

PAKISTAN ISLAMIC MEDICAL ASSOCIATION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of **PAKISTAN ISLAMIC MEDICAL ASSOCIATION**, which comprise of the balance sheet as at June 30, 2019, and the receipt and disbursement account, cash flow statement 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 purpose of the audit.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PAKISTAN ISLAMIC MEDICAL ASSOCIATION** as at June 30, 2019, and its financial performance in accordance with approved accounting and reporting standards as applicable in Pakistan.

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 management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the trustees 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 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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do.

Management is responsible for overseeing the Trust 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's 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.

J. Khan & Co.



J KHAN & CO.
Chartered Accountants
Islamabad.


Dated: October 03, 2019

Audit Engagement Partner: Muhammad Javed Iqbal Khan, FCA

PAKISTAN ISLAMIC MEDICAL ASSOCIATION
BALANCE SHEET
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	44,903,123	48,911,371
Work in progress	6	2,033,775	-
Investments		8,000,000	8,000,000
		54,936,898	56,911,371
CURRENT ASSETS			
Short term investment	7	33,349,756	28,053,286
Advance Tax	8	274,573	130,521
Deposits, prepayments and other receivable	9	1,226,079	1,321,829
Cash and bank balances	10	38,475,147	28,315,854
		73,325,555	57,821,490
TOTAL ASSETS		128,262,453	114,732,861
LIABILITIES AND FUND			
General fund		94,328,009	91,596,221
CURRENT LIABILITIES			
Accrued and other payables	11	2,630,061	2,561,004
Specific fund	12	31,304,383	20,575,636
		33,934,444	23,136,640
TOTAL FUNDS AND LIABILITIES		128,262,453	114,732,861
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes from 1 to 17 form an integral part of these financial statements.


MEMBER


MEMBER

PAKISTAN ISLAMIC MEDICAL ASSOCIATION
RECEIPTS AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Receipts	13	40,925,085	72,315,417
Expenditures			
Operating expenses	14	(21,159,631)	(69,035,951)
Administrative expenses	15	(17,169,449)	(13,229,284)
		(38,329,080)	(82,265,235)
Excess of receipt over expenditure/ Excess of expenditure over receipt		<u>2,596,006</u>	<u>(9,949,818)</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.


MEMBER


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PAKISTAN ISLAMIC MEDICAL ASSOCIATION
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30,2019

	2019 Rupees	2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Excess of receipt over expenditure/ Excess of expenditure over receipt	2,596,006	(9,949,818)
Adjustment for no cash items:		
Depreciation	4,008,248	3,569,476
Profit/(Loss) before working capital changes	6,604,254	(6,380,342)
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Short term investment	(5,296,470)	(28,053,286)
Advance Tax	(144,052)	(130,521)
Deposits,prepayments and other receivable	95,750	(1,126,496)
	(5,344,772)	(29,310,303)
Increase /(decrease) in current liabilities		
Accrued and other payables	69,057	(1,535,577)
Net cash (used in)/generated from operating activities	1,464,321	(37,226,222)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed asset additions	-	(159,431)
Disposal of fixed assets	-	-
Work in progress	(2,033,775)	-
Net cash (used in)/generated from investing activities	(2,033,775)	(159,431)
CASH FLOW FROM FINANCING ACTIVITIES		
Investments	-	21,878,514
Payments through specific funds	10,728,747	(2,327,912)
Net cash (used in)/generated from financing activities	10,728,747	19,550,602
Net increase/(decrease) in cash & cash equivalents	10,159,293	(17,835,051)
Cash and cash equivalents at the beginning of the year	28,315,854	46,150,905
Cash and cash equivalents at the end of the year	38,475,147	28,315,854

The annexed notes from 1 to 17 form an integral part of these financial statements.


MEMBER


MEMBER

1- STATUS AND NATURE OF OPERATIONS

- 1.1 The PAKISTAN ISLAMIC MEDICAL ASSOCIATION was registered as a welfare agency on July 04, 2012 in Islamabad, under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961. The main objective of the society is to provide medical aid to the needful mankind.
- 1.2 PAKISTAN ISLAMIC MEDICAL ASSOCIATION (the "Welfare Agency") acquired assets and liabilities from PAKISTAN ISLAMIC MEDICAL ASSOCIATION (the "Society"), which was registered on February 12, 1986 in Lahore under the Societies Registration Act, 1860, on July 04, 2013. The net assets acquired were worth Rs 39,774,733/- PAKISTAN ISLAMIC MEDICAL ASSOCIATION (the "Society") was under the same management and trustees as of the reporting entity PAKISTAN ISLAMIC MEDICAL ASSOCIATION (the "Welfare Agency").
- 1.3 PAKISTAN ISLAMIC MEDICAL ASSOCIATION (the "Welfare Agency") acquired assets and liabilities from PIMA Relief (the "Trust"), which was registered on January 21, 2001 in Islamabad under the Trust Act 1882, on July 04, 2012. The net assets acquired were worth Rs 29,405,381/- PIMA Relief was under the same management and trustees as of the reporting entity PAKISTAN ISLAMIC MEDICAL ASSOCIATION (the "Welfare Agency").

2- STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and guideline for accounting and financial reporting for non government organizations (NGOs) / non profit organizations (NPO) issued by Institute of Chartered Accountants of Pakistan (ICAP).

3- SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except for the statement of cash flows prepared on receipt and payment basis.

3.2 Use of critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. Significant area requiring the use of management estimate in these financial statements relates to the useful life of depreciable assets.

3.3 Provisions

Provisions are recognized when the organization 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 of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.4 Property, plant and equipment

Operating fixed assets are shown at their cost less accumulated depreciation. Depreciation is charged to income on straight line method. Depreciation on additions is charged from the date the asset attains the status as intended by the management and upon disposal up to the disposal of the asset.

PAKISTAN ISLAMIC MEDICAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2019

3.5 Payables

Liabilities for other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.6 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and at bank and includes short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to

3.7 Revenue Recognition

Financial statements are prepared on an accrual basis i.e. transactions are recognized when they occur, not when cash is received or paid. As a conservative exception, receipts are recorded on cash basis that is, when it is received in

3.8 Investment

The investment is temporary and is in TDR of Meezan Bank.

3.9 Foreign currency transaction

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into PKR at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to income for the year.

4- FIGURES

4.1 Figures have been rounded off to the nearest rupee.

4.2 Figures of previous years have been re-arranged wherever necessary for the purpose of comparison.

4.3 These financial statements are presented in Pak Rupee, which is the functional and presentation currency of the organization.

4.4 Foreign currency figures are converted and presented in Pak Rupee.

PAKISTAN ISLAMIC MEDICAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

5. PROPERTY PLANT & EQUIPMENT

DESCRIPTION	COST			Rate p-a %	DEPERICATION			Written down value as at June 30, 2019
	As at July 01, 2018	Addition/ Deletion	As at June 30, 2019		As at July 01, 2018	for the Year	As at June 30, 2019	
	Rupees				Rupees			
Free Hold Land (Open Plots)	15,897,233	-	15,897,233	-				15,897,233
Land Development	17,500,000	-	17,500,000	10				17,500,000
Office Building	1,700,000	-	1,700,000	10	460,700	123,950	584,630	1,115,370
Electrical Equipment	18,500	-	18,500	10	5,014	1,349	6,362	12,138
Air Conditioner	81,500	-	81,500	10	22,087	5,941	28,028	53,472
Water Cooler	11,000	-	11,000	10	2,981	802	3,783	7,217
Generator	45,000	-	45,000	10	12,195	3,281	15,476	29,525
Medical Equipment	130,000	-	130,000	10	35,230	9,477	44,707	85,293
Ambulance	1,600,000	-	1,600,000	10	433,600	116,640	550,240	1,049,760
Flat & Houses	9,384,472	-	9,384,472	10	3,784,925	938,447	4,723,372	4,661,100
Office Equipment, Furniture & fixtures	16,414,178	-	16,414,178	10	12,068,199	1,634,721	13,702,920	2,711,258
Shelter Houses	4,861,647	-	4,861,647	10	3,752,995	486,165	4,239,160	622,487
Motor Vehicles	6,240,360	-	6,240,360	10	4,817,304	624,036	5,441,340	799,020
Computer & Accessories	675,784	-	675,784	10	253,074	63,459	316,533	458,978
Rupees 2019	74,559,674	-	74,559,674		25,648,304	4,008,248	29,656,551	44,903,123
Rupees 2018	74,400,243	159,431	74,559,674		22,078,827	3,569,476	25,648,303	48,911,371

2019
Rupees 2018
Rupees

6. WORK IN PROGRESS

Construction Sukker	2,033,775	-
	<u>2,033,775</u>	<u>-</u>

7. SHORT TERM INVESTMENTS

Share certificates in Maga Pharmaceuticals Limited (746,000 ordinary shares of Rs. 10/- each, fully paid in cash)	7,460,000	3,460,000
Term deposit certificate in Meezan Bank	25,889,757	24,593,286
	<u>33,349,756</u>	<u>28,053,286</u>

7.1 Term deposit certificate in Meezan Bank	24,593,286	-
Balance at the beginning of the year		23,849,092
Add: Addition during the year	1,296,471	744,194
Add: Return on investment during the year		
Less: Investment matured during the year	<u>25,889,757</u>	<u>24,593,286</u>
Balance at the year end		

The investment represents Term Deposit Certificate of Meezan Bank, having face value of Rs. 24,593,286 with profit ranging from 5.07% to 10.28% per month payable on maturity. The TDR's have been invested for the period of three to twelve months. (2017 : 23,849,092 Rate : 5.08% to 5.12%).

PAKISTAN ISLAMIC MEDICAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
8- ADVANCE TAX			
Opening balance		130,521	47,833
Withheld during the year		144,052	82,688
		274,573	130,521
		274,573	130,521
9- DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
A/R Air ticket PIMA- Sindh		3,850	30,600
A/R Sukkur		199,483	199,483
Advance salary to office staff		866,746	1,016,746
Advance paid		75,000	75,000
Advance for seminar & workshop expenses		81,000	
		1,226,079	1,321,829
10- CASH AND BANK BALANCES			
Cash in hand		309,454	435,542
Cash at banks	10.1	38,163,758	27,830,838
Imprest		1,935	1,474
Cheque in hand			48,000
		38,475,147	28,315,854
10.1 Cash at banks			
Bank Account PIMA- Sindh		18,912,666	11,094,625
Bank Account PIMA- Lahore		2,266,402	2,353,663
Bank Account PIMA- Lahore relief division		657,892	641,984
Bank Account PIMA- Punjab		1,653,221	692,885
Bank Account PIMA- Punjab relief division		182,559	324,735
Bank Account PIMA- Multan		57,738	
Bank Account PIMA- KPK		2,812,872	
Bank Account PIMA- MCB		1,067	36,117
Bank Account 156667-MBL		3,971,315	4,714,163
Bank Account Endo. Fund-MBL		1,181,358	1,181,358
Bank Account 1306-9		465,263	515,263
Bank Account 562825-MBL		3,018,937	2,151,745
Bank Account Zakat-MBL		1,500,886	2,610,559
Bank Account USD (Amount in Pak Rupee)		1,360,191	1,360,191
Bank Account Land & Development-MCB		121,393	153,550
		38,163,758	27,830,838

PAKISTAN ISLAMIC MEDICAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30,2019

	Note	2019 Rupees	2018 Rupees
11- ACCRUED AND OTHER PAYABLES			
Account payable Mr. Riaz Ahmed		24,379	23,610
Provident fund payables		140,544	31,944
Other account payables		2,465,138	2,505,450
		<u>2,630,061</u>	<u>2,561,004</u>
12- SPECIFIC FUND			
CME fund		4,509,732	4,509,732
PIMA female fund		80,888	35,178
Hamid contribution fund		(52,200)	(177,200)
Convention fund		13,627,003	7,418,518
Relief Fund		13,171,633	8,822,081
Baluchistan relief fund		181,678	181,678
Markazi ayanat		(214,151)	(214,351)
Eye campus fund			
		31,304,383	20,575,636
13- RECEIPTS			
Relief Receipts			
Sponsorship		6,502,000	
Donation		18,769,434	37,289,850
GAZA relief		43,000	202,750
Burma relief		71,000	5,240,850
IDPs relief		-	-
Flood receipts		692,400	852,426
PIMA relief receipts		1,028,005	
Earthquake relief			
Draught receipts		1,282,350	18,756,350
International relief		450,000	686,890
Zakat		68,500	20,000
Kashmir medical relief			
		28,906,689	63,049,116

PAKISTAN ISLAMIC MEDICAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Other Receipts			
Service charges		54,700	342,616
PIMA central		870,000	1,335,950
PIMA Punjab		973,000	1,077,542
PIMA KPK		400,000	1,142,347
PIMA Sindh		580,000	1,906,142
PIMA Female Branch		320,000	280,000
PIMA AJK		175,000	270,000
PIMA Baluchistan		-	316,142
PIMA Convention		-	314,907
Return on investment		1,440,524	826,882
Misc income		25,918	9,975
CME fee		-	230,700
Donation		7,055,100	-
Sale of books and CDs		76,155	36,600
Endowment fund		-	1,176,498
Project Receipts		48,000	-
		12,018,396	9,266,301
		40,925,085	72,315,417

14- OPERATING EXPENSES

Relief operations		4,771,300	36,015,107
Convention fund exp		7,324,957	13,697,343
Relief Fund Exp		6,211,560	14,125,310
PIMA center		1,945,154	3,230,117
PIMA Rawalpindi con		-	140,925
PIMA house		405,000	378,000
PIMA Rawalpindi/ Islamabad		-	176,000
CME support fund exp		-	164,800
Property tax		12,570	-
Literature purchased		38,390	131,750
PIMA Punjab		410,000	976,599
Furniture and fixture		40,700	-
		21,159,631	69,035,951

PAKISTAN ISLAMIC MEDICAL ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30,2019

	Note	2019 Rupees	2018 Rupees
15- ADMINISTRATIVE EXPENSES			
Salaries and wages		5,494,987	4,759,273
Security charges		30,500	30,000
CMF expense		177,710	136,460
Utilities		304,385	277,266
Repair and maintenance		182,621	189,597
Printing and stationery		332,293	162,966
Traveling and conveyance		725,382	866,186
Communication charges		73,440	70,940
Postage and courier		117,281	245,393
Audit fee and legal charges		177,400	117,400
Publication		13,870	13,444
Entertainment		195,298	67,957
Dawa o Tarbiat		39,060	
Web & internet charges		63,063	22,500
Rent rates & taxes		268,392	244,784
Vehicles fuel & maintenance		68,684	130,500
FOBI Contribution		49,464	270,444
Secretariat development		-	578,012
Marketing charges		248,437	332,268
Seminar and workshops		3,861,788	189,032
Bank charges		350,885	89,161
Registration fee		-	138,310
Miscellaneous expenses		386,261	727,915
Depreciation		4,008,248	3,569,476
		17,169,449	13,229,284

16- CONTINGENCIES AND COMMITMENTS

There were no significant contingencies and commitments at the balance sheet date (2018 Nil).

17- GENERAL

17.1 NUMBER OF EMPLOYEES

The employees of the company are fourteen (2019: 14).

17.2 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements have been authorized for issue by the members of the Organization on October 01, 2019

MEMBER



MEMBER

