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INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF TRUSTEES OF AL MUSTAFA TRUST

Opinion

We have audited the financial statements of **Al Mustafa Trust** (the Trust), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure, the statement of changes in fund, the statement of cash flows 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 its financial performance and its cash flows 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 *Auditors 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 Council of Trustees is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards, and for such internal control as the Council of 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, Council of Trustees 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 so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditors 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 auditors 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 auditors 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.

BDO Ebrahim & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Atif Riaz

ISLAMABAD

DATED: October 13th, 2023
UDIN: AR202310060SW32Hmz8Y

AL MUSTAFA TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	259,551,547	230,073,275
Capital work in progress	6	126,387,157	29,959,733
Investment property	7	12,026,870	12,026,870
		397,965,574	272,059,878
CURRENT ASSETS			
Stock in trade	8	22,397,493	10,543,156
Short term investments	9	43,983,502	49,259,962
Advances and other receivables	10	16,293,927	19,797,851
Cash and bank balances	11	416,272,879	295,381,345
		498,947,801	374,982,314
TOTAL ASSETS		896,913,375	647,042,192
FUNDS AND LIABILITIES			
FUND			
General Fund		524,513,254	498,016,789
NON-CURRENT LIABILITIES			
Deferred capital grant	12	112,814,229	110,891,739
Restricted grant	13	247,013,381	24,198,870
		359,827,610	135,090,609
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	15	12,572,511	13,934,794
TOTAL FUNDS AND LIABILITIES		896,913,375	647,042,192
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 31 form an integral part of these financial statements.

AL-MUSTAFA TRUST

CHAIRMAN **TRUSTEE**

AL MUSTAFA TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
INCOME			
Receipts	17	110,270,853	80,346,528
Donations	18	250,540,792	246,404,124
Amortisation of deferred capital grant	12	10,896,135	9,087,738
Restricted grant recognised	13	57,240,006	21,640,309
Other income	23	54,962,115	34,182,864
		483,909,901	391,661,563
EXPENDITURE			
Operating expenses (Non Restricted)	19	373,823,815	279,611,043
Operating expenses (Restricted)	20	63,472,145	30,728,047
Administrative expenses	21	15,841,115	17,694,623
Fundraising expenses	22	4,276,361	3,629,485
		457,413,436	331,663,198
Surplus for the year		26,496,465	59,998,365
Other comprehensive income for the year		-	-
Total comprehensive income for the year		26,496,465	59,998,365

The annexed notes 1 to 31 form an integral part of these financial statements.

CHAIRMAN

TRUSTEE

AL MUSTAFA TRUST
STATEMENT OF CHANGES IN FUND ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Total
	------------ Rupees -------------	
Balance at July 01, 2021	438,018,424	438,018,424
Total comprehensive income for the year	59,998,365	59,998,365
Balance at June 30, 2022	498,016,789	498,016,789
Total comprehensive income for the year	26,496,465	26,496,465
Balance at June 30, 2023	524,513,254	524,513,254

The annexed notes 1 to 31 form an integral part of these financial statements.

AL-MUSTAFA TRUST

CHAIRMAN **TRUSTEE**

AL MUSTAFA TRUST
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	26,496,465	59,998,365
Adjustment for non-cash charges and other items:		
Depreciation	28,682,466	25,380,142
Amortization of deferred capital grant	(10,896,135)	(9,087,738)
Restricted grant transferred to income	(57,240,006)	(21,640,309)
Profit on saving accounts	(6,126,754)	(2,658,803)
Profit on term deposit receipts	(2,096,261)	(1,371,400)
Exchange gain	(46,196,419)	(33,152,269)
Unrealised loss on investment measured at FVTPL	5,276,461	4,295,608
Loss on sales of property & equipment	(2,400,000)	32,800
Write offs	-	3,496,418
	(90,996,648)	(34,705,551)
(Deficit)/surplus before working capital changes	(64,500,183)	25,292,814
Changes in working capital:		
(Increase) / decrease in current assets		
Increase in stock in trade	(11,854,337)	(1,071,438)
Decrease in advances, deposits and other receivables	3,503,924	6,093,369
Increase in creditors, accrued and other liabilities	(1,362,283)	2,822,073
	(9,712,696)	7,844,004
Cash (used in)/generated from operations	(74,212,879)	33,136,818
Taxes adjusted during the year	-	(3,496,418)
Interest received during the year	8,223,015	4,030,203
Change in deferred capital grant	12,818,625	11,603,419
Change in restricted grant	(18,741,657)	(18,334,891)
Net cash (used in)/generated from operating activities	(71,912,896)	26,939,131
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(58,160,738)	(22,138,918)
Advance against purchase of property and equipment/CWIP	(96,427,425)	(16,689,439)
Proceeds from sale of property and equipment	2,400,000	41,000
Net cash used in investing activities	(152,188,163)	(38,787,357)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipt of restricted grant during the year	298,796,174	44,528,930
Net cash generated from financing activities	298,796,174	44,528,930
Net increase in cash and cash equivalents	74,695,115	32,680,704
Cash and cash equivalents at beginning of the year	295,381,345	229,548,372
Effect of movement in exchange rates on cash held	46,196,419	33,152,269
Cash and cash equivalents at end of the year	416,272,879	295,381,345

The annexed notes 1 to 31 form an integral part of these financial statements.

CHAIRMAN

TRUSTEE

AL MUSTAFA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 THE TRUST AND ITS OPERATIONS

Al-Mustafa Trust ("The Trust") is a non-profit organization and was registered in Pakistan on May 26, 1998 under the Trust Act, 1882. Registered office of the Trust is at Al-Mustafa Trust Main Medical Center, Street 14, Mini Market, Chaklala Scheme 3, Rawalpindi Cantt. The primary objective of the Trust is to engage in social welfare activities by providing medical services to general public.

The Trust has 25 Medical centers (10 urban and 15 in rural areas) 19 dispensaries and mobile units, and providing free primary health care facilities to 76 cities, town and villages across the country.

1.1 Geographical location and addresses of business units

The registered office of the Trust is situated in Chaklala Scheme 3, Rawalpindi.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan; and

- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by Institute of Chartered Accountants of Pakistan.

Where provisions of the IFRS differ with the Accounting Standard for NPOs, the provisions of IFRS shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under historical cost convention except for investments measured at fair value through profit or loss which are stated at their fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Trust's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest Rupee.

2.4 Significant accounting judgments and estimates

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In preparing these financial statements, management has made judgments and estimates that affect the application of the Trust's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

(i) Property and equipment

The Trust reviews the appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment, on an annual basis. Any change in the estimates in the future might affect the carrying amount of the respective items of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

(ii) Capital work in progress

Initial recognition

Capital work-in-progress is stated at cost and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs.

Transfers

Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

(iii) Provision and contingencies

A provision is recognised when, and only when the Trust has a present obligation (legal or constructive) as a result of past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

(iv) Impairment of financial and non-financial assets

The carrying amounts of the Trust's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. Any change in estimates in future years might affect the carrying amounts of the respective assets with a corresponding effect on the impairment.

v) Measurement of fair values

A number of the Trust's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support its conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring fair value of an asset or a liability, the Trust uses observable and available market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1, which are observable and available for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable and available market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement. The Trust recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 APPLICATION OF NEW STANDARDS, AMENDSMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendmends to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022

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Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two	January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the changes as indicated below:

4.1 IFRS 15 'Revenue from Contracts with Customers'

The IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") in May 2014. This IFRS replaces IAS 18 Revenue, IAS 11 Construction Contracts and several revenue-related interpretations.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognize revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those promised goods or services. The standard also requires revenue from customers to be disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Trust has reviewed its income streams i.e. restricted grant, receipts and donations, and as a result of this review, it was noted that only receipt income and income from restricted grant meets revenue recognition criteria of this IFRS. Further, the adoption of this IFRS did not have a material impact on the Trust's statement of comprehensive income and statement of financial position. However, the Trust has expanded the disclosures in the notes to its financial statements as prescribed by IFRS 15 'Revenue from Contracts with Customers', including disclosing the Trust's disaggregated receipt income.

4.2 IFRS 9 'Financial Instruments'

The Trust has adopted IFRS 9 'Financial Instruments' with a date of initial application of July 01, 2018. IFRS 9 replaced IAS 39 'Financial Instruments – Recognition and Measurement' and includes the requirements on the classification and measurement of financial assets and liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting it also includes an expected credit losses impairment model that replaces the current incurred loss impairment model. The Securities and Exchange Commission of Pakistan vide its notification dated September 02 2019 has deferred the application of expected credit loss model on financial assets due from the Government of Pakistan which continues to be accounted for under the previously applicable requirements of IAS 39 'Financial Instruments: Recognition and Measurement" till June 30, 2021. The Trust has changed its accounting policy for classification and measurement of its financial instruments and as a result financial assets previously classified as 'loans and receivables' are now classified as 'amortised cost' while financial liabilities previously classified as 'other financial liabilities' are now classified as 'amortised cost'.

Further, effective July 01, 2018, the Trust implemented expected credit loss impairment model for financial assets. For trade debts, the calculation methodology has been updated to consider expected losses based on ageing profile and forward looking estimates such as economic profiling related to trade debts. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

As a result of the adoption of IFRS 9, the Trust has adopted consequential amendments to IAS 1

Additionally, the Trust has adopted consequential amendments to IFRS 7 Financial Instruments as well.

4.3 Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVTOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The Trust has changed its accounting policy for classification and measurement of its financial instruments and as a result financial assets previously classified as 'loans and receivables' are now classified as 'amortised cost' while financial liabilities previously classified as 'other financial liabilities' are now classified as 'amortised cost'. For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9.

The effect on adopting IFRS 9 on the classification of financial assets and liabilities is as follows:

a) Accrued interest

Owing to the presentational changes been made upon transition to IFRS 9 'Financial Instruments' from IAS 39 'Financial Instruments: recognition and measurement', accrued interest has been represented as "short-term investments".

b) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile.

4.4 Property and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any. Cost of an item of property and equipment comprises purchase price, import duties and other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Donated items of property and equipment are stated at nominal value of Rs.1.

Depreciation is calculated on reducing balance method at rates varying from 10 to 30 percent of the written down values depending upon each class of property and equipment. Full year's depreciation is charged on additions during a year, while no depreciation is charged on disposals/write off during a year.

The cost of replacing a part of item of property and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Trust and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of items of property and equipment are recognised in statement of comprehensive income as incurred.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment is charged to statement of comprehensive income.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets, in the course of their construction and installation.

4.5 Investment properties

Investment properties are measured initially at cost. Subsequent investments are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to the income and expenditure account applying the reducing balance method, whereby the cost of an asset less its residual value, if not insignificant, is written-off over its estimated useful life.

Investment property is de-recognised when it has either been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement or disposal of an investment property are recognised in the income and expenditure account in the year of retirement or disposal.

4.6 Stock-in-trade

These are valued at the lower of cost or net realizable value. Management applies weighted average cost method for stock-in-trade cost valuation.

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs necessary to be incurred to make the sale. A provision is made for slow moving and expired stock, where necessary.

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4.7 Short-term loans, advances, prepayments and other receivables

These are stated at cost as reduced by appropriate provisions for impairment, if any. Known impaired loans, receivables and advances are written-off, while loans, receivables and advances considered doubtful of recovery are fully provided for.

4.8 Cash and cash equivalents

These are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, balances with banks and highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value with maturity of three months or less from the date of acquisition, net of outstanding bank overdrafts.

4.9 Creditors, accrued and other liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust.

4.10 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.11 Taxation

The Trust is registered as not for profit organization under section 2(36) of the Income Tax Ordinance, 2001. The Trust is eligible for tax credit under Section 100C of the Income Tax Ordinance 2001 from grants, voluntary contributions, profits on term deposit receipts, profits on saving bank accounts, investments in the securities of the Federal Government and so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purposes of carrying out welfare activities. Accordingly, provision for taxation has not been made in these financial statements.

4.12 Foreign currency transactions

These financial statements are presented in Pak Rupees, which is the Trust's functional and presentation currency. Foreign currency transactions during the year, are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange, which approximate those prevailing on the reporting date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates existing as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value was determined.

4.13 Income recognition

(a) Grants

Capital grants

Grants received for fixed assets are initially recorded as capital grants in the statement of financial position. Subsequently, these are recognised as income on a systematic basis over periods necessary to match them with the carrying value of the related assets.

Restricted grants

Grants, of a non-capital nature, received for specific purposes, and any bank interest earned on them, are classified as restricted grants. Such grants are transferred to income to the extent of actual expenditure incurred against them which approximately corresponds to the satisfaction of related performance obligations. Expenditure incurred against grants committed but not received, is accrued and recognised in income and is reflected as a grant receivable. Unspent portions of such grants, representing unsatisfied performance obligations, are reflected as restricted grants in the statement of financial position. Refer to note 13 for nature of activities undertaken from restricted funds and related balances at the reporting date.

Unrestricted grants and zakat

Grants received from donors without any conditions and zakat are recognised as unrestricted grants in income in the period of receipt.

Grants in kind

Non-monetary grants, such as land or other resources, and related assets are accounted for at a nominal value of Rs.1.

(b) Receipts

The Trust operates medical centers to provide health services to patients. Receipts mainly comprise income earned at pre-determined rates from registration fees, medical tests and medical treatment in dental care, eye care and physiotherapy.

Receipts income is recognised when medical services are delivered to patients at an amount that reflects the consideration to which the Trust expects to be entitled in exchange for the services delivered. The consideration is based on pre-determined rates.

Receipts income is recognised over period of time since the patients receive and consume the benefits provided by the Trust's performance of medical services. Payments against receipt income are collected in advance from patients. The Trust uses 'output method', which looks at the measure of progress of the benefit being transferred to the patient. The 'output method' uses direct measurement of value to the customer of the goods or services transferred to date. This includes using the appraisal of results achieved, milestones reached or units produced or delivered. Management applied this method to measure progress of service delivery to patients by identifying the number of days in which medical treatment has been delivered against total duration of the days required for the medical treatment.

Historically, the Trust only delivers medical treatment to patients of such nature that the duration of the medical treatment does not extend beyond the period of one day, since there are no facilities available for admittance of patients.

(c) Dividend income is recognised when the right to receive the dividend is established.

(d) Profit on bank deposit is recognised using the effective interest rate method.

(e) Other Income is recognised when the right to receive is established.

4.14 Financial instruments

4.14.1 Financial assets

Classification

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL).

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

(i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss (FVTPL)

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All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost	Measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in income and expenditure account. Any gain or loss on de-recognition is recognised in income and expenditure account.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income and expenditure account. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to income and expenditure account.
Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income and expenditure account.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income and expenditure account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income and expenditure account.

De-recognition

The Trust derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

4.14.2 Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of comprehensive income. Any gain or loss on de-recognition is also included in surplus or deficit.

The Trust derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Any gain / (loss) on the recognition and de-recognition of the financial assets and liabilities is included in the statement of comprehensive income for the period in which it arises.

4.14.3 Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Trust currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.15 Impairment

Financial assets

The Trust recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost, other than those due from the Government of Pakistan entities. For trade receivables, the Trust applies a simplified approach in calculating ECLs. Therefore, the Trust does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Trust has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Trust is exposed to credit risk.

At each reporting date, the Trust assesses whether the financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Impairment of financial assets – accounting policy applied before July 01,2018.

A financial asset other than held for trading and carried at fair value was assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. All impairment losses are recognised in statement of comprehensive income. An impairment loss is reversed in the statement of comprehensive income if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

The carrying amount of the Trust's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in statement of comprehensive income. Impairment losses in respect of cash-generating units are allocated to the carrying amounts of assets in the cash-generating unit group on pro-rata basis. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.16 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Trust has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Trust's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Trust measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Trust uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Trust determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in statement of comprehensive income on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5 PROPERTY AND EQUIPMENT

Particulars	Land	Buildings	Vehicles	Medical Instruments	Computers	Office Equiments	Furniture and Fixtures	Total
	Rupees							
Year ended June 30, 2023								
Net carrying value basis								
Opening net book value	28,767,012	83,745,290	11,882,194	70,889,308	4,292,162	23,207,112	7,290,197	230,073,275
Additions during the year	-	29,480,753	3,804,395	18,995,220	1,543,360	3,821,910	515,100	58,160,738
Depreciation charge for the year	-	(11,322,604)	(3,137,320)	(8,988,453)	(1,750,657)	(2,702,902)	(780,530)	(28,682,466)
Closing net book value	28,767,012	101,903,439	12,549,269	80,896,075	4,084,865	24,326,120	7,024,767	259,551,547
Gross carrying value basis								
Cost	28,767,012	218,878,319	55,629,432	139,876,506	11,116,791	41,578,772	13,538,334	509,385,166
Accumulated depreciation	-	(116,974,880)	(43,080,163)	(58,980,431)	(7,031,926)	(17,252,652)	(6,513,567)	(249,833,619)
Net book value	28,767,012	101,903,439	12,549,269	80,896,075	4,084,865	24,326,120	7,024,767	259,551,547
Year ended June 30, 2022								
Net carrying value basis								
Opening net book value	28,767,012	91,779,822	13,402,254	66,895,773	3,816,311	21,486,081	7,241,046	233,388,299
Additions during the year	-	1,270,500	1,450,483	11,870,115	2,315,326	4,373,394	859,100	22,138,918
Disposal								
Cost	-	-	-	-	-	(82,000)	-	(82,000)
Accumulated depreciation	-	-	-	-	-	8,200	-	8,200
	-	-	-	-	-	(73,800)	-	(73,800)
Depreciation charge for the year	-	(9,305,032)	(2,970,543)	(7,876,580)	(1,839,475)	(2,578,563)	(809,949)	(25,380,142)
Closing net book value	28,767,012	83,745,290	11,882,194	70,889,308	4,292,162	23,207,112	7,290,197	230,073,275
Gross carrying value basis								
Cost	28,767,012	189,397,566	51,825,037	120,881,286	9,573,431	37,756,862	13,023,234	451,224,428
Accumulated depreciation	-	(105,652,276)	(39,942,843)	(49,991,978)	(5,281,269)	(14,549,750)	(5,733,037)	(221,151,153)
Net book value	28,767,012	83,745,290	11,882,194	70,889,308	4,292,162	23,207,112	7,290,197	230,073,275
Rate of depreciation		10%	20%	10%	30%	10%	10%	

5.1 The property and equipment include restricted fund assets, details of which are given in note 5.2.

5.2 PROPERTY AND EQUIPMENT-RESTRICTED FUND

Particulars	Land	Buildings	Vehicles	Medical Instruments	Computers	Office Equiments	Furniture and Fixtures	Total
	----	----	----	---- Rupees ----	----	----	----	----
Year ended June 30, 2023								
Net carrying value basis								
Opening net book value	22,440,010	64,339,370	5,739,625	16,271,348	6,330	1,786,410	308,646	110,891,739
Additions during the year	-	3,297,695	1,938,700	7,144,630	-	-	437,600	12,818,625
Depreciation charge for the year	-	(6,763,707)	(1,535,665)	(2,341,598)	(1,899)	(178,641)	(74,625)	(10,896,135)
Closing net book value	22,440,010	60,873,358	6,142,660	21,074,380	4,431	1,607,769	671,621	112,814,229
Gross carrying value basis								
Cost	22,440,010	111,146,944	18,597,831	32,906,630	52,660	1,987,600	1,303,390	188,435,065
Accumulated depreciation	-	(50,273,586)	(12,455,171)	(11,832,250)	(48,229)	(379,831)	(631,769)	(75,620,836)
Net book value	22,440,010	60,873,358	6,142,660	21,074,380	4,431	1,607,769	671,621	112,814,229
Year ended June 30, 2022								
Net carrying value basis								
Opening net book value	22,440,010	69,948,780	5,820,163	13,484,675	9,042	24,300	342,940	112,069,910
Additions during the year	-	-	1,354,367	4,594,600	-	1,960,600	-	7,909,567
Disposal	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(5,609,410)	(1,434,905)	(1,807,927)	(2,712)	(198,490)	(34,294)	(9,087,738)
Closing net book value	22,440,010	64,339,370	5,739,625	16,271,348	6,330	1,786,410	308,646	110,891,739
Gross carrying value basis								
Cost	22,440,010	107,849,249	16,659,131	25,762,000	52,660	1,987,600	865,790	175,616,440
Accumulated depreciation	-	(43,509,879)	(10,919,506)	(9,490,652)	(46,330)	(201,190)	(557,144)	(64,724,701)
Net book value	22,440,010	64,339,370	5,739,625	16,271,348	6,330	1,786,410	308,646	110,891,739
Rate of depreciation		**10%**	**20%**	**10%**	**30%**	**10%**	**10%**	

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	Note	2023 Rupees	2022 Rupees
5.3 Allocation of depreciation charge for the year			
Operating expenses (Non-Restricted)	19	16,866,647	15,086,207
Operating expenses (Restricted)	20	10,896,135	9,087,738
Administrative expenses	21	919,684	1,206,197
		28,682,466	25,380,142

	Note	2023 Rupees	2022 Rupees
6 CAPITAL WORK IN PROGRESS			
Opening balance		29,959,733	13,270,294
Additions during the year	6.1	130,460,440	19,322,306
Less: Work in progress capitalised	6.2	(34,033,016)	(2,632,867)
Closing balance		126,387,157	29,959,733

6.1 This represents construction of Chishtian medial center and Wazirabad medical center and fabrication of ambulances.

6.2 This represents building of Pajjagai Medical Centre and completion of extensions of Marjan, Gujrat, Khariya and Mehmoodabad medical centres.

	Note	2023 Rupees	2022 Rupees
7 INVESTMENT PROPERTY			
Opening balance		12,026,870	12,026,870
Movement during the year		-	-
Closing balance	7.1	12,026,870	12,026,870

7.1 The above properties are purchased/retained for the capital value appreciation purposes.

7.2 Fair value of investment property at the reporting date was Rs. 67 million (2022: Rs. 58 million), the detail of properties are as under:

(i) Plot no. 10, Street no. 12, Phase I, Sector E-17/3, CDECHS, Islamabad, measuring 500 Sq yds.

(ii) Plot no. 1400, Block D, Phase 9P, DHA Lahore, measuring 01 Kanal.

(iii) Plot no. 1325-C Phase 9P, Town, DHA Lahore, measuring 05 Marlas.

(iv) Plot no. 206, Street no. A-7/2, Phase-1, Kashmir Model Town, Jammu & Kashmir Housing Society, Chakri Road, Rawalpindi measuring 600 Sq yds.

(v) Commercial Plaza on Plot no.62, Loop Road, Bharia Town Phase VII, Rawalpindi measuring 1200 Sq ft.

	Note	2023 Rupees	2022 Rupees
8 STOCK IN TRADE			
Opening balance		10,543,156	9,471,718
Purchases during the year		130,883,036	80,409,029
Consumption during the year	8.1	(119,028,699)	(79,337,591)
Closing balance		22,397,493	10,543,156

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		Note	2023 Rupees	2022 Rupees
8.1	Central region		20,558,098	14,694,963
	North region		52,080,814	33,756,354
	South region		46,389,786	30,886,274
			119,028,698	79,337,591

9 SHORT TERM INVESTMENTS

	Note	2023 Rupees	2022 Rupees
Investments at fair value through profit or loss			
Open ended mutual funds	9.1	17,992,424	23,100,110
Shares of listed companies	9.2	991,078	1,159,852
Term deposit receipts	9.3	25,000,000	25,000,000
		43,983,502	49,259,962

Movement During Year

		Opening Units	Addition	Deletion	Closing
9.1	**National Investment trust units**	355,441	-	-	355,441
9.2	**Shares of listed companies**				
	Ghani glass limited				
	International steel ltd.	1,000	191	-	1,191
	Kot addu power company ltd	3,000	-	-	3,000
	National bank of pakistan	10,000	-	-	10,000
	Packages limited	5,000	-	-	5,000
	Roshan packages ltd.	200	-	-	200
	Sui northern gas pipelines ltd.	7,000	-	-	7,000
		10,000	-	-	10,000

9.3 Investments at amortised cost

This represents investment in term deposit receipts with banks carrying interest ranging from 10% to 12% (2022: 5% to 7%) per annum.

10 ADVANCES AND OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Advance income tax		607,582	503,634
Accrued interest/dividend		325,118	230,795
Advances to suppliers		6,092,593	4,484,593
Other receivables	10.1	5,750,558	11,673,588
Advances to employees - unsecured	10.2	3,518,076	2,905,241
		16,293,927	19,797,851

10.1 Other receivables mainly consist of receivable from a donor Al-Mustafa Charitable Trust - UK being AMT's related party which collects funds in UK specifically for the purpose of transferring the same to AMT.

		Note	2023 Rupees	2022 Rupees
10.2	Opening balance		2,905,241	2,882,480
	Advances extended during the year		4,016,883	2,629,721
	Advances repaid during the year		(3,404,048)	(2,606,960)
	Closing balance		3,518,076	2,905,241

11 CASH AND BANK BALANCES

	Note	2023 Rupees	2022 Rupees
Cash in hand		5,435,111	3,803,108
Cash at bank:			
In local currency:			
- in current accounts		210,189,251	83,241,107
- in saving accounts	11.1	17,713,977	43,130,701
In foreign currency:			
- in current accounts		22,861,425	35,618,713
- in saving accounts	11.2	160,073,115	129,587,716
		410,837,768	291,578,237
		416,272,879	295,381,345

11.1 These carry interest at the rates ranging from 10% to 12% (2022: 6% to 9%) per annum.

11.2 These carry interest at the rates ranging from 0.02% to 0.03% (2022: 0.01% to 0.02%) per annum.

12 DEFERRED CAPITAL GRANT

	Note	2023 Rupees	2022 Rupees
Opening balance		110,891,739	108,376,058
Cost of capital expenditure during the year	12.1	12,818,625	11,603,419
Amortised during the year		(10,896,135)	(9,087,738)
Closing balance		112,814,229	110,891,739

12.1 This represents capital expenditure incurred as follows:

	2023	2022
- Purchase of medical Ultra Sound Machine	-	650,000
- Purchase of Bolan Suzuki Ambulance,Faisalabad	1,941,700	-
- Purchase of Medical Equipment & Furniture, Faisalabad	4,062,400	-
- Construction of medical center, Peshawar	-	5,374,164
- Construction of medical center, PECHS	3,297,695	-
- Purchase of Dental OPG Machine	-	2,001,000
- Purchase of Dental Dialysis machine	1,679,080	2,500,000
- Purchase of Medical Equipment, Gharsheen	1,837,750	-
- Purchase of Solar Panel Purchase	-	1,078,255
	12,818,625	11,603,419

	Note	2023 Rupees	2022 Rupees
13 RESTRICTED GRANT			
Opening balance		24,198,870	19,645,140
Received during the year	13.1	298,796,174	44,528,930
Transferred to income during the year	14	(57,240,006)	(21,640,309)
Other Adjustment/Receivable from Donor	14	(5,923,032)	(6,731,472)
Transferred to deferred capital grant	12.1	(12,818,625)	(11,603,419)
Closing balance		247,013,381	24,198,870

13.1 This represents grants received from the following sources:

	Note	2023	2022
- Brother Enterprises (for Mardan)		-	1,000,000
- Brother Enterprises (for Mahmoudabad)	13.1.1	200,000	5,000,000
- Pasha Fund (from Mr. Wasim Pasha)		-	89,575
- Al Mustafa Charitable Trust USA	13.1.2	10,104,750	3,724,000
- Individuals	13.1.3	-	2,525,000
- Islamic Medical Association of North America (IMANA)	13.1.4	30,364,434	11,688,600
- APPS UK	13.1.5	11,223,629	8,873,496
- Bank AL Falah	13.1.6	41,500,000	-
- Islamic Foundation USA	13.1.7	7,164,000	-
- Chaudhary Munir (Chishtian)	13.1.8	136,675,907	-
- Muhammad Abdul Saeed (Wazirabad)	13.1.9	35,790,378	-
- Dr Omer Haq (Faisalabad)	13.1.10	6,205,580	-
- Zafar Mehmood Cheema	13.1.11	2,076,730	-
- Muhammad Mustafa Khan	13.1.12	1,000,000	-
- Mardan Mosque		-	2,620,000
- We Care		-	1,407,725
- Yaqoob Chughtai (Dental OPG Machine)		-	2,010,000
- Syed Asad Mashhadi	13.1.13	2,000,000	1,907,311
- Fatima Fazal for Shergarh	13.1.14	3,055,000	3,522,223
- MMC	13.1.15	681,000	161,000
		288,041,408	44,528,930

13.1.1 This represents amount received from Brother Enterprises for the purchase of medical equipments and construction of medical center in PECHS Karachi.

13.1.2 This represents amount received from AMCT USA for Orangi Medical Centers.

13.1.3 This represents amount received from individual donors for 'Flood Relief Program' and for the Turkey earth quake aid program.

13.1.4 This represents amount of USD 72,000 received from IMANA for operational expenditure of Umerkot medical center and Orangi medical center and amount of USD 34,400 received for the purchase of medical equipments for Pajjagai Centre.

13.1.5 This represent receipts from APPS UK for Dina, Toba Tek Sing and Chak 13 DB Mianwali against operational expenses.

13.1.6 This represents receipt of Rs. 8 million from Bank Al Falah for 'Flood Relief Program' and Rs. 33.5 million for the construction of new medical centre anywhere in Pakistan as per mutual decision.

13.1.7 This represents amount received from Islamic Foundation,USA against rehablitation program for the construction of low cost houses for the flood affected people of Sindh.

13.1.8 This represents amount received from individual donor i.e Chaudhary Munir for the construction of Chishtian medical centre.

13.1.9 This represents amount received from individual donor i.e M.Abdul Saeed for the construction of Wazirabad medical center.

13.1.10 This represents amount received from Dr.Omer for the procurement of medical equipments,ambulances and furniture for the newly built Faisalabad medical centre.

13.1.11 This represents funds received from donor to procure medical equipments for the newly built medical centre at Ghreeshan, Hassan Abdal.

13.1.12 This represents funds donated by the Chairman of Al Mustafa Trust for the construction of medical centre at Mityari, Hydrebad.

13.1.13 This represents receipts from donor for Sangjani Dispensary operational expenses.

13.1.14 This represents receipts from donor for Sherghar Sargodha dispensary operational expenses.

13.1.15 This represents receipts from donors for purchase of ultrasound machine for the main medial centre,Rawalpindi.

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14 **Break up of restricted grant at year end is as follows:**

Name	Opening Statement	Grants (received from) the donor	Transferred to Deffered Capital Grant	Other Adjustment	Transfer Income	Closing statement
	-------	-------	-------	Rupees	-------	-------
- Brother Enterprises	6,000,000	200,000	(4,976,775)	-	-	1,223,225
- Pasha Fund	2,009,969	-	-	-	(1,605,779)	404,190
- Al Mustafa Charitable Trust USA (Peshawar)	-	-	-	-	-	-
- Al Mustafa Charitable Trust USA (Orangi)	1,013,712	10,104,750	-	-	(6,050,500)	5,067,962
- Islamic Medical Association of North America	9,756,565	30,364,434	-	-	(15,648,353)	24,472,646
- Islamic Foundation USA	-	7,164,000	-	-	(3,912,832)	3,251,168
- Bank Al Falah	-	41,500,000	-	-	(6,655,250)	34,844,750
- APPS UK	-	11,223,629	-	(4,093,496)	(7,276,375)	(146,242)
- Col Muhammad Tariq	2,200,000		-	-	-	2,200,000
- Syed Asad Mashhadi	-	2,000,000	-	(907,311)	(1,191,051)	(98,362)
- Dr Omer Haq (Faisalabad)	-	6,205,580	(6,021,150)	-	-	184,430
- Zafar Mehmood Cheema	-	2,076,730	(1,820,700)	-	(256,032)	(2)
- Muhammad Mustafa Khan	-	1,000,000	-	-	-	1,000,000
- Chaudhary Munir (Chishtian)		136,675,907	-	-	-	136,675,907
- Muhammad Abdul Saeed (Wazirabad)	-	35,790,378	-	-	-	35,790,378
- Yaqoob Chughtai For Korangi	9,000	-	-	-	-	9,000
- We Care	49,225	-	-	-	-	49,225
- Fatima Fazal for Shergarh	-	3,055,000	-	(922,225)	(3,808,068)	(1,675,293)
- MMC	324,649	681,000	-	-	(81,000)	924,649
- Individuals	2,835,750	10,754,766	-	-	(10,754,766)	2,835,750
-Other Adjustment/Receivable from Donor	-	-	-	-	-	-
	24,198,870	**298,796,174**	**(12,818,625)**	**(5,923,032)**	**(57,240,006)**	**247,013,381**

		2023 Rupees	2022 Rupees
15	**CREDITORS, ACCRUED AND OTHER LIABILITIES**		
	Creditors	7,093,153	5,996,180
	Withholding tax payable	1,214,042	636,893
	Accrued liabilities	1,609,333	3,981,958
	Payable to donors	-	829,411
	Others	2,655,983	2,490,352
		12,572,511	13,934,794

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

The trust has no contigencies as at June 30, 2023 (2022: Nil).

16.2 Commitments

The trust has commitment with Bank Al Falah to construct 4-5 Medical Centers all over Pakistan for which Bank Al Falah has donated approximately Rs. 33 million.

Al Mustafa Trust has committed with donors i.e Chuadhry Munir and Muhammad Saeed to construct Medical Centre in Chishtian and Wazirabad respectively. The cost of construction and operational expense is commited to be beared by the donor of grant for the said medical

17 RECEIPTS

The Trust operates medical centers to provide health services to patients. Receipts mainly comprise income earned at pre-determined rates from registration fees, medical tests and medical treatment in dental care, eye care and physiotherapy. The amount received from non-deserving patients are utilized for the treatment of deserving poor patients only.

		Note	2023 Rupees	2022 Rupees
17.1	Disaggregation of receipts income in respect of			
	Central region	17.1.1	32,335,785	21,344,735
	North region	17.1.2	42,292,101	33,599,138
	South region	17.1.3	35,642,967	25,402,655
			110,270,853	80,346,528

17.1.1 Receipts from 3 centers i.e Lahore, Iqbal Nagar Sahiwal and MR Multan and 4 dispensaries i.e Walton Lahore, Khanewal, Qilla Gujjar Singh Lahore and Toba Teak Singh.

17.1.2 Receipts from 17 centers i.e main medical center, Danda Shah Bilawal and Kainat Khalil (Gujar Khan) etc and 7 dispensaries such as Barh kohat, Qamar Mashani and Sanjani.

17.1.3 Receipts from 5 centers i.e Clifton Karachi, PECHS (Mehamoodabad), Korangi Karachi and 2 dispensaries i.e Orangi Karachi and Mehran Town Karachi.

	Note	2023 Rupees	2022 Rupees
18 DONATIONS			
Disaggregation of donation received from different sources:			
Local donation		107,720,243	126,856,374
Foreign donation	18.1	55,497,232	39,261,560
Local zakat		77,960,328	75,838,190
Foreign zakat	18.2	9,362,989	4,448,000
		250,540,792	246,404,124

18.1 Foreign Donation

Name of Donor	Ex. Rate	Amount Donated PKR	Country	Currency	Foreign Amount
Muhammad Shuja Ul Islam	-	6,321,113	Bahrain	PKR	-
Muhammad Shuja Ul Islam	-	1,400,000	Bahrain	PKR	-
Kazim Hussain Malik	58	29,000	UAE	AED	500
Asif Vorjaee	-	14,750	Bahrain	PKR	-
Zulfiqar Malik	-	100,000	UK	PKR	-
Munawar Hussain Yousaf	272	534,828	UK	GBP	1,966.28
Syed Shahid Ahmad, USA	226.46	29,439,800	USA	USD	130,000
Ahmad Farooq	-	3,920,000	Qatar	PKR	-
Fuod Akther	283.42	14,171,000	Bahrain	USD	50,000
Sohail Sultan	284.84	8,545,200	Bahrain	USD	30,000
Misc. Customer	257	467,130	Bahrain	PKR	-
Reclassification		(9,445,589)			
		55,497,232			

18.2 Foreign Zakat

Name of Donor	Ex. Rate	Amount Donated PKR	Country	Currency	Foreign Amount
Asif Vorayee	-	14,750	Bahrain	PKR	-
Brig Riaz	-	100,000	USA	PKR	-
Sabza Ali	-	100,000	USA	PKR	-
Imran Namath	-	200,000	Bahrain	PKR	-
Saad Saleem Asghar Ali	-	510,000	Bahrain	PKR	-
Fuod Akhtar	750	450,246	Bahrain	BHD	600
Misc. Customer	750	75,041	Bahrain	BHD	100
Najam ul Arifeen	750	75,041	Bahrain	BHD	100
Afzal Nazir Ahmed	750	75,041	Bahrain	BHD	100

Name of Donor	Ex. Rate	Amount Donated PKR	Country	Currency	Foreign Amount
Fatimah Junaid	750	187,603	Bahrain	BHD	250
Mrs Marriyam & Sakib	750	15,008	Bahrain	BHD	20
Reem	750	37,520	Bahrain	BHD	50
Moosa Mustafa	750	1,125,615	Bahrain	BHD	1,500
M Haroon Lala	750	150,082	Bahrain	BHD	200
Muhammad Iqbal Joz	-	1,500,000	Bahrain	PKR	-
Dr Nudrat Wasif Shami	-	50,000	USA	PKR	-
Haji Shafi Lutfi	78	930,000	UAE	AED	12,000
Najeeb Ullah Khan	78	775,000	UAE	AED	10,000
Ahmed Adil	742	371,195	Bahrain	BHD	500
Maqsood Shah	742	371,195	Bahrain	BHD	500
Malik Abdul Jalil	742	100,223	Bahrain	BHD	100
Tariq Sadiq	753	753,000	Bahrain	BHD	1,000
Masood Hamid	-	550,000	Bahrain	PKR	-
Muhammad Shuja Ul Islam	745	346,429	Bahrain	BHD	465
Muhammad Usman	-	500,000	Bahrain	PKR	-
		9,362,989			

19 OPERATING EXPENSES (NON RESTRICTED GRANT)

	Note	2023 Rupees	2022 Rupees
Salaries and benefits		164,467,899	135,751,380
Medicines, lab and X-Ray material consumed		133,753,278	90,525,374
Printing and stationery		5,175,647	3,120,780
Vehicle running		8,160,196	5,782,621
Repair and maintenance		15,707,344	11,863,747
Office supplies		1,818,605	1,604,840
Utilities		13,466,157	8,217,987
Travelling and conveyance		794,202	579,366
Depreciation	5.3	16,866,647	15,086,207
Entertainment		4,076,065	1,797,212
Postage and delivery		72,522	67,293
Advertisement		268,875	267,023
Legal and professional fee		172,288	1,302,538
Bank charges		54,853	58,444
Miscellaneous expenses		366,716	310,714
Rent and rates		1,011,219	1,274,070
Financial assistance	19.1	7,003,202	434,938
Dues and subscriptions		588,100	1,566,509
		373,823,815	279,611,043

19.1 Financial assistance includes an amount paid against rehabilition program for flood affectees, water filteration plant built in Danda Shah Bilawal and against burial rituals welfare policy to employees.

20	OPERATING EXPENSES (RESTRICTED GRANT)	Note	2023 Rupees	2022 Rupees
	Salaries and benefits		14,721,388	11,895,826
	Medicines, lab and X-Ray material consumed		17,374,050	8,031,179
	Printing and stationery		127,293	214,509
	Vehicle running		569,359	229,748
	Repair and maintenance		518,049	176,725
	Office supplies		15,290	21,906
	Utilities		66,367	41,774
	Travelling and conveyance		76,050	26,300
	Depreciation	5.3	10,896,135	9,087,738
	Entertainment		55,430	15,170
	Postage and delivery		9,040	4,894
	Advertisement		12,000	2,000
	Miscellaneous expenses		1,150	7,579
	Dues and subscriptions		39,550	
	Financial assistance	20.1	18,990,994	972,699
			63,472,145	30,728,047

20.1 Financial assistance includes an amount of Rs. 1.672 million which is paid as per Trust's policy to those patients who can't afford private hospital expenses, amount paid against the purchase of medicines and against the doctor fee and Rs. 17.31 million used in flood relief medical camps during the recovery program.

21	ADMINISTRATIVE EXPENSES	Note	2023 Rupees	2022 Rupees
	Salaries and benefits		9,616,703	9,433,878
	Printing and stationery		678,740	174,408
	Vehicle running		1,844,633	848,783
	Repair and maintenance		1,072,843	848,621
	Office supplies		11,260	7,135
	Utilities		583,636	754,036
	Travelling and conveyance		235,160	63,916
	Entertainment		555,903	375,458
	Postage and delivery		38,559	54,754
	Depreciation	5.3	919,684	1,206,197
	Advertisement		54,330	76,670
	Legal and professional fee		161,000	328,000
	Bank charges		55,791	21,894
	Miscellaneous expenses		12,873	4,455
	Write offs		-	3,496,418
			15,841,115	17,694,623

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21.1 Due to the charitable nature of the Trust, the audit was conducted on honorary basis and therefore no audit fee has been charged in these financial statements.

22 FUNDRAISING EXPENSES

	Note	2023 Rupees	2022 Rupees
Commission	22.1	78,000	1,910,103
Event management		1,583,577	503,710
Entertainment		2,000	629,565
Local travelling		269,005	234,249
Foreign travelling		2,231,719	265,103
Advertisement		112,060	47,495
Others		-	39,260
		4,276,361	3,629,485

22.1 This represents commission paid to third party for collection of donations on behalf of the Trust.

23 OTHER INCOME

	2023 Rupees	2022 Rupees
Income from financial assets:		
- Dividend income	998,776	221,000
- Profit on saving accounts	6,126,754	2,658,803
Exchange gain	46,196,419	33,152,269
Profit on term deposit receipts	2,096,261	1,371,400
Unrealised loss on remeasurment of:		
- investments measured at FVTPL	(168,774)	(620,348)
NIT units	(5,107,687)	(3,675,260)
Income from non-financial assets:		
- Miscellaneous income	4,820,366	1,075,000
	54,962,115	34,182,864

24 FINANCIAL INSTRUMENTS

The Trust has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Trustees has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Board of Trustees is also responsible for developing and monitoring the Trust's risk management policies.

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Trust, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Trustees of the Trust oversees how management monitors compliance with the Trust's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust.

24.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The credit risk for the Trust arises mainly from its term deposit receipts, advances, deposits and other receivables and balances maintained with bank. The Trust maintains bank balances with financial institutions of sound credit ratings. Accordingly, the Trust is not exposed to significant credit risk.

Exposure to credit risk

The carrying amount of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the statement of financial position date was:

	2023 Rupees	2023 Rupees
Term deposit receipts	25,000,000	25,000,000
Advances and other receivables	9,593,752	14,809,624
Bank balances	410,837,768	291,578,237
	445,431,520	331,387,861

24.2 Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Trust's reputation.

The maturity profile of the Trust's financial liabilities based on the contractual amounts is as follows:

	Carrying amount	Contractual cash flows	Within one year	2-5 years	Over 5 years
			Rupees		
2023					
Financial liabilities at amortised cost					
Creditors	7,093,153	7,093,153	7,093,153	-	-
Accrued liabilities	1,609,333	1,609,333	1,609,333	-	-
Payable to donors	-	-	-	-	-
Others	2,655,983	2,655,983	2,655,983	-	-
	11,358,469	11,358,469	11,358,469	-	-
2022					
Financial liabilities at amortised cost					
Creditors	5,996,180	5,996,180	5,996,180	-	-
Accrued liabilities	3,981,958	3,981,958	3,981,958	-	-
Payable to donors	829,411	829,411	829,411	-	-
Others	2,490,352	2,490,352	2,490,352	-	-
	13,297,901	13,297,901	13,297,901	-	-

24.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Trust's income or the value of its holding of financial instruments. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(a) Interest rate risk management; and

(b) Currency rate risk management.

(a) Interest rate risk management

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short term running finance, liabilities against assets subject to finance lease and balances in deposit and saving accounts. At the reporting date the interest rate risk profile of the Trust's interest bearing financial instruments are as follows:

	2023 Rupees	2022 Rupees
(i) Fixed rate instruments		
Financial assets at amortised cost		
Cash at bank	177,787,092	172,718,417
Term deposit receipts	25,000,000	25,000,000

(ii) Fair value sensitivity analysis for fixed rate instruments

The Trust does not account for any fixed rate financial assets and liabilities at fair value through income and expenditure account.

(b) Currency rate risk management

(i) Exposure to currency risk

The Trust is exposed to currency rate risk on bank balances which is denominated in currency other than the functional currency of the Trust. The Trust's exposure to foreign currency risk is as follows:

	2023 Rupees	2022 Rupees
Foreign currency bank balances	182,934,540	165,206,429

(ii) The following significant exchange rates applied during the year:

	Average rates		Balance sheet rates	
	2023	**2022**	**2023**	**2022**
United States Dollar (USD)	215.08	181.19	225.32	204.84
Great Britain Pound (GBP)	260.90	233.23	273.32	248.47

(iii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar against the Pakistani Rupees at June 30 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
	Strengthening	**Weakening**
As at June 30, 2023		
US Dollar (10% movement)	6,871,758	(6,871,758)
As at June 30, 2022		
US Dollar (10% movement)	6,953,992	(6,953,992)

24.4 Fair value of financial assets and liabilities

(i) The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Financial assets and liabilities	Carrying amount				Fair Value			
	Amortised cost	Held at fair value through profit or loss	Other financial assets and liabilities at	Total	Level 1	Level 2	Level 3	Total
June 30, 2023	------ Rupees ------				------ Rupees ------			
Financial Asset								
Advances and other receivables	9,593,752	-	-	9,593,752	-	-	-	-
Term deposit receipts	25,000,000	-	-	25,000,000	-	-	-	-
Short-term investments	-	18,983,502	-	18,983,502	18,983,502	-	-	18,983,502
Bank balances	410,837,768	-	-	410,837,768	-	-	-	-
Total financial assets	445,431,520	18,983,502	-	464,415,022	18,983,502	-	-	18,983,502
Financial liabilities								
Creditors and accrued liabilities	-	-	11,358,469	11,358,469	-	-	-	-
Total financial liabilities	-	-	11,358,469	11,358,469	-	-	-	-

Financial assets and liabilities	Carrying amount				Fair Value			
	Amortised cost	Held at fair value through profit or loss	Other financial assets and liabilities at	Total	Level 1	Level 2	Level 3	Total
June 30, 2022	------ Rupees ------				------ Rupees ------			
Financial Asset								
Advances and other receivables	14,809,624	-	-	14,809,624	-	-	-	-
Term deposit receipts	25,000,000	-	-	25,000,000	-	-	-	-
Short-term investments	-	24,259,962	-	24,259,962	24,259,962	-	-	24,259,962
Bank balances	291,578,237	-	-	291,578,237	-	-	-	-
Total financial assets	270,210,038	24,259,962	-	355,647,823	24,259,962	-	-	24,259,962
Financial liabilities								
Creditors and accrued liabilities	-	-	13,297,901	13,297,901	-	-	-	-
Short-term loan			-	-				
Total financial liabilities	-	-	13,297,901	13,297,901	-	-	-	-

24.5 **Fair value of financial assets and liabilities (continued)**

Determination of fair values

A number of the Trust's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurements and / or disclosure purposes based on the following methods:

Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. Fair value of short term investments quoted at fair value is based on quoted market prices.

Derivative financial assets

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

25 FUNDS MANAGEMENT

The Board of Trustees of the Trust monitors the performance along with the fund required for the sustainable operations and the Trust is not subject to externally imposed fund requirements.

26 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Restricted grant	Total
	Rupees	Rupees
Balance at June 30, 2022	24,198,870	24,198,870
Changes from financing cash flows		
Receipts during the year	298,796,174	298,796,174
Total changes from financing cash flows	322,995,044	322,995,044
Other changes		
Liability related		
Transfer to income during the year	(57,240,006)	(57,240,006)
Transfer to deferred capital grant	(12,818,625)	(12,818,625)
Total liability related other changes	(70,058,631)	(70,058,631)
Balance at June 30, 2023	252,936,413	252,936,413

AL-MUSTAFA TRUST

27 RELATED PARTY TRANSACTIONS

Related parties comprise the Council of Trustees, key management personnel and entities over which the Trustees are able to exercise significant influence. Transactions with related parties are as follows:

	2023 Rupees	2022 Rupees
Transactions with entities by virtue of common trusteeship		
Al-Mustafa Charitable Trust - UK	-	18,759,750
Al-Mustafa Charitable Trust - USA	28,752,890	-
Transactions with key management personnel		
Donations received from Chairman of the Board of Trustees	11,600,000	6,150,000
Donations received from Vice Chairman of the Board of Trustees	1,805,000	2,027,000
Others		
Donations received from Trustees	825,000	-

28 REMUNERATION OF KEY MANAGEMENT PERSONNEL

All key management personnel and project Trustees are working on voluntary basis for the Trust (2022: nil).

29 NUMBER OF EMPLOYEES

The number of employees as at year end was 530 (2022 : 533) and average number of employees during the year was 348 (2022 : 348).

30 DATE OF AUTHORIZATION

These financial statements were approved by the Council of Trustees on 13 OCT 2023.

31 GENERAL

Figures have been rounded to the nearest rupees.

AL-MUSTAFA TRUST

CHAIRMAN TRUSTEE