



**JAMSHED AKHTAR QURESHI  
EDUCATION TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2024**

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

## INDEPENDENT AUDITORS REPORT TO THE TRUSTEES

### Opinion

We have audited the financial statements of **JAMSHED AKHTAR QURESHI EDUCATION TRUST** (“the Trust”), which comprise of statement of financial position as at June 30, 2024 and the related income and expenditure account, statement of changes in fund account and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust as at June 30, 2024 and of its financial performance for the year then ended in accordance with accounting framework and policies as described in note 2 to the financial statements.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting framework and policies as described in note 2 to the financial statements 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 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 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 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.

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.

ISLAMABAD

DATED: January 07, 2025

UDIN: AR202410094NBy0fcH4k

*Bdo ebrahim & Co.*  
CHARTERED ACCOUNTANTS

Engagement Partner: Iffat Hussain

*Iffat Hussain*

**JAMSHED AKHTAR QURESHI EDUCATION TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	9,647,623	8,951,486
<b>CURRENT ASSETS</b>			
Tax refund due from Government	5	-	8,175
Advance, deposits and prepayments	6	292,567	296,647
Bank balances	7	35,990,492	28,336,361
		<u>36,283,059</u>	<u>28,641,183</u>
<b>TOTAL ASSETS</b>		<u><u>45,930,682</u></u>	<u><u>37,592,669</u></u>
<b>FUNDS AND LIABILITIES</b>			
<b>FUND</b>			
General fund	8	2,011,467	2,714,005
Endowment fund	8	28,606,841	24,853,841
		<u>30,618,308</u>	<u>27,567,846</u>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred capital grant	9	4,617,252	4,474,408
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	10,695,122	5,550,415
		<u>45,930,682</u>	<u>37,592,669</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><u>45,930,682</u></u>	<u><u>37,592,669</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

The annexed notes from 1 to 23 form an integral part of these financial statements.

*P. K. Qureshi*

  
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**JAMSHED AKHTAR QURESHI EDUCATION TRUST  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>INCOME</b>			
Donations	12	64,371,538	26,728,046
School income	13	4,554,190	3,711,740
Amortisation of deferred capital grant	4	1,164,284	1,044,526
Other income	14	2,325,811	2,153,131
		<u>72,415,823</u>	<u>33,637,443</u>
<b>EXPENDITURE</b>			
Administrative and educational expenses	15	70,598,367	56,296,215
Depreciation of donor funded property and equipment	4	1,164,284	1,044,526
Exchange loss / (gain)		760,589	(6,925,200)
Finance cost	16	595,121	335,256
		<u>73,118,361</u>	<u>50,750,797</u>
<b>Surplus / (deficit) for the year</b>		<u>(702,538)</u>	<u>(17,113,354)</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(702,538)</u></u>	<u><u>(17,113,354)</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

*Review*

  
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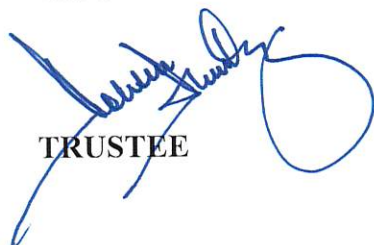
  
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**JAMSHED AKHTAR QURESHI EDUCATION TRUST**  
**STATEMENT OF CHANGES IN FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>General Fund</b>	<b>Endowment Fund</b>	<b>Total</b>
	----- Rupees -----		
Balance at July 01, 2022	19,827,359	19,131,841	38,959,200
(Deficit) / surplus for the year	(17,113,354)	5,722,000	(11,391,354)
Balance at June 30, 2023	2,714,005	24,853,841	27,567,846
(Deficit) / surplus for the year	(702,538)	3,753,000	3,050,462
Balance at June 30, 2024	<u>2,011,467</u>	<u>28,606,841</u>	<u>30,618,308</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

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**JAMSHED AKHTAR QURESHI EDUCATION TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus / (deficit) for the year		(702,538)	(17,113,354)
<b>Adjustments for non-cash income and expense items:</b>			
Depreciation	4	2,040,250	1,852,495
Amortisation of deferred capital grant	4	(1,164,284)	(1,044,526)
Exchange loss / (gain)		760,589	(6,925,200)
Gain on disposal of fixed asset		-	(7,569)
		<u>1,636,555</u>	<u>(6,124,800)</u>
		934,017	(23,238,154)
<b>Changes in working capital:</b>			
<b>Decrease in current assets</b>			
Advances, deposits and prepayments	6	4,080	349,960
Tax refund due from Government		8,175	-
<b>Increase in current liabilities</b>			
Trade and other payables	10	5,144,707	1,238,806
		<u>5,156,962</u>	<u>1,588,766</u>
Cash generated from / (used in) operations		6,090,979	(21,649,388)
Exchange (loss) / gain		(760,589)	6,925,200
Net cash generated from / (used in) operations		<u>5,330,390</u>	<u>(14,724,188)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	4	(2,736,387)	(3,736,650)
Proceeds from sale of fixed asset		-	22,937
Short term investment		-	14,000,000
Net cash (used in) / generated from investing activities		<u>(2,736,387)</u>	<u>10,286,287</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Additions to endowment fund	8	3,753,000	5,722,000
Deferred capital grant fund received	9	1,307,128	1,194,500
Net cash generated from financing activities		<u>5,060,128</u>	<u>6,916,500</u>
Net increase in cash and cash equivalents		7,654,131	2,478,599
Cash and cash equivalents at beginning of the year		28,336,361	25,857,762
Cash and cash equivalents at the end of the year	7	<u><u>35,990,492</u></u>	<u><u>28,336,361</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements. *Review*

  
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**JAMSHED AKHTAR QURESHI EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**1 LEGAL STATUS AND OBJECTIVES**

Jamshed Akhtar Qureshi Education Trust (The Trust) is a Non Government Organisation registered on October, 2000 under the Trust Act of 1882. The Trust has re-registered itself under Islamabad Capital Territory Charties Registration, Regulations and Facilitation Act, 2021 on June 26, 2024. The head office of the Organisation is located in Islamabad.

The objectives of the organisation are to:

- a) Promote literacy and primary education among poor children through a network of informal community based schools;
- b) Safeguard health of poor children;
- c) Enhance access to the formal school system;
- d) Promote awareness building and social mobilisation among poor communities towards self-help;
- e) Provide financial assistance to destitute students;
- f) Support programme to enhance income generations skills of girls and women; and
- g) Collaborate/link up with other organisation pursuing similar objectives.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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

- Accounting Standard for Not-for-Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.
- Revised Accounting and Financial Reporting Standards for Small-Sized Entities (AFRS for SMEs), 2018.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention and on the accrual basis of accounting other than the statement of cash flows.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupee (Rs. / Rupees), which is the functional and presentation currency of the Trust. Figures are rounded off to the nearest rupee.



## 2.4 Key judgements and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Trust's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.1 and 4
- Impairment loss of non-financial assets other than inventories – Note 3.2 and 4
- Estimation of provision - Note 3.5
- Estimation of contingent liabilities - Note 3.14 and 11

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1 Property and equipment

#### Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within "other income" in profit or loss.

Income of the trust other than surplus funds as defined in Sub-section 1A of section 100C is not subject to tax as 100% tax credit is available u/s 100C of Income Tax Ordinance, 2001. Surplus funds of trust as defined in Sub-Section 1A of Section 100C of Income Tax Ordinance, 2001 are subject to tax at the rate of 10%.

#### Subsequent expenditure

Major renewals and improvements are capitalised whereas normal repair and maintenance is charged to income and expenditure account as and when incurred. Capital expenditure exceeding Rs. 10,000 and having useful life over one year is capitalised.

#### Depreciation

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

Full month's depreciation is charged on additions during the month while no depreciation is charged on assets disposed of during the month. Depreciation methods, useful lives, and residual values are reassessed at the end of each reporting date.

### **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 Impairment of non-financial assets other than inventories**

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 amortisation, if no impairment loss had been recognised. The Trust recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## **3.3 Financial instruments**

### **Financial assets**

Financial assets are classified, at initial recognition and are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

#### **Amortised cost**

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss and fair value through OCI:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **Impairment of financial assets other than trade receivables**

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. 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.

## **Financial liabilities**

All financial liabilities are recognised at the time when the Trust becomes a party to the contractual provisions of the instrument.

## **Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Trust's financial liabilities include trade and other payables and loan from directors.

## **Subsequent measurement**

Subsequently financial liabilities are measured at amortised cost.

## **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **3.4 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability are offset against each other and the net amount is reported in the statement of financial position, if the Trust has a legally enforceable right to set off the recognised amounts and intends either to settle them on a net basis or to realise them simultaneously.

### **3.5 Provisions**

A provision is 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 the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Income of the trust other than surplus funds as defined in Sub-section 1A of section 100C is not subject to tax as 100% tax credit is available u/s 100C of Income Tax Ordinance, 2001. Surplus funds of trust as defined in Sub-Section 1A of Section 100C of Income Tax Ordinance, 2001 are subject to tax at the rate of 10%.

### **3.6 Finance income**

Interest income is recognised using the effective interest method.

### **3.7 Donations and grants**

Donations are recognised in the statement of income and expenditure at the time of receipt. Donations in kind are recognised at fair market value as and when these are received.

Grants are recognised, including non-monetary grants at fair value, on receipt basis and when there is reasonable assurance that the Trust will be able to comply with the conditions attaching to them. Grants receivable as compensation for expenses or losses already incurred or for the purpose of financial support with no future related costs are recognised as income for the period in which it is received. Grants related to capital expenditure, including non-monetary grants at fair value, are recognized on a systematic basis over the useful life of the asset.

### **3.8 Trade and other payables**

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 the goods and services received, whether or not billed to the Trust.

### **3.9 Bank balances**

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and balances with banks.

### **3.10 General fund**

Contributions made by the members of the Trust and donors, without any specific purpose or activity, are classified as unrestricted general funds. Accordingly, any income generated and expenses incurred with respect to normal operations of the Trust, which are not related to Specific funds/activities, are charged to statement of income and expenditure.

### **3.11 Endowment fund**

Endowment fund represents amounts received from the trustees or donated exclusively by the donors to the fund. The objective of the fund is to sustain the Trust. The fund is utilised in making investment or to pay for expenditures when the donor fund is insufficient.

### **3.12 Income**

- Donation income is recognised on receipt basis.
- Contribution to school rent/ school income is recognised on accrual basis.
- Income from interest on bank accounts is recognised on accrual basis.
- Restricted grants received for specific purpose are deferred when received and are recognised as income to the extent of actual expenditure incurred.
- The asset received are recorded as deferred capital grant which is recognised as income on a systematic basis over the useful life of the asset.

### **3.13 Expenditure**

Expenses are recorded when incurred.

### **3.14 Contingent liabilities**

A contingent liability is disclosed when the Trust has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Trust; or the Trust has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### **3.15 Foreign currency transactions and translation**

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary balance sheet items at year end exchange rates are recognised in statement of income and expenditure.

4 PROPERTY AND EQUIPMENT

Description	OWNED				Total	DONOR FUNDED				Total	Grand Total	
	Sheds/Steel pools	Office equipment	Furniture and fixtures	Computers and accessories		Sheds/Steel pools	Office equipment	Furniture and fixtures	Computers and accessories			Vehicles
Year ended June 30, 2024												
Net carrying value basis												
Opening book value	2,966,497	726,023	408,995	375,563	4,477,078	1,356,463	467,255	64,294	931,410	1,654,986	4,474,408	8,951,486
Additions during the year	1,247,022	60,989	121,248	-	1,429,259	-	468,628	120,000	718,500	-	1,307,128	2,736,387
Depreciation charge	(348,609)	(252,126)	(151,295)	(123,936)	(875,966)	(135,646)	(198,394)	(41,017)	(458,230)	(330,997)	(1,164,284)	(2,040,250)
Closing net book value	3,864,910	534,886	378,948	251,627	5,030,371	1,220,817	737,489	143,277	1,191,680	1,323,989	4,617,252	9,647,623

Gross carrying value basis												
Cost	6,715,526	1,252,250	856,672	1,260,484	10,084,932	1,547,091	1,037,378	222,100	2,230,650	3,042,865	8,080,084	18,165,016
Accumulated depreciation	(2,850,616)	(717,364)	(477,724)	(1,008,857)	(5,054,561)	(326,274)	(299,889)	(78,823)	(1,038,970)	(1,718,876)	(3,462,832)	(8,517,393)
Net book value	3,864,910	534,886	378,948	251,627	5,030,371	1,220,817	737,489	143,277	1,191,680	1,323,989	4,617,252	9,647,623

Year ended June 30, 2023												
Net carrying value basis												
Opening book value	1,305,804	637,789	216,816	597,856	2,758,265	1,507,181	109,160	45,669	592,458	2,069,966	4,324,434	7,082,699
Additions during the year	1,891,657	343,295	307,198	-	2,542,150	-	436,000	43,500	715,000	-	1,194,500	3,736,650
Deletions during the year	-	-	-	(15,368)	(15,368)	-	-	-	-	-	-	(15,368)
Depreciation charge	(230,964)	(255,061)	(115,019)	(206,925)	(807,969)	(150,718)	(77,905)	(24,875)	(376,048)	(414,980)	(1,044,526)	(1,852,495)
Closing net book value	2,966,497	726,023	408,995	375,563	4,477,078	1,356,463	467,255	64,294	931,410	1,654,986	4,474,408	8,951,486

Gross carrying value basis												
Cost	5,468,504	1,191,261	735,424	1,260,484	8,655,673	1,547,091	568,750	102,100	1,512,150	3,042,865	6,772,956	15,428,629
Accumulated depreciation	(2,502,007)	(465,238)	(326,429)	(884,921)	(4,178,595)	(190,628)	(101,495)	(37,806)	(580,740)	(1,387,879)	(2,298,548)	(6,477,143)
Net book value	2,966,497	726,023	408,995	375,563	4,477,078	1,356,463	467,255	64,294	931,410	1,654,986	4,474,408	8,951,486

Annual rate of Depreciation (%)	10	33	33	33	33	10	33	33	33	33	20
Depreciation has been allocated as follows:											
Amortisation of deferred capital grant	8	1,164,284	1,044,526								
Administrative expenses	15	875,966	807,969								
		2,040,250	1,852,495								

*Handwritten note:* 1,852,495

	Note	2024 Rupees	2023 Rupees
<b>5 TAX REFUND DUE FROM GOVERNMENT</b>			
Advance tax paid	15.1	-	604
Tax due from government		-	7,571
		<u>-</u>	<u>8,175</u>

**6 ADVANCE, DEPOSITS AND PREPAYMENTS**

Prepaid rent		219,567	217,837
Security deposit against rent		50,000	50,000
Advance against staff salary		23,000	27,500
Others		-	1,310
		<u>292,567</u>	<u>296,647</u>

**7 BANK BALANCES**

Balance with bank			
Savings account;			
- Local currency		13,159,174	4,746,233
- Foreign currency		22,831,318	23,590,128
	7.1	<u>35,990,492</u>	<u>28,336,361</u>

7.1 The effective interest rate on saving account ranges from 20% to 21% (2023: 12% to 14.50% annually).

	Note	2024 Rupees	2023 Rupees
<b>8 FUND</b>			
Endowment fund	8.1	28,606,841	24,853,841
General fund		2,011,467	2,714,005
		<u>30,618,308</u>	<u>27,567,846</u>
8.1 Opening balance		24,853,841	19,131,841
Funds received during the year		3,753,000	5,722,000
Closing balance	8.1.1	<u>28,606,841</u>	<u>24,853,841</u>

8.1.1 This represents amounts received from the trustees or donated exclusively by the donors to the fund. The objective of the fund is to sustain the Trust. The fund is utilised in making investment or to pay for expenditures when the donor fund is insufficient. During the year, amounting to USD 13,500 (2023: USD 20,000) has been received from Pehli Kiran School - United States of America as an endowment fund.

*Review.*

	Note	2024 Rupees	2023 Rupees
<b>9 DEFERRED CAPITAL GRANT</b>			
Balances at beginning of the year		4,474,408	4,324,434
Additions during the year	4	1,307,128	1,194,500
		<u>5,781,536</u>	<u>5,518,934</u>
Less:			
Amortisation during the year		(1,164,284)	(1,044,526)
Disposals during the year		-	-
Balances at end of the year		<u>4,617,252</u>	<u>4,474,408</u>

## 10 TRADE AND OTHER PAYABLES

Accrued expenses		6,724,327	310,839
Security deposit payable	10.1	3,845,463	2,730,120
Trade payable		108,500	2,509,456
Withholding tax payable		16,832	-
		<u>10,695,122</u>	<u>5,550,415</u>

10.1 This represents amount deducted from the salaries of employees payable at the time of resignation of employees held as security.

## 11 CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

The Trust has no contingent liabilities as at June 30, 2024 (2023: Nil).

### 11.2 Commitments

The Trust has no capital commitments as at June 30, 2024 (2023: Nil).

	Note	2024 Rupees	2023 Rupees
<b>12 DONATIONS</b>			
Local donation		18,828,458	13,051,188
Foreign donation	12.1	44,062,000	13,290,000
Donation in kind	12.2	1,481,080	386,858
		<u>64,371,538</u>	<u>26,728,046</u>

12.1 This represents funds received from Pehli Kiran Schools USA for the purpose of provision of high quality and low cost education to poor communities in Pakistan.

12.2 This mainly represent donation received in form of uniform, text book and batteries for solar panels. These are valued by management on the basis of market price.



	Note	2024 Rupees	2023 Rupees
<b>13 SCHOOL INCOME</b>			
Monthly school fee		4,337,890	3,463,290
Admission fee		61,200	103,950
Computer center fee		76,900	78,900
Stitching center		56,600	65,600
Handicraft		21,600	-
		<u>4,554,190</u>	<u>3,711,740</u>
<b>14 OTHER INCOME</b>			
<b>From financial assets</b>			
Profit on bank deposits		2,182,815	1,335,849
<b>From assets other than financial assets</b>			
Gain on disposal of assets		-	7,569
Profit on short term investment		-	421,961
Liabilities written back	14.1	<u>142,996</u>	<u>387,752</u>
		<u>2,325,811</u>	<u>2,153,131</u>

14.1 This represents security deposit deducted from salaries of employees. These are written-off during the year for not serving adequate notice period at the time of resignation.

	Note	2024 Rupees	2023 Rupees
<b>15 ADMINISTRATIVE AND EDUCATIONAL EXPENSES</b>			
Salaries and benefits		48,312,133	34,088,170
Rent		4,041,940	3,054,462
Food supplements		2,636,626	1,006,100
Books, stationery and teaching		2,167,087	9,417,408
Ration distribution		1,924,135	-
School uniform		1,840,547	1,436,581
Transportation		1,582,371	984,614
School supplies/equipment		1,231,834	1,249,761
Events		919,976	580,239
Utilities		910,181	507,364
Depreciation	4	875,966	807,969
Repair and maintenance		800,386	732,809
Professional and legal		778,740	36,950
Tax expense	15.1	781,022	-
Scholarship expense		442,450	281,702
Staff development and quality enhancement		416,738	1,300,676
Office supplies/equipment		397,493	245,993

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	<b>2024</b>	<b>2023</b>
	<b>Rupees</b>	<b>Rupees</b>
Sports equipment	190,000	145,942
PKL supplies & equipment	188,542	198,295
Taleemabad Project	160,200	210,220
Communication expenses	-	1,200
PKS Scholarships	-	9,760
	<u>70,598,367</u>	<u>56,296,215</u>

15.1 This represents an income tax expense in respect of payments made under Section 147 of the Income Tax Ordinance, 2001, for the second quarter of the tax year 2024.

	<b>2024</b>	<b>2023</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>16 FINANCE COST</b>		
Bank charges	<u>595,121</u>	<u>335,256</u>

## 17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Trust is 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, set appropriate risk limits and controls, and 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 Trustees oversee 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. The management of the Trust undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Trustees.

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

- credit risk
- liquidity risk
- market risk

The Trust finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

## 17.1 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 without taking into account the fair value of any collateral.

### (a) Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	Note	2024 Rupees	2023 Rupees
Advance and deposits	6	73,000	78,810
Bank balances	7	35,990,492	28,336,361
		<u>36,063,492</u>	<u>28,415,171</u>

To manage exposure to credit risk in respect of financial assets, management performs credit reviews taking into account the third party's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

	Ratings	2024 Rupees	2023 Rupees
Muslim Commercial Bank	A1+	35,990,492	28,336,361

### Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Trust's performance to developments affecting a particular industry. The Trust believes that it is not exposed to major concentration of credit risk.

### Impaired assets

During the year no assets have been impaired.

## 17.2 Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting 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 stress conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. The Trust uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Trust ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	2024			2023		
	Upto one year	After one	Total	Upto one year	After one	Total
	-----Rupees-----					
Trade and other payables	10,695,122	-	10,695,122	5,550,415	-	5,550,415

## 17.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Trust is exposed to currency risk.

### (a) Currency risk

#### (i) Exposure to currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises in financial instruments that are denominated in foreign currencies i.e. in a currency other than the functional currency in which they are measured.

At the year end, the Trust is exposed to foreign currency risk since bank balances in foreign currency i.e. US Dollars are translated to Pak Ruppes at year end.

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's interest rate risk arises from borrowings and obligations under finance lease. These are benchmarked to variable rates which expose the Trust to cash flow interest rate risk.

At the year end, the Trust is not exposed to any interest risk since the Trust's financial assets and liabilities are non-interest bearing.

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(c) **Other price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in

At the year end the Trust is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

(d) The Trust is not exposed to any other type of market price risks.

*False.*

18 FINANCIAL ASSETS AND LIABILITIES

Total	Interest/markup bearing		Sub-total	Not interest/ markup bearing
	Maturity upto one year	Maturity after one year		
Rupees				
<b>June 30, 2024</b>				
<b>Financial assets carried at amortized cost</b>				
Bank balances	35,990,492	35,990,492	-	-
Advance and deposits	73,000	73,000	-	-
	36,063,492	36,063,492	36,063,492	-
<b>Financial liabilities carried at amortized cost</b>				
Trade and other payables	10,678,290	-	-	10,678,290
	10,678,290	-	-	10,678,290
<b>On statement of financial position gap</b>	46,741,782	36,063,492	36,063,492	10,678,290
<b>Off statement of financial position items</b>				
Financial commitments	-	-	-	-
<b>Total gap</b>	46,741,782	36,063,492	36,063,492	10,678,290
<b>June 30, 2023</b>				
<b>Financial assets carried at amortized cost</b>				
Bank balances	28,336,361	28,336,361	-	-
Advance and deposits	78,810	78,810	-	-
	28,336,361	28,336,361	28,336,361	-
<b>Financial liabilities carried at amortized cost</b>				
Trade and other payables	5,550,415	-	-	5,550,415
	5,550,415	-	-	5,550,415
<b>On statement of financial position gap</b>	33,886,776	28,336,361	28,336,361	5,550,415
<b>Off statement of financial position items</b>				
Financial commitments	-	-	-	-
<b>Total gap</b>	33,886,776	28,336,361	28,336,361	5,550,415

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**19 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

No remuneration or benefits have been paid to Managing trustee and trustees.

**20 NUMBER OF EMPLOYEES**

The number of employees as at year end were 149 (2023: 127), comprising 102 full-time employees (2023: 92) and 47 part-time employees (2023: 35). The average number of employees during the year were 140 (2023: 120).

**21 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and reclassified, where as necessary, to facilitate comparisons. Significant re-classifications made during the year are as follow:

Description	Reclassified from	Reclassified to	2024 Rupees	2023 Rupees
Other payables	Other payables (presented on face of financial position)	Trade and other payables	3,845,463	2,730,120
Bank charges	Administrative and educational expense	Finance cost	595,121	335,256

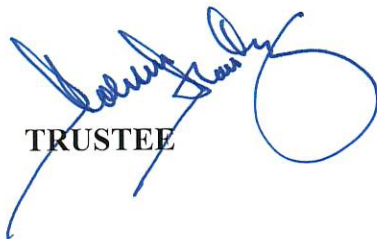
**22 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements are authorized for issue by the Board of Trustees of the trust on 07 JAN 2025.

**23 GENERAL**

Figures have been rounded off to the nearest rupee.

*Reserv.*



TRUSTEE



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