



HEALTH DEPARTMENT
GOVERNMENT OF SINDH



SINDH
INTEGRATED EMERGENCY
& HEALTH SERVICES

FINANCIAL STATEMENT

FY 2022-2023

**SINDH INTEGRATED EMERGENCY
AND HEALTH SERVICES**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

INDEPENDENT AUDITOR'S REPORT**To the members of Sindh Integrated Emergency and Health Services****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of Sindh Integrated Emergency and Health Services (the Company), which comprise the statement of financial position as at June 30, 2023, the statement of income and expenditure and other comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the surplus, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company'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 Company'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 Company'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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

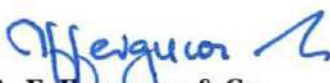
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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


A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: November 23, 2023

UDIN: AR2023101605W7rKRMQh

SINDH INTEGRATED EMERGENCY AND HEALTH SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	610,962,882	132,212,896
Right-of-use assets	4	303,383,515	306,915,487
Intangible assets	5	62,567,114	7,145,838
Long-term deposits	6	13,182,999	7,287,711
		<u>990,096,510</u>	<u>453,561,932</u>
CURRENT ASSETS			
Medicines, stationery and other supplies	7	49,231,203	9,697,833
Accrued income	8	8,295,425	2,840,013
Advances and prepayments	9	62,668,706	7,548,573
Taxation	10	1,938,899	1,085,525
Short-term investments	11	70,000,000	-
Cash and bank balances	12	89,480,926	574,025,899
		<u>281,615,159</u>	<u>595,197,843</u>
TOTAL ASSETS		<u><u>1,271,711,669</u></u>	<u><u>1,048,759,775</u></u>
FUND AND LIABILITIES			
FUND			
Accumulated deficit		(5,120,576)	(53,230,013)
NON-CURRENT LIABILITIES			
Provision for gratuity	13	75,102,006	22,255,118
Lease liabilities	14	210,723,331	227,358,775
Deferred capital grant	16	467,215,198	139,358,734
		<u>753,040,535</u>	<u>388,972,627</u>
CURRENT LIABILITIES			
Current portion of lease liabilities	14	109,849,335	84,623,433
Deferred income	15	311,668,689	-
Payable to Aman Health Care Services - a related party		-	4,565,551
Payable to Government of Sindh - Health Department		238,378	560,876,677
Creditors, accrued and other liabilities	17	102,035,308	62,951,500
		<u>523,791,710</u>	<u>713,017,161</u>
TOTAL FUND AND LIABILITIES		<u><u>1,271,711,669</u></u>	<u><u>1,048,759,775</u></u>

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

SINDH INTEGRATED EMERGENCY AND HEALTH SERVICES
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

		July 1, 2022 to June 30, 2023	August 9, 2021 (date of incorporation) to June 30, 2022
	Note	Rupees	
INCOME			
Donations		224,500	-
Amortisation of deferred income	15	2,090,027,490	816,352,674
Amortisation of deferred capital grant	16	78,452,027	27,500,673
Other income	19	1,379,540	10,440,951
		<u>2,170,083,557</u>	<u>854,294,298</u>
EXPENDITURE			
Salaries and other benefits		802,084,169	406,757,978
Gratuity expense	13	54,457,059	28,620,484
Rent, rates and taxes		3,272,809	8,300,935
Vehicle running and maintenance		652,409,067	176,490,693
Travelling and conveyance		24,609,187	5,026,187
Utilities		22,159,199	12,649,545
Printing and stationery items		9,411,047	3,557,030
Medicine and medical supplies		65,701,153	39,325,039
Ambulance supplies and spare parts		14,417,260	-
Office and other supplies		36,754,220	12,997,206
Legal and professional charges	20	6,367,495	5,865,416
Training cost		13,494,172	2,893,233
Depreciation on property and equipment	3	66,964,551	25,041,349
Depreciation on right-of-use assets	4	109,807,378	79,835,431
Amortisation of intangible assets	5	11,487,476	2,459,324
Interest expense on lease liabilities	14	27,644,726	20,691,457
Insurance		73,262,790	23,407,777
Communication		16,662,384	12,336,770
Repairs and maintenance		57,145,427	15,908,563
Marketing and sponsorship		3,980,513	4,431,415
Bank charges		1,154,127	192,097
Janitorial and security expense		36,885,257	16,541,908
Auditor's remuneration	21	3,490,000	2,690,000
Others		3,232,078	1,504,474
		<u>2,116,853,544</u>	<u>907,524,311</u>
Surplus / (deficit) of income over expenditure for the year		<u>53,230,013</u>	<u>(53,230,013)</u>
Other comprehensive loss for the year	13.4	<u>(5,120,576)</u>	<u>-</u>
Total comprehensive income / (loss)		<u><u>48,109,437</u></u>	<u><u>(53,230,013)</u></u>

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

SINDH INTEGRATED EMERGENCY AND HEALTH SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

July 1,
2022 to
June 30,
2023

August 9,
2021 (date of
incorporation)
to June 30,
2022

Note ----- Rupees -----

CASH FLOWS FROM OPERATING ACTIVITIES

Surplus / (deficit) of income over expenditure for the year / period 53,230,013 (53,230,013)

Adjustment for non-cash expenses and other items:

Depreciation on property and equipment	3.1	66,964,551	25,041,349
Depreciation on right-of-use asset	4	109,807,378	79,835,431
Amortisation of intangible assets	5.1	11,487,476	2,459,324
Interest expense on lease liabilities	14	27,644,726	20,691,457
Amortisation of deferred income	15	(2,090,027,490)	(816,352,674)
Donations in kind	19	-	(2,303,114)
Amortisation of deferred capital grant	16	(78,452,027)	(27,500,673)
Provision for gratuity	13	54,457,059	28,620,484
Provision for compensated absences		6,313,499	9,751,672
		(1,838,574,815)	(732,986,757)

Working capital changes:

(Increase) / decrease in current assets

Medicines, stationery and other supplies

Accrued income

Advances and prepayments

7	(39,533,370)	(7,394,719)
	-	(2,840,013)
9	(55,120,133)	(7,548,573)
	(94,653,503)	(17,783,305)

(Decrease) / increase in current liabilities

Payable to Aman Health Care Services - a related party

Creditors, accrued and other liabilities

	(4,565,551)	4,565,551
17	35,015,468	53,658,400
	30,449,917	58,223,951

Long term deposits paid

Gratuity paid

Compensated absences paid

Taxes - net of deductions

6	(5,895,288)	(7,287,711)
13	(6,730,747)	(6,365,366)
17	(2,245,159)	(458,572)
10	(853,374)	(1,085,525)
	(15,724,568)	(15,197,174)
	(1,918,502,969)	(707,743,285)

Net cash utilised in operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure

Receipt of income on grant funds

Investment in Term Deposit Receipts (TDRs)

Net cash utilised in investing activities

	(445,347,364)	(12,791,649)
	44,664,998	-
11	(70,000,000)	-
	(470,682,366)	(12,791,649)

CASH FLOWS FROM FINANCING ACTIVITIES

Lease payments

Lease payments made at the inception of the lease

Deferred receipts

Unutilised grant balance paid to GoS

Net cash generated from financing activities

14	(124,072,921)	(83,600,939)
	(1,256,753)	(11,859,228)
15	2,590,846,713	1,390,021,000
	(560,876,677)	-
	1,904,640,362	1,294,560,833

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year / period

	(484,544,973)	574,025,899
	574,025,899	-
	89,480,926	574,025,899

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

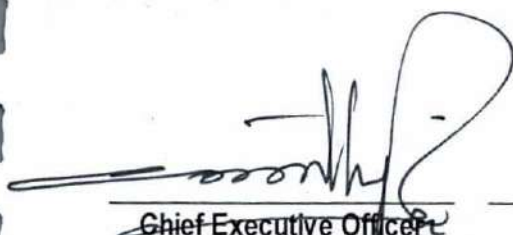
Chief Financial Officer

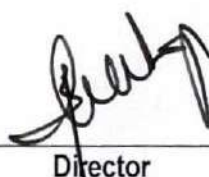
**SINDH INTEGRATED EMERGENCY AND HEALTH SERVICES
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	Accumulated (deficit) / surplus ----- Rupees -----
Balance as at August 9, 2021 (date of Incorporation)		-
Deficit of income over expenditure for the period		(53,230,013)
Other comprehensive income		-
Total comprehensive loss		(53,230,013)
Balance as at June 30, 2022		<u>(53,230,013)</u>
Balance as at July 1, 2022		(53,230,013)
Surplus of income over expenditure for the year		53,230,013
Other comprehensive loss		(5,120,576)
Total comprehensive income		48,109,437
Balance as at June 30, 2023		<u>(5,120,576)</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

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Chief Executive Officer


Director



Chief Financial Officer

SINDH INTEGRATED EMERGENCY AND HEALTH SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND OPERATIONS

- 1.1** Sindh Integrated Emergency And Health Services (the Company) is a not for profit organisation incorporated in Pakistan on August 9, 2021 as a company limited by guarantee, not having share capital, under section 42 of the Companies Act, 2017. The registered office of the Company is situated at Plot No. 43 -15/K, Block 6, P.E.C.H.S., Karachi, Pakistan.
- 1.2** The principal objective of the Company is to run ambulances equipped with advanced medical equipment, life-saving drugs and qualified paramedics and nurses, providing immediate pre-hospital emergency care to those suffering with acute health trauma. The Company has a Tele-Health and Tele-Medicine platform designed to support health care solutions with 24/7 access to doctors, clinical psychologists and healthcare experts, supported by updated algorithms for common diseases to ensure that people in need receive timely diagnostic and counselling services, free of cost.
- 1.3** The Cabinet of Government of Sindh in its meeting held on December 09, 2020 approved formation of the Company under the Companies Act, 2017. The Cabinet in its meeting held on August 10, 2021 approved the transfer of assets and infrastructure from the projects i.e. Sindh Rescue and Medical Services (SRMS) and Sindh Peoples Ambulance Service (SPAS) to the Company under the 'Operation and Management Agreement' dated May 16, 2022 between the Company and Government of Sindh - Health Department (GoS). During the year ended June 30, 2022, the assets and infrastructure from SRMS and SPAS projects were transferred to the Company.
- 1.4** The Company entered into the 'Framework Agreement' dated November 10, 2021 with Aman Health Care Services (AHCS) in order to take over all the operations and resources of AHCS.

Section 42 of the Companies Act, 2017 states as follows:

'In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Companies Act, 2017, preferably having similar or identical objects to those of the Company.'

Accordingly, on November 27, 2022, in line with the Framework Agreement the surplus assets of AHCS amounting to Rs 251.032 million have been transferred to the Company, which shall be amortised as per the terms and conditions of the agreements.

- 1.5** The Company has entered into an agreement with the GoS to manage the operations of 230 ambulances equipped with advanced medical equipment out of which 203 (2022: 77 ambulances) have been received up to June 30, 2023. As per the terms of the agreement, the Company shall be responsible for the entire operation and management of the said ambulances to provide free of cost ambulance emergency services to patients in Sindh, with funding from the GoS. These ambulances were originally funded by the World Bank and are owned by Rehabilitation Department, Government of Sindh (Sindh Resilience Project - PDMA). Accordingly, these ambulances and equipment are not considered as the assets of the Company.

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1.6 Station Network

The Company's stations are present across the province of Sindh in the following territories:

	<u>As at June 30, 2023</u>		<u>As at June 30, 2022</u>	
	No. of stations	%	No. of stations	%
Karachi	8	47.06	5	50
Thatta (note 1.6.1)	1	5.88	1	10
Gharo	-	-	1	10
Sujawal (note 1.6.1)	1	5.88	1	10
Mirpur Bathoro (note 1.6.1)	1	5.88	1	10
Hyderabad	1	5.88	1	10
Larkana (note 1.6.1)	1	5.88	-	-
Badin (note 1.6.1)	1	5.88	-	-
Sukkur	1	5.88	-	-
Qambar				
Shahdadkot (note 1.6.1)	1	5.88	-	-
Mirpur Sakro	1	5.88	-	-
	<u>17</u>	<u>100</u>	<u>10</u>	<u>100</u>

- 1.6.1 This includes six stations situated on lands vested by GoS to the Company, the ownership of which remains with GoS and the Company merely acts as a trustee in respect of these lands using them for its operations. Accordingly, these stations / lands are not considered as the assets of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

These financial statements have been prepared under the historical cost convention, except otherwise disclosed.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Act; and

- Provisions of and directives issued under the Act.

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Where provisions of and directives issued under the Act differ from the IFRS Standards or the Accounting Standard for NPOs, the provisions of and directives issued under the Act have been followed.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements made by the management in the application of accounting and reporting standards, as applicable in Pakistan, that have significant effect on these financial statements are described in the following notes:

- Property and equipment (note 2.6)
- Intangible assets (note 2.8)
- Lease liabilities and right-of-use assets (note 2.7)
- Provision for gratuity (note 2.15)

2.5 Change in published accounting and reporting standards, interpretations and amendments to accounting and reporting standards

2.5.1 Amendments to published accounting and reporting standards which became effective during the year:

There are certain amendments to the accounting and reporting standards which became effective for the Company during the year ended June 30, 2023. However, these are considered not to be relevant and do not have any significant impact on the financial reporting and operations of the Company and, therefore, have not been disclosed in these financial statements.

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2.5.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company:

There is a new standard and other certain amendments to the accounting and reporting standards that will be effective for the Company's annual accounting periods beginning on or after July 1, 2023. However, these are either considered not to be relevant or will not have any significant impact on the financial reporting and operations of the Company and, therefore, have not been disclosed in these financial statements.

2.6 Property and equipment

These are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any, except capital work-in-progress which is stated at cost less accumulated impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of an asset.

Depreciation is charged to the statement of income and expenditure using the straight-line method at the rates stated in note 3.1. Depreciation is charged on operating fixed assets from the date asset is available for intended use up to the date the asset is disposed off.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. The effect of any adjustments to residual values and useful lives is recognised prospectively as a change in estimate in the statement of income and expenditure.

Assets received as donation in kind are initially recognised at fair value on the date of contribution and are subsequently carried at valuation less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to statement of the income and expenditure as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gain and loss on disposal or retirement of an item of property and equipment are taken to statement of income and expenditure.

2.6.1 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any, and consists of expenditure incurred in the course of their construction and installation. Assets are transferred to operating fixed assets when they are available for use.

2.7 Lease liabilities and right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment loss, and adjusted for certain re-measurements of the lease liability.

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The lease liability is initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments include fixed payments and variable lease payments that are based on an index or a rate. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liabilities are subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

In determining whether a contract is, or contains a lease, the management assesses whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, management shall assess whether both the below conditions are met:

- a) it has the right to obtain substantially all of the economic benefits from use of the identified asset; and
- b) it has the right to direct the use of the identified asset.

The Company is required to apply judgments to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Generally, right-of-use asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the right-of-use asset value.

The Company is required to determine the lease term as the non-cancellable period of a lease, together with both:

- (a) Period covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (b) Period covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Short-term lease is a lease that, at the commencement date, has a lease term of twelve months or less. A lease that contains a purchase option is not a short-term lease.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term at the rate stated in note 4.

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2.8 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives unless such lives are indefinite.

Costs that are directly associated with identifiable software products and have probable economic benefits beyond one year are recognised as intangible assets. Amortisation is charged to the statement of income and expenditure using the straight-line method at the rate stated in note 5.1. Costs associated with maintaining computer software are recognised as an expense as and when incurred.

2.9 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the assets or group of assets may be impaired. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment loss is recognised in the statement of income and expenditure.

2.10 Medicines, stationery and other supplies

These are valued at cost using weighted average basis and includes expenditure incurred in acquiring and bringing them to their present location and condition.

2.11 Financial instruments

2.11.1 Financial assets

a) Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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c) Fair value through profit or loss

A financial asset is measured at fair value through profit or loss if it is not measured at amortised cost or at fair value through other comprehensive income.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the income and expenditure. Financial assets carried at FVOCI are initially recognised at fair value plus transaction costs and are subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income. Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in the statement of income and expenditure. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets held at FVPL are included in the statement of income and expenditure and in the period in which they arise.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of income and expenditure.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.11.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of income and expenditure.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of income and expenditure.

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2.11.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously.

2.12 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and balances with banks in current and savings accounts.

2.13 Expenses

All expenses are recognised in the statement of income and expenditure on accrual basis.

2.14 Restricted grants

Restricted contributions for expenses of one or more future periods are accumulated in the statement of financial position as deferred income and recognised as income in the statement of income and expenditure in the same period or periods as the related expenses are recognised.

Restricted contributions for the purchase of capital assets that will be depreciated are deferred and recognised as income in the statement of income and expenditure on the same basis as the depreciation expense related to the acquired capital assets.

2.15 Provision for gratuity

The Company operates an unfunded gratuity scheme for all of its permanent employees. Annual provision is recognised for the scheme based on actuarial recommendation. The actuarial valuation is carried out using the Projected Unit Credit Method. Remeasurement gain / loss is recognised in other comprehensive income.

2.16 Provision for compensated absences

The Company accounts for the liability in respect of employees' compensated absences for the period in which it is earned. The Company provides for its estimated liability towards leaves accumulated by employees on an accrual basis using current salary levels. The amount is based on the management's best estimate and no actuarial services are obtained in this regard.

2.17 Provisions

These are recognised in the statement of financial position when the Company 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 and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

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2.18 Creditors, accrued and other liabilities

These are recognised initially at fair value which is the consideration to be paid in future for goods and services received and subsequently measured at amortised cost.

2.19 Income recognition

- Donations related to specific projects are deferred and recognised as income on a systematic basis to match them with the related costs that they are intended to compensate.
- Donations related to operating fixed assets received are recognised as deferred capital grant and amortised over the useful lives of assets from the date the asset is available for intended use.
- Donations received in kind which meets the capitalisation limit are recognised as deferred income and amortised over the useful lives of assets from the date the asset is available for intended use. Donations received in kind which are below the capitalisation limit are recognised as income for the period.
- Donations other than those related to specific projects and operating fixed assets are recognised as income on receipt.
- Income on savings accounts and Term Deposit Receipts (TDRs) is recognised on time proportion basis taking into account the effective yield.

2.20 Taxation

The Company is allowed a tax credit equal to 100% of the tax payable including minimum and final taxes under section 100C of the Income Tax Ordinance on fulfillment of the conditions mentioned therein. Consequently, no provision for taxation has been made in these financial statements.

	Note	As at June 30, 2023	As at June 30, 2022
		-----Rupees -----	
3. PROPERTY AND EQUIPMENT			
Operating fixed assets	3.1	404,648,084	132,212,896
Capital work-in-progress	3.2	206,314,798	-
		<u>610,962,882</u>	<u>132,212,896</u>

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3.1 Operating fixed assets

June 30, 2023											
	Cost					Depreciation rates (% per annum)	Accumulated depreciation				Net book value (NBV)
	As at June 30, 2022	Additions (note 3.1.1)	Disposal	As at June 30, 2023	As at June 30, 2022		Charge for the period	Disposal	As at June 30, 2023	As at June 30, 2023	
	(Rupees)						(Rupees)				
Leasehold improvements	5,803,725	30,956,224	-	36,759,949	20	863,128	3,462,711	-	4,325,839	32,434,110	
Ambulances	113,655,470	107,887,596	-	221,543,066	20	17,867,213	34,793,520	-	52,660,733	168,882,333	
Motor vehicles	6,316,360	22,970,032	-	29,286,392	20	927,120	1,934,825	-	2,861,945	26,424,447	
Computer equipment	12,541,412	86,015,645	-	98,557,057	33	2,927,730	16,398,368	-	19,326,098	79,230,959	
Office equipment	12,849,524	51,977,790	-	64,827,314	20	1,728,880	5,453,729	-	7,182,609	57,644,705	
Tools and machinery	5,456,545	19,213,162	-	24,669,707	20	618,679	2,978,715	-	3,597,394	21,072,313	
Furniture and fixture	631,209	20,379,290	-	21,010,499	20	108,599	1,942,683	-	2,051,282	18,959,217	
	157,254,245	339,399,739	-	496,653,984		25,041,349	66,964,551	-	92,005,900	404,648,084	

June 30, 2022											
	Cost					Depreciation rates (% per annum)	Accumulated depreciation				Net book value (NBV)
	As at August 9, 2021 (date of incorporation)	Additions (note 3.1.1)	Disposal	As at June 30, 2022	As at August 9, 2021 (date of incorporation)		Charge for the period	Disposal	As at June 30, 2022	As at June 30, 2022	
	(Rupees)						(Rupees)				
Leasehold improvements	-	5,803,725	-	5,803,725	20	-	863,128	-	863,128	4,940,597	
Ambulances	-	113,655,470	-	113,655,470	20	-	17,867,213	-	17,867,213	95,788,257	
Motor vehicles	-	6,316,360	-	6,316,360	20	-	927,120	-	927,120	5,389,240	
Computer equipment	-	12,541,412	-	12,541,412	33	-	2,927,730	-	2,927,730	9,613,682	
Office equipment	-	12,849,524	-	12,849,524	20	-	1,728,880	-	1,728,880	11,120,644	
Tools and machinery	-	5,456,545	-	5,456,545	20	-	618,679	-	618,679	4,837,866	
Furniture and fixture	-	631,209	-	631,209	20	-	108,599	-	108,599	522,610	
	-	157,254,245	-	157,254,245		-	25,041,349	-	25,041,349	132,212,896	

3.1.1 This includes transfers from capital work-in-progress amounting to Rs 22.068 million (2022: Rs Nil).

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		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
3.2 Capital work-in-progress			
Leasehold improvements	3.3	14,865,618	-
Vehicles	3.3	191,449,180	
		<u>206,314,798</u>	<u>-</u>

3.3 Movement in capital work-in-progress

	Leasehold improvements	Vehicles	Total
		Rupees	
Balance as at July 1, 2021	-	-	-
Additions	-	-	-
Transfers to operating fixed assets	-	-	-
Balance as at June 30, 2022	-	-	-
Additions	36,933,531	191,449,180	228,382,711
Transfers to operating fixed assets	(22,067,913)	-	(22,067,913)
Balance as at June 30, 2023	14,865,618	191,449,180	206,314,798

4. RIGHT-OF-USE ASSETS

	June 30, 2023			June 30, 2022		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
	Rupees			Rupees		
Opening balance	107,835,643	199,079,844	306,915,487	-	-	-
Additions	105,976,412	-	105,976,412	129,367,609	257,383,309	386,750,918
Remeasurement due to						
- re-assessment	609,320	-	609,320	-	-	-
- modification	(310,326)	-	(310,326)	-	-	-
Depreciation	(39,218,189)	(70,589,189)	(109,807,378)	(21,531,966)	(58,303,465)	(79,835,431)
Closing balance	174,892,860	128,490,655	303,383,515	107,835,643	199,079,844	306,915,487
Annual rate of depreciation (%)	20 - 33	22 - 63		20 - 33	22 - 63	

		June 30, 2023	June 30, 2022
5.	INTANGIBLE ASSETS	Note	-----Rupees-----
	Software	5.1	62,567,114 7,145,838

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		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
5.1 Software			
Net carrying amount			
Opening NBV		7,145,838	-
Additions		66,908,752	9,605,162
Amortisation		(11,487,476)	(2,459,324)
Closing NBV		<u>62,567,114</u>	<u>7,145,838</u>
Gross carrying amount			
Cost		76,513,914	9,605,162
Accumulated amortization		(13,946,800)	(2,459,324)
Closing NBV		<u>62,567,114</u>	<u>7,145,838</u>
Annual rate of amortization (%)		<u>33.33</u>	<u>33.33</u>

		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
6 LONG-TERM DEPOSITS			
<i>Deposits against</i>			
- Rental premises	6.1	13,161,279	7,265,991
- Utilities		21,720	21,720
		<u>13,182,999</u>	<u>7,287,711</u>

6.1 Details of term deposits are as follows:

Head office	2,000,000	2,000,000
P.E.C.H.S. station	1,659,741	1,659,741
Gulistan-e-Johar station	1,200,000	1,200,000
Korangi station	1,060,000	1,060,000
Satellite office	600,000	600,000
North Nazimabad station	476,250	476,250
Bin Qasim station	270,000	270,000
Mirpur Sakro office	240,000	-
Hyderabad office	1,365,000	-
Sukkur office	1,077,000	-
Al-Haq Welfare Society	675,000	-
Clifton office	1,140,000	-
Sehwan office	258,288	-
Baldia office	1,140,000	-
	<u>13,161,279</u>	<u>7,265,991</u>

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	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
7. MEDICINES, STATIONERY AND OTHER SUPPLIES			
Medicine and medical supplies		22,773,528	7,455,647
Uniforms		-	1,228,500
Office and other supplies		17,375,017	698,564
Ambulance supplies and spare parts		2,375,417	-
Printing and stationery items		6,707,241	315,122
		<u>49,231,203</u>	<u>9,697,833</u>
8. ACCRUED INCOME			
<i>Accrued Income on</i>			
- Savings accounts		7,317,342	2,840,013
- Term Deposit Receipts (TDRs)		978,083	-
		<u>8,295,425</u>	<u>2,840,013</u>
9. ADVANCES AND PREPAYMENTS			
<i>Advances</i>			
- Suppliers		46,121,935	4,762,974
- Others		3,324,477	170,016
		49,446,412	4,932,990
<i>Prepayments</i>			
- Insurance		13,052,440	2,615,583
- Others		169,854	-
		13,222,294	2,615,583
		<u>62,668,706</u>	<u>7,548,573</u>
10. TAXATION			
<i>Withholding tax on</i>			
- Utilities		1,093,720	503,269
- Others		845,179	582,256
		<u>1,938,899</u>	<u>1,085,525</u>
10.1	This represent income tax recoverable on account of withholding tax deductions. The income of the Company is subject to 100% tax credit under section 100C of Income Tax Ordinance. Accordingly, the management of the Company based on the advice of its tax advisor is confident for the recoverability of the tax refunds.		

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			June 30, 2023	June 30, 2022
			-----Rupees-----	
11	SHORT-TERM INVESTMENT	Note		
	At amortised cost			
	TDRs	11.1	<u>70,000,000</u>	<u>-</u>
11.1	This represents investments in local currency TDRs placed with Sindh Bank Limited maturing on April 13, 2024 carrying profit rate of 17% per annum (2022: Nil). These TDRs are pledged as a guarantee in favour of Pakistan State Oil Company Limited as disclosed in 18.2.			

			June 30, 2023	June 30, 2022
			-----Rupees-----	
12.	CASH AND BANK BALANCES	Note		
	Cash in hand			
	- local currency		168,264	135,900
	Balances with banks in local currency:			
	- current account		160,000	718
	- savings accounts	12.1	89,152,662	573,889,281
			89,312,662	573,889,999
			<u>89,480,926</u>	<u>574,025,899</u>

12.1 These carry profit rates ranging from 5.25% to 12% (2022: 2.75% to 5.25%) per annum.

13. PROVISION FOR GRATUITY

The actuarial valuation of un-funded gratuity scheme was carried out as at June 30, 2023 using Projected Unit Credit Method. Details of the scheme as per the actuarial valuation are as follows:

			June 30, 2023	June 30, 2022
			-----Rupees-----	
13.1	Present value of defined benefit obligation	13.2	<u>75,102,006</u>	<u>22,255,118</u>
13.2	Movement in defined benefit obligation			
	Opening balance		22,255,118	-
	Current service cost	13.3	52,218,911	28,620,484
	Interest cost	13.3	2,238,148	-
	Re-measurement loss recognised in other comprehensive income	13.4	5,120,576	-
	Payments made		(6,730,747)	(6,365,366)
	Closing balance		<u>75,102,006</u>	<u>22,255,118</u>
	Transferred to current liabilities		-	-
			<u>75,102,006</u>	<u>22,255,118</u>

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	June 30, 2023	June 30, 2022
	-----Rupees-----	
13.3 Amount recognised in statement of income and expenditure		
Current service cost	52,218,911	28,620,484
Interest cost	2,238,148	-
	<u>54,457,059</u>	<u>28,620,484</u>
13.4 Remeasurement (gain) / loss recognised in other comprehensive income		
Actuarial (gains) / losses from changes in financial assumptions	8,219,736	-
Experience adjustments	(3,099,160)	-
	<u>5,120,576</u>	<u>-</u>
13.5 Principal actuarial assumptions used in the actuarial valuation		
Financial assumptions		
Discount rate	16.25%	13.25%
Expected per annum rate of increase in salaries - long term	16.25%	13.25%
Demographic assumptions		
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005
Expected withdrawal rate	Age-Based (per appendix)	Age-Based (per appendix)
Retirement assumption - age	65 years	65 years
13.6 The sensitivity of the defined benefit obligation to change in the weighted principal assumptions is set out below:		

	Change in assumption	Increase in assumption	Decrease in assumption
		----- Rupees -----	
Discount rate	1%	<u>66,279,330</u>	<u>78,218,431</u>
Expected rate of increase in salaries - long term	1%	<u>78,332,751</u>	<u>66,071,830</u>

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised within the statement of financial position.

- 13.7** Based on actuarial advice, the Company has charged amount of Rs 59.978 million in respect of unfunded gratuity scheme in the financial statements for the year ended June 30, 2023.

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13.8 Maturity Profile

The expected benefit payments for the next 10 years and beyond:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Not later than one year	-	-
Later than one year but not later two years	23,742,360	7,414,112
Later than two years but not later three years	32,870,936	11,031,042
Later than three years but not later four years	37,926,747	13,055,672
Later than four years but not later five years	41,060,010	14,328,032
Later than five years but not later ten years	324,954,646	117,079,627
Later than ten years	30,433,139,109	6,649,985,569

13.9 The weighted average duration of the defined benefits obligation is 8 years (2022: 9 years)

14. LEASE LIABILITIES

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Opening balance	311,982,208	-
Additions	104,719,658	374,891,690
Remeasurement due to		
- re-assessment	609,321	-
- modification	(310,326)	-
Interest expense	27,644,726	20,691,457
Payments	(124,072,921)	(83,600,939)
Closing balance	<u>320,572,666</u>	<u>311,982,208</u>
Current portion	109,849,335	84,623,433
Non-Current portion	<u>210,723,331</u>	<u>227,358,775</u>
	<u>320,572,666</u>	<u>311,982,208</u>

	Minimum lease payments	Interest expense	Present value of minimum lease payments
	-----Rupees-----		
Not later than one year	119,240,755	9,391,420	109,849,335
Later than one year but not later than five years	239,557,635	28,834,304	210,723,331
Later than five years	-	-	-
	<u>358,798,390</u>	<u>38,225,724</u>	<u>320,572,666</u>

14.1 The expenses for the year / period relating to short-term leases aggregated Rs 3.272 million (2022: Rs 28.5 million) and are classified under 'rent, rates and taxes'.

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15.	DEFERRED INCOME	Note	June 30, 2023	June 30, 2022
			-----Rupees-----	
	Opening balance		-	-
	Grants received	15.1	2,580,322,796	1,390,021,000
	Transfer of cash from AHCS	1.4	10,523,917	-
	Transfer to deferred capital grant	16 & 1.4	(239,032,566)	(12,791,649)
	Payable to GoS		(238,378)	(560,876,677)
	Income on grant funds		50,120,410	-
	Amortisation		(2,090,027,490)	(816,352,674)
	Closing balance		<u>311,668,689</u>	<u>-</u>

- 15.1 This represents grant received from GoS amounting to Rs 2,577.500 million (2022: Rs 1,390.021 million) to meet the capital and operational expenditure with respect to providing the ambulance services, telehealth and other health related services and grant received from Aga Khan University amounting to Rs 2.823 million (2022: Rs Nil) for feasibility and efficacy of ambulance - based health for pediatric emergencies.

16.	DEFERRED CAPITAL GRANT	Note	June 30, 2023	June 30, 2022
			-----Rupees-----	
	Opening balance		139,358,734	-
	Transfer from deferred income	15	239,032,566	12,791,649
	Assets contributed	16.1 & 16.2	167,275,925	154,067,758
	Amortisation		(78,452,027)	(27,500,673)
	Closing balance		<u>467,215,198</u>	<u>139,358,734</u>

- 16.1 This represents the transfer of surplus assets from AHCS as more fully explained in note 1.4.

- 16.2 Assets contributed during the year / period amounting to Rs 167.276 million (2022: Rs 154.067 million) were recognised at the fair value (level 3) determined by a professional valuer M/s RBS Associates (Private) Limited on the basis of prevailing value.

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	June 30, 2023	June 30, 2022
	-----Rupees-----	
17. CREDITORS, ACCRUED AND OTHER LIABILITIES		
Creditors	45,313,533	22,812,876
Accrued expenses	27,807,786	29,159,611
Retention money payable	15,552,549	-
Provision for compensated absences	13,361,440	9,293,100
Withholding tax	-	1,685,913
	<u>102,035,308</u>	<u>62,951,500</u>

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no contingencies as at June 30, 2023.

18.2 Commitments

TDRs of the Company amounting to Rs 70 million are pledged as a guarantee in favour of Pakistan State Oil Company Limited.

	July 1, 2022 to June 30, 2023	August 9, 2021 (date of incorporation) to June 30, 2022
	-----Rupees-----	
19. OTHER INCOME		
Income on savings accounts	-	6,593,789
Donations in kind	-	2,303,114
Liabilities no longer payable written off	1,038,227	-
Others	341,313	1,544,048
	<u>1,379,540</u>	<u>10,440,951</u>

20. LEGAL AND PROFESSIONAL CHARGES

Professional charges	4,329,805	4,099,519
Legal advisors retainership fees	1,681,667	1,466,670
Tax consultancy charges	324,000	243,000
Miscellaneous expenses	32,023	56,227
	<u>6,367,495</u>	<u>5,865,416</u>

21. AUDITOR'S REMUNERATION

Audit fee	2,637,272	900,000
Other certification services	540,000	1,700,000
Out of pocket expenses and sales tax	312,728	90,000
	<u>3,490,000</u>	<u>2,690,000</u>

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22. REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

	June 30, 2023		August 9, 2021 (date of incorporation) to June 30, 2022	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	-----Rupees-----			
Remuneration	14,448,790	96,302,051	9,752,000	53,055,856
Allowances and other benefits	2,318,105	23,228,901	982,966	8,528,478
Compensated absences	565,225	1,891,221	489,995	2,174,650
Gratuity	1,329,177	3,727,820	823,463	4,391,696
	<u>18,661,297</u>	<u>125,149,993</u>	<u>12,048,424</u>	<u>68,150,680</u>
Number of persons, including those who worked part of the year	<u>3</u>	<u>43</u>	<u>1</u>	<u>41</u>

- 22.1 No director (other than a chief executive officer who was also a member of the Company) received either directly or indirectly remuneration, payments or benefits from the Company during the year.

23. TRANSACTIONS WITH RELATED PARTIES

Related parties include associated undertakings having common directors, directors and other key management personnel. Following are the details of the transactions entered into and balances with related parties during the year / period, other than those which have been disclosed elsewhere in these financial statements:

Name of related party	Nature of relationship	Nature of transactions	June 30, 2023	August 9, 2021 (date of incorporation) to June 30, 2022
			-----Rupees-----	
Aman Health Care Services (AHCS)	Common Director	Donations	12,104,578	2,303,114
		Transfer of assets	167,275,925	-
		Expenses incurred on behalf of the Company	-	162,516,356
Ms. Shazina Masud	Member and Ex-CEO	Salaries and other benefits	4,097,775	12,048,424
Mr. Abid Naveed	Ex-CEO	Salaries and other benefits	12,119,120	-
Mr. Tarique Quadir Lakhani	CEO	Salaries and other benefits	550,000	-
Aga Khan University	Common Director	Donations	2,822,796	-

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24. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a certain financial risks. Such financial risks emanate from various factors that includes, but are not limited to, market risk, credit risk and liquidity risk. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. Risk management is carried out by the management under the guidance of the Company's Board of Directors. The Board is also responsible for developing and monitoring the Company's risk management policies.

24.1 Market risk

Market risk is the risk that changes in market price, will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to market risk in respect of the following:

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to such risk as of the reporting date.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments were as follows:

	Effective interest rate		Carrying Amount	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	------(In percent)-----		-----Rupees-----	
Financial assets				
Fixed rate instruments				
TDRs	17	-	70,000,000	-

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, any change in interest rates at the reporting date would not have affected statement of income and expenditure.

iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). At reporting date, the Company does not have financial instruments exposed to price risk.

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24.2 Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation. The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying value of the financial assets which are neither past due nor impaired are as follows:

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
Long-term deposits	6	13,182,999	7,287,711
Accrued income		8,295,425	2,840,013
Bank balances	12	89,312,662	573,889,999
Short-term investments	11	70,000,000	-
		<u>180,791,086</u>	<u>584,017,723</u>

Deposits and other receivables

The Company has deposited various amounts as security against rental premises of ambulances stations. The management does not expect to incur material losses on amounts and consider such amount as receivable upon termination of service.

TDRs and bank balances

Credit risk from bank deposits and TDRs are managed by placing deposits with banks having sound credit ratings. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating agency	Rating	
		Short term	Long term
Sindh Bank Limited	JCR-VIS	A-1	A+

c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

The Company's liquidity management involves maintaining sufficient cash, projecting cash flows and considering the level of liquid assets necessary to meet these.

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The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	June 30, 2023		
	Maturity up to one year	Maturity after one year	Total
	----- Rupees -----		
Financial liabilities			
Payable to GoS	238,378	-	238,378
Lease liabilities	109,849,335	210,723,331	320,572,666
Creditors, accrued and other liabilities	102,035,308	-	102,035,308
	212,123,021	210,723,331	422,846,352

	June 30, 2022		
	Maturity up to one year	Maturity after one year	Total
	-----	Rupees -----	
Financial liabilities			
Payable to GoS	560,876,677	-	560,876,677
Lease liabilities	84,623,433	227,358,775	311,982,208
Payable to AHCS	4,565,551	-	4,565,551
Creditors, accrued and other liabilities	62,951,500	-	62,951,500
	<u>713,017,161</u>	<u>227,358,775</u>	<u>940,375,936</u>

25. FAIR VALUE MEASUREMENT

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

IFRS 13, 'Fair Value Measurement' requires the Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Unobservable inputs for the asset or liability (level 3).

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Assets contributed during the year are recognised at fair value (level 3 measurement) determined by a professional valuer based on their assessment of prevailing market value as disclosed in note 16.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**On-balance sheet
financial instruments**

		As at June 30, 2023							
		Carrying amount				Fair value			
	Note	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Other financial liabilities	Total	Level 1	Level 2	Level 3
		(Rupees)							
financial assets not measured at fair value	25.1								
Long-term deposits		13,182,999	-	-	-	13,182,999	-	-	-
Accrued income		8,295,425	-	-	-	8,295,425	-	-	-
Short-term investments		70,000,000	-	-	-	70,000,000	-	-	-
Cash and bank balances		89,480,926	-	-	-	89,480,926	-	-	-
		<u>180,959,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,959,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value	25.1								
Lease liabilities		-	-	-	320,572,666	320,572,666	-	-	-
Provision for gratuity		-	-	-	75,102,006	75,102,006	-	-	-
Payable to Aman Health Care Services - a related party		-	-	-	-	-	-	-	-
Payable to Government of Sindh - Health Department		-	-	-	238,378	238,378	-	-	-
Creditors, accrued and other liabilities		-	-	-	102,035,308	102,035,308	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>497,948,358</u>	<u>497,948,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
		As at June 30, 2022							
		Carrying amount				Fair value			
	Note	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Other financial liabilities	Total	Level 1	Level 2	Level 3
		(Rupees)							
Financial assets not measured at fair value	25.1								
Long-term deposits		7,287,711	-	-	-	7,287,711	-	-	-
Accrued income		2,840,013	-	-	-	2,840,013	-	-	-
Cash and bank balances		574,025,899	-	-	-	574,025,899	-	-	-
		<u>584,153,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,153,623</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value	25.1								
Lease liabilities		-	-	-	311,982,208	311,982,208	-	-	-
Provision for gratuity		-	-	-	22,255,000	22,255,000	-	-	-
Payable to Aman Health Care Services - a related party		-	-	-	4,565,551	4,565,551	-	-	-
Payable to Government of Sindh - Health Department		-	-	-	560,876,677	560,876,677	-	-	-
Creditors, accrued and other liabilities		-	-	-	62,951,500	62,951,500	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>962,630,936</u>	<u>962,630,936</u>	<u>-</u>	<u>-</u>	<u>-</u>

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- 25.1 The Company has not disclosed the fair value for these financial assets and financial liabilities as these are either short-term in nature or re-priced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

26. NUMBER OF EMPLOYEES

	June 30, 2023		August 9, 2021 (date of incorporation) to June 30, 2022	
	Total number of employees June 30, 2023	Average number of employees during the year	Total number of employees June 30, 2022	Average number of employees during the period
Management employees	88	78	69	65
Non-management employees	1,628	1,121	759	690
	<u>1,716</u>	<u>1,199</u>	<u>828</u>	<u>755</u>

27. DATE OF AUTHORISATION

These financial statements were authorised for issue on November 10, 2023 by the Board of Directors of the Company.


Chief Executive Officer


Director


Chief Financial Officer

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