



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
National Kidney and Transplant Institute
East Avenue, Quezon City

Report on the Financial Statements

We have audited the accompanying financial statements of the National Kidney and Transplant Institute, which comprise the balance sheet as at December 31, 2013, and the statement of income and expenses, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with state accounting principles generally accepted in the Philippines, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

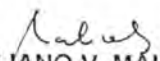
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Kidney and Transplant Institute as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with state accounting principles generally accepted in the Philippines.

**Report on Supplementary Information Required Under
BIR Revenue Regulation 15-2010**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and license fees paid or accrued during the taxable year described in Note 18 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT


GEMILJANO V. MALOLES, JR.
Supervising Auditor
Specialty Hospital Group
Cluster 6, Corporate Government Sector

April 4, 2014

NATIONAL KIDNEY AND TRANSPLANT INSTITUTE
BALANCE SHEET
December 31, 2013
(With corresponding figures as of December 31, 2012)
(In Philippine Peso)

	Notes	2013	2012
ASSETS			
Current Assets			
Cash and cash equivalents	3	1,116,674,816	957,602,838
Receivables, net	4	425,708,214	375,806,663
Hospital supplies, net	5	106,851,847	294,008,384
Total Current Assets		1,649,234,877	1,627,417,885
Non-current Assets			
Property and equipment, net	6	2,805,369,270	1,829,127,670
Other non-current assets		11,566,292	10,333,449
Total Non-current Assets		2,816,935,562	1,839,461,119
TOTAL ASSETS		4,466,170,439	3,466,879,004
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued expenses	7	456,169,420	517,328,234
Due to other government agencies	8	23,200,910	21,184,259
Other current liabilities	9	495,095,231	574,215,004
Total Current Liabilities		974,465,561	1,112,727,497
Equity		3,491,704,878	2,354,151,507
TOTAL LIABILITIES AND EQUITY		4,466,170,439	3,466,879,004

The notes on pages 8 to 14 form part of these financial statements.

NATIONAL KIDNEY AND TRANSPLANT INSTITUTE
STATEMENT OF INCOME AND EXPENSES
For the Year Ended December 31, 2013
 (With corresponding figures for 2012)
 (In Philippine Peso)

	Notes	2013	2012
HOSPITAL FEES			
Less: Discounts and free services	10	2,335,128,666 (477,441,358)	2,115,554,489 (448,702,866)
Net Hospital Fees		1,857,687,308	1,666,851,623
Less: Personal services	11	(437,497,377)	(420,884,432)
Maintenance and other operating expenses	12	(1,415,324,994)	(1,378,551,470)
Financial expenses	13	(6,289,877)	(5,771,517)
Other Income, net	14	55,280,817	49,828,786
OPERATING INCOME (LOSS)			
Subsidy	15	53,855,877 202,984,255	(88,527,010) 264,838,981
NET INCOME		256,840,132	176,311,971

The notes on pages 8 to 14 form part of these financial statements.