ISHTIAQ AHMAD & CO.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
FRIENDS EDUCATIONAL AND MEDICAL TRUST

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of FRIENDS EDUCATIONAL AND MEDICAL TRUST (the TRUST), which comprises the statement of financial position as at June 30, 2025, the statement of income and expenditure , the statement of cash flows, the statement of changes in funds and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state at 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 our information and according to the explanations given to us, the Statement of financial position as at June 30, 2025, the statement of income and expenditure , the statement of cash flows, the statement of changes in funds together with the notes forming part thereof, conform with the revised accounting and reporting standards as applicable in Pakistan for small sized entities issued by the Institute of Chartered Accountants of Pakistan (ICAP) in 2015, in the manner so required and respectively give a true and fair view of the state of the entity's affairs as at 30th June, 2025 and of the deficit, its cash flows and its change in funds 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 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 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 for small sized entities and for such internal control as the 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 entity's ability to continue as going concern basis of accounting unless management either intends to liquidate the Entity or cease operations, or has no realistic alternative but to do so.

Trust is responsible for overseeing the firm'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,

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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 firm'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 managements' use of 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 Entity'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 the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity 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 Trust 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.

We also provide the Trust with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with Trust all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter Paragraph
The financial statements for the year ended June 30, 2024 were audited by another Chartered Accountant firm, who has expressed an unmodified opinion on these financial statements.
The engagement partner on audit resulting in this independent auditors' report is Muhammad Asim.

Asim

ISHTIAQ AHMAD & CO
CHARTERED ACCOUNTANTS

ISHTIAQ AHMAD & CO. CHARTERED ACCOUNTANTS

UDIN: AR202510562jNhyfQsrb
Date: February 18, 2026

FRIENDS EDUCATIONAL AND MEDICAL TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
ASSETS			
Non-Current Assets			
Property and Equipment	**4**	**250,951,953**	139,724,267
Current Assets			
Cash and Bank Balances	**5**	**34,381,730**	42,262,165
Loan and Advances	**6**	**98,478,362**	91,785,980
Investments	**7**	**534,843,208**	570,510,481
Advance Tax		**17,737,441**	17,386,023
		685,440,740	721,944,649
Total Assets		**936,392,693**	861,668,916
Liabilities			
Accrued and Other Payable	**8**	**61,144,176**	58,305,220
Total Net Assets		**875,248,517**	803,363,696
REPRESENTED BY			
Funds			
General Fund	**9**	**547,819,746**	560,046,434
Restricted Funds	**10**	**327,428,771**	243,317,262
Total Funds		**875,248,517**	803,363,696
Contingencies and commitments	**15**		

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

PRESIDENT **GENERAL SECRETARY**

FRIENDS EDUCATIONAL AND MEDICAL TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Income			
Donation Income		**110,307,922**	298,124,796
Other Income	**11**	**78,866,437**	113,335,060
Released to income		**149,475,951**	191,983,663
Total Income		**338,650,309**	603,443,519
Expenditure			
Direct Cost	**12**	**307,297,212**	557,356,957
Administrative and General Expenditure	**13**	**32,564,110**	32,838,793
Total Expenditure		**339,861,322**	590,195,750
(Deficit) / surplus for the year before tax		**(1,211,013)**	13,247,769
Taxation		**(11,015,675)**	(14,512,982)
Deficit for the year after tax		**(12,226,688)**	(1,265,213)

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

PRESIDENT **GENERAL SECRETARY**

FRIENDS EDUCATIONAL AND MEDICAL TRUST
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Description	General Fund	Restricted Fund	Total
	------------------Rupees---------------------		
Funds as at June 30, 2023	561,311,647	225,609,479	786,921,126
Restricted funds received	-	209,691,446	209,691,446
Released to income	-	(191,983,663)	(191,983,663)
Deficit for the year	(1,265,213)	-	(1,265,213)
Funds as at June 30, 2024	560,046,434	243,317,262	803,363,696
Restricted funds received	-	233,587,460	233,587,460
Released to income	-	(149,475,951)	(149,475,951)
Deficit for the year	(12,226,688)	-	(12,226,688)
Funds as at June 30, 2025	**547,819,746**	**327,428,771**	**875,248,517**

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

PRESIDENT **GENERAL SECRETARY**

FRIENDS EDUCATIONAL AND MEDICAL TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025 Rupees	June 30, 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	**(1,211,013)**	13,247,769
Movement in funds due to restricted funds:		
Restricted funds received	**233,587,460**	209,691,446
Released to income	**(149,475,951)**	(191,983,663)
	84,111,509	17,707,783
	82,900,496	30,955,552
Adjustment for non-cash item:		
Depreciation	**3,466,704**	3,218,825
Operating surplus before working capital changes	**86,367,200**	34,174,377
Changes in working capital		
(Increase)/decrease in current assets:		
- Loan and advances	**(6,692,382)**	87,207,180
Increase/(decrease) in liabilities		
- Trade and other payable	**2,838,956**	5,828,888
Taxes paid	**(11,367,092)**	(15,026,531)
Net cash (utilized in) / generated from operating Activities	**(15,220,518)**	78,009,537
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	**(114,694,390)**	(65,160,790)
Investments - net	**35,667,273**	(14,231,140)
Net cash utilized in investing activities	**(79,027,117)**	(79,391,930)
Net change in cash and cash equivalents	**(7,880,435)**	32,791,984
Cash and cash equivalents at beginning of the year	**42,262,165**	9,470,181
Cash and cash equivalents at end of the year	**34,381,730**	42,262,165

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

PRESIDENT **GENERAL SECRETARY**

FRIENDS EDUCATIONAL AND MEDICAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND BUSINESS

Friends Educational and Medical Trust ('The Trust') is a philanthropic organization (which was registered on April 07, 1965 under the Trust Act 1882. It is situated at 401, 402, Progressive Plaza Beaumont Road, Civil Lines, Karachi, Sindh, Pakistan. a. To educate, train, highlight masses through all possible means including research, publications, literature, advertisements, seminars, meetings, gatherings, symposia, workshops, study, voluntary groups and to provide encourage and arrange for such meeting and gatherings.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the guidelines for Accounting & Financial Reporting by Non-Government Organization / Non-Profit Organization as issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention and an accrual basis of accounting.

2.3 Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas Involving higher degree of judgments or complexity or areas where assumptions are estimated are significant to the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The preparation of these financial statements in conformity with approved accounting standards require the use of certain critical accounting policies.

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment and depreciation

- These are stated at cost less accumulated depreciation and impairment, if any.
- Depreciation is charged using the reducing balance method by applying rates specified in the relevant note.
- Depreciation is charged on addition on the basis of full year depreciation in the year of purchase and no depreciation in the year of sale.
- Maintenance and normal repairs are charged to income as and when incurred while cost of major replacements and improvements if any are capitalized.
- Gain or loss on disposal of fixed assets is charged to current income.
- Impairment loss is booked if the recoverable amount of any asset or group of assets falls below their carrying value.

3.2 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and bank balances.

3.3 Trade and other payable

Trade and other payable are stated at cost.

3.4 Income recognition

Donation / Zakat is recognized on receipt basis for the operational expenditure of the Trust.

3.5 Provision

Provisions are recognized when the Trust has a present legal or constructive obligation as a result of past events and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.6 Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3.7 Functional and Presentation Currency

These financial statements are presented in Pakistani Rupees, which is the Trust's functional currency.

4 Property and Equipment

	(Amount In Rupees)							
	Cost			Depreciation				
Particulars	**As at July 1, 2024**	**Addition during the Year**	**As at June 30, 2025**	**As at July 1, 2024**	**Depreciation during the year**	**As at June 30, 2025**	**%**	**As at June 30, 2025**
Fixed Assets								
Land (Leasehold)	13,451,776	16,700,000	30,151,776	-	-	-	-	30,151,776
Building	54,848,026	8,150,000	62,998,026	10,041,076	2,647,848	12,688,925	5%	50,309,101
Learning house school	19,967,160	31,000	19,998,160	3,703,783	814,719	4,518,502	5%	15,479,658
Furniture and fixture	63,061	-	63,061	21,686	4,137	25,823	10%	37,238
	88,330,023	**24,881,000**	**113,211,023**	**13,766,546**	**3,466,704**	**17,233,251**		**95,977,772**
Capital work in Process								
Office	65,160,790	89,813,390	154,974,180	-	-	-		154,974,180
	65,160,790	**89,813,390**	**154,974,180**	**-**	**-**	**-**		**154,974,180**
June 30, 2025	**153,490,813**	**114,694,390**	**268,185,203**	**13,766,546**	**3,466,704**	**17,233,251**		**250,951,953**
June 30, 2024	88,330,023	65,160,790	153,490,813	10,547,720	3,218,825	13,766,546		139,724,267

FRIENDS EDUCATIONAL AND MEDICAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025 Rupees	June 30, 2024 Rupees
5	**CASH AND BANK BALANCE**		
	Cash at bank	**34,381,730**	42,262,165
6	**LOANS AND ADVANCES**		
	Loan for higher studies	**98,078,362**	91,785,980
	Loan to others	**400,000**	-
		98,478,362	91,785,980
7	**INVESTMENT**		
	Term Deposit Certificates - Bank AL Habib	**12,873,419**	12,873,419
	Shares of Listed Companies	**521,969,789**	557,637,062
		534,843,208	570,510,481
8	**ACCRUED AND OTHER PAYABLE**		
	Accrued expense	**56,644,176**	58,305,220
	Other payable	**4,500,000**	-
		61,144,176	58,305,220
9	**GENERAL FUNDS**		
	Opening balance	**560,046,434**	561,311,647
	Deficit for the year	**(12,226,688)**	(1,265,213)
	Closing balance	**547,819,746**	560,046,434
10	**RESTRICTED FUNDS**		
	Opening balance	**243,317,262**	225,609,479
	Donation received	**223,587,460**	209,691,446
	Released to income	**(149,475,951)**	(191,983,663)
	Closing balance	**317,428,771**	243,317,262
11	**OTHER INCOME**		
	Profit on term deposits	**3,085,112**	4,573,202
	Bank profit	**2,343,491**	2,355,362
	Exchange gain	**-**	707,220
	Dividend income	**73,437,834**	105,699,276
		78,866,437	113,335,060

		June 30, 2025 Rupees	June 30, 2024 Rupees
12	**DIRECT COST**		
	Project expenses	**149,475,951**	191,983,663
	Donation to other institutions	**151,927,182**	362,283,763
	Fee assistance	**4,860,486**	2,287,543
	Assistance for medical expenses	**1,033,593**	801,988
		307,297,212	557,356,957
13	**ADMINISTRATIVE AND GENERAL EXPENSEDITURE**		
	Salaries expense	**14,427,951**	11,118,188
	Traveling expenses	**10,258,031**	9,118,462
	Depreciation expense	**3,466,704**	3,218,825
	Insurance expense	**-**	112,040
	Sports activity	**279,820**	76,150
	Property tax	**432,584**	538,941
	Repair and maintenance	**26,620**	5,828,888
	Legal and professional charges	**2,069,500**	1,959,944
	Bank charges	**3,060**	78,108
	Other expenses	**1,599,840**	789,247
		32,564,110	32,838,793
14	**NUMBER OF EMPLOYEES**		
	Total number of employees as at the year end	**12**	10
	Average number of employees	**11**	10

15 CONTIGENCIES AND COMMITMENTS

15.1 Contingencies

There was no contingent liability as at the date of statement of financial position.

15.2 Commitment

There was no commitment as at the date of statement of financial position.

16 GENERAL

These financial statements are presented in Pakistani Rupees, which is the Trust's functional and presentation currency. All figures have been rounded to the nearest Rupee. Comparative figures have been reclassified and re-arranged where necessary to conform with the current year's presentation.

17 DATE OF AUTHORIZATION

The financial statements have been authorized for issue by Board of Trustees on ________________.

PRESIDENT **GENERAL SECRETARY**