

**ISLAMIC INTERNATIONAL
MEDICAL COLLEGE TRUST**

FINANCIAL STATEMENTS

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



INDEPENDENT AUDITOR'S REPORT

**TO THE TRUSTEES OF ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of the Islamic International Medical College Trust (the Trust), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure, statement of comprehensive income, statement of changes in funds and reserves and cash flows statement for the year then ended, and notes to 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 Trust as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan (SECP).

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 Trust 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.

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

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified by the SECP, and for such internal control as the Trustees determine 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, Trustees are responsible for assessing the Trust'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 Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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

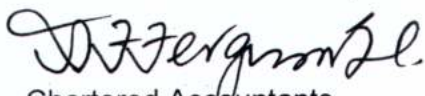
A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they 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 Trust `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 Trust `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 Trust 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.



Chartered Accountants
Islamabad: August 23, 2024

Engagement Partner: JehanZeb Amin
UDIN: AR202310083NrE86ksJH

ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 -----Rupees-----	2022
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	6	8,512,874,114	7,149,563,425
Intangible assets	7	-	136,522
Long-term investment	8	105,312,695	5,312,695
Deposits	9	46,869,903	30,314,769
Long-term advances	10	97,130,137	317,092,670
		8,762,186,849	7,502,420,081
CURRENT ASSETS			
Stores and spares		54,959,110	30,452,676
Fees receivable	11	177,596,307	458,529,646
Loans and advances	12	1,682,570,763	1,644,777,334
Short-term prepayments	13	85,490,541	10,425,339
Patient and other receivables	14	190,409,536	61,079,112
Income tax refundable		90,114,989	37,316,748
Cash and bank balances	15	1,028,082,637	1,393,871,308
		3,309,223,883	3,636,452,163
TOTAL ASSETS		12,071,410,732	11,138,872,245
FUNDS, RESERVES AND LIABILITIES			
Fund account		2,050,000	2,050,000
Endowment fund	16	40,000,000	40,000,000
Reserves			
Accumulated surplus		6,233,470,025	5,431,400,035
Revaluation surplus on land and building		1,882,502,327	1,905,041,211
		8,158,022,352	7,378,491,246
NON - CURRENT LIABILITIES			
Long-term loans - secured	17	1,111,118,030	1,518,614,981
Lease liabilities	18	347,643,043	196,912,410
Deferred government grant - below market rate	19	169,346,941	105,523,369
		1,628,108,014	1,821,050,760
CURRENT LIABILITIES			
Trade and other payables	20	568,051,063	386,885,714
Restricted deferred grant - operating activities	21	26,504,827	20,559,096
Contract liabilities	22	942,884,410	832,841,268
Security deposits payable	23	113,099,616	111,320,972
Current portion long-term of loans	17	453,477,393	535,761,025
Current portion of lease liabilities	18	124,134,144	5,112,837
Current portion of deferred government grant	19	57,128,913	46,849,327
		2,285,280,366	1,939,330,239
TOTAL FUNDS, RESERVES AND LIABILITIES		12,071,410,732	11,138,872,245
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 41 form an integral part of these financial statements.

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MANAGING TRUSTEE

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ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	----- Rupees -----	
INCOME			
Revenue	25		
Academics(colleges / institutes)		3,778,780,555	3,056,931,578
Healthcare (hospitals)		748,413,749	472,651,781
		4,527,194,304	3,529,583,359
Others income	26		
Academics(colleges / institutes)		173,704,900	148,838,715
Healthcare (hospitals)		14,645,451	21,274,186
		188,350,351	170,112,901
Management operations		19,192,022	1,259,041
		207,542,373	171,371,942
TOTAL INCOME		4,734,736,677	3,700,955,301
Direct expenditure			
Academics (colleges / institutes)			
Students financial assistance	27	234,012,373	163,072,742
Operational expenses	28	1,758,938,279	1,532,711,605
Net impairment losses on financial assets	33.1	83,585,549	15,799,535
Advances written - off		13,452,958	-
		2,089,989,159	1,711,583,882
Healthcare (hospitals)	28	1,317,341,911	907,830,884
Management Expenditures	30		
Academics(colleges / institutes)		357,924,122	222,065,330
Healthcare (hospitals)		89,481,030	55,516,332
		447,405,152	277,581,662
Financial charges	31		
Academics(colleges / institutes)		80,375,479	152,269,647
Healthcare (hospitals)		20,093,870	38,067,412
		100,469,349	190,337,059
TOTAL EXPENDITURE		3,955,205,571	3,087,333,487
EXCESS OF INCOME OVER EXPENDITURE BEFORE TAX		779,531,106	613,621,814
Taxation	5.11	-	-
EXCESS OF INCOME OVER EXPENDITURE		779,531,106	613,621,814

The annexed notes 1 to 41 form an integral part of these financial statements.

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TRUSTEE

ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	----- Rupees -----	-----
Excess of income over expenditure	779,531,106	613,621,814
Other comprehensive income for the year		
Items that will not be classified to profit or loss:		
Surplus on revaluation of land and building	-	1,003,562,544
Total comprehensive income for the year	<u>779,531,106</u>	<u>1,617,184,358</u>

The annexed notes 1 to 41 form an integral part of these financial statements.

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Shoaib Khan

MANAGING TRUSTEE

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ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED JUNE 30, 2023

	Fund account	Endowment fund	Accumulated surplus	Revaluation surplus on land and building	TOTAL
	----- Rupees -----				
Balance as at July 1, 2021	2,050,000	40,000,000	4,817,778,221	901,478,667	5,761,306,888
Total comprehensive income for the year ended June 30, 2022					
Income for the year	-	-	613,621,814	-	613,621,814
Other comprehensive income	-	-	-	1,003,562,544	1,003,562,544
	-	-	613,621,814	1,003,562,544	1,617,184,358
Balance as at June, 30 2022	<u>2,050,000</u>	<u>40,000,000</u>	<u>5,431,400,035</u>	<u>1,905,041,211</u>	<u>7,378,491,246</u>
Balance as at July 1, 2022	2,050,000	40,000,000	5,431,400,035	1,905,041,211	7,378,491,246
Total comprehensive income for the year ended June 30, 2023					
Income for the year	-	-	779,531,106	-	779,531,106
Incremental depreciation	-	-	22,538,884	(22,538,884)	-
	-	-	802,069,990	(22,538,884)	779,531,106
Balance as at June, 30 2023	<u>2,050,000</u>	<u>40,000,000</u>	<u>6,233,470,025</u>	<u>1,882,502,327</u>	<u>8,158,022,352</u>

The annexed notes 1 to 41 form an integral part of these financial statements.

سید محمد



MANAGING TRUSTEE



TRUSTEE

ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Note	2023 -----Rupees-----	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of income over expenditure for the year (before tax)	779,531,106	613,621,814
Adjustments for non-cash charges and other items:		
Depreciation - Property and equipment	6.1.1 167,104,572	136,167,727
Depreciation - Right of use asset	6.3.1 53,828,648	37,786,576
Amortization - Intangible assets	7 136,522	1,638,246
Amortization of grants	21 -	(126,400)
Grant Income against Re-Finance Schemes	19.1 (60,893,068)	(57,967,168)
Provision against advances	12.1 6,182,311	9,714,513
Allowance for expected credit losses	11.1 83,585,549	15,799,535
Advance income tax - written off	13,452,958	-
Financial charges	119,869,927	248,304,227
Exchange gain	(118,948,877)	-
Remeasurement gain on long term loan	26.3 (1,378,619)	-
Remeasurement gain on lease liability	26.3 (8,864,910)	-
Gain on disposal of fixed assets	26.3 (7,606,997)	-
Unwinding of interest charges on lease liabilities	31 41,070,214	-
	287,538,230	391,317,256
Working capital changes:		
(Increase) / Decrease in current assets		
Fees receivable	11 197,347,790	(206,578,517)
Advances	12 (43,975,740)	(1,187,973,758)
Short-term prepayments	13 (75,065,202)	4,518,483
Patient and other receivables	14 (129,330,424)	(28,877,012)
Stores and spares	(24,506,434)	1,758,199
	(75,530,010)	(1,417,152,605)
Increase / (Decrease) in current liabilities		
Trade and other payables	20 181,165,349	147,347,192
Contract liabilities	22 110,043,142	106,763,072
Security deposits	23 1,778,644	7,928,275
	292,987,135	262,038,539
Cash generated / (used) from operations	1,284,526,461	(150,174,996)
Grants received from Higher Education Commission	21 5,945,731	5,676,304
Long-term portion of prepayment	(16,555,134)	(5,093,380)
Income tax paid	(39,345,283)	(18,459,640)
Finance charges paid	31 (119,869,927)	(251,585,633)
Net cash generated / (used) from operating activities	1,114,701,848	(419,637,345)

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	2023	2022
Note	-----Rupees-----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	6 (1,240,482,889)	(107,330,893)
Receipts from disposal of property and equipment	7,606,997	-
Long-term advance	10 219,962,533	(4,499,134)
Increase in long term investment	8 (100,000,000)	(3,312,695)
Net cash used in investing activities	(1,112,913,359)	(115,142,722)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan received / (repaid)	17 (407,496,951)	(247,757,676)
Grant received under Re-Finance Schemes	19.1 134,996,226	34,371,837
Payment against lease liabilities	18 (95,076,435)	(28,630,369)
Net cash (used) / generated in financing activities	(367,577,160)	(242,016,208)
Net decrease in cash and cash equivalents	(365,788,671)	(776,796,275)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,353,871,308	2,130,667,582
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15 1,028,082,637	1,393,871,308
Less: Endowment funds	(40,000,000)	(40,000,000)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	988,082,637	1,353,871,308

The annexed notes 1 to 41 form an integral part of these financial statements.

WAFI.

Hossain Khan

 MANAGING TRUSTEE

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