

**PAKISTAN ISLAMIC MEDICAL ASSOCIATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### Opinion

We have audited the financial statements of **PAKISTAN ISLAMIC MEDICAL ASSOCIATION, (CONSOLIDATED)** which comprise the balance sheet as at June 30, 2021 and the income and expenditure account, statement of changes in net assets, statement of other comprehensive income, cash flow statement 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 **PAKISTAN ISLAMIC MEDICAL ASSOCIATION, (CONSOLIDATED)** as at June 30, 2021 and its financial performance for the year then ended 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 "Agency" 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 Members are 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 members 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, members are responsible for assessing the Agency'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 agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the agency 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

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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 Agency'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 Agency'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 Agency'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.

The engagement partner on the audit resulting in this independent audit report is Muhammad Javed Iqbal Khan.

*J. Khan & Co.*

**CHARTERED ACCOUNTANTS**

Islamabad

October 21, 2021

**J. KHAN & CO.**

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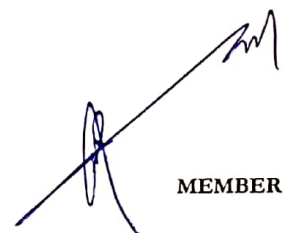
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PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
CONSOLIDATED BALANCE SHEET  
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 (Restated) Rupees	2020 Rupees
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	5	117,138,849	108,686,830	108,686,830
Work in progress	6	3,889,628	3,317,961	3,317,961
Investments		8,000,000	8,000,000	8,000,000
		129,028,477	120,004,791	120,004,791
<b>CURRENT ASSETS</b>				
Short term investment	7	16,488,693	7,460,000	7,460,000
Advance Tax	8	454,852	443,613	443,613
Prepayments and other receivable	9	1,110,879	2,022,496	2,022,496
Cash and bank balances	10	60,923,788	55,429,472	55,429,472
		78,978,213	65,355,581	65,355,581
<b>TOTAL ASSETS</b>		<b>208,006,689</b>	<b>185,360,372</b>	<b>185,360,372</b>
<b>LIABILITIES AND FUND</b>				
<b>CURRENT LIABILITIES</b>				
Accrued and other payables	11	14,873,764	50,034,410	49,345,182
Short term Loan		1,085,317	1,135,317	1,135,317
		15,959,081	51,169,727	50,480,499
<b>FUNDS</b>				
General fund		159,731,640	104,145,697	104,834,925
Specific fund	12	32,315,968.00	30,044,949	30,044,949
		192,047,608	134,190,646	134,879,874
<b>CONTINGENCIES AND COMMITMENTS</b>	16	-	-	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>208,006,689</b>	<b>185,360,372</b>	<b>185,360,372</b>

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

  
MEMBER

  
MEMBER

PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
CONSOLIDATED RECEIPTS AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020	2020
			(Restated)	
	Note	Rupees	Rupees	Rupees
Receipts	13	116,678,337	63,472,850	63,472,850
Expenditures				
Operating expenses	14	(40,992,908)	(28,174,311)	(28,174,311)
Administrative expenses	15	(23,482,487)	(25,316,143)	(24,626,915)
		(64,475,395)	(53,490,454)	(52,801,226)
Excess of receipt over expenditure/ Excess of expenditure over receipt		52,202,942	9,982,396	10,671,624

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

MEMBER


MEMBER

PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	(Restated) Rupees	Rupees
Fund as on June 30, 2019	94,328,009	94,328,009
Fund account Manshira	(164,708)	(164,708)
Excess of expenditure over receipt	9,982,396	10,671,624
Fund as on June 30, 2020	<u>104,145,697</u>	<u>104,834,925</u>
Excess of receipt over expenditure	52,202,942	
Changes in fund	3,383,002	
Fund as on June 30, 2021	<u><u>159,731,640</u></u>	

The annexed notes from 1 to 13 form an integral part of these financial statements.

  
MEMBER

  
MEMBER

PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Excess of receipt over expenditure/ Excess of expenditure over receipt	52,202,942	9,982,396
Adjustment for no cash items:		
Depreciation	10,265,410	11,403,556
<b>Profit/(Loss) before working capital changes</b>	<b>62,468,351</b>	<b>21,385,952</b>
<b>WORKING CAPITAL CHANGES</b>		
(Increase) / decrease in current assets		
Short term investment	(9,028,693)	25,889,756
Advance Tax	(11,239)	(169,040)
Prepayments and other receivable	911,617	(796,417)
Increase/(decrease) in current liabilities	(8,128,316)	24,924,299
<b>Increase /(decrease) in current liabilities</b>		
Accrued and other payables	(35,160,645)	47,404,349
Short term loan	(50,000)	1,135,317
<b>Net cash (used in)/generated from operating activities</b>	<b>19,129,390</b>	<b>94,849,916</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed asset additions	(18,717,428)	(75,187,263)
Work in progress	(571,667)	(1,284,186)
<b>Net cash (used in)/generated from investing activities</b>	<b>(19,289,095)</b>	<b>(76,471,449)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Investments	-	-
Payments through specific funds	2,271,019	(1,259,434)
Fund account	3,383,002	(164,708)
<b>Net cash (used in)/generated from financing activities</b>	<b>5,654,021</b>	<b>(1,424,142)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>5,494,316</b>	<b>16,954,325</b>
Cash and cash equivalents at the beginning of the year	55,429,472	38,475,147
<b>Cash and cash equivalents at the end of the year</b>	<b>60,923,788</b>	<b>55,429,472</b>

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

  
MEMBER

  
MEMBER

**PAKISTAN ISLAMIC MEDICAL ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**1- STATUS AND NATURE OF OPERATIONS**

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.

**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.

PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

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**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.

**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 an insignificant risk.

**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 cash.

**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, 2021

5- PROPERTY PLANT & EQUIPMENT

DESCRIPTION	COST			Rate p.a %	DEPERICIATION				Written down value as at June 30, 2021
	As at July 01, 2020	Addition/ Deletion	As at June 30, 2021		As at July 01, 2020	Addition/ Deletion	for the Year	As at June 30, 2021	
	Rupees				Rupees				
Free Hold Land (Open Plots)	34,340,896	18,732,828	53,073,724	-	-	-	-	-	53,073,724
Building Flat & Houses	88,729,719	-	88,729,719	10	18,361,671	-	8,426,676	26,788,347	61,941,372
Electrical Equipment	156,000	-	156,000	10	63,884	-	9,212	73,096	82,904
Medical Equipment	130,000	-	130,000	10	53,236	-	7,676	60,912	69,088
Office & Other Equipment and Furniture & fixtures	16,414,178	17,500	16,431,678	10	15,335,840	-	964,527	16,300,367	131,311
Motor Vehicles	9,300,360	-	9,300,360	10	6,866,592	-	864,514	7,731,106	1,569,254
Computer & Accessories	675,784	(32,900)	642,884	10	378,884	(32,630)	25,434	371,688	271,196
Rupees 2021	149,746,937	18,717,428	168,464,365		41,060,107	(32,630)	10,298,040	51,325,517	117,138,849
Rupees 2020	74,559,674	75,187,263	149,746,937		29,656,551	-	11,403,556	41,060,107	108,686,830

6- WORK IN PROGRESS

Construction Sukker

Note	2021 Rupees	2020 Rupees
	3,889,628	3,317,961
	<u>3,889,628</u>	<u>3,317,961</u>

7- SHORT TERM INVESTMENTS

Share certificates in Mags Pharmaceuticals Limited  
( 746,000 ordinary shares of Rs. 10/- each, fully paid in cash)  
Term deposit certificate in Meezan Bank

7.1

7,460,000	7,460,000
9,028,693	-
<u>16,488,693</u>	<u>7,460,000</u>

7.1 Term deposit certificate in Meezan Bank  
Balance at the beginning of the year  
Add: Addition during the year  
Add: Return on investment during the year  
Less: Investment matured during the year  
Balance at the year end

-	25,889,757
12,028,693	-
	1,567,680
3,000,000	(27,457,437)
<u>9,028,693</u>	<u>-</u>

PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	(Restated) Rupees
<b>8- ADVANCE TAX</b>		
Opening balance	443,613	274,573
Withheld during the year	11,239	169,040
	454,852	443,613
	<u>454,852</u>	<u>443,613</u>
<b>9- DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Receivables- Air ticket PIMA- Sindh	50	4,830
Receivables- Sukkur	-	-
Advance salary to office staff	335,829	658,666
Rent Deposited	100,000	-
Advance paid	75,000	75,000
Advance for seminar & workshop expenses	600,000	1,284,000
	<u>1,110,879</u>	<u>2,022,496</u>
<b>10- CASH AND BANK BALANCES</b>		
Cash in hand	639,440	303,340
Cash at banks	60,283,607	55,123,675
Imprest	741	2,457
	<u>60,923,788</u>	<u>55,429,472</u>
<b>10.1 Cash at banks</b>		
PIMA-Meezan Bank- Lahore	80,706	2,266,402
PIMA-HBL- Lahore Relief	1,802,431	1,703,608
PIMA-Meezan Bank- Punjab	524,004	4,732,222
PIMA Allied Bank- Punjab Relief	986,725	939,886
PIMA-MCB Bank- Multan	57,703	177,738
PIMA-Meezan Bank- KPK	1,296,442	2,332,747
PIMA MCB Bank- Manshra Hospital	7,850,778	3,796,631
PIMA Bank Accounts -Sindh	12,750,695	12,733,240
PIMA-MCB Bank	100,568	1,300,603
PIMA-Meezan Bank-156667	2,998,443	749,374
PIMA-Meezan Bank-Endo Fund	2,709,820	15,128,093
PIMA-MCB Bank-1306-9	91,709	2,134,863
PIMA-Meezan Bank 562825	27,694,852	5,717,872
PIMA-Meezan Bank-820636	1,336,014	1,406,514
PIMA-MCB Bank USD Account (Amount in Pak Rupee)	1,468	3,090
PIMA MCB Bank Land & Development	1,251	793
	<u>60,283,607</u>	<u>55,123,675</u>

PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	(Restated) Rupees
<b>11- ACCRUED AND OTHER PAYABLES</b>		
Account payable Mr. Riaz Ahmed	2,912	15,555
Provident fund payables	174,048	158,592
Income Tax Payables	55,000	7,747
Salaries Payables	585,404	459,994
Utilities Payable	9,618	9,090
Other Account payables	13,087,500	48,694,204
Current Tax Liability	959,283	689,228
	<u>14,873,764</u>	<u>50,034,410</u>
	1,085,317	1,135,317

**11- LOAN PAYABLES**

**12- SPECIFIC FUND**

CME fund

Convention fund

Hamid contribution fund

Relief Fund

Markazi ayanat

3,057,692	4,211,582
13,679,303	13,579,303
129,870	(82,200)
15,449,103	12,550,615
-	(214,151)
<u>32,315,968</u>	<u>30,044,949</u>

**13- RECEIPTS**

Relief Receipts

Sponsorship

Donations

GAZA relief

Burma relief

Mansehra Hospital

Emergency Relief

Flood receipts

PIMA relief receipts

Earthquake relief

Draught receipts

International relief

Zakat

Kashmir medical relief

-	350,000
17,257,872	16,220,874
46,620,541	22,500
13,000	5,000
1,268,405	-
1,763,000	1,491,540
129,000	-
710,823	398,220
-	177,000
-	20,000
170,000	180,000
867,000	701,000
38,200	135,400
<u>68,837,841</u>	<u>19,701,534</u>

PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

Other Receipts

Service charges
Pharmacy Income
Out Door Patients (OPD)
Lab Test
Radiology Income
Procedures Income
Operation Theater income
Admission Fee
Ambulance Income
PIMA Central
PIMA Punjab
PIMA KPK
PIMA Sindh
PIMA Female Branch
PIMA AJK
PIMA Convention
Return on investment
Misc income
CME fee
Donation
Sale of books and CDs
Endowment fund
Project Receipts
Income from Rent of Building
Loss/Gain on Property
Income on Dollar Exchange

1,500,000	90,575
6,859,250	9,717,795
1,852,440	2,136,575
2,034,680	2,103,460
1,289,051	1,466,580
752,400	975,435
400,430	846,160
250,600	532,600
550	350
397,000	225,000
1,260,300	1,060,000
800,000	30,000
900,000	-
480,000	320,000
150,000	150,000
550,000	2,031,350
1,022,858	3,221,459
357,903	590,765
9,500	-
1,500	16,789,921
37,100	60,275
60,000	-
641,000	1,010,279
840,000	-
25,393,934	-
-	412,736
47,840,496	43,771,316
116,678,337	63,472,850

2021

2020

(Restated)

Rupees

Rupees

14- OPERATING EXPENSES

Relief operations
Convention fund
Relief donation fund
Hospital Operating Expense
Property tax
Literature purchased
Publicity and advertisement
Prevention of blindness trust

27,957,042	6,761,543
38,225	1,466,990
6,534,994	12,560,539
6,276,462	7,336,648
13,250	12,591
61,935	22,100
51,000	-
60,000	-
40,992,908	28,174,311

PAKISTAN ISLAMIC MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

15- ADMINISTRATIVE EXPENSES

Salaries and wages	7,226,376	8,220,711
Security charges	57,600	37,000
Computer expenses	55,910	47,650
CME expense	60,000	425,150
Utilities	759,628	484,753
Repair and maintenance	394,441	450,560
Printing and stationery	743,721	389,560
Traveling and conveyance	241,592	195,145
Communication charges	126,043	79,429
Postage and courier	310,996	166,022
Audit fee and legal charges	412,300	92,400
Publication	-	25,920
Entertainment	265,655	161,134
Dawa o Tarbiat	169,870	36,220
Web & internet charges	60,231	45,500
Rent rates & taxes	654,489	912,236
Vehicles fuel & maintenance	24,340	147,440
EOBI Contribution	53,025	52,032
Marketing charges	308,546	177,413
Seminar and workshops	65,735	830,752
Bank charges	146,421	158,923
Registration fee	96,210	320,000
Miscellaneous expenses	951,319	456,637
Depreciation	10,298,039	11,403,556
	<u>23,482,487</u>	<u>25,316,143</u>

16- CONTINGENCIES AND COMMITMENTS

There were no significant contingencies and commitments at the balance sheet date (2021-NIL).

17- GENERAL

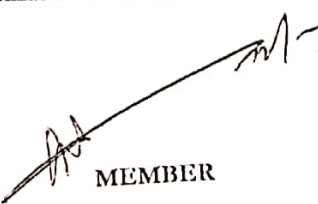
17.1 NUMBER OF EMPLOYEES

The employees of the company are Fourteen (2021: 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 21, 2021

  
MEMBER

  
MEMBER