INDEPENDENT AUDITOR'S REPORT

To the members of Sarwar Shahida Research Institute Of Cardiovascular Science Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Sarwar Shahida Research Institute Of Cardiovascular Science Trust (the Trust), which comprise the balance sheet as at June 30, 2024, and the income and expenditure account, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Responsibilities of Management and The Board of Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Trustees determine 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, Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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 trust as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, income and expenditure account, 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 trust activities; 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 Syed Kumail Mohammad.

R.K. & Co. Chartered Accountants.

R.K. & Co.,
Chartered Accountants
Lahore

R.K. & CO. CHARTERED ACCOUNTANTS
R.K. & Co. Chartered Accountants
PARTNER

Date: September 04, 2024
UDIN: AR202410552 6IOAQtue4

SARWAR SHAHIDA RESEARCH INSTITUTE OF CARDIOVASCULAR SCIENCE TRUST
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
FUND AND LIABILITIES			
FUND			
General fund	3	26,901,699	10,770,833
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	4	59,455	136,743
Total liablities		59,455	136,743
CONTINGENCIES AND COMMITMENTS	5		
TOTAL FUND AND LIABILITIES		26,961,154	10,907,576

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	26,772,808	74,691
CURRENT ASSETS			
Advance income tax		174,936	-
Bank balance	7	13,410	10,832,885
		188,346	10,832,885
TOTAL ASSETS		26,961,154	10,907,576

The annexed notes form an integral part of these financial statements.

CHAIRPERSON

TRUSTEE

SARWAR SHAHIDA RESEARCH INSTITUTE OF CARDIOVASCULAR SCIENCE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
Donations	8	21,461,803	13,299,096
		21,461,803	13,299,096
EXPENDITURE			
Marketing		2,318,986	-
Advertisement		745,227	2,463,261
Subscription fee		-	186,928
Donations		-	103,220
Events, functions and entertainment		204,607	233,886
Travelling and conveyance		67,843	25,898
Printing and stationary		-	60,105
Salaries and other benefits		1,370,316	218,370
Legal and professional		-	12,167
Communication		-	14,098
Depreciation	6.1	265,087	609
Auditors' remuneration	9	50,000	50,000
Bank charges		13,911	2,860
Miscellaneous		294,960	68,000
		5,330,937	3,439,402
SURPLUS BEFORE TAXATION		16,130,866	9,859,694
TAXATION		-	-
SURPLUS ATER TAXATION		16,130,866	9,859,694

The annexed notes form an integral part of these financial statements.

CHAIRPERSON

TRUSTEE

SARWAR SHAHIDA RESEARCH INSTITUTE OF CARDIOVASCULAR SCIENCE TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
SURPLUS AFTER TAXATION	16,130,866	9,859,694
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to income and expenditure	-	-
Items that may be reclassified subsequently to income and expenditure	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	16,130,866	9,859,694

The annexed notes form an integral part of these financial statements.

CHAIRPERSON

TRUSTEE

SARWAR SHAHIDA RESEARCH INSTITUTE OF CARDIOVASCULAR SCIENCE TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2024

	GENRAL FUND
	Rupees
Balance as at June 30, 2022	911,139
Surplus for the year	9,859,694
Other comprehensive income for the year	-
Total comprehensive income for the year	9,859,694
Balance as at June 30, 2023	10,770,833
Surplus for the year	16,130,866
Other comprehensive income for the year	-
Total comprehensive income for the year	16,130,866
Balance as at June 30, 2024	26,901,699

The annexed notes form an integral part of these financial statements.

CHAIRPERSON

TRUSTEE

SARWAR SHAHIDA RESEARCH INSTITUTE OF CARDIOVASCULAR SCIENCE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	16,130,866	9,859,694
Adjustments for non-cash charges and other items:		
Depreciation	265,087	609
Bank charges	13,911	2,860
Cashflows from operating activities before working capital changes	16,409,864	9,863,163
Working capital changes		
(Decrease) / increase in current liabilities		
Accrued and other liabilities	(77,288)	136,743
Cash from working capital changes	(77,288)	136,743
Cash generated from operations	16,332,576	9,999,906
Bank charges paid	(13,911)	(2,860)
Income taxes paid	(174,936)	-
Net cash generated from operating activities	16,143,729	9,997,046
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property and equipment	(26,963,204)	(75,300)
Net cash used in investing activities	(26,963,204)	(75,300)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(10,819,475)	9,921,746
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10,832,885	911,139
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13,410	10,832,885

The annexed notes form an integral part of these financial statements.

CHAIRPERSON

TRUSTEE

SARWAR SHAHIDA RESEARCH INSTITUTE OF CARDIOVASCULAR SCIENCE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE TRUST AND ITS ACTIVITIES

1.1. Sarwar Shahida Research Institute of Cardiovascular Science Trust ('the Trust') was registered in Pakistan on March 24, 2022, under Section 16 of the Punjab Trusts Act, 2020. The primary objective of the Trust is to raise funds in Pakistan and abroad for establishing and maintaining its cardiovascular hospital in Pakistan. The Board of Trustees of the Trust serve in an honorary capacity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1. Basis of preparation

a) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

b) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (AFRS for SSEs) and Accounting Standard for Not for Profit Organisations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

2.2. Fixed assets

Operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at cost less any recognized impairment loss. Capital work-in-progress are stated at cost less any recognized impairment loss. All expenditure connected with specific assets incurred during installation and construction periods are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation is charged to statement of income and expenditure by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at rates given in Note 6.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

De-recognition

An item of operating fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in statement of income and expenditure.

2.3. Impairment

An assessment is made at each reporting date to determine whether there is an indication for impairment of any asset or group of assets. If any such indication exists, the recoverable amount of that asset is estimated, and impairment losses are recognized in the financial statements.

2.4. Provisions

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

2.5. Advances, deposits and other receivables

These are recognized initially at the transaction price, which is the fair value of the consideration to be received. Subsequent to initial recognition, these receivables are measured at amortized cost less any allowance for doubtful receivables.

2.6. Cash and cash equivalents

Cash and cash equivalents comprise cash at banks in current account.

2.7. Taxation

The Trust is entitled to one hundred percent tax credit of the income tax payable, including minimum and final taxes payable, under section 100C of the Income Tax Ordinance, 2001. Therefore, no provision of income tax has been recorded in these financial statements.

2.8. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably. Revenue from different sources is recognised as under:

- Income from donations except donation in kind is recognized on receipt basis.
- Donation in kind are recognized at fair value at the date of receipt, if the fair value can be measured reliably, and as income in the period of receipt, with a corresponding expense or asset recognized, depending on the nature of the item.

2.9. Financial liabilities

Financial liabilities are recognized when the Trust becomes a party to the contractual provisions of the instrument and are initially measured at fair value, which is usually the transaction price including any directly attributable costs. Subsequently, these financial liabilities are carried at amortized cost using the effective interest method.

A financial liability, or a part of financial liability, is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.10. Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Trust intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.11. Functional and presentation currency

Items included in the financial statements of the Trust are measured using the currency of the primary economic environment in which the Trust operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Trust's functional and presentation currency. Figures are rounded off to the nearest of Pak Rupees, unless otherwise stated.

2.12. Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of income and expenditure. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.13. Financial assets

Financial assets are recognized when the Trust obtains control of the contractual rights to receive cash or other financial benefits from an asset and are initially recognized at fair value, which is usually the transaction price including any costs directly attributable to the asset's acquisition. Subsequently, these assets are measured at amortized cost less impairment, if any, except for investments in equity instruments. Investments in equity instruments that are quoted in an active market are measured at fair value and investments in equity instruments that do not have an active market are carried at cost less impairment, if any. Changes in fair value are recognized in statement of income and expenditure.

A financial asset is impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset. If impairment is identified, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate, and recognized in statement of income and expenditure. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. If, in a subsequent period, the amount of impairment loss previously recognized decreases, the previously recognized impairment loss is reversed by adjusting the carrying amount of the financial asset or by adjusting the allowance account. The amount of the reversal is recognized in statement of income and expenditure for the period in which the reversal occurs.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

2.14. Contingent assets

Contingent assets are disclosed when the Trust has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Contingent assets are not recognized until their realization becomes certain.

2.15. Contingent liabilities

Contingent liability is disclosed when the Trust has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

		2024 Rupees	2023 Rupees
3	**GENERAL FUND**		
	Opening balance	10,770,833	911,139
	Surplus for the year	16,130,866	9,859,694
	Closing balance	26,901,699	10,770,833

3.1 This fund represents the accumulated surplus of the Trust that is available for use at the discretion of the management and Board of Trustees to further the objectives of the Trust. There are no externally imposed restrictions on the use of these funds.

		2024 Rupees	2023 Rupees
4	**ACCRUED AND OTHER LIABILITIES**		
	Accrued liabilities	50,000	89,500
	Income tax deducted at source	9,455	47,243
		59,455	136,743

5 **CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at June 30, 2024 (2023 : Nil).

		2024 Rupees	2023 Rupees
6	**PROPERTY AND EQUIPMENT**		
	Operating fixed assets (Note 6.1)	26,772,808	74,691

6.1 Reconciliation of the carrying amounts of operating fixed assets at the beginning and at the end of the year is as follows:

Description	Categories			Total
	Freehold land	Medical and office equipment	Furniture and fixtures	
	----------Rupees----------			
At June 30, 2022				
Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book value	-	-	-	-
Year ended June 30, 2023				
Opening net book value	-	-	-	-
Additions	-	75,300	-	75,300
Depreciation	-	(609)	-	(609)
Closing net book value	-	74,691	-	74,691
At June 30, 2023				
Cost	-	75,300	-	75,300
Accumulated depreciation	-	(609)	-	(609)
Net book value	-	74,691	-	74,691
Year ended June 30, 2024				
Opening net book value	-	74,691	-	74,691
Additions	25,856,000	506,600	600,604	26,963,204
Depreciation	-	(174,996)	(90,091)	(265,087)
Closing net book value	25,856,000	406,295	510,513	26,772,808
At June 30, 2024				
Cost	25,856,000	581,900	600,604	27,038,504
Accumulated depreciation	-	(175,605)	(90,091)	(265,696)
Net book value	25,856,000	406,295	510,513	26,772,808
Annual rate of depreciation (%)	Nil	15	15	

		2024 Rupees	2023 Rupees
7	**BANK BALANCE**		
	Cash at bank in current account	13,410	10,832,885
8	**DONATIONS**		
	Donation	21,024,933	13,109,014
	Donation boxes	82,570	190,082
	Donation in kind (Note 8.1)	354,300	-
		21,461,803	13,299,096

8.1 During the year ended June 30, 2024, the Trust received medical equipment as a donation in kind, valued at Rupees 0.354 million, based on their respective fair market values at the dates of receipt. The amount has been recognized as donation income with a corresponding addition to operating fixed assets (2023: Nil).

		2024 Rupees	2023 Rupees
9	**AUDITORS' REMUNERATION**		
	Annual audit fee	50,000	50,000
	Out of pocket expenses	-	-
		50,000	50,000

10 RELATED PARTY TRANSACTION

The related parties comprise of board of trustees, board of members, board of directors and key management personnel. Amounts due from and to related parties are shown under relevant notes to financial statements. Remuneration paid to key management personnel is disclosed in Note 11. Other significant transactions with related parties during the year is as under:

Name of related party	Nature of transaction	Relationship	2024	2023
			----------Rupees----------	
Dr. Fazal ul Rehman	Donations received	Vice President - Board of Members	5,000	-
Dr. Arslan Ali	Donations received	Additional General Secretary - Board of Members	19,864	-
Dr. Salman Shahid	Donations received	Member - Board of Members	20,884	-
Mian Muhammad Afzal	Donations received	Member - Board of Members	6,728	-
Muhammad Khan Janjua	Donations received	Member - Board of Members	30,000	-
Rana Amir	Donations received	Member - Board of Members	5,000	364,195
Mian Asmatullah	Donations received	Vice President - Board of Trustees	21,000	-
Imran Akhtar	Donations received	Trustee - Board of Trustees	2,000	300
Ayesha Sarwar	Donations received	Secretary Finance	17,160	-
Dr. Shoaib Sarwar Hashmi	Donations received	President	259,919	476,946

11 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The aggregate amount charged in the financial statements for the year as remuneration to chairperson and board of trustees is Rupees Nil (2023: Nil).

12 EVENTS AFTER BALANCE SHEET DATE

There are no significant activities since June 30, 2024 causing any adjustment or disclosure in the financial statements.

13 GENERAL

13.1 These figures have been rounded off to nearest Pakistani rupee, unless otherwise stated.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no material reclassifications of corresponding figures were made in these financial statements.

13.3 The nomenclature for property, plant and equipment has been changed to property and equipment for better presentation.

14 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue by Board of Trustees on September 02, 2024.

CHAIRPERSON

TRUSTEE