

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SALMA KHATOON FOUNDATION (A Company Licensed under Section 42 of the Companies Act, 2017) REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the annexed financial statements of **Salma Khatoon Foundation (the Company)**, which comprise the statement of financial position as at June 30, 2024, and the income and expenditure statement, the statement of comprehensive surplus, the statement of changes in accumulated funds, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the income and expenditure statement, the statement of comprehensive surplus, the statement of changes in accumulated funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and 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 Company's affairs as at June 30, 2024 and of the surplus, the other comprehensive surplus, the changes in accumulated funds and its cash flows 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditor's 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 the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

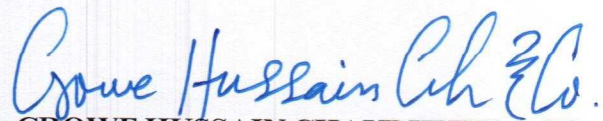
### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure statement, the statement of comprehensive surplus, the statement of changes in accumulated 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 's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zain ul Arfeen.

Lahore  
Dated: November 26, 2024  
UDIN: AR202410832yABuGaqm2

  
**CROWE HUSSAIN CHAUDHURY & CO.**  
*Chartered Accountants*

**SALMA KHATOON FOUNDATION**

FOR THE YEAR ENDED JUNE 30, 2024

**SALMA KHATOON FOUNDATION**  
(A Company Licensed under section 42 of the Companies Act, 2017)  
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventory	4	305,040	-
Cash and bank		2,587,823	1,086,794
		2,892,863	1,086,794
<b>TOTAL ASSETS</b>		<u>2,892,863</u>	<u>1,086,794</u>
<b>FUNDS AND LIABILITIES</b>			
Accumulated funds		1,794,830	915,838
<b>Current Liabilities</b>			
Accrued liabilities	5	1,098,033	170,956
<b>Contingencies and Commitments</b>	6	-	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<u>2,892,863</u>	<u>1,086,794</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
**PRESIDENT / CHIEF EXECUTIVE OFFICER**

  
**VICE PRESIDENT / DIRECTOR**

**SALMA KHATOON FOUNDATION**  
(A Company Licensed under section 42 of the Companies Act, 2017)

**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	<b>2024</b>	<b>2023</b>
		Rupees	Rupees
<b>INCOME</b>			
Donations	7	27,381,814	21,036,271
Prescription fee and others		3,172,145	5,276,505
		<b>30,553,959</b>	<b>26,312,776</b>
<b>EXPENDITURE</b>			
Salaries expense		8,982,011	7,566,208
Medical expense		2,492,372	2,732,305
Fuel and power charges		1,323,301	1,382,290
Office supplies		182,427	354,995
Stationery charges		140,810	85,000
Uniform		11,275	12,550
Professional fee		402,145	539,913
Repairs and maintenance		872,206	390,500
IT and communication		164,590	32,900
Entertainment		14,761	170,500
Donation	8	14,884,689	12,129,000
Rent, rates and taxes		14,957	-
Miscellaneous expense		39,423	-
Auditors' remuneration		150,000	100,000
		<b>(29,674,967)</b>	<b>(25,496,161)</b>
<b>Surplus before Taxation</b>		<b>878,992</b>	<b>816,615</b>
Taxation		-	-
<b>Net Surplus for the Year</b>		<b>878,992</b>	<b>816,615</b>

The annexed notes from 1 to 14 form an integral part of these financial statements.

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**PRESIDENT / CHIEF EXECUTIVE OFFICER**

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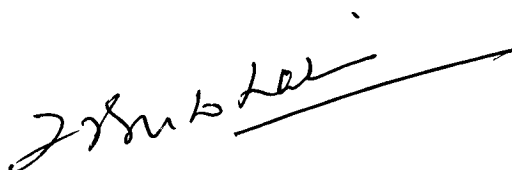
**VICE PRESIDENT / DIRECTOR**

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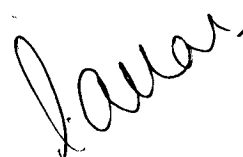
**STATEMENT OF COMPREHENSIVE SURPLUS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>2024</b>	<b>2023</b>
	Rupees	Rupees
<b>Net Surplus for the Year</b>	878,992	816,615
<b>Other Comprehensive Surplus</b>		
- Items that may be re-classified to income and expenditure statement	-	-
- Items that will not be re-classified to income and expenditure statement	-	-
<b>Total Comprehensive Surplus for the Year</b>	<u>878,992</u>	<u>816,615</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.  
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**PRESIDENT / CHIEF EXECUTIVE OFFICER**



**VICE PRESIDENT / DIRECTOR**

**SALMA KHATOON FOUNDATION**  
(A Company Licensed under section 42 of the Companies Act, 2017)

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Particulars	Accumulated Funds
	Rupees
<b>Balance as at June 30, 2022</b>	99,223
Net surplus for the year	816,615
Other comprehensive surplus	-
Total comprehensive surplus for the year	816,615
<b>Balance as at June 30, 2023</b>	915,838
Net surplus for the year	878,992
Other comprehensive surplus	-
Total comprehensive surplus for the year	878,992
<b>Balance as at June 30, 2024</b>	1,794,830

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
**PRESIDENT / CHIEF EXECUTIVE OFFICER**

  
**VICE PRESIDENT / DIRECTOR**



**SALMA KHATOON FOUNDATION**  
(A Company Licensed under section 42 of the Companies Act, 2017)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>2024</b>	<b>2023</b>
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Operating surplus before working capital changes</b>	878,992	816,615
Increase in current assets:		
- Inventory	(305,040)	-
Increase in current liabilities:		
- Accrued liabilities	927,077	13,292
<b>Net Cash Generated from Operating Activities</b>	1,501,029	829,907
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
<b>Net Increase in Cash and Cash Equivalents</b>	1,501,029	829,907
Cash and cash equivalents at the beginning of the year	1,086,794	256,887
<b>Cash and Cash Equivalents at the End of the Year</b>	<u>2,587,823</u>	<u>1,086,794</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
**PRESIDENT / CHIEF EXECUTIVE OFFICER**

  
**VICE PRESIDENT / DIRECTOR**

**SALMA KHATOON FOUNDATION**  
 (A Company Licensed under section 42 of the Companies Act, 2017)  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2024

Note 1

**Status and Activities of the Company**

Salma Khatoon Foundation ("the Company") is a Company limited by guarantee not having share capital, incorporated on 11 January 2017 under section 42 of Companies Ordinance, 1984 (now Companies Act, 2017) and licensed as a non-profit organization. The Company is principally engaged in the charitable activity to set up and maintain nursing homes, clinics, dispensaries and different center for medicals aid both in urban and rural areas and to promote literacy for women by sponsoring and implementing vocational / educational training programmes. The Company is domiciled in Pakistan and its registered office is situated at House No. 91, street No.44, F-10/4, Islamabad.

Note 2

**Basis of Preparation****2.1 Statement of compliance**

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs and NPOs standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Accounting convention**

These financial Statement have been prepared using historical cost convention.

**2.3 Functional and presentation currency**

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. Figures have been rounded off to the nearest rupee.

**2.4 Use of estimates and judgments**

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 Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience including expectations of future events that are believed to be reasonable for the circumstances. These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the year in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Provision for obsolescence of inventory - Note 3.1
- Estimation of contingent liabilities - Note 3.6 & Note 6
- Estimation of provisions - Note 3.7
- Current income tax expense, provision for current tax and deferred tax - Note 3.8

The basis and associated assumptions underlying the accounting estimates used in the preparation of annual financial statements of the Company for the year ended June 30, 2024 have been consistent with the previous year unless otherwise stated.

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**SALMA KHATOON FOUNDATION**  
*Notes to and Forming Part of the Financial Statements*

Note 3

**Material Accounting Policy Information**

The material accounting policy information adopted in the preparation of these financial statements are set out below. These policies have been consistently applied, unless stated otherwise.

**3.1 Inventory**

These are valued at lower of cost and net realizable value. Cost is determined using first in first out basis. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

**3.2 Cash and Cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand and cash at banks in current account.

**3.3 Funds**

The un-restricted funds are recognized in the income and expenditure statement when received or when the amount of funds can be measured reliably and there is reasonable assurance that the Company will receive the funds.

**3.4 Accrued expenses**

Expenses are recognized in income and expenditure statement when incurred.

**3.5 Related party transactions**

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party are at arm's length prices determined as per the Company's policy except in the circumstances where it is not in the interest of the Company to do so.

**3.6 Contingent liabilities**

A Contingent liability is disclosed when there is possible obligation that arise from past events and whose existence is confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not entirely within the control of the Company.

A Contingent liability is also disclosed when there is present 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.

**3.7 Provisions**

Provisions are recognized in statement of financial position when the Company has legal or constructive obligation as a result of past events, and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of an amount can be made to the amount of obligation. However provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

**3.8 Taxation**

The Company is in the process of obtaining the status of "Non Profit Organization" under Section 2 (36) of the Income Tax Ordinance, 2001 as on the reporting date. Hence according to Section 100C of the Income Tax Ordinance 2001, the Company would be allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final tax payable under any of the provisions of that Ordinance. Therefore, no provision for taxation and deferred tax has been recorded in these financial statements.

**3.9 Financial instruments**

The Company accounts for its financial instruments as per the International Financial Reporting Standard for Small and Medium Sized Entities. The management determines the classification of its financial instruments at the time of initial recognition. The Company classifies its financial assets as basic financial instruments initially measures at transaction price. Subsequently, these financial instruments are measured at undiscounted transaction price less any impairment. Financial assets are derecognized when rights to cash flows from financial assets are settled or expired and financial liabilities are derecognized when these are extinguished.

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**SALMA KHATOON FOUNDATION**  
Notes to and Forming Part of the Financial Statements

Note 4

**Cash and Bank Balances**

	<b>2024</b>	<b>2023</b>
	Rupees	Rupees
Cash in hand	63,496	177,494
Cash with banks - current account	<u>2,524,327</u>	<u>909,300</u>
	<u>2,587,823</u>	<u>1,086,794</u>

**4.1** The above figure of bank balances reconcile to cash and cash equivalents shown in the statement of cash flows at the end of financial year.

Note 5

**Accrued Liabilities**

	<b>2024</b>	<b>2023</b>
	Rupees	Rupees
Accrued expenses	1,039,341	100,000
Withholding tax payable	<u>58,692</u>	<u>70,956</u>
	<u>1,098,033</u>	<u>170,956</u>

Note 6

**Contingencies and Commitments**

There are no material contingencies and commitments outstanding as at reporting date (2023: Nil).

Note 7

**Donations Income**

		<b>2024</b>	<b>2023</b>
	Note	Rupees	Rupees
Broad Peak Technologies (SMC-Private) Limited	7.1	<u>27,381,814</u>	<u>21,036,271</u>

**7.1** This represent donation received from related party, Broad Peak Technologies (SMC-Private) Limited.

Note 8

**Donation**

This represents food and food packets distributed to poor people during the year.

Note 9

**Remuneration of Chief Executive Officer, Directors and Executives**

The aggregate amount charged in these financial statements for the year as remuneration to the chief executive officer, directors and executives of the company are as follows:

Managerial remuneration

Number of employees

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<b>Chief Executive Officer</b>	
<b>2024</b>	<b>2023</b>
Rupees	Rupees
<u>2,534,400</u>	<u>2,112,000</u>
<u>1</u>	<u>1</u>

Note 10

**Transactions with Related Parties**

Related parties comprise associated entities due to common trustees and key management personnel. Transactions with related parties are as follows:

**Transactions during the year**

Nature of Transaction	Related Party	2024	2023
		Rupees	Rupees
Donation received	Broad Peak Technologies (SMC-Private) Limited	27,381,814	21,036,271

Note 11

**Basic Financial Instruments by Categories**

Financial Assets at amortized cost as at June 30,	2024	2023
	Rupees	Rupees
Cash and cash equivalents	2,587,823	1,086,794
<b>Financial Liabilities</b>		
Accrued liabilities	1,039,341	100,000

Note 12

**Number of Employees**

Number of employees as at June 30,	2024	2023
	Numbers	Numbers
	19	17

Note 13

**Authorization of Financial Statements**

These financial statements were approved and authorized for issue by the Board of Directors of the Company on

Note 14

**General**

Comparative figures are re-arranged / re-classified, wherever necessary, to facilitate comparison. No material re-arrangements / reclassifications have been made in these financial statements.

  
**PRESIDENT / CHIEF EXECUTIVE OFFICER**

  
**VICE PRESIDENT / DIRECTOR**