

Infection Prevention And Control Foundation

Audited Financial Statement

For the year ended June 30, 2022

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INFECTION PREVENTION AND CONTROL FOUNDATION**

Opinion

We have audited the annexed financial statements of **INFECTION PREVENTION AND CONTROL FOUNDATION** (the Company), which comprise the statement of financial position as at June 30, 2022, the statement of income and expenditure, the statement of cash flows, statement of changes in net assets and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of cash flows and the statement of changes in net assets together with the notes forming part thereof conform with Accounting Standard for Not for Profit Organizations (Accounting standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the deficit, its cash flows and the changes in net assets for the year then ended.

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 Company 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but those not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company'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 IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditors' report. However, future events and conditions may cause the Company 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 the board of directors 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) Proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) The statement of financial position, the statement of income and expenditure, the statement of cash flows and the statement of changes in net assets together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;
- (c) Investment made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- (d) No zakat was deductible at source under the Zakat and Ordinance, 1980 (XVIII of 1980).

The engagement partner on audit resulting in this independent auditors' report is Shan Ibrahim. S-I



Alam & Aulakh
Chartered Accountants

ALAM AND AULAKH
CHARTERED ACCOUNTANTS

Place: Lahore

Date: *September 12, 2022*

UDIN: AR202210049mulnYD2rk

INFECTION PREVENTION AND CONTROL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipments	4	41,044,813	-
Long term deposits	5	340,000	-
		41,384,813	-
CURRENT ASSETS			
Advance, deposits and prepayments	6	-	-
Cash and bank balances	7	703,386	-
		703,386	-
		42,088,199	-
GENERAL FUND AND LIABILITIES			
General fund		(2,585,325)	(230,000)
Donation from members		43,096,018	-
Loan from other / director	8	155,000	150,000
		40,665,693	(80,000)
CURRENT LIABILITIES			
Trade and other payables	9	1,231,361	80,000
Provision for taxation	10	191,145	-
		1,422,506	80,000
CONTINGENCIES AND COMMITMENTS			
	11	-	-
		42,088,199	-

The annexed notes from 1 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

INFECTION PREVENTION AND CONTROL FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Donations	12	13,464,937	-
Direct costs	13	(10,174,874)	-
Surplus for the year		3,290,063	-
Administrative and general expenses	14	(5,447,765)	(40,000)
Operating deficits for the year		(2,157,702)	(40,000)
Financial charges	15	(1,697)	-
Other income	16	6,140	-
Deficit before taxation		(2,153,259)	(40,000)
Taxation	17	(202,066)	-
Net deficit after taxation		(2,355,325)	(40,000)

The annexed notes from 1 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

INFECTION PREVENTION AND CONTROL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022 (Rupees)	2021 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before taxation	(2,153,259)	(40,000)
Adjustment for non-cash items:		
Depreciation	2,051,205	-
	<u>(102,054)</u>	<u>(40,000)</u>
Changes in working capital:		
Advances, deposits and prepayments	-	-
Trade and other payables	1,151,361	(40,000)
Cash generated/(used in) from operations	<u>1,151,361</u>	<u>(40,000)</u>
Income tax paid	(10,921)	-
Net cash used in operating activities	A <u><u>1,038,386</u></u>	<u><u>(80,000)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property and equipment	(43,096,018)	-
Payment for long term deposits	(340,000)	-
Net cash used in investing activities	B <u><u>(43,436,018)</u></u>	<u><u>-</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from other / director	5,000	-
Donation from members	43,096,018	-
Net cash generated from financing activities	C <u><u>43,101,018</u></u>	<u><u>-</u></u>
Net increase in cash and cash equivalents	A+B+C 703,386	-
Cash and cash equivalents at the beginning of year	-	-
Cash and cash equivalents at the end of the year	<u><u>703,386</u></u>	<u><u>-</u></u>

The annexed notes from 1 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

INFECTION PREVENTION AND CONTROL FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND	DONATION FROM MEMBERS	LOAN FROM OTHER / DIRECTOR	TOTAL
(Amount in Rupees)				
Balance as at July 01, 2020	(190,000)	-	150,000	(40,000)
Donation from members	-	-	-	-
Loan from other / director	-	-	-	-
Deficit during the year	(40,000)	-	-	(40,000)
	(40,000)	-	-	(40,000)
Balance as at June 30, 2021	(230,000)	-	150,000	(80,000)
Balance as at July 1, 2021	(230,000)	-	150,000	(80,000)
Donation from members	-	43,096,018	-	43,096,018
Loan from other / director	-	-	5,000	5,000
Deficit during the year	(2,355,325)	-	-	(2,355,325)
	(2,355,325)	43,096,018	5,000	40,745,693
Balance as on June 30, 2022	(2,585,325)	43,096,018	155,000	40,665,693

The annexed notes from 1 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

INFECTION PREVENTION AND CONTROL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 STATUS AND OBJECTIVE

1.1 Infection Prevention and Control Foundation (the Company) is a company limited by guarantee and not having share capital incorporated in Pakistan on April 13, 2020 under section 42 of the Companies Act, 2017. The registered office of the company is situated at House No. 734, Block R, DHA Phase 7, Lahore Cantt Cantonment Punjab.

1.2 IPAC has established community health centre in Sialkot for underprivileged and deserved people. The community health center is providing free consultation, medicine, immunization and lab testing services.

IPAC intends to setup more facilities in near future.

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 :

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or Accounting Standards for NPOs, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accrual basis of accounting

These financial statements have been prepared on the accrual basis.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention.

3 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 explained in notes.

3.1 Property and equipment

Initial Recognition

All items of property and equipment are initially recorded at cost.

Subsequent measurement

Items of property and equipment are measured using cost model at cost less subsequent accumulated depreciation and impairment losses, if any.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the diminishing balance method at rates specified in note 4 to the financial statements.

Management charges depreciation from the month the assets is acquired and no depreciation is charged in the month in which asset is disposed off.



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INFECTION PREVENTION AND CONTROL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Disposal

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Long term deposits

These are stated at cost which represents the fair value of consideration given.

3.3 Advance, deposits and prepayments

These are recognized and carried at original invoice amount on transaction date less provision for any uncollectable amount. Other receivables and receivables from the related parties are recognized and carried at cost.

An estimate for doubtful debts is made when collection of full amount is no longer probable. Bad debts (if any) are written off to profit and loss statement as and when identified.

3.4 Cash and bank balances

Cash and bank balances are carried in the statement of financial position at cost. For purpose of cash flow statement cash and cash equivalents comprise of cash and bank balance. The cash and bank balances are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

3.5 Loan from director

Loan from director is treated as equity since Company have unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation. Therefore the contract is an equity.

It is initially recognized at the amount of loan actually received net of transaction cost.

Subsequently, it is not remeasured.

3.6 Trade and other payables

Trade payables are obligations under normal short-term credit terms. Liabilities for trade and other amounts payable are measured at fair value of the consideration paid or payable in future for goods and services.

3.7 Provisions

A provision is recognized in the financial statements when the Company has 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 to the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.



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INFECTION PREVENTION AND CONTROL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

3.8 Donation

Donation from members and other sources is recognized when a cheque received from members and others.

3.9 Income tax

Current tax

Provision for current taxation is based on taxable income at the current rates of taxation after considering rebates and tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalized during the year.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of asset and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when there later deferred tax asset is realised or the deferred income liability is settled.

3.10 Offsetting of financial assets and financial liabilities

Financial asset and financial liability is set off and the net amount is reported in the statement of financial position if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.11 Related party transaction

Related parties comprise associated undertakings, other related companies and key management personnel. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the company.

Transactions and contract with related parties, if any, are at arm's length and at market rate. In case, transaction is out side normal course of business or is not conducted at arm's length; Board of Directors either approve or reiterate those transactions.



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INFECTION PREVENTION AND CONTROL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4 Property and equipments

Particulars	Cost			Rate	Depreciation			WDV	
	As at 7/1/2021	Addition	(Deletion)	As at 30/6/2022	As at 7/1/2021	For the period	As at 30/6/2022	As at 30/6/2022	
	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	
Land	-	12,000,000	-	12,000,000	0%	-	-	12,000,000	
Building	-	20,063,691	-	20,063,691	10%	-	1,003,185	19,060,506	
Furniture and fixture	-	3,483,792	-	3,483,792	15%	-	261,284	3,222,508	
Office equipment	-	879,300	-	879,300	15%	-	65,948	813,353	
Electric equipment	-	2,520,671	-	2,520,671	15%	-	189,050	2,331,621	
Computer and accessories	-	2,414,564	-	2,414,564	15%	-	271,638	2,142,926	
Vehicles	-	1,734,000	-	1,734,000	20%	-	260,100	1,473,900	
2022	-	43,096,018	-	43,096,018		-	2,051,205	2,051,205	41,044,813

4.1 Depreciation has been charged to direct costs and to administrative and general expenses as follows. (2021: Nil)

	2022 (Rupees)	2021 (Rupees)
Direct costs	1,579,428	-
Administrative and general expenses	471,777	-
	<u>471,777</u>	<u>-</u>

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INFECTION PREVENTION AND CONTROL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
5 Long term deposits			
Security deposits		340,000	-
		<u>340,000</u>	<u>-</u>
5.1 This represents security deposit against rented head office building (2021: Nil)			
6 Advance, deposits and prepayments			
Advance income tax		-	-
		<u>-</u>	<u>-</u>
6.1 Advance income tax			
Opening balance		-	-
Advance tax deducted		10,921	-
Less : Current tax provision adjustment		(10,921)	-
		<u>-</u>	<u>-</u>
7 Cash and bank balances			
Cash in hand		35,181	-
Cash at bank			
- Current		249,448	-
- Saving		418,757	-
		<u>703,386</u>	<u>-</u>
7.1 The saving account earn interest at floating rates based on daily bank deposit rates ranging from 4% to 6% per annum(2021: Nil).			
8 Loan from other / director			
Loan from other / director	8.1	155,000	150,000
		<u>155,000</u>	<u>150,000</u>
8.1 This represents interest free and unsecured loan from ex-director / director (2021: same as mentioned) and it is payable at the discretion of the company.			
9 Trade and other payables			
Audit fee payable		66,000	80,000
Utility expense payable		116,671	-
Salaries, wages and other allowances payable		687,550	-
EOBI payable		279,960	-
Legal and professional charges payable		25,000	-
Communication expense payable		56,180	-
		<u>1,231,361</u>	<u>80,000</u>



INFECTION PREVENTION AND CONTROL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
10 Provision for taxation			
Opening balance		-	-
Tax expense during the year		202,066	-
Adjustment		(10,921)	-
		<u>191,145</u>	<u>-</u>
11 Contingencies and commitments			
There are no contingencies and commitments as on June 30, 2022 (2021: Nil).			
12 Donations			
Donations		13,464,937	-
		<u>13,464,937</u>	<u>-</u>
13 Direct costs			
Medical supplies		571,096	-
Vaccination expense		59,683	-
Entertainment expense		809,335	-
Building maintainance		241,000	-
Travelling expense		211,853	-
Advertisement expense		171,826	-
Utility expense		405,031	-
Salary, wages and other allowances		5,650,491	-
EOBI expense		209,970	-
Depreciation		1,579,428	-
Misc expense		265,162	-
		<u>10,174,874</u>	<u>-</u>
14 Administrative and general expenses			
Salary, wages and other allowances		1,883,497	-
EOBI expense		69,990	-
Entertainment expense		1,077,556	-
Fee and subscriptions		344,450	-
Legal and professional charges		100,445	-
Building maintainance		141,777	-
Communication expense		231,638	-
Fuel expense		269,245	-
Audit fee		66,000	40,000
Withholding tax paid		137,358	-
Stationary expense		28,404	-
Rent, rates and charges		420,000	-
Travelling expense		70,618	-
utility expense		135,010	-
Depreciation		471,777	-
		<u>5,447,765</u>	<u>40,000</u>



INFECTION PREVENTION AND CONTROL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
15 Financial charges			
Bank charges		1,697	-
		<u>1,697</u>	<u>-</u>
16 Other income			
Profit on bank		6,140	-
		<u>6,140</u>	<u>-</u>
17 Taxation			
Current tax expense		202,066	-
		<u>202,066</u>	<u>-</u>

17.1 Deferred tax is not calculated because company is in the process of tax exemption and it is expected that tax exemption will be granted to company till next financial year end (2021: Nil).

18 Number of employees

Total number of employees at June 30	<u>24</u>	<u>-</u>
Average number of employees during the year	<u>22</u>	<u>-</u>

19 Remuneration of chief executive, directors and other executives

Managerial Remuneration	Number of Persons		
Chief executive	1	-	-
Director	2	-	-
		<u>-</u>	<u>-</u>

19.1 There are no other executives (2021: same as mentioned)

20 Related party transaction

Related parties comprise of directors of the company. Transactions with related party during the period, except for remuneration of key management personnel, are disclosed as follows:

Name	Relationship with party	Nature of transaction	Amount of transaction (Rs)	Payable as on 30 June 2022
Mohammad Sameer Shafi	Other	Loan from other / director	5,000	155,000

20.1 Maximum aggregate of loan from other Mohammad Sameer shafi in any month during the year reached in June 2022 that is equal to 155,000 (2021: 150,000)






INFECTION PREVENTION AND CONTROL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
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21 Nomenclature

Nomenclature of following account head has been changed:

Previous nomenclature

Sales
Cost of sales
Administrative expenses

Current nomenclature

Donations
Direct costs
Administrative and general expenses

22 General

Figures have been rounded off to the nearest Rupee.

23 Reporting currency

The reporting currency of these financial statements is Pakistan rupee denoted as rupees.

24 Date of authorization

These financial statements were authorized for issue on Sep 12, 2022 by the board of directors of the company. AA


CHIEF EXECUTIVE




DIRECTOR