

**CANCER CARE HOSPITAL AND  
RESEARCH CENTRE.**

**FOR THE YEAR ENDED JUNE 30, 2016**



**F. MAJID & CO.**  
CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT TO THE BOARD OF TRUSTEES

We have audited the annexed balance sheet and income and expenditure account of CANCER CARE HOSPITAL AND RESEARCH CENTRE as at June 30, 2016 and the related statement of comprehensive income, statement of cash flow, statement of changes in fund together with the notes forming part thereof (hereinafter referred to as the ("financial statements") for the year then ended.

It is the responsibility of the Board of Trustees to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cancer Care Hospital & Research Centre Foundation as at June 30 2016 and of its surplus and cash flow for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

  
CHARTERED ACCOUNTANTS  
LAHORE

Nasim.A.Khan , FCA  
Audit Engagement Partner

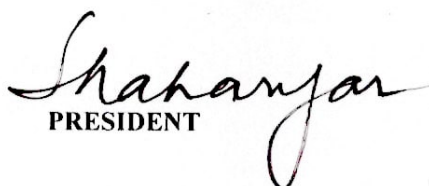
DATED : 22 SEP 2016

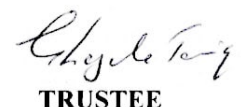
**CANCER CARE HOSPITAL AND RESEARCH CENTRE**

**BALANCE SHEET  
AS AT JUNE 30, 2016**

		<b>General fund</b>	<b>Endowment fund</b>	<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>NON CURRENT ASSETS</b>					
Property, plant and equipment	4	128,744,211	8,888,750	137,632,961	126,497,617
Security deposit		11,000		11,000	-
Capital work in process	5	109,766,829	21,679,401	131,446,230	11,774,704
		238,522,039	30,568,151	269,090,191	138,272,321
<b>CURRENT ASSETS</b>					
Advance to employee		77,000	-	77,000	20,000
Advance income tax and refund due	6	271,276	-	271,276	16,933
Cash and bank balances	7	13,773,493	-	13,773,493	689,410
		14,121,769	-	14,121,769	726,342
<b>LESS: CURRENT LIABILITIES</b>					
Other payables		95,000	-	95,000	73,908
<b>Net assets</b>		<u>252,548,808</u>	<u>30,568,151</u>	<u>283,116,959</u>	<u>138,924,755</u>
<b>REPRESENTED BY</b>					
<b>Capital fund</b>					
Excess / (deficit) of income					
over expenditure		<u>252,548,808</u>	<u>30,568,151</u>	<u>283,116,959</u>	<u>138,924,755</u>
		<u>252,548,808</u>	<u>30,568,151</u>	<u>283,116,959</u>	<u>138,924,755</u>

The annexed notes (1 to 16) form an integral part of these financial statements.

  
**PRESIDENT**

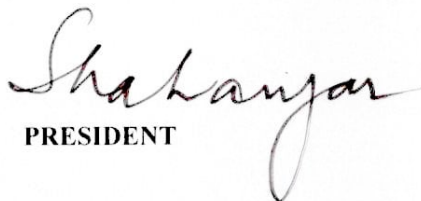
  
**TRUSTEE**

**CANCER CARE HOSPITAL AND RESEARCH CENTRE**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2016**

		General fund	Endowment fund	2016	2015
	Note	Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Clinical income	8	-	-	-	-
Local donations	9	85,621,057		85,621,057	16,696,343
Donation in kind	10	65,598,232	30,796,068	96,394,300	10,571,364
Interest income		224,985		224,985	29,027
		151,444,274	30,796,068	182,240,342	27,296,734
<b>EXPENDITURE</b>					
Administrative expenses	11	6,409,581	227,917	6,637,497	5,475,948
Marketing expenses	12	7,292,128	-	7,292,128	2,788,410
Finance cost	13	11,243	-	11,243	9,972
Donations expenses	14	24,107,270	-	24,107,270	2,990,000
		37,820,221	227,917	38,048,138	11,264,329
Excess / (deficit) of income over expenditure for the period carried forward		113,624,053	30,568,151	144,192,204	16,032,405

The annexed notes (1 to 16) form an integral part of these financial statements.

  
PRESIDENT

  
TRUSTEE

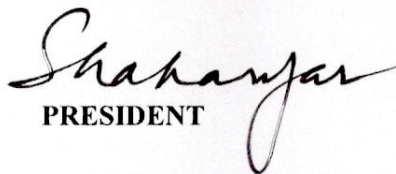


**CANCER CARE HOSPITAL AND RESEARCH CENTRE**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>General fund</b>	<b>Endowment fund</b>	<b>2016</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Profit /(Loss) after taxation	113,624,053	30,568,151	144,192,204
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<u>113,624,053</u>	<u>30,568,151</u>	<u>144,192,204</u>

The annexed notes (1 to 16) form an integral part of these financial statements.

  
**PRESIDENT**

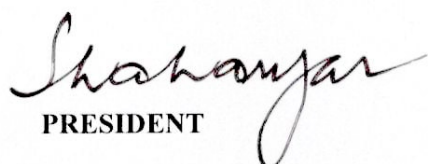
  
**TRUSTEE**

# CANCER CARE HOSPITAL AND RESEARCH CENTRE

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Excess / (deficit) of income over expenditure for the period	144,192,204	16,032,405
<b>Adjustments for non cash charges and other items:</b>		
Depreciation	507,806	13,818
Income before working capital changes	144,700,010	16,046,223
<b>(Increase) / decrease in current assets</b>		
Advance to employees	(57,000)	280,000
<b>Increase / (decrease) in current liabilities</b>		
Other payables	21,092	23,908
<b>Working capital changes</b>	(35,908)	303,908
<b>Cash generated from/(used in) operations</b>	144,664,102	16,350,131
Less: Taxes paid	(254,343)	(15,297)
<b>Net cash generated from/(used in) operating activities</b>	144,409,759	16,334,834
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Operating fixed assets acquired	(11,643,151)	(4,438,309)
Capital Work in process	(119,671,526)	(11,774,704)
Security deposit	(11,000)	-
<b>Net cash flow generated from/(used in) investing activities</b>	(131,325,677)	(16,213,013)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated from/(used in) financing activities</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	13,084,083	121,821
Cash and cash equivalents at beginning of the year	689,410	567,589
<b>Cash and cash equivalents at end of the year</b>	13,773,493	689,410

The annexed notes (1 to 16) form an integral part of these financial statements.

  
PRESIDENT

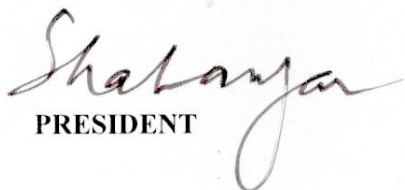
  
TRUSTEE

**CANCER CARE HOSPITAL AND RESEARCH CENTRE**

**STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>General fund</b>	<b>Endowment fund</b>	<b>Total</b>
	<b>Excess of income over expenditure</b>	<b>Excess of income over expenditure</b>	
	<b>Rupees</b>		<b>Rupees</b>
Excess / (deficit) of income over expenditure for the period	122,892,350	-	122,892,350
<b>Balance as at June 30, 2014</b>	122,892,350	-	122,892,350
Excess / (deficit) of income over expenditure for the period	16,032,405	-	16,032,405
<b>Balance as at June 30, 2015</b>	138,924,755	-	138,924,755
Excess / (deficit) of income over expenditure for the period	113,624,053	30,568,151	144,192,204
<b>Balance as at June 30, 2016</b>	<u>252,548,808</u>	<u>30,568,151</u>	<u>283,116,959</u>

The annexed notes (1 to 16) form an integral part of these financial statements.

  
**PRESIDENT**

  
**TRUSTEE**



**CANCER CARE HOSPITAL AND RESEARCH CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

*Note 1*

**LEGAL STATUS AND NATURE OF OPERATIONS**

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Cancer Care Hospital & Research Centre was registered as a Trust on January 18, 2014 and the document was also got entered with the Sub-Registrar, Allama Iqbal Town, Lahore. The Trust is formed for the purpose of establishing hospital(s) to provide treatment to all cancer patients free of cost. The registered office of the Company is situated at 61-L, Model Town Extension, Lahore-Pakistan.

*Note 2*

**BASIS OF PREPARATION**

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**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

These financial statements have been prepared in Pakistani Rupee, which is the Company's functional as well as the presentation currency.

**2.4 Use of estimates and judgements**

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the subsequent years in respect of:

- useful life of depreciable assets and provision for impairment there against.



## Note 3

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in preparation of these financial statements are set out below:

**3.1 Property, plant and**

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment losses. Cost comprise of :-

- a) Historical cost.
- b) Any directly attributable cost of bringing the assets to working condition.

Depreciation on all operating assets is computed by applying the reducing balance method. Depreciation on additions to property, plant and equipment is charged from the month in which an item is available for use while no depreciation is charged for the month in which the item is derecognized. Subsequent cost 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 Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account as and when incurred.

Gains and losses on disposal or retirement of assets represented by the difference between the sale proceeds and the carrying amount are included in income/expenses.

**3.2 Cash and cash equivalents**

Cash in hand and at banks are carried at cost. For the purpose of cash flow statement, cash equivalent comprises of cash in hand, cash at bank and other short term highly liquid instruments which are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**3.3 Revenue recognition**

Revenue is recognized through foreign receipts and local receipts. Foreign receipts are recognized when credited in bank account in Pakistan and local receipts are accounted for on cash received basis. Interest income is recognised as and when credited in bank account.

**3.4 Endowment fund**

This represents donations received in kind (Ref note. 9 ).

## Note 4

**PROPERTY, PLANT & EQUIPMENT**

	General fund	Endowment fund	2016	2015
	Rupees	Rupees	Rupees	Rupees
Operating fixed assets (Note 4.1)	128,744,211	8,888,750	137,632,961	126,497,617

## Note 5

<b>CAPITAL WORK IN PROCESS</b>	General fund	Endowment fund		2016	2015
	Rupees	Rupees		Rupees	Rupees
	Building & Construction	Medical Equipments	Vehicles		
Opening balance	11,774,704			11,774,704	-
Add: Addition during the year	97,992,125	18,233,333	3,446,068	119,671,526	11,774,704
	109,766,829	18,233,333	3,446,068	131,446,230	11,774,704

Note 6

**ADVANCE INCOME TAX AND REFUND DUE**

	2016	2015
	Rupees	Rupees
Refund due	16,933	1,636
Advance income tax	254,343	15,297
	<u>271,276</u>	<u>16,933</u>

Note 7

**CASH AND BANK BALANCES**

	2016	2015
	Rupees	Rupees
Cash in hand	6,134	-
Cash at bank		
- local currency (saving account)	13,767,359	689,410
	<u>13,773,493</u>	<u>689,410</u>

Note 8

**CLINICAL INCOME**

	2016	2015
	Rupees	Rupees
Free consultancy services	1,898,000	1,220,000
Free mammography services	3,143,000	-
Free biopsies services	212,500	-
Free breast examination & awareness campaigns	21,000	148,000
	<u>5,274,500</u>	<u>1,368,000</u>
Total income		
Less :		
Waived as free of cost services to indigent patients	(5,274,500)	(1,368,000)
	<u>-</u>	<u>-</u>
Net income		

Note 9

**LOCAL DONATION**

	General fund	Endowment fund	2016	2015
	Rupees	Rupees	Rupees	Rupees
Donations	72,785,432	-	72,785,432	16,696,343
Zakat	12,835,625	-	12,835,625	-
	<u>85,621,057</u>	<u>-</u>	<u>85,621,057</u>	<u>16,696,343</u>

## Note 10

**DONATION IN KIND**

	General fund	Endowment fund	2016	2015
	Rupees	Rupees	Rupees	Rupees
Construction materials (steel bar)	8,750,000	-	8,750,000	
From CRTF				
Medical equipment	-	9,116,667	9,116,667	
Medical equipments & vehicles under installation		21,679,401	21,679,401	
UPS	261,780		261,780	
Building in process	55,487,002	-	55,487,002	10,571,364
Tractor Model 375	1,099,450	-	1,099,450	-
	<u>65,598,232</u>	<u>30,796,068</u>	<u>96,394,300</u>	<u>10,571,364</u>

Professor Dr. Shaharyar, President of M/s. CRTF has entered in an "Agreement to Sell" a piece of land measuring 170 Kanals located in Tehsil Raiwind Lahore, at Rs. 1,000,000/- per Kanal i.e. amounting Rs. 170,000,000/- in total.

During 2014 President, Professor Dr. Shaharyar has got registered 119.443 Kanals of land in the name of Cancer Care Hospital & Research Centre (CCHRC) against partial payment of Rs. 71,370,000/- to date and balance amount of Rs. 48.073m is still payable.

Beside, the above noted main clauses of agreement to sell, the seller is also bound to get transferred free of any extra cost, the land measuring approximately 17 Kanals with 45 feet wide road running adjacent to the plot under consideration.

## Note 11

**ADMINISTRATIVE EXPENSES**

		General fund	Endowment fund	2016	2015
		Rupees	Rupees	Rupees	Rupees
Salaries & honorarium	11.1	1,364,766	-	1,364,766 ✓	1,584,591
Office cost	11.2	1,957,786	-	1,957,786 ✓	2,134,439
Auditors' remuneration	11.3	95,000	-	95,000	55,000
Accommodation & travelling		406,780	-	406,780	285,870
Legal & professional charges		235,691	-	235,691	83,250
Postage and telegram		441,133	-	441,133 ✓	110,252
Repair & maintenance		347,851	-	347,851 ✓	245,608
Rent rate & taxes		874,829	-	874,829	701,003
Utilities		405,855	-	405,855 ✓	262,117
Depreciation		279,890	227,917	507,806 #	13,818
		<u>6,409,581</u>	<u>227,917</u>	<u>6,637,497</u>	<u>5,475,948</u>

11.1 This includes salaries of Rs.332,230 paid to technical/professional staff who have been employed/paid by Cancer Care Hospital for providing free Mamography services to cancer patients.

## Note 11.2

**OFFICE COST**

	2016	2015
	Rupees	Rupees
Printing and stationery	1,161,094	1,941,671
Newspapers	7,820	8,545
Entertainment - office	500,109	78,812
Miscellaneous expenses	288,763	105,411
	<u>1,957,786</u>	<u>2,134,439</u>



## Note 11.3

**AUDITORS' REMUNERATION**

	2016	2015
	Rupees	Rupees
Audit fee	70,000	38,500
Consultancy charges	25,000	16,500
	<u>95,000</u>	<u>55,000</u>

## Note 12

**MARKETING EXPENSES**

	2016	2015
	Rupees	Rupees
Advertisement		2,788,410
Fund raising events	2,645,850	
Travelling expenses	405,570	-
	<u>3,051,420</u>	<u>2,788,410</u>

## Note 13

**FINANCE COST**

	2016	2015
	Rupees	Rupees
Bank charges	11,243	9,972
	<u>11,243</u>	<u>9,972</u>

## Note 14

**DONATIONS EXPENSES**

	2016	2015
	Rupees	Rupees
To CRTF	24,000,000	2,750,000
Donation to patients for free treatment 14.1	107,270	240,000
	<u>24,107,270</u>	<u>2,990,000</u>

14.1 This amount represents free medicines and treatment provided to cancer patients, in addition to above the hospital has incurred the following costs to provide free services to the cancer patients:-

1	Technical staff salaries	Ref note	332,230	-
2	Depreciation charge towards Mamography machines	Ref note (4.1)	234,461	-
3	Donation to patients as above	Ref note	107,270	-
	<b>Total expenses incurred for free services to cancer patients</b>		<u><b>673,961</b></u>	<u><b>-</b></u>

## Note 15

**GENERAL**

Figures have been rounded off to the nearest rupee, unless otherwise stated.

## Note 16

**DATE OF AUTHORISATION**

These financial statements have been authorised for issue on 22-September 2016 by the Board of Trustees of the Centre.

**4.1 Operating fixed assets****At July 01, 2014**

Cost 122,073,125  
 Accumulated depreciation -  
 Net book amount 122,073,125

**Year ended June 30, 2015**

Opening net book value 122,073,125  
 Addition 4,288,309  
 Disposals -

Depreciation charge -cost  
 Closing net book value 126,361,434

**At July 01, 2015**

Cost 126,361,434  
 Accumulated depreciation 52,000  
 Net book amount 74,361,434

**Year ended June 30, 2016**

Opening net book value 126,361,434  
 Addition 2,127,904  
 Disposals -

-cost  
 -depreciation

Depreciation charge -  
 Closing net book value 126,361,434

Depreciation rate (%) 15

- Professor Dr. Shaharyar, President of M/s. Cancer Research and Treatment Foundation (CRTF) has entered in an "Agreement to Sell" a piece of land measuring 170 Kanals located in Tehsil Raiwind Lahore, at Rs. 1,000,000/- per Kanal i.e. amounting Rs. 170,000,000/- in total. During 2014 President, Professor Dr. Shaharyar has got registered 119.443 Kanals of land in the name of Cancer Care Hospital & Research Centre (CCHRC) against partial payment of Rs. 71,370,000/- to date and balance amount of Rs. 48,073m is still payable by M/s. CRTF. Beside, the above noted main clauses of agreement to sell, the seller is also bound to get transferred free of any extra cost, the land measuring approximately 17 Kanals with 45 feet wide road running adjacent to the plot under consideration.
- The trust received medical equipment (Mammography Machine) as a donation in kind and has delivered to Hijaz Hospital to install in their premises and operate under MOU between two parties, but the ownership of medical equipment remains with the trust, the detail of respective asset is given below:-

Sr.No	Description	Cost	Under possession of	Address
1	Digital Mammography Machine	9,116,667	M/s Hijaz Hospital	Sir Syed Road, Gulberg-III Lahore
2	UPS	261,780	M/s Hijaz Hospital	Sir Syed Road, Gulberg-III Lahore