F-11, 4th GIZRI STREET,
PHASE IV D.H.A, KARACHI, PAKISTAN.
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SALMAN & CO.
CHARTERED ACCOUNTANTS

AUDIT AND ASSURANCE GROUP

Independent Auditor's Report
To the Trustees of FRIENDS EDUCATIONAL & MEDICAL TRUST
Report on the audit of Financial Statement

Opinion

We have audited the financial statements of **FRIENDS EDUCATIONAL & MEDICAL TRUST** (the Trust), which comprise the statement of financial position as at June 30, 2024, and the statement of income & expenditure account and, the statement of changes in funds, the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of **FRIENDS EDUCATIONAL & MEDICAL TRUST** as at June 30, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Executive Committee are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and for such internal control as the Executive Committee 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, Executive Committee are 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 Executive Committee 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SALMAN & CO. KARACHI Chartered Accountants

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, . misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust 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.

SALMAN & CO. KARACHI Chartered Accountants

Salman & Co

Karachi
Dated: 24-Feb-2025

Salman Masood, FCA
Salman & Co.
Chartered Accountants.

UDIN: **AR202410457hmoGxMtNQ**

FRIENDS EDUCATIONAL AND MEDICAL TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
ASSETS			
Non-Current Assets			
Property and Equipment	4	139,724,267	77,782,303
Current Assets			
Cash and Bank balance	5	42,262,165	9,470,181
Loan and Advances	6	91,785,980	178,993,160
Investments	7	570,510,481	556,279,341
Advance Tax		17,386,023	16,872,472
Total Current Assets		721,944,649	761,615,154
Total Assets		861,668,916	839,397,458
Liabilities			
Trade and Other Payable	8	58,305,220	52,476,332
Total Net Assets		803,363,696	786,921,125
REPRESENTED BY			
Funds			
General Fund	9	560,046,434	561,311,647
Restricted Funds	10	243,317,262	225,609,479
Total Funds		803,363,696	786,921,126

Contingencies and commitment 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 PERIOD ENDED JUNE 30, 2024

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
Income			
Donation Income		298,124,796	156,082,973
Other Income	11	113,335,060	87,562,066
Released to income		191,983,663	-
Total Income		603,443,519	243,645,039
Expenditure			
Direct Cost	12	557,356,957	217,041,233
Administrative and General Expenditure	13	32,838,793	16,319,267
Total Expenditure		590,195,750	233,360,500
Surplus for the year before tax		13,247,769	10,284,538
Taxation		(14,512,982)	(3,045,563)
(Deficit) / Surplus for the year after tax		(1,265,213)	7,238,975

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 PERIOD ENDED JUNE 30, 2024

Description	General Fund	Restricted Fund	Total
		Rupees	
Funds as at July 1, 2022	554,072,672	225,609,479	779,682,151
			-
Surplus for the year	7,238,975	-	7,238,975
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)**
Surplus for the year	**(1,265,213)**	-	**(1,265,213)**
Funds as at June 30, 2024	**560,046,434**	**243,317,262**	**803,363,696**

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 PERIOD ENDED JUNE 30, 2024

	June 30, 2024 Rupees	June 30, 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	13,247,769	7,238,975
Movement in funds due to restricted funds:		
Restricted funds received	209,691,446	-
Released to income	(191,983,663)	-
	17,707,783	-
	30,955,552	7,238,975
Adjustment for non-cash item:		
Depreciation	3,218,825	3,388,506
Operating surplus before working capital changes	34,174,377	10,627,481
Changes in working capital		
(Increase)/decrease in current assets:		
- Loan and advances	87,207,180	(49,175,199)
Increase/(decrease) in liabilities		
- Trade and other payable	5,828,888	49,289,984
Taxes paid	(15,026,531)	(3,658,136)
Net cash inflow / (outflow) from operating Activities	78,009,537	(3,543,352)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(65,160,790)	-
Investments - net	(14,231,140)	(57,965,496)
Net cash outflow from investing activities	(79,391,930)	(57,965,496)
Net cash increase in cash and cash equivalents	32,791,984	(50,881,367)
Cash and cash equivalents at beginning of the year	9,470,181	60,351,548
Cash and cash equivalents at end of the year	42,262,165	9,470,181

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 STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2024

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)

Particulars	Cost			Depreciation				
	As at July 1, 2023	Addition during the Year	As at June 30, 2024	As at July 1, 2023	Depreciation during the year	As at June 30, 2024	%	As at June 30, 2024
Fixed Assets								
Land (Leasehold)	13,451,776	-	13,451,776	-	-	-		13,451,776
Building	54,848,026	-	54,848,026	7,682,814	2,358,261	10,041,076	5%	44,806,950
Learning house school	19,967,160	-	19,967,160	2,847,816	855,967	3,703,783	5%	16,263,377
Furniture and fixture	63,061	-	63,061	17,089	4,597	21,686	10%	41,375
	88,330,023	-	**88,330,023**	**10,547,720**	**3,218,825**	**13,766,546**		**74,563,477**
Capital work in Process								
Office	-	65,160,790	65,160,790	-	-	-		65,160,790
	-	**65,160,790**	**65,160,790**	-	-	-		**65,160,790**
June 30, 2024	**88,330,023**	**65,160,790**	**153,490,813**	**10,547,720**	**3,218,825**	**13,766,546**		**139,724,267**
June 30, 2023	88,330,023	-	88,330,023	7,159,213	3,388,506	10,547,720		77,782,303

FRIENDS EDUCATIONAL AND MEDICAL TRUST
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2024

		June 30, 2024 Rupees	June 30, 2023 Rupees
5	**CASH AND BANK BALANCE**		
	Cash at bank	**42,262,165**	9,470,181
6	**LOAN AND ADVANCES**		
	Loan for higher studies	**91,785,980**	178,993,160
7	**INVESTMENT**		
	Mahana Munafa Account	**12,873,419**	12,873,419
	Shares of Listed Companies	**557,637,062**	543,405,922
		570,510,481	556,279,341
8	**TRADE AND OTHER PAYABLE**	**58,305,220**	52,476,332
9	**GENERAL FUNDS**		
	Opening balance	**561,311,647**	554,072,671
	Surplus for the period	**(1,265,213)**	7,238,975
	Closing balance	**560,046,434**	561,311,647
10	**RESTRICTED FUNDS**		
	Opening balance	**225,609,479**	225,609,479
	Donation received	**209,691,446**	-
	Released to income	**(191,983,663)**	-
	Closing balance	**243,317,262**	225,609,479
11	**OTHER INCOME**		
	Profit on term deposits	**4,573,202**	26,007,242
	Bank profit	**2,355,362**	-
	Exchange gain	**707,220**	-
	Dividend income	**105,699,276**	61,554,825
		113,335,060	87,562,066

	June 30, 2024 Rupees	June 30, 2023 Rupees

12 DIRECT COST

	June 30, 2024 Rupees	June 30, 2023 Rupees
Project expenses	191,983,663	-
Donation to other institutions	362,283,763	195,603,122
Fee assistance	2,287,543	15,947,328
Assistance for medical expenses	801,988	5,490,783
	557,356,957	217,041,233

13 ADMINISTRATIVE AND GENERAL EXPENSEDITURE

	June 30, 2024 Rupees	June 30, 2023 Rupees
Salaries expense	11,118,188	8,760,868
Traveling expenses	9,118,462	1,471,878
Depreciation expense	3,218,825	3,388,506
Insurance expense	112,040	-
Sports activity	76,150	-
Property tax	538,941	453,563
Repair and maintenance	5,828,888	1,937,637
Legal and professional	1,959,944	275,000
Bank charges	78,108	855
Other expenses	789,247	30,960
	32,838,793	16,319,267

14 NUMBER OF EMPLOYEES

	June 30, 2024	June 30, 2023
Total number of employees as at the year end	10	10
Average number of employees during the year was	10	10

15 CONTIGENCIES AND COMMITMENT

15.1 Contingencies

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

15.2 Commitment

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

16 GENERAL

Figures have been rounded off to the nearest of Pak Rupee.

17 DATE OF AUTHORIZATION

The financial statement have been authorized for issue by Board of Trustees on _______________.