MEDICAL EMERGENCY RESILIENCE FOUNDATION

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

ILYAS SAEED & CO.
CHARTERED ACCOUNTANTS
A member of
mgiworldwide

OFFICE # 26, 2ND FLOOR, ROSE PLAZA, I – 8 MARKAZ, ISLAMABAD
PH : (+92) 051 – 4938026 & 051 – 4938027, FAX : (+92) 051 – 4938028

Office # 26, 2nd Floor,
Rose Plaza, I-8 Markaz,
Islamabad - Pakistan
Phone: +92-51-4938026 / 27
E-mail: info.isd@ilyassaeed.com
www.ilyassaeed.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEDICAL EMERGENCY RESILIENCE FOUNDATION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Medical Emergency Resilience Foundation (the Foundation), which comprise the statement of financial position as at June 30, 2024 and the related income and expenditure account, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanation given to us, the statement of financial position, the income and expenditure account, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and financial reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017) in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2024 and of the surplus and comprehensive income, its cash flows and changes in funds for the year then ended.

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 Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are independent of the Foundation 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 does not include the financial statements and our auditor's 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 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 not been provided with any other information and thus, we have nothing to report in this regard.

Responsibilities Of The Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and financial reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Foundation'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 the 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 the 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 Foundation's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the 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 Foundation'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 Foundation 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 management 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 account have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the income and expenditure account, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows 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 account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's business; and

d) no Zakat was deductible at source under Zakat & Ushr Ordinance, 1980 (XVIII of 1980).

Engagement partner on the audit resulting in this independent auditor's report is Imran Ilyas.

Ilyas Saeed & Co.

CHARTERED ACCOUNTANTS
UDIN: AR202410247LvCaV7t96
ISLAMABAD: 22/04/2025.

MEDICAL EMERGENCY RESILIENCE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

ASSETS	NOTE	2024 RUPEES	2023 RUPEES
Non-Current Assets			
Property, plant and equipment	6	2,399,109	26,251
Right-of-use assets	7	4,272,155	11,107,602
		6,671,264	11,133,853
Current Assets			
Advances	8	4,113,127	4,733,414
Deposits, receivables and prepayments	9	1,011,804,902	566,027,837
Cash and bank	10	761,006,795	709,749,169
		1,776,924,824	1,280,510,420
TOTAL ASSETS		1,783,596,087	1,291,644,273
FUNDS AND LIABILITIES			
Funds			
Accumulated surplus	SCF	205,183,628	138,730,091
Restricted funds	11	375,327,181	500,920,764
		580,510,809	639,650,855
Non-Current Liabilities			
Deferred income	12	-	1
Lease liability	13	-	3,365,965
		-	3,365,966
Current Liabilities			
Current portion of lease liability	13	3,365,965	6,818,433
Trade and other payables	14	1,199,719,313	641,809,020
Provision for taxation	15	-	-
		1,203,085,278	648,627,453
TOTAL FUNDS AND LIABILITIES		1,783,596,087	1,291,644,273
Contingencies and Commitments	16	-	-

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE ____________ **DIRECTOR** ____________

MEDICAL EMERGENCY RESILIENCE FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2024

PARTICULARS	NOTE	2024 RUPEES	2023 RUPEES
INCOME			
Grants	17	**5,182,311,229**	3,484,733,071
Management fee	18	**68,804,733**	107,508,692
Other income	19	**64,703,187**	30,383,346
Amortized income	20	**1**	108,531
		5,315,819,150	3,622,733,640
EXPENDITURE			
Project expenses	21	**(5,182,311,229)**	(3,484,733,071)
Administrative and general expenses	22	**(67,054,384)**	(77,609,756)
		(5,249,365,613)	(3,562,342,827)
Operating surplus before taxation		**66,453,537**	60,390,812
Taxation	23	-	-
NET SURPLUS FOR THE YEAR		**66,453,537**	60,390,812

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE ____________ **DIRECTOR** ____________

MEDICAL EMERGENCY RESILIENCE FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

PARTICULARS	NOTE	2024 RUPEES	2023 RUPEES
Surplus for the year		**66,453,537**	60,390,812
Other comprehensive income:			
Items that will not be reclassified to income and expenditure account		-	-
Items that will be reclassified to income and expenditure account		-	-
TOTAL COMPREHENSIVE INCOME		**66,453,537**	60,390,812

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE ______________ **DIRECTOR** ______________

MEDICAL EMERGENCY RESILIENCE FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

PARTICULARS	RESTRICTED FUNDS RUPEES	ACCUMULATED SURPLUS RUPEES	TOTAL RUPEES
Balance as at July 01, 2022	234,470,286	78,339,279	312,809,565
Surplus for the year	-	60,390,812	60,390,812
Restricted funds received - Net	123,923,251	-	123,923,251
Due from donors - Net	142,527,228	-	142,527,228
Balance as at June 30, 2023	500,920,764	138,730,091	639,650,855
Balance as at July 01, 2023	500,920,764	138,730,091	639,650,855
Surplus for the year	-	66,453,537	66,453,537
Restricted funds received - Net	(441,749,382)	-	(441,749,382)
Due from donors - Net	316,155,799	-	316,155,799
BALANCE AS AT JUNE 30, 2024	**375,327,181**	**205,183,628**	**580,510,809**

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE ____________ DIRECTOR ____________

MEDICAL EMERGENCY RESILIENCE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

PARTICULARS	NOTE	2024 RUPEES	2023 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES			
Net surplus for the year	I&E	66,453,537	60,390,812
Adjustments for non cash items:			
Depreciation	6	7,651,580	7,258,979
Finance cost	22	1,588,768	683,929
Amortized income	20	(1)	(108,531)
Operating cash flow before working capital changes		75,693,884	68,225,189
Working capital changes:			
(Increase) / decrease in current assets			
Advances	8	620,287	(1,405,088)
Deposits, receivables and prepayments	9	(445,777,065)	(161,443,548)
Increase / (decrease) in current liabilities			
Trade and other payables	14	557,910,293	381,069,068
Net working capital changes		112,753,515	218,220,432
Cash flow from operations		188,447,400	286,445,621
Less: Taxes paid	15	-	-
Net Cash Flow From Operating Activities	(A)	188,447,400	286,445,621
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(3,188,990)	-
Net Cash Flow From Investing Activities	(B)	(3,188,990)	-
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability	13	(6,818,432)	(6,756,071)
Finance cost paid	22	(1,588,768)	(683,929)
(Decrease) / increase in restricted funds	11	(125,593,583)	266,450,478
Net Cash Flow From Financing Activities	(C)	(134,000,783)	259,010,478
Net changes in cash and equivalents during the year	(A+B+C)	51,257,626	545,456,099
Cash and equivalents at the start of the year		709,749,169	164,293,070
CASH & EQUIVALENTS AT END OF YEAR	10	761,006,795	709,749,169

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE ______________ DIRECTOR ______________

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND OPERATIONS

Medical Emergency Resilience Foundation (the "Foundation") was incorporated in Pakistan on November 02, 2015 as a 'Company Limited by Guarantee' under Section 42 of the repealed Companies Ordinance, 1984, now, the Companies Act, 2017 under CUIN # 0095958. The registered office of the Foundation is situated at 1st Floor, Plot # 40-A, I&T Center, Sector G-8/1, Islamabad. All assets of the Foundation are also located in Islamabad, Pakistan.

The main objective of the Foundation is to improve health status of population by human resource development through capacity building and strengthening the health system including effective management of health information system and efficient supply chain system for better health outcomes. It also aimed at improving hospitals, rural health centers, basic health units and support provision in case of emergencies delivering relief in response to a natural and man made disaster including health and nutrition services.

1.1 Geographical locations and addresses of business units

The registered office of the Foundation is situated at 1st Floor, Plot # 40-A, I&T Center, Sector G-8/1, Islamabad. The other business units / operations are situated / carried at the following districts:

1 Islamabad
2 Peshawar
2.1 Orakzai – Mishti Mela
2.2 Orakzai – Ghiljo
2.3 Mohmand
2.4 Kurram
2.5 Khyber
2.6 Bajaur
2.7 North Waziristan
2.8 South Waziristan
2.9 Bannu
2.10 Lakki Marwat
2.11 Tank
2.12 Tor Ghar
2.13 Karak
3 Sindh
3.1 Karachi
3.2 Thatta
3.3 Sujawal
4 Balochistan
4.1 Quetta
4.2 Kalat
4.3 Lasbela
4.4 Surab

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and the Accounting & Reporting Standards for Not For Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 and the provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or AFRS for NPOs, the provisions of and / or directives issued under the Companies Act, 2017

3 BASIS OF PREPARATION

3.1 Measurement

These financial statements have been prepared under the historical cost convention on accrual basis except for the amounts reflected in the statement of cash flows.

3.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying Foundation's accounting policies. 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. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements are:

a) Useful lives and residual values of property, plant and equipment

The Foundation reviews the useful lives of property and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property and equipment with a corresponding effect on the depreciation charge / impairment.

b) Impairment

The management reviews the carrying amounts of the assets including receivables and advances for possible impairment and makes formal estimates of recoverable amounts if there is any such indication of impairment.

c) Provision for advances and other receivables

The management reviews carrying amounts of advances & receivables on a regular basis and if there is any doubt about the recovery of these receivables, appropriate provisioning is made.

d) Provisions

Provisions are based on best estimates of the expenditure required to settle the present obligation at the reporting date i.e. the amount that the Foundation would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

e) Taxation

The Foundation takes into account the current income tax law and the decisions taken by the appellate authorities. Instances where the Foundation's view differs from the view taken by the income tax department at the assessment stage and where the Foundation considers that its views on items of material nature are in accordance with the law, the amounts are shown as contingent liabilities.

The income of the Foundation, under Section 100C of the Income Tax Ordinance, 2001 is allowed 100% tax credit subject to fulfilment of certain requirements as set forth by the Federal Board of Revenue. The Foundation has successfully secured the tax exemption as per the aforementioned Section. Consequently, no provision for taxation has been made in these financial statements.

3.3 Functional and presentation currency

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

3.4 Statement of cash flows

The statement of cash flows is prepared using indirect method.

4 INITIAL APPLICATION OF NEW STANDARDS AND INTERPRETATIONS

4.1 Amendments to accounting and reporting standards and interpretations which are effective during the year ended June 30, 2024

The following new standards and interpretations of and amendments to existing published accounting and reporting standards will be effective from thc datcs mentioned below against the respective standard, interpretation or amendment:

Standards, interpretations and amendments	Effective date
Amendments to IAS 1 'Presentation of Financial Statements Disclousre of Accounting Polices.	January 01, 2024

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates.	January 01, 2024

Certain improvements have also been made to a number of IFRS which are not applicable.

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

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

Amendments to IAS 1 'Presentation of Financial Statements' Non Current Liability with Covenants.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' Classification of liabilities as current or non-current.	January 01, 2024
Amendments to IFRS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024
Amendments to IAS 21 'The effects of changes in Foreign Exchange Rates - Lack of Exchangeability.	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures'	January 01, 2026
Amendments to IFRS 17 'Insurance Contracts	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments	January 01, 2026

5 MATERIAL ACCOUNTING POLICIES INFORMATION

Material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

5.1 Property, Plant And Equipment

a) Donated Assets

Fixed assets received as donation in kind are recognized as property & equipment at the time of acquisition at fair value and the corresponding amount is credited to deferred income. Renewals and replacements are recognized in the carrying amounts of the property and equipment if it is probable that future embodied economic benefits will flow to the Foundation. Other maintenance and repairs are charged to the income and expenditure account. Gain or loss on disposal is taken to the income and expenditure account.

Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases the date when the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. Depreciation is calculated on a straight line basis and charged to income and expenditure account so as to write off the depreciable amount of each asset over its estimated useful life at the rate specified in note 6.

The carrying amounts are reviewed at each reporting date to assess whether these are recorded in excess of their recoverable amounts and where carrying value exceeds estimated recoverable amount, these are written down to their estimated recoverable amount.

b) Owned Assets

Fixed assets purchased from the Foundation's own funds for own use are capitalized and are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes expenditure that are directly attributable to the acquisition of items of fixed assets.

Depreciation is calculated on straight line basis and charged to income and expenditure account so as to write off the depreciable amount of each asset over its estimated useful life at the rate specified in note 6. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases the date when the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Renewals and replacements are recognized in the carrying amounts of the property and equipment if it is probable that future embodied economic benefits will flow to the Foundation. Other maintenance and repairs are charged to the income and expenditure account. Gain or loss on disposal is taken to the income and expenditure account.

5.2 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises initial amount of lease liability, adjusted for, as applicable, any lease payments made at or before commencement date net of any lease incentives received, any initial direct costs incurred and, except where included in cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

5.3 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

5.4 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

5.4.1 Financial Assets

Classification

The Foundation classifies its financial assets in the following measurement categories:

i) amortized cost where the effective interest rate method will apply;
ii) fair value through profit or loss;
iii) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in income and expenditure account or other comprehensive income (OCI). For investment in equity instruments, if any, that are not held for trading, this will depend on whether the Foundation has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Foundation reclassifies debt investments, if any, when and only when its' business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Foundation commits to purchase or sell the asset. Further, financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred or the Foundation has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Foundation measures financial asset at it's fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed during the year.

Debt instruments

Subsequent measurement of debt instruments, if any, depends on the Foundation's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Foundation classifies its debt instruments:

a) Amortized cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal or principal and interest, are measured at amortized cost. Interest income, if any, from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in income and expenditure account and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in income & expenditure account.

b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amounts are taken through OCI except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to income and recognized in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the income & expenditure account.

c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through income & expenditure account. Gain or loss on a debt investment that is subsequently measured at fair value through income & expenditure account is recognized in income and presented in finance income / cost in the period in which it arises.

Equity instruments

The Foundation subsequently measures all equity investments at fair value. Where the

Foundation's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income and expenditure account following the derecognition of the investment. Dividends from such investments continue to be recognized in income and expenditure account as other income when the Foundation's right to receive payments is established.

Impairment of financial assets

The Foundation assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts, deposits and bank balances carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are the financial instruments that are subject to the ECL model:
- Deposits
- Bank Balances

General approach for deposits and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counter party, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 months expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change and expected credit losses are rebased from 12 months to lifetime.

Significant increase in credit risk

The Foundation considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, the Foundation compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

Definition of default

The Foundation considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.
- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Foundation, in full (without taking into account any collaterals held by the Foundation).

Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

5.4.2 Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified into the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Foundation determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held-for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Foundation has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing, are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in income and expenditure account for the year, when the liabilities are derecognized as well as through effective interest rate amortization process.

Derecognition of financial liabilities

The Foundation derecognizes financial liabilities when and only when the Foundation's obligations are discharged, cancelled or expires.

5.4.3 Off setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amounts are presented in the statement of financial position if there is a currently enforceable legal right to offset the recognized amount and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

5.5 Impairment

Financial assets

The Foundation assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on estimated future cash flows of financial asset or a group of financial assets that can be reliably estimated.

All impairment losses are recognized in income and expenditure account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss was recognized.

Non - financial assets

Assets that are subject to depreciation are reviewed for impairment at each reporting date or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

5.6 Cash And Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to the known amounts of cash and are subject to an insignificant risk of change in value.

5.7 Trade Debts And Other Receivables

Measurement
Trade receivables and other receivables are recognized at transaction price less an allowance for impairment / bad debts.

Impairment
A provision for impairment of trade receivables is established when there is an objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables. The amount of provision is recognized in the income and expenditure account. Bad debts are written-off when identified.

5.8 Advances, Deposits And Other Receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit losses, if any.

5.9 Restricted Funds

Funds received as grants for specific purposes are classified as restricted funds with separate accounting records being maintained for each and every account / project.

5.10 Trade And Other Payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Foundation.

5.11 Income Recognition

Grants and donations in kind are recognized when goods become available for distribution on the basis of performa invoices submitted by the donor. Un-restricted grants are included in income when received. Restricted grants / funds are recognized in the statement of financial position at the time of receipt. Restricted grant in kind is recognized in income and expenditure account to the extent of relief activities / distribution undertaken by the Foundation. Restricted grant in cash is recognized to the extent of project expenditure incurred.

5.12 Provisions And Contingencies

Provisions are recognized when the Foundation has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed till the possibility of the outflow remians

5.13 Related Party Transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Foundation to

5.14 Taxation

The income of the Foundation, under Section 100C of the Income Tax Ordinance, 2001 is allowed 100% tax credit subject to fulfilments of certain requirements as set forth in Section 100C. The Foundation has successfully secured the tax exemption as per the aforementioned Section. Consequently, no provision for taxation has been made in these financial statements.

5.15 Employees' Benefits

The Foundation entitles gratuity to its' staff on completion of three months employment, equivalent to one month's salary calculated on the basis of proportionate monthly salary. Staff leaving prior to completion of calendar year will be compensated by gratuity on pro-rata basis. In case of any misconduct, the Foundation will hold employee's gratuity. Staff working with the Foundation through public private partnership / contracting out will only be eligible for gratuity until and unless budgeted and instructed by the relevant provincial government. Contracting out staff recruited against the sanctioned vacant positions are given lump sum salary inclusive of all benefits i.e. salary and medical and health allowances. The liability of the Foundation is limited to the amount calculated based on the formula i.e. One Month Salary X Service Period and is payable at the completion of each year.

	NOTE	2024 RUPEES	2023 RUPEES

6 PROPERTY, PLANT AND EQUIPMENT

	NOTE	2024 RUPEES	2023 RUPEES
Donated assets	6.1	-	1
Owned assets	6.2	2,399,109	26,250
		2,399,109	26,251

6.1 Donated Assets

PARTICULARS	FURNITURE & FIXTURE	OFFICE & ELECTRICAL EQUIPMENT	COMPUTERS & ACCESSORY	TOTAL
Cost	RUPEES	RUPEES	RUPEES	RUPEES
Balance as at June 30, 2022	698,000	1,038,500	1,120,000	2,856,500
Additions during the year	-	-	-	-
Balance as at June 30, 2023	698,000	1,038,500	1,120,000	2,856,500
Additions during the year	-	-	-	-
Balance as at June 30, 2024	698,000	1,038,500	1,120,000	2,856,500
Depreciation				
Balance as at June 30, 2022	654,375	973,594	1,119,999	2,747,968
Charge for the year	43,625	64,906	-	108,531
Balance as at June 30, 2023	698,000	1,038,500	1,119,999	2,856,499
Charge for the year	-	-	1	1
Balance as at June 30, 2024	698,000	1,038,500	1,120,000	2,856,500
W.D.V. as at June 30, 2023	-	-	1	1
W.D.V. as at June 30, 2024	-	-	-	-

6.2 Owned Assets

PARTICULARS	FURNITURE & FIXTURE	OFFICE & ELECTRICAL EQUIPMENT	COMPUTERS & ACCESSORY	TOTAL
Cost	RUPEES	RUPEES	RUPEES	RUPEES
Balance as at June 30, 2022	-	2,100,000	-	2,100,000
Additions during the year	-	-	-	-
Balance as at June 30, 2023	-	2,100,000	-	2,100,000
Additions during the year	-	322,990	2,866,000	3,188,990
Balance as at June 30, 2024	-	2,422,990	2,866,000	5,288,990
Depreciation				
Balance as at June 30, 2022	-	1,758,750	-	1,758,750
Charge for the year	-	315,000	-	315,000
Balance as at June 30, 2023	-	2,073,750	-	2,073,750
Charge for the year	-	70,661	745,470	816,131
Balance as at June 30, 2024	-	2,144,411	745,470	2,889,881
W.D.V. as at June 30, 2023	-	26,250	-	26,250
W.D.V. as at June 30, 2024	-	**278,579**	**2,120,530**	**2,399,109**

6.3 Depreciation rate (%)

	FURNITURE & FIXTURE	OFFICE & ELECTRICAL EQUIPMENT	COMPUTERS & ACCESSORY
Depreciation rate (%)	15%	15%	33%

	NOTE	2024 RUPEES	2023 RUPEES
6.4 Depreciation charged for the year			
Donated assets	6.1	1	108,531
Owned assets	6.2	816,131	315,000
		816,132	423,531

6.5 Depreciation is charged to general and administrative expenses only.

7 RIGHT-OF-USE-ASSETS - Building

	NOTE	2024 RUPEES	2023 RUPEES
Opening Balance		11,107,602	17,943,050
Addition during the year		-	-
Less: Depreciation during the year - Projects	21	(6,835,448)	(4,689,566)
Less: Depreciation during the year - Admin.	22	-	(2,145,882)
Reassesment increase / (decrease)		-	-
Closing balance		4,272,155	11,107,602

7.1 Lease of building

The Lease Agreement of Islamabad Office was made on November 29, 2021 between Mr. Muhammad Awais Khan & Mr. Mohammad Atif and the Foundation. The period of this lease was fixed for 36 months with effect from February 16, 2022 to February 15, 2025. The monthly rent of the said premise is Rs. 620,000/- (Rupees Six Hundred And Twenty Thousand Only) inclusive of all taxes, payable in advance on quarterly basis for the duration of the Lease Agreement. The rent was increased by 10% after 21 months.

8 ADVANCES - unsecured - considered good

	NOTE	2024 RUPEES	2023 RUPEES
Advances to employees	8.1	5,112,229	5,732,516
Less: Provision for bad debts	8.2	(999,102)	(999,102)
		4,113,127	4,733,414

8.1 These interest free business advances represent the amounts given to employees for incurring day to day project expenditure during the project execution in the fields.

8.2 Provision for bad debts is calculated as per the following table:

Period	Amount	Allowance	2024	2023
0 - 1 month	446,598	0%	-	-
1 - 6 months	1,001,350	0%	-	-
6 - 12 months	2,692,100	1%	26,921	16,715
Over 1 year	972,181	100%	972,181	982,387
	5,112,229		999,102	999,102

8.3 The probability of expected credit losses is limited as the employees work under contractual arrangements and the recoveries, if any, may be made at the time of final settlement.

	NOTE	2024 RUPEES	2023 RUPEES

9 DEPOSITS, RECEIVABLES AND PREPAYMENTS - unsecured - considered good

	NOTE	2024	2023
Security deposits	9.1	**200,390,410**	88,168,914
Other receivables	9.2	**790,101,927**	473,946,129
Prepayments	9.3	**21,312,564**	3,912,794
		1,011,804,902	566,027,837

9.1 Security deposits

	NOTE	2024	2023
Gross amount due	9.1.1	**200,390,410**	88,168,914
Less: Impairment / expected credit losses	9.1.2	-	-
		200,390,410	88,168,914

9.1.1 Security deposits represent the amounts deposited with property owners under lease agreements, fuel stations and call deposit receipts issued in favor of various organizations.

9.1.2 No impairment allowance for expected credit loss is required to be provided for during the year. The aging analysis of security deposits is as follows:

Period	2024	2023
0 - 1 month	-	2,453,000
1 - 6 months	**431,179**	20,543,119
6 - 9 months	**172,653,581**	2,004,000
Over 9 months	**27,305,650**	63,168,795
	200,390,410	88,168,914

9.2 Other receivables represent the amounts spent by the Foundation for project activities. These amounts are receivable from the project donors.

9.3 Prepayments represent the amounts paid in advance for renovation and construction works at different offices and also include the amounts paid for purchase of medicines, consumables and medical equipment's for health facilities and health oriented projects.

10 CASH AND BANK

	NOTE	2024	2023
Cash in hand		**2,693,347**	1,631,383
Cash at bank - current accounts		**271,420,488**	648,392,809
Cash at bank - saving accounts	10.1	**486,892,960**	59,724,977
		761,006,795	709,749,169

10.1 Profit rates on saving bank accounts range between 13.94% to 17.75% per annum.

10.2 Cash in hand and cash at banks equal to the cash and cash equivalents in the statement of cash flows and approximate to the fair value as represented in the statement of financial position.

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

11 RESTRICTED FUNDS - Schedule

Project Name	Donor	As at July 01, 2023						As at June 30, 2024	
		Opening grants received in advance	Opening grants receivable	Grant received	Project expenditure incurred	Transferred to / (from) income & expenditure account	Net movement during the year	Closing grants received in advance	Closing grant receivable
		A	*B*	*C*	*D*	*E*	*F*	*G*	*H*
		RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Contract Under Public Private Partnership SINDH	Government of Sindh	25,471,099	-	1,042,236,000	(1,025,827,816)	16,408,184	16,408,184	41,879,283	-
Contract Under Public Private Partnership- Mishti Mela, District Orakzai	Government of KPK	-	(113,077)	-	-	-	-	-	(113,077)
Contract Under Public Private Partnership- Mishti Mela, District Orakzai 2022-26	Government of KPK	-	(8,706,092)	150,145,619	(229,697,462)	(79,551,843)	(79,551,843)	-	(88,257,935)
Contract under Public Private Partnership- Dogar, District Kurram	Government of KPK	-	(92,810,652)	107,362,884	(111,836,471)	(4,473,587)	(4,473,587)	-	(97,284,239)
Contract under Public Private Partnership- Ghiljo, District Orakzai	Government of KPK	-	(83,174,769)	38,028,285	(92,480,007)	(54,451,722)	(54,451,722)	-	(137,626,490)
Contract under Public Private Partnership- Mola Khan Srai Sarokai, District South Waziristan	Government of KPK	-	(100,931,858)	142,318,309	(122,328,219)	19,990,091	19,990,091	-	(80,941,767)
Contract under Public Private Partnership- Mamad Gat, District Mohmand	Government of KPK	-	(79,265,245)	80,446,965	(80,409,649)	37,316	37,316	-	(79,227,930)
Contract under Public Private Partnership- WANA, District South Waziristan	Government of KPK	80,143,563	-	134,638,403	(347,124,984)	(212,486,581)	(212,486,581)	-	(132,343,018)
Contract under Public Private Partnership- Bazar Zaka Khel, District Khyber	Government of KPK	2,785,986	-	35,106,869	(86,011,968)	(50,905,099)	(50,905,099)	-	(48,119,113)
WFP - Ehsas Nashonuma Stunting Prevention Program - KALAT and Surab	The World Food Programme	538,379	-	-	-	-	-	538,379	-
WFP - Ehsas Nashonuma Stunting Prevention Program - LASBELA	The World Food Programme	11,070,276	-	-	-	-	-	11,070,276	-
International Medical Corps	International Medical Corps	1,720,253	-	-	-	-	-	1,720,253	-
WB- COVID HOSPITAL NISHTARABAD	WB-(World Bank)	-	(15,435,651)	221,852,630	(233,929,708)	(12,077,078)	(12,077,078)	-	(27,512,729)
UNICEF Funded- Social Mobilization and Community Outreach Activities to Promote Immunization in KP	UNICEF	276,092	-	-	-	-	-	276,092	-
BMGF- Management of Peshawar Dispensaries	Bill & Melinda Gates Foundation	138,929,487	-	196,087,746	(216,332,565)	(20,244,819)	(20,244,819)	118,684,669	-
Distribution of LINNs - Indus Hospital & Health Network	Indus Hospital & Health Network	-	(65,988,764)	51,217,159	-	51,217,159	51,217,159	-	(14,771,605)

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Project Name	Donor	As at July 01, 2023		Grant received	Project expenditure incurred	Transferred to / (from) income & expenditure account	Net movement during the year	As at June 30, 2024	
		Opening grants received in advance	Opening grants receivable					Closing grants received in advance	Closing grant receivable
		A	*B*	*C*	*D*	*E*	*F*	*G*	*H*
		RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Paramedics Training under FATA Youth Skills Development Programme	FATA Development Authority	4,874,752	-	-	-	-	-	4,874,752	-
Social Mobilization and Community Outreach Activities to Promote Routine/ Essential Immunization	United Nations Children's Fund	207,401	-	-	-	-	-	207,401	-
CMW Training under FATA Youth Skills Development Prog	FATA Development Authority	2,357,278	-	-	-	-	-	2,357,278	-
ECHO- IRC- COVID19	International Rescue Committee, Deutschland hGmbH	2,682,865	-	-	-	-	-	2,682,865	-
ECHO- IRC- NEAR	International Rescue Committee, Deutschland hGmbH	19,699,842	-	220,558,268	(276,376,680)	(55,818,413)	(55,818,413)	-	(36,118,571)
ECHO- IRC- SHINE	International Rescue Committee, Deutschland hGmbH	6,681,002	-	3,169,837	-	3,169,837	3,169,837	9,850,838	-
Nutrition Stabilization Centre (NSCs) PINS-ACF	Action Against Hunger - International	36,619,409	-	-	-	-	-	36,619,409	-
Nurses Training Under FATA Youth Skills Development Programme	FATA Development Authority	6,853,279	-	-	-	-	-	6,853,279	-
	World Bank Group	6,884,505	-	-	-	-	-	6,884,505	-
Review and Training of International Catholic Migration Commission's Supply Chain Management System"	International Catholic Migration Commission (ICMC)	140,000	-	-	-	-	-	140,000	-
Contract Under Public Private Partnership- COVID Response	Government of Sindh	272	-	-	-	-	-	272	-
Providing Lifesaving Health and Nutrition Services to the Conflict Affected Temporary Displaced People (TDP) and Host	Malteser International	523,315	-	-	-	-	-	523,315	-
European Union	IRC - EU	-	-	98,491,184	(103,236,875)	(4,745,691)	(4,745,691)	-	(4,745,691)
Distribution of ITNs - Indus Hospital & Health Network	Indus Hospital & Health Network	-	-	932,484,525	(990,423,632)	(57,939,107)	(57,939,107)	(57,939,107)	-
National Nutrition Survey 2017-18	Agha Khan University	1,633,664	-	-	-	-	-	1,633,664	-
Survey Home Based Workers By World Bank Group	Government of Balochistan	10,842,292	-	-	-	-	-	10,842,292	-

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Project Name	Donor	As at July 01, 2023		Grant received	Project expenditure incurred	Transferred to / (from) income & expenditure account	Net movement during the year	As at June 30, 2024	
		Opening grants received in advance	Opening grants receivable					Closing grants received in advance	Closing grant receivable
		A RUPEES	B RUPEES	C RUPEES	D RUPEES	E RUPEES	F RUPEES	G RUPEES	H RUPEES
ECHO- IRC- SIDA	Internation Rescue Committee	-	-	-	-	-	-	-	-
FFA (Livelihoods and Resilience Building activities) in Balochistan	World Food Programme	348,746	-	-	-	-	-	348,747	-
Relief Cash in Naseerabad & Kachhi Districts, Balcohistan	World Food Programme	1,152,614	-	-	-	-	-	1,152,614	-
Relief Cash in Naseerabad District, Balcohistan	World Food Programme	-	(1,761,810)	5,766,212	(3,798,983)	1,967,229	1,967,229	205,419	-
Stunting Prevention Activities under BISP, 11 Districts of Balochistan	World Food Programme	1,266,565	-	-	-	-	-	1,266,565	-
Stunting Prevention Activities under BISP, 14 Districts of Balochistan	World Food Programme	-	(14,446,564)	653,018,579	(580,083,050)	72,935,529	72,935,529	58,488,965	-
Targeted Supplementary Feeding Programme in District, Dadu - Sindh.	World Food Programme	-	(2,516,867)	22,764,634	(18,578,056)	4,186,578	4,186,578	1,669,711	-
Targeted Supplementary Feeding Programme in District, Qambar Shahdad Kot - Sindh.	World Food Programme	-	(5,036,517)	-	(26,635,663)	(26,635,663)	(26,635,663)	-	(31,672,180)
UNICEF - BALOCHISTAN	UNICEF	-	(3,758,263)	168,757,731	(176,367,051)	(7,609,320)	(7,609,320)	-	(11,367,583)
UNICEF - PUNJAB 2022-23	UNICEF	23,371,360	-	32,710,928	(53,175,646)	(20,464,718)	(20,464,718)	2,906,642	-
UNICEF - SINDH 2023-24	UNICEF	113,846,468	-	246,415,738	(318,064,338)	(71,648,600)	(71,648,600)	42,197,868	-
UNICEF WAZIRISTAN	UNICEF	-	-	52,070,524	(17,200,419)	34,870,105	34,870,105	34,870,105	-
UNICEF SINDH HEALTH	UNICEF	-	-	104,912,819	(72,391,988)	32,520,831	32,520,831	32,520,831	-
TOTAL (30-06-2024)		**500,920,764**	**(473,946,129)**	**4,740,561,847**	**(5,182,311,230)**	**(441,749,382)**	**(441,749,382)**	**375,327,181**	**(790,101,927)**
TOTAL (30-06-2023)		234,470,286	(331,418,901)	3,608,656,322	(3,484,733,071)	123,923,251	123,923,251	500,920,765	(473,946,129)

11.1 RESTRICTED FUNDS

	NOTE	2024 RUPEES	2023 RUPEES
Opening balance		**500,920,764**	234,470,286
Opening receivables		**(473,946,129)**	(331,418,901)
Grants received - net	17	**(441,749,382)**	123,923,251
Closing receivables		**790,101,927**	473,946,129
Closing balance		**375,327,181**	500,920,764

12 DEFERRED INCOME

	NOTE	2024 RUPEES	2023 RUPEES
Opening balance		**1**	108,532
Add: Received during the year		-	-
		1	108,532
Less: Amortized during the year	12.1	**(1)**	(108,531)
		-	1

12.1 Deferred income represents donations in kind - non current assets and is amortized / credited to income with respect to the useful life of assets i.e. equal to depriciation charged.

13 LEASE LIABILITY

	2024 RUPEES	2023 RUPEES
Total lease liability	**3,365,965**	10,184,397
Less: Current portion of lease liability	**(3,365,965)**	(6,818,433)
	-	3,365,965

13.1 Reconciliation of lease liability

	2024 RUPEES	2023 RUPEES
Opening balance	**10,184,397**	16,940,468
Add: Interest accrued during the year	**1,588,768**	683,929
Less: Payment made during the year	**(8,407,200)**	(7,440,000)
Addition during the year	-	-
Total outstanding lease liability	**3,365,965**	10,184,397
Less: Current portion of Lease Liability	**(3,365,965)**	(6,818,433)
	-	3,365,965

13.2 Maturity analysis of lease liability

	2024 RUPEES	2023 RUPEES
Upto 6 months	**4,501,200**	3,906,000
6-12 months	-	4,501,200
1-2 years	-	4,501,200
more than 2 years	-	-
	4,501,200	12,908,400
Less: future finance cost	**(1,135,235)**	(2,724,003)
Present value of lease liability	**3,365,965**	10,184,397

13.3 Implicit rates against lease liability range from 22.39% to 23.37% per annum.

	NOTE	2024 RUPEES	2023 RUPEES

14 TRADE AND OTHER PAYABLES

	NOTE	2024	2023
Payable to staff		**6,866,723**	3,604,506
EOBI payable		**9,585,852**	8,350,474
Gratuity payable - contracted employees		**181,603,184**	94,396,005
Audit fee payable		**1,518,000**	759,000
Withholding tax payable	14.1	**14,494,030**	17,507,300
Accrued expenses	14.2	**985,651,524**	517,191,735
		1,199,719,313	641,809,020

14.1 Withholding tax payable

	2024	2023
Income tax withheld on payment of salaries	**8,944,708**	5,646,580
Income tax withheld on payment of supplies	**1,813,182**	5,012,751
Sales tax withheld on payment of supplies	**2,567,386**	4,037,063
Income tax withheld on payment of services	**627,375**	1,535,150
Sales tax withheld on payment of services	**541,379**	1,275,756
	14,494,030	17,507,300

14.2 Accrued expenses

	2024	2023
Communication and courier	**88,808**	164,862
Field and health facilities running costs	**510,990**	31,566
Fuel and rent for vehicles	**1,993,858**	4,618,608
Legal and professional fee	**1,886,450**	453,226
Mass distribution compain for malaria prevention	**299,465,000**	-
Medical equipment and uniforms	**62,424,302**	6,375,845
Medicines, drugs and consumables	**217,709,392**	78,565,353
Printing, stationery and newspaper	**5,783,929**	56,175
Rehabilitation, repair and maintenance	**220,807,500**	109,734,057
Salaries, wages and other benefits	**174,218,673**	74,311,292
Utilities	**762,622**	4,930,856
Monitoring costs	**-**	237,949,895
	985,651,524	517,191,735

15 PROVISION FOR TAXATION

	NOTE	2024	2023
Provision for the year	23	-	-
		-	-

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There are no contingencies as at the reporting date (2023: Nil).

	NOTE	2024 RUPEES	2023 RUPEES

16.2 Commitments

The Foundation has entered into operating lease for its office premises. The amount of future payments under operating lease agreements and the period for each office location for which these payments will become due are as follow:

	2024			
	Within 1 year RUPEES	Later than 1 year RUPEES		
Islamabad	8,490,900	-	**8,490,900**	8,490,900
Peshawar	-	-	-	2,223,375
Thatta	-	-	-	1,810,553
Quetta	-	-	-	1,422,506
	8,490,900	-	**8,490,900**	13,947,334

	2023			
	Within 1 year RUPEES	Later than 1 year RUPEES		
Islamabad	8,490,900	-	8,490,900	7,719,000
Peshawar	2,223,375	-	2,223,375	2,021,250
Thatta	1,810,553	-	1,810,553	1,645,957
Quetta	1,422,506	-	1,422,506	1,293,187
	13,947,334	-	13,947,334	12,679,395

17 GRANTS

	NOTE	2024 RUPEES	2023 RUPEES
Grant received		**4,740,561,847**	3,608,656,322
Transferred from / to restricted funds	11	**441,749,382**	(123,923,251)
		5,182,311,229	3,484,733,071

18 MANAGEMENT FEE

	NOTE	2024 RUPEES	2023 RUPEES
Overhead charges / Management fee	18.1	**68,804,733**	107,508,692
		68,804,733	107,508,692

18.1 Overhead charges / management fee represent amounts of reimbursement from Projects with FATA Secretariate under Public Private Partnership for operationalization of various hospitals in NMDs. This amount is calculated at 10% of total amount spent during the year.

19 OTHER INCOME

	NOTE	2024 RUPEES	2023 RUPEES
Financial assets - interest income	19.1	**64,703,187**	19,987,403
Non-financial assets - other income	19.2	-	10,395,942
		64,703,187	30,383,346

	NOTE	2024 RUPEES	2023 RUPEES

19.1 Profit on deposit bank accounts is recognized on time proportionate basis. Interest income is recognized when it is probable that the economic benefits will flow to the Foundation and amount can be measured reliably.

19.2 Other income represents grants and donations received at various projects through general public for general purpose utilities. These are accounted for on receipt basis.

20 AMORTIZED INCOME

	NOTE	2024 RUPEES	2023 RUPEES
Capital grant amortized during the year	12	1	108,531
		1	108,531

20.1 Amortized income represents donations in kind - non current assets and is amortized / credited to income with respect to the useful life of assets i.e. equal to depriciation charged.

21 PROJECT EXPENSES

	NOTE	2024 RUPEES	2023 RUPEES
Salaries, wages and other benefits		2,270,900,656	1,537,880,365
IT & software costs		3,588,101	4,365,141
Medicines, drugs and consumables		724,689,680	608,575,444
Medical equipment		153,370,933	310,152,082
Rehabilitation, repair and maintenance		306,274,990	330,343,967
Casual labour		181,050	3,180,133
Communication and courier		30,180,745	10,580,529
Field and health facilities running costs		38,293,322	22,095,018
Hospital staff uniform		2,029,910	4,460,916
Insurance charges		7,361,070	9,756,400
Legal and professional fee		5,134,153	1,590,436
Rent expense		21,464,147	21,937,898
Fuel and rent for vehicles		436,317,956	176,925,319
Printing, stationery and newspaper		64,559,535	46,084,075
Mass distribution compain for malaria prevention		837,314,619	249,008,029
Income tax withheld		785,353	2,690,997
Bank charges		517,165	207,166
Monitoring and training costs		106,576,228	46,082,749
Hygiene promotion and clean enivronmental costs		11,241,544	-
Depreciation - Right-of-use (HO Building)	7	6,835,448	4,689,566
Finance cost	21.1	846,552	-
Travelling and accomodation		38,265,304	9,252,475
Utilities		115,582,769	84,874,366
		5,182,311,229	3,484,733,071

21.1 Finance cost on right-to-use-assets has been distributed to both Project Expenses and General & Admin Expenses on prorate basis. The finance cost was charged to General & Admin Expenses during the previous year.

22 ADMINISTRATIVE AND GENERAL EXPENSES

	NOTE	2024 RUPEES	2023 RUPEES
Salaries, wages and other benefits		24,114,212	40,888,968
Printing, stationery and newspaper		1,327,295	1,622,410
Communication and courier		2,379,192	871,011
Field and health facilities running costs		5,297,966	2,369,030
Insurance charges		3,995,484	4,955,039
Legal and professional fee		2,157,289	2,940,590
Travelling and accomodation		861,469	419,003
Office furniture and equipment	22.1	746,000	2,242,331
Rent expense		2,322,450	3,512,468
Fuel and rent for vehicles		8,171,890	7,054,091
Utilities		3,085,012	2,665,159
Rehabilitation, repair and maintenance		32,740	348,046
Income tax withheld		7,833,736	1,450,972
Bank charges		87	54,826
Medicines, drugs and consumables		1,279,294	-
Finance cost		742,216	1,048,750
Monitoring and Training costs		23,750	683,929
Depreciation - Right-of-use (HO Building)	7	-	2,145,882
Depreciation	6.4	816,132	423,531
IT & software costs		1,109,170	1,154,720
Auditor's Remuneration	22.2	759,000	759,000
		67,054,384	77,609,756

22.1 These represent assets purchased from own funds for use on projects. These are not capitalized as these assets become the property of the project on completion.

22.2 Auditor's remuneration

	2024 RUPEES	2023 RUPEES
Annual audit fee	660,000	660,000
Sales tax on services	99,000	99,000
	759,000	759,000

23 TAXATION

	NOTE	2024 RUPEES	2023 RUPEES
Current year tax	23.1	-	-
		-	-

23.1 The income of the Foundation is subject to 100% tax credits. However, this 100% tax credit is allowed under Section 100C, subject to fulfilment of certain requirements as stipulated therein. The Foundation has successfully secured the tax exemption certificate as per the requirements of the aforementioned Section. Thus, no provision for taxation has been accounted for in these financial statements. Resultantly, no deferred tax is recognized, being exempt from tax.

	NOTE	2024 RUPEES	2023 RUPEES

24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

The aggregate amounts charged in these financial statements with respect to remuneration and allowances, including all benefits, to the Chief Executive, Directors and Executives of the Foundation are given as under:

2024			2023		
Chief Executive Officer RUPEES	Non-Executive Directors RUPEES	Executives RUPEES	Chief Executive Officer RUPEES	Non-Executive Directors RUPEES	Executives RUPEES
21,367,390	26,407,732	516,502,807	19,279,404	23,663,634	485,320,513
1	2	287	1	2	200

24.1 No meeting fee and / or allowance was paid to the Chief Executive and / or the Directors during the year.

24.2 The Foundation provides an all expenses paid motor vehicle to the Chief Executive for official use, whenever required.

25 NUMBER OF EMPLOYEES

	2024	2023
Average number of employees during the year	3,228	2,318
Total number of employees as at year end	3,064	3,392

26 RELATED PARTY TRANSACTIONS

Related parties comprise of key management personnel, directors and chief executive officer of the Foundation. Transactions with related parties carried out during the year are as follow:

	2024	2023
Key Management Personnel		
- Remuneration and other benefits paid to CEO	21,367,390	19,279,404

There are no transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements.

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

27.1 Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is a reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although, typically expected cash flows do also change and expected credit losses are rebased from 12 months to lifetime expectations.

	NOTE	2024 RUPEES	2023 RUPEES
Financial Assets as per Statement of Financial Position			
Amortized cost			
Security deposits		**200,390,410**	88,168,914
Other receivable		**790,101,927**	473,946,129
Bank balances		**758,313,448**	708,117,786
Financial Liabilities as per Statement of Financial Position			
Amortized cost			
Trade and other payables		**1,185,225,283**	624,301,720

Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged or a liability could be settled between the knowledgeable willing parties in an arms length transaction. The carrying value of all financial assets and financial liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each year end date.

The management of the Foundation has overall responsibility for the establishment and oversight of the Foundation's risk management framework. The Foundation has exposure to the following risks from its use of financial instruments:

i) Credit risk
ii) Liquidity risk
iii) Market risk

i) 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. Concentration of credit risk arises when a number of counter parties have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Foundation's performance to developments affecting a particular industry.

The Foundation reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Foundation considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counter party has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counter party.

	NOTE	2024 RUPEES	2023 RUPEES

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Foundation compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Foundation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Foundation presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Foundation has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Foundation where the Foundation has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore, despite the foregoing, the Foundation considers some past due trade debts to have low credit risk where the counter party has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Foundation regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Foundation considers default to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Foundation writes off a financial asset when there is information indicating that the counter party is in severe financial condition and there is no realistic prospect of recovery.

Exposure to credit risk

The maximum exposure to credit risk as at the reporting date is as follows:

	2024	2023
Security deposits	**200,390,410**	88,168,914
Other receivable	**790,101,927**	473,946,129
Bank balances	**758,313,448**	708,117,786
	1,748,805,786	1,270,232,829

Financial assets do not contain any impaired or non-performing assets.

Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Foundation's financial assets exposed to credit risk is as follows:

Asset	Long Term	Agency	NOTE	2024 RUPEES	2023 RUPEES
Security deposit	N/A	N/A		**200,390,410**	88,168,914
Habib Bank	AAA	VIS		**514,008,932**	632,159,109
Meezan Bank	AAA	VIS		**21,171,579**	1,052,386
Habib Metro	AA+	PACRA		**223,132,937**	74,906,292
				958,703,859	796,286,700

a) **Security deposits**

These are placed with financial institutions with reasonably high credit ratings and, therefore, no credit loss is expected. Accordingly, no loss allowance has been made.

b) **Bank balances**

All the Bankers of the Foundation have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counter parties and considering their strong financial standings, management does not expect any credit loss to arise.

Concentrations of credit risk

The Foundation determines concentration of credit risk by type of counter parties. Maximum exposure to credit risk, as at the reporting date, by type of counter party is as follows:

	2024	2023
Banking companies	**758,313,448**	708,117,786
Others	**200,390,410**	88,168,914
	958,703,859	796,286,700

Collateral held

The Foundation does not hold any collateral to secure its financial assets.

Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses is nil.

ii) **Liquidity Risk**

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its financial obligations as these fall due. Liquidity risk arises because of the possibility that the Foundation could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with the financial liabilities as these fall due. Management believes that the Foundation will be able to fulfil its obligations from the Foundation's future cash flows.

	NOTE	2024 RUPEES	2023 RUPEES

2024			
Financial liabilities	**Contractual Cash Flow**	**1 to 12 Months**	**Total**
Accrued and other liabilities	1,199,719,313	1,199,719,313	1,199,719,313
	1,199,719,313	1,199,719,313	1,199,719,313

2023			
Financial liabilities	Contractual Cash Flow	1 to 12 Months	Total
Accrued and other liabilities	641,809,020	641,809,020	641,809,020
	641,809,020	641,809,020	641,809,020

iii) Market Risk

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

a) Currency risk

The Foundation is subject to exposure to currency risk to the extent that there is mismatch between the currency in which financial instrument is denominated and the respective functional currency of the Foundation. At present, the Foundation is not exposed to currency risk as all its financial assets and liabilities are primarily denominated in the Pak Rupee which is the functional currency of the Foundation.

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. Management believes that interest rate exposure is not significant to the Foundation's financial position.

27.2 Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged or a liability could be settled between the knowledgeable willing parties in an arms length transaction. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

27.3 Funds Risk Management

Board of Directors monitor performance along with funds required for sustainable operations of the Foundation. There were no changes to the Foundation's approach to the fund management during the year. The Foundation remained successful in securing major social projects during the year through its' dedicated efforts towards social and welfare development programs. The Foundation is not exposed / regulated to any externally imposed fund requirements.

	NOTE	2024 RUPEES	2023 RUPEES

28 CORRESPONDING FIGURES - RECLASSIFICATION

The corresponding figures are re-arranged and / or re-classified, wherever necessary, to comply with the requirements of the Companies Act, 2017 and for better comparison. However, no significant re-classifications were made during the year.

29 EVENTS AFTER THE REPORTING DATE

No significant events have occurred after the reporting date.

30 OPERATING SEGMENT

For management services, the activities of the Foundation are recognized in one operating segment. The Foundation operates in the said reportable segment based on the organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Foundation's only reportable segment.

31 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue by the Board of Directors on 21/04/2025.

32 GENERAL

32.1 Foreign currency transactions, if any, are recorded at the official exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using official exchange rates applicable at the statement of financial position date. All gains and losses on settlement and transaction at year-end are charged to income.

32.2 Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE ______________ **DIRECTOR** ______________