to the Society as land owner has raised objection as disclosed in note 5. Resultantly, the Society filed an application before Honorable Lahore High Court for said matter and date of hearing had not been fixed. Subsequent to the reporting date, the case has been disposed off by the Honorable Lahore High Court and the matter between the parties has been settled out of court.

Note 15, Contingencies and Commitments - Continued...

15.2 Commitments

There are no commitments existing as at December 31, 2021 (2020: nil).

Note 16

Medical and Dental College

	2021	2020
	Rupees	Rupees
Medical college tuition fee	439,892,527	318,070,987
Hostel rent and other service charges	56,241,928	28,366,640
Profit on deposit accounts	7,027,283	12,721,852
Prospectus and processing fee	3,044,100	162,000
Liabilities written back	3,747,036	-
Rent	5,229,975	1,253,880
	<u>515,182,849</u>	<u>360,575,359</u>

Note 17

Grant for Projects

	2021	2020
	Rupees	Rupees
Grant from IFRC	22,214,574	5,912,125
Grant from ICRC	8,473,999	3,541,983
Grant from ICRC - covid 19 activities	1,766,990	1,409,707
	<u>32,455,563</u>	<u>10,863,815</u>

Note 18

Medical and Dental College Teaching Hospital

	2021	2020
	Rupees	Rupees
Prescription fees and other receipts	43,649,777	30,345,610
Donation	2,000,000	15,546,371
Sehat Sahulat Card	7,896,404	6,460,926
	<u>53,546,181</u>	<u>52,352,907</u>

Note 19

Medical and Dental College Expenses

	2021	2020
	Rupees	Rupees
Salaries and other benefits	226,924,751	226,735,440
Transportation	3,842,580	3,042,886
Fees and subscription	2,749,320	1,783,868
UHS admission fee	29,298,364	21,844,389
Legal and professional	333,750	2,708,600
Utilities	10,370,902	8,688,903
Fuel expenses	2,050,177	1,889,329
Repairs and maintenance	3,678,831	5,479,264
Printing and stationery	1,643,355	2,499,870
Advertisement	74,614	438,045
Telephone and postage charges	94,618	162,194
IT and webhosting charges	625,223	1,192,946
Entertainment	767,407	1,091,981
Bank deductions / charges	3,261,763	820,719
Interest expense on lease liabilities	162,044	156,837
Audit fee	225,000	225,000
Provision against advances	1,204,916	-
Balances written off	72,500	161,000
Depreciation	41,067,683	36,934,167
Amortization	1,056,000	528,000
	<u>329,503,798</u>	<u>316,383,438</u>

Note 20
Teaching Hospital Expenses

	2021	2020
	Rupees	Rupees
Salaries and other benefits	97,253,465	97,172,331
Transportation	1,646,820	1,304,094
Utilities	10,371,167	8,688,903
Fuel expenses	2,050,177	1,889,329
Repairs and maintenance	5,171,429	8,218,895
Printing and stationery	1,095,570	1,666,580
Medicine and laboratory expenses	16,081,205	28,075,653
Telephone and postage charges	23,655	40,548
Entertainment	191,852	281,738
Laundry	850,481	711,512
	<u>134,735,821</u>	<u>148,049,583</u>

Note 21
Salaries and Allowances

	2021	2020
	Rupees	Rupees
Staff salaries:		
- General	13,527,070	13,463,808
- Red Crescent House - General	171,989	183,150
- Pension and commutation	5,124,949	5,263,020
	<u>18,824,008</u>	<u>18,909,978</u>

Note 22
Administrative Expenses

	2021	2020
	Rupees	Rupees
Travelling	92,910	59,983
Printing and stationery	279,190	685,971
Postage and telegram	197,311	161,869
Utilities	1,920,002	2,070,990
Entertainment expenses	277,823	216,572
Repairs and maintenance	7,243,512	5,236,930
Fuel expenses	1,061,700	591,605
First aid training expenses	-	133,760
Legal charges	105,800	521,000
Transport	-	5,500
Miscellaneous	193,645	200,772
Depreciation	6,660,187	6,024,987
	<u>18,032,080</u>	<u>15,909,939</u>

Note 23
Expenses Relating to Project

	2021	2020
	Rupees	Rupees
Salaries and allowances	13,751,434	9,904,095
Travelling	4,222,443	1,517,115
Accommodation charges	1,648,334	416,142
Repairs and maintenance	441,079	286,721
Printing and stationery	571,672	108,217
Miscellaneous	1,156,198	147,760
	<u>21,791,160</u>	<u>12,380,050</u>

Note 24
Grants, Relief and Services

	2021	2020
	Rupees	Rupees
Services:		
- Blood donor service		
Salaries and allowances	382,074	849,732
Laboratory materials	10,500	89,500
Repairs and maintenance	77,925	74,510
	470,499	1,013,742
- Thalassemia centre expenses		
Salaries and allowances	3,703,659	3,290,340
Food for patients	188,720	176,045
Medicines	461,554	229,078
	4,293,933	3,695,463
- Red Crescent Dispensary, PHQ, Lahore		
Salaries and allowances	509,516	451,547
Medicines	-	10,000
	509,516	461,547
	<u>5,273,948</u>	<u>5,170,752</u>

Note 25
Other Operating Expenses

	2021	2020
	Rupees	Rupees
Audit fee	100,000	100,000
Publicity and advertisement	1,387,490	160,133
Bank deductions / charges	46,490	38,605
Tax deducted at source	2,757,084	2,521,674
Settlement claim of tenant	-	63,812
Balances written off	5,386	-
	<u>4,296,450</u>	<u>2,884,224</u>

Note 26
Number of Employees

	2021	2020
	Number	Number
Number of employees as at December 31,	<u>433</u>	<u>433</u>

Note 27
Key Management Personnel Remuneration

	2021	2020
	Rupees	Rupees
Salary of Secretary	<u>2,475,000</u>	<u>2,350,000</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:

	2021	2020
	Rupees	Rupees
Transactions during the year		
Pakistan Red Crescent Society, National Headquarter	32,455,563	10,863,815
Membership fee	69,000	25,000

Note 29

Basic Financial Instruments by Categories

Financial Assets as at December 31, 2021

	Cash and Cash Equivalents	Loans and Receivables	Total
	Rupees	Rupees	Rupees
- Long term investment	-	5,500,000	5,500,000
- Rent and other receivable	-	9,960,941	9,960,941
- Cash and cash equivalents	149,481,348	-	149,481,348
	<u>149,481,348</u>	<u>15,460,941</u>	<u>164,942,289</u>

Financial Assets as at December 31, 2020

	Cash and Cash Equivalents	Loans and Receivables	Total
	Rupees	Rupees	Rupees
- Long term investment	-	5,500,000	5,500,000
- Receivable against fees	-	1,541,717	1,541,717
- Rent and other receivable	-	10,530,790	10,530,790
- Cash and cash equivalents	190,978,720	-	190,978,720
	<u>190,978,720</u>	<u>17,572,507</u>	<u>208,551,227</u>

	2021	2020
	Rupees	Rupees
- Liabilities against assets subject to finance lease	955,754	1,673,771
- Trade and other payables	46,378,113	35,820,898
	<u>47,333,867</u>	<u>37,494,669</u>

Note 30

Date of Authorization for Issue

These financial statements have been approved and authorized for issuance by the Management Committee of the Society on

05 MAR 2024

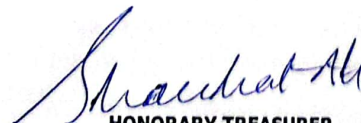
Note 31

General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following re-arrangements / reclassifications have been made in these financial statements for better presentation that do not have any financial impact on financial statements:

Nature	From	To	Amount
Expense	Fee and subscriptions	UHS admission fee	21,844,389
Trade and other payables	Accrued and other liabilities	Security payable-staff	7,413,990


SECRETARY


HONORARY TREASURER


ASSISTANT DIRECTOR ACCOUNTS & FINANCE