



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, 2022, 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, 2022, 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.

Other Matter

The financial statements of the Trust for the year ended June 30, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on June 29, 2022.

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 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
Date: July 7, 2023

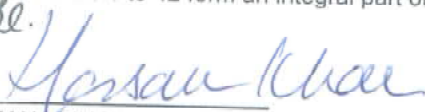
Engagement Partner: JehanZeb Amin
UDIN: AR202210083YZhiea67s

ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		-----Rupees-----	
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	6	7,149,563,425	6,219,057,400
Intangible assets	7	136,522	1,774,768
Long-term investment	8	5,312,695	2,000,000
Deposits	9	30,314,769	25,221,389
Long-term advances	10	317,092,670	321,591,804
		<u>7,502,420,081</u>	<u>6,569,645,361</u>
CURRENT ASSETS			
Stores and spares		30,452,676	32,210,875
Fees receivable	11	458,529,646	267,750,664
Loans and advances	12	1,644,777,334	456,803,577
Short-term prepayments	13	10,425,339	14,943,822
Patient and other receivables	14	61,079,112	32,202,100
Income tax refundable		37,316,748	18,857,108
Cash and bank balances	15	1,393,871,308	2,170,667,582
		<u>3,636,452,163</u>	<u>2,993,435,728</u>
TOTAL ASSETS		<u>11,138,872,245</u>	<u>9,563,081,089</u>
FUNDS, RESERVES AND LIABILITIES			
Fund account		2,050,000	2,050,000
Endowment fund	16	40,000,000	40,000,000
Reserves			
Accumulated surplus		5,431,400,035	4,817,778,221
Revaluation surplus on land and building		1,905,041,211	901,478,667
		<u>7,378,491,246</u>	<u>5,761,306,888</u>
NON - CURRENT LIABILITIES			
Long-term loans - secured	17	1,518,614,981	1,786,458,737
Lease liabilities	18	196,912,410	172,495,701
Deferred government grant - below market rate	19	105,523,369	119,524,165
		<u>1,821,050,760</u>	<u>2,078,478,603</u>
CURRENT LIABILITIES			
Trade and other payables	20	386,885,714	239,538,521
Restricted deferred grant - operating activities	21	20,559,096	15,009,192
Contract liabilities	22	832,841,268	735,076,466
Security deposits payable	23	111,320,972	103,392,697
Current portion long-term of loans	17	535,761,025	515,674,945
Current portion of lease liabilities	18	5,112,837	58,159,915
Current portion of deferred government grant	19	46,849,327	56,443,862
		<u>1,939,330,239</u>	<u>1,723,295,598</u>
TOTAL FUNDS, RESERVES AND LIABILITIES		<u>11,138,872,245</u>	<u>9,563,081,089</u>
CONTINGENCIES AND COMMITMENTS			
	24		

The annexed notes 1 to 42 form an integral part of these financial statements.

2022


MANAGING TRUSTEE



TRUSTEE

ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		----- Rupees -----	
INCOME			
Revenue	25		
Academics(colleges / institutes)		3,056,931,578	2,689,581,378
Healthcare (hospitals)		472,651,781	317,883,224
		3,529,583,359	3,007,464,602
Others income	26		
Academics(colleges / institutes)		148,838,715	23,243,612
Healthcare (hospitals)		21,274,186	13,055,772
		170,112,901	36,299,384
Management Operations		1,259,041	7,734,723
		171,371,942	44,034,107
TOTAL INCOME		3,700,955,301	3,051,498,709
Direct expenditure			
Academics(colleges / institutes)			
Students financial assistance	27	163,072,742	147,655,019
Operational expenses	28	1,532,711,605	1,029,728,534
Net impairment losses on financial assets	32.3	15,799,535	976,355
		1,711,583,882	1,178,359,908
Healthcare (hospitals)	28	907,830,884	685,193,836
Common expenditure			
Academics(colleges / institutes)		374,334,977	343,415,403
Healthcare (hospitals)		93,583,744	85,853,853
		467,918,721	429,269,256
TOTAL EXPENDITURE		3,087,333,487	2,292,823,000
EXCESS OF INCOME OVER EXPENDITURE BEFORE TAX		613,621,814	758,675,709
Taxation	5.11	-	12,883,316
EXCESS OF INCOME OVER EXPENDITURE		613,621,814	745,792,393

The annexed notes 1 to 42 form an integral part of these financial statements.

2022/21


MANAGING TRUSTEE


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ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

Note	2022 ----- Rupees -----	2021 -----
Excess of income over expenditure	613,621,814	745,792,393
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>1,617,184,358</u>	<u>745,792,393</u>

The annexed notes 1 to 42 form an integral part of these financial statements.

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ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED JUNE 30, 2022

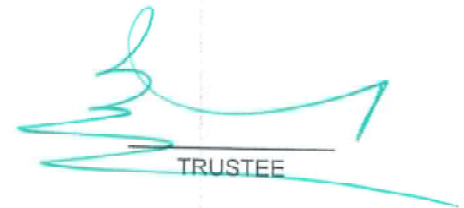
	Fund account	Endowment fund	Accumulated surplus	Revaluation surplus on land and building	TOTAL
	----- Rupees -----				
Balance as at July 1, 2020	2,050,000	40,000,000	4,071,985,828	901,478,667	5,015,514,495
Total comprehensive income for the year ended June 30, 2021					
Income for the year	-	-	745,792,393	-	745,792,393
Other comprehensive income	-	-	-	-	-
	-	-	745,792,393	-	745,792,393
Balance as at June, 30 2021	2,050,000	40,000,000	4,817,778,221	901,478,667	5,761,306,888
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	2,050,000	40,000,000	5,431,400,035	1,905,041,211	7,378,491,246

The annexed notes 1 to 42 form an integral part of these financial statements.

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MANAGING TRUSTEE



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ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST
CASH FLOWS STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of income over expenditure for the year (before tax)		613,621,814	745,792,393
Adjustments for non-cash charges and other items:			
Depreciation - Property and equipment	6.1.1	136,167,727	143,021,334
Depreciation - Right of use asset	6.3.1	37,786,576	106,043,015
Amortization - Intangible assets	7	1,638,246	1,638,246
Amortization of grants	21	(126,400)	(11,372,493)
Grant Income against Re-Finance Schemes	19.1	(57,967,168)	(30,203,177)
Provision against advances	12.1	9,714,513	18,624,499
Expected credit losses	11.1	15,799,535	976,355
Advance income tax - written off		-	12,883,316
Finance charges		248,304,227	195,842,350
Gain on derecognition of Right of use assets		-	(206,523)
		391,317,256	437,246,922
Working capital changes:			
(Increase) / Decrease in current assets			
Fees receivable		(206,578,517)	(33,474,666)
Advances		(1,187,973,758)	24,986,750
Short-term prepayments		4,518,483	8,313,208
Patient and other receivables		(28,877,012)	(6,607,988)
Consumables		1,758,199	(20,577,342)
		(1,417,152,605)	(27,360,038)
Increase / (Decrease) in current liabilities			
Trade and other payables		147,347,192	(36,561,998)
Contract liabilities		106,763,072	65,230,691
Security deposits		7,928,275	12,566,484
		262,038,539	41,235,177
Cash (used) generated from operating activities		(150,174,996)	1,196,914,454
Grants received from Higher Education Commission	21	5,676,304	5,350,850
Long-term portion of prepayment		(5,093,380)	13,537,500
Income tax paid		(18,459,640)	(5,485,391)
Finance charges paid		(251,585,633)	(168,683,676)
Net cash (used) / generated from operating activities		(419,637,345)	1,041,633,737

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	Note	2022 -----Rupees-----	2021 -----Rupees-----
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(107,330,893)	(99,586,567)
Long-term advance		(4,499,134)	(320,464,584)
Increase in long term investment		(3,312,695)	-
Short-term loans to related party		-	(254,793,584)
Net cash used in investing activities		(115,142,722)	(674,844,735)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan received / (repaid)		(247,757,676)	909,859,349
Grant received under Re-Finance Schemes	19.1	34,371,837	206,171,204
Short-term loans		-	(34,920,547)
Payment against lease liabilities		(28,630,369)	(81,722,239)
Net cash (used) / generated in financing activities		(242,016,208)	999,387,767
Net (decrease) / increase in cash and cash equivalents		(776,796,275)	1,366,176,769
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		2,130,667,582	764,490,813
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	1,393,871,308	2,170,667,582
Less: Endowment funds		(40,000,000)	(40,000,000)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	1,353,871,307	2,130,667,582

The annexed notes 1 to 42 form an integral part of these financial statements.

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MANAGING TRUSTEE

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