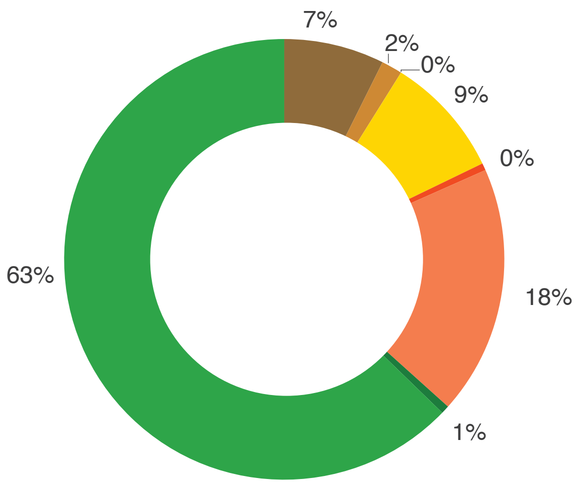
Financials

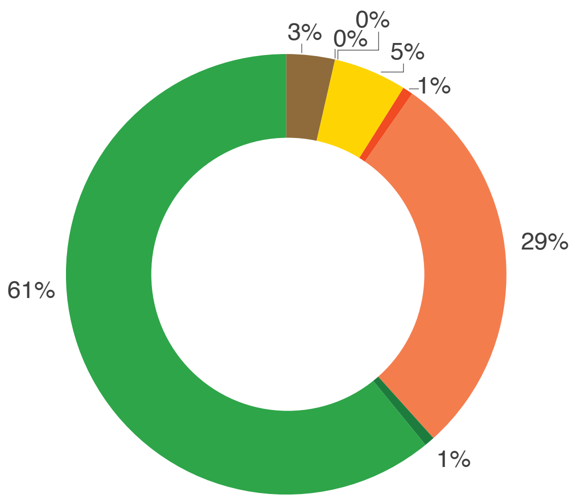
Financial Highlights

Graphical Presentation of Balance Sheet

Assets 2024

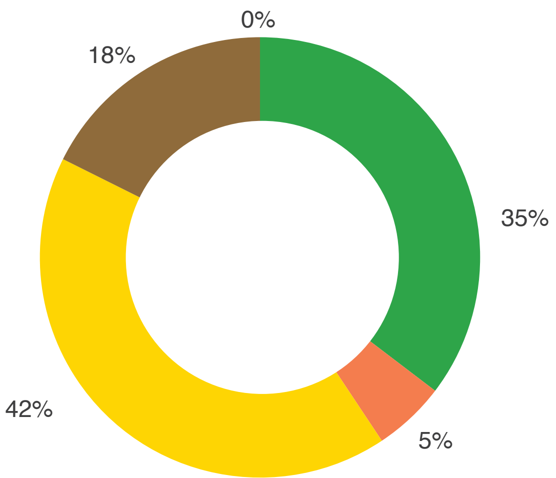


Assets 2023

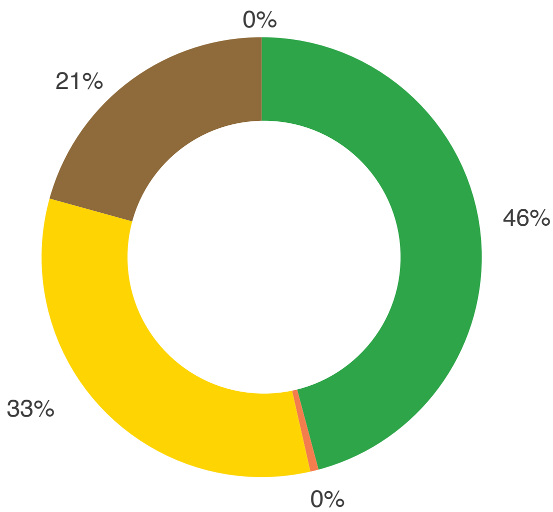


Operating Fixed Assets
Right-of-use Assets
Intagible Assests
Consumables
Advances, Deposits and Prepayments
Investments
Other Receivables
Cash and Bank Balances

Funds and Reserves 2024



Funds and Reserves 2023

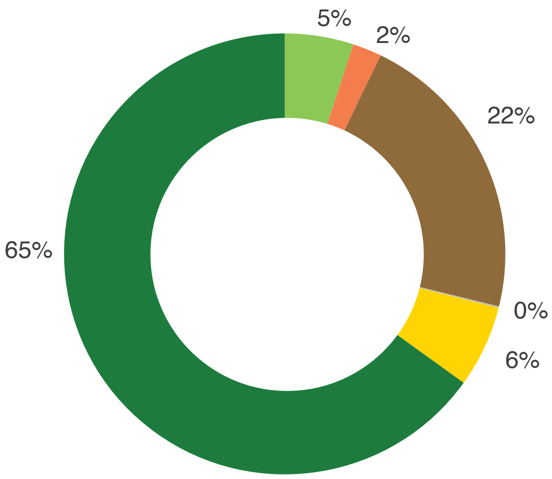


Inception Contribution
General Fund
Zakat Fund
Endowment Fund
Strategic Fund

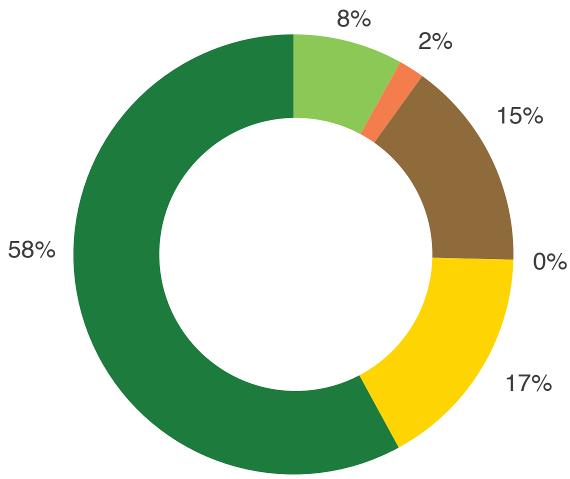
Financial Highlights

Graphical Presentation of Income and Expenditure Account

Income 2024



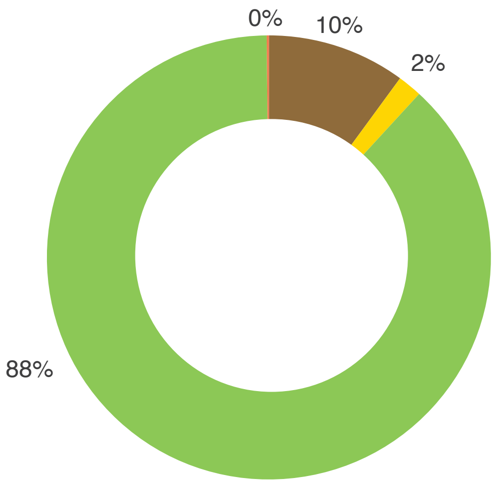
Income 2023



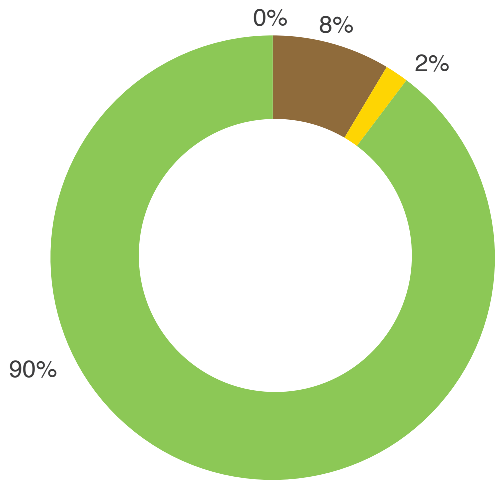
Received in Cash — Received in Kind — Zakat Utilization - Operating Expenses

Deferred Income - Operating Fixed Assets — Other Income — Utilized from Strategic Fund

Expenses 2024



Expenses 2023



Administrative Expenditures — Marketing Expenditures — Operational Expenditures — Finance Cost

Receipts Pattern

Total receipts represents collection of donation, donation in kind, zakat collection, endowment, strategic funds, amortization of deferred income and net gain on investments.

Amount in PKR Million

3,802m	3,737m	2,478m	1,561m	1,217m	1,317m
2024	2023	2022	2021	2020	2019

Financial Highlights

Key Financial Indicators and Ratios

KEY FINANCIAL INDICATORS:	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
	(Rupees in '000)					
Total Income	**3,489,768**	**3,170,506**	**1,956,782**	**1,401,341**	**1,275,587**	**911,157**
Total Expenses	**3,928,060**	**2,468,038**	**1,713,250**	**1,237,652**	**1,046,248**	**775,405**
Surplus/(deficit) for the year transferred to general fund	**(438,292)**	**702,468**	**243,532**	**163,690**	**229,338**	**135,752**
STATEMENT OF FINANCIAL POSITION						
Operating Fixed Assets	357,643	137,916	136,102	126,744	129,494	87,910
Operating Current Assets	3,660,272	3,731,999	2,377,124	1,585,076	1,260,194	1,116,366
Total Assets	**4,017,915**	**3,869,915**	**2,513,226**	**1,711,820**	**1,389,688**	**1,204,276**
Total Funds	**3,524,484**	**3,674,387**	**2,407,476**	**1,642,991**	**1,319,243**	**1,147,952**
Liabilities:						
Non-current Liabilities	78,776	1,969	-	-	33	1,306
Current Liabilities	414,655	193,559	105,750	68,829	70,412	55,019
Total Liabilities	**493,431**	**195,528**	**105,750**	**68,829**	**70,445**	**56,324**
Total Funds & Liabilities	**4,017,915**	**3,869,915**	**2,513,226**	**1,711,820**	**1,389,688**	**1,204,276**

KEY FINANCIAL RATIOS:	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Profitability Ratios						
Cost/income Ratio	112.6%	77.8%	87.6%	88.3%	82.0%	85.1%
Net Surplus / Income Ratio	-12.6%	22.2%	12.4%	11.7%	18.0%	14.9%
Liquidity Ratios						
Current Ratio	8.83	19.28	22.48	23.03	17.90	20.29
Quick / Acid Test Ratio	7.96	18.21	21.57	22.00	17.13	19.81
Cash to Current Liabilities	6.08	12.18	11.85	11.24	12.21	8.68
Turnover Ratios						
Inventory Turnover Ratio	3.18	3.95	4.13	4.28	5.00	5.50
No. of Days in Inventory	115	92	88	85	73	66
Activity Ratios						
Return on Assets	-11%	18%	10%	10%	17%	11%
Fixed Assets to Income Ratio	10%	4%	7%	9%	10%	10%
Total Assets to Income Ratio	115%	122%	128%	122%	109%	132%
Capital Structure						
Debt to Fund Ratio	0%	0%	0%	0%	0%	0%

Commentary on Financial Ratios

Profitability Ratios	ChildLife Foundation is a non-profit organization providing healthcare services through Children Emergency Rooms and Telemedicine Satellite Centers in Government Teaching Hospitals. Being a service-based and human capital-intensive organization, our main operational costs include: • Human resources, including both employees and third-party services • Medicines and consumables Our focus is not to generate a surplus but to maintain rational spending across all areas. The cost-to-income ratio increased to 113% in FY 2023-24 from 77.8% in FY 2022-23, largely due to the non-release of grant-in-aid funds from provincial governments in line with budget allocations. To counterbalance this, we focused on enhancing self-generated funds from donations and zakat contributions. Additionally, in FY 2023-24, we expanded our operations by opening a new emergency room at Children Hospital, Multan, and an Urgent Care Centre at Sindh Government Hospital, New Karachi, Sindh.
Liquidity Ratios	Liquidity represents the ease with which assets can be converted into cash without impacting their market value. ChildLife has performed well in terms of liquidity in recent years, with a strong emphasis on self-sustainability due to our commitment to sensitive pediatric emergency care. However, these ratios may be impacted if provincial governments delay or withhold grant-in-aid funds.
Inventory Turnover Ratio	The inventory turnover ratio measures the frequency with which an organization sells and replenishes its inventory. This ratio considers medicine consumption relative to the average inventory held during the period. Our policy is to maintain at least a three-month supply at each emergency room to ensure uninterrupted operations.
Activity Ratios	The asset turnover ratio measures the efficiency with which assets generate funds. For ChildLife, these ratios are relatively low, as our organization relies more on human capital than machinery. Additionally, as a pediatric emergency care provider, we do not require heavy-duty hospital equipment, which distinguishes us from tertiary care hospitals.
Capital Structure	Leverage ratios indicate the level of debt relative to other balance sheet, income, or cash flow accounts. ChildLife operates without financing facilities from banks, relying instead on government grants and donations. Consequently, our leverage is zero, aligning with our non-profit, low-risk financial model.

Summary of Cash Flow

Description	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
	(Rupees in '000)					
Cash and cash equivalents at beginning of the year	**2,866,789**	**1,653,455**	**773,492**	**859,837**	**477,381**	**188,450**
Net cash generated from operating activities	(531,386)	513,686	200,328	148,654	169,265	128,970
Net cash generated from / (used in) investing activities	180,002	132,580	158,681	(395,056)	271,237	(262,168)
Net cash generated from / (used in) financing activities	305,674	567,068	520,954	160,058	(58,047)	422,129
Net increase / (decrease) in cash and bank balances	(45,710)	1,213,334	879,963	(86,345)	382,456	288,931
Cash and cash equivalents at end of the year	**2,821,079**	**2,866,789**	**1,653,455**	**773,492**	**859,837**	**477,381**

Cashflow Statement of Zakat Funds (Direct Method)

Description	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
	(Rupees in '000)					
Opening balance	**22,292**	**181,299**	**140,419**	**109,916**	**42,063**	**35,334**
Received during the period	921,048	329,834	355,008	237,361	251,162	236,864
Utilization	(756,281)	(488,841)	(314,128)	(206,858)	(183,309)	(230,135)
Closing balance	**187,059**	**22,292**	**181,299**	**140,419**	**109,916**	**42,063**

ChildLife Foundation

Six Years' Vertical Analysis

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Income:						
Received in Cash	5.04%	8.07%	6.69%	6.90%	25.79%	1.95%
Received in Kind	2.12%	1.89%	1.70%	2.80%	1.76%	2.06%
Zakat Utilization - Operating Expenses	21.67%	15.42%	13.91%	12.10%	11.46%	20.09%
Zakat Utilization - Clinics	0.00%	0.00%	2.14%	2.67%	2.91%	5.17%
Deferred income - Operating Fixed Assets	0.10%	0.00%	0.00%	0.00%	0.10%	0.24%
Other income	6.01%	16.68%	6.86%	2.25%	4.75%	7.52%
Utilized from Strategic Fund	65.06%	57.94%	68.70%	73.28%	53.23%	62.97%
Total Income	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Expenses:						
Salaries and benefits	33.79%	40.99%	41.12%	45.40%	47.06%	48.33%
Third party contractual services	10.79%	10.41%	8.93%	9.18%	6.72%	9.34%
Lab services	3.67%	1.58%	0.00%	0.00%	0.00%	0.00%
Medicines consumed	22.97%	24.35%	20.15%	21.52%	19.19%	18.26%
Patient consultation	0.00%	0.00%	3.52%	3.88%	4.57%	7.72%
Project renovation	7.34%	2.00%	6.91%	5.52%	9.12%	1.09%
Depreciation on operating fixed assets	1.98%	2.51%	2.91%	3.52%	3.13%	3.60%
Depreciation on right-of-use assets	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%
Amortisation of intangible assets	0.02%	0.04%	0.19%	0.26%	0.23%	0.02%
Supplies and consumables	3.69%	4.11%	2.90%	1.90%	3.15%	4.13%
Oxygen supplies	3.50%	2.80%	3.83%	2.01%	1.35%	1.05%
Repairs and maintenance	1.99%	1.62%	1.50%	1.23%	0.49%	1.08%
Travelling and related expenses	2.00%	2.04%	2.02%	1.36%	1.00%	0.69%
Utilities	2.93%	2.30%	1.43%	0.86%	0.68%	0.75%
Cartage	0.81%	0.90%	0.45%	0.25%	0.19%	0.18%
Insurance	0.45%	0.56%	0.64%	0.85%	0.82%	0.71%
Training and development	0.27%	0.48%	0.30%	0.14%	0.27%	0.28%
Information system maintenance	0.64%	0.72%	0.64%	0.61%	0.59%	0.37%
Legal and professional	0.33%	0.25%	0.34%	0.20%	0.09%	0.16%
Auditors' remuneration	0.02%	0.02%	0.02%	0.08%	0.04%	0.03%
Advertisement	1.57%	1.53%	1.77%	0.92%	0.65%	1.04%
Programmatic activities and preventive health care	0.21%	0.18%	0.15%	0.06%	0.04%	0.11%
Others	0.66%	0.61%	0.28%	0.25%	0.62%	1.06%
Finance cost	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Expenses	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

FINANCIAL POSITION:	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Assets:						
Operating Fixed Assets	7.37%	3.54%	5.35%	7.09%	8.84%	6.77%
Right-of-use assets	1.53%	0.00%	0.00%	0.00%	0.00%	0.00%
Intangible assets	0.00%	0.02%	0.06%	0.31%	0.48%	0.53%
Consumables	8.94%	5.37%	3.84%	4.13%	3.88%	2.20%
Advances, deposits and prepayments	0.52%	0.75%	0.29%	0.46%	1.24%	0.58%
Investments	18.29%	28.65%	39.74%	42.42%	23.37%	49.91%
Other receivables	0.60%	0.76%	0.85%	0.40%	0.32%	0.37%
Cash and bank balances	62.75%	60.91%	49.87%	45.19%	61.87%	39.64%
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Funds:						
Inception contribution	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General fund	35.36%	45.84%	40.79%	44.99%	43.73%	30.27%
Zakat fund	5.31%	0.61%	7.53%	8.55%	8.33%	3.66%
Endowment fund	41.70%	32.84%	20.99%	14.18%	17.56%	19.93%
Strategic fund	17.63%	20.71%	30.69%	32.28%	30.38%	46.14%
Total Funds	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Liabilities:						
Deferred income related to operating fixed assets	5.33%	1.28%	0.00%	0.00%	0.05%	2.32%
Lease liabilities	13.36%	0.00%	0.00%	0.00%	0.00%	0.00%
Creditors, accrued and other liabilities	81.31%	98.72%	100.00%	100.00%	99.95%	97.68%
Total Liabilities	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total Funds & Liabilities	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

ChildLife Foundation

Six Years' Horizontal Analysis

	% Variation					
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Income:						
Received in Cash	989%	1439%	736%	544%	1850%	100%
Received in Kind	394%	318%	177%	209%	120%	100%
Zakat Utilization - Operating Expenses	413%	267%	149%	93%	80%	100%
Zakat Utilization - Clinics	0%	0%	89%	79%	79%	100%
Deferred income - Operating Fixed Assets	161%	6%	0%	2%	59%	100%
Other income	306%	772%	196%	46%	89%	100%
Utilized from Strategic Fund	396%	320%	234%	179%	118%	100%
Total Income	**383%**	**348%**	**215%**	**154%**	**140%**	**100%**
Expenses:						
Salaries and benefits	354%	270%	188%	150%	131%	100%
Third party contractual services	585%	355%	211%	157%	97%	100%
Lab services*	370%	100%	0%	0%	0%	0%
Medicines consumed	637%	424%	244%	188%	142%	100%
Patient consultation	0%	0%	101%	80%	80%	100%
Project renovation	3404%	582%	1398%	806%	1126%	100%
Depreciation on operating fixed assets	280%	223%	179%	156%	117%	100%
Depreciation on right-of-use assets**	100%	0%	0%	0%	0%	0%
Amortisation of intangible assets	344%	482%	1822%	1791%	1319%	100%
Supplies and consumables	453%	317%	155%	74%	103%	100%
Oxygen supplies	1711%	859%	816%	309%	177%	100%
Repairs and maintenance	931%	474%	306%	181%	61%	100%
Travelling and related expenses	1462%	934%	644%	313%	194%	100%
Utilities	1971%	970%	419%	183%	121%	100%
Cartage	2242%	1569%	542%	217%	137%	100%
Insurance	321%	251%	198%	191%	156%	100%
Training and development	481%	545%	233%	77%	130%	100%
Information system maintenance	868%	615%	378%	262%	211%	100%
Legal and professional	1016%	478%	460%	194%	78%	100%
Auditors' remuneration	313%	226%	160%	388%	169%	100%
Advertisement	765%	469%	376%	142%	84%	100%
Programmatic activities and preventive health care	964%	512%	303%	88%	49%	100%
Others	322%	186%	59%	38%	80%	100%
Finance cost**	100%	0%	0%	0%	0%	0%
Total Expenses	**507%**	**318%**	**221%**	**160%**	**135%**	**100%**
Surplus/(deficit) for the year transferred to general fund	**-323%**	**517%**	**179%**	**121%**	**169%**	**100%**

FINANCIAL POSITION:	% Variation					
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Assets:						
Operating Fixed Assets	363%	168%	165%	149%	151%	100%
Right-of-use assets**	100%	0%	0%	0%	0%	0%
Intangible assets	2%	12%	25%	84%	105%	100%
Consumables	1354%	785%	364%	267%	203%	100%
Advances, deposits and prepayments	302%	421%	105%	114%	248%	100%
Investments	122%	184%	166%	121%	54%	100%
Other receivables	540%	651%	473%	151%	100%	100%
Cash and bank balances	528%	494%	263%	162%	180%	100%
Total Assets	**334%**	**321%**	**209%**	**142%**	**115%**	**100%**
Funds:						
Inception contribution	100%	100%	100%	100%	100%	100%
General fund	359%	485%	283%	213%	166%	100%
Zakat fund	445%	53%	431%	334%	261%	100%
Endowment fund	642%	527%	221%	102%	101%	100%
Strategic fund	117%	144%	140%	100%	76%	100%
Total Funds	**307%**	**320%**	**210%**	**143%**	**115%**	**100%**
Liabilities:						
Deferred income related to operating fixed assets	2014%	191%	0%	0%	2%	100%
Lease liabilities**	100%	0%	0%	0%	0%	0%
Creditors, accrued and other liabilities	729%	351%	192%	125%	128%	100%
Total Liabilities	**876%**	**347%**	**188%**	**122%**	**125%**	**100%**
Total Funds & Liabilities	**334%**	**321%**	**209%**	**142%**	**115%**	**100%**

* Base Year is taken as 2022-23

** Base Year is taken as 2023-24

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE TRUST

Opinion

We have audited the financial statements of ChildLife Foundation (the Trust), which comprise the statement of financial position as at June 30, 2024, and the statement of income and expenditure and other comprehensive income, the statement of changes in fund balances and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at June 30, 2024, and of 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.

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 CEO report and Chairman 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 of 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 Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

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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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Afferguson&Co

A. F. Ferguson & Co.
Chartered Accountants
Dated: November 29, 2024
Karachi
Audit Engagement Partner: Shahbaz Akbar
UDIN: AR2024100681wSuvCGop

Statement of Financial Position
As At June 30, 2024

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	5	**296,081**	137,176
Right-of-use assets	6	**61,451**	-
Intangible assets	7	**111**	740
		357,643	137,916
CURRENT ASSETS			
Consumables	8	**358,969**	207,973
Advances, deposits and prepayments	9	**20,921**	29,202
Short-term investments	10	**735,031**	1,108,781
Other receivables	11	**24,272**	29,254
Cash and bank balances	12	**2,521,079**	2,356,789
		3,660,272	3,731,999
TOTAL ASSETS		**4,017,915**	3,869,915
FUNDS AND LIABILITIES			
FUNDS			
UN-RESTRICTED FUNDS			
Inception contribution		**10**	10
General fund		**1,246,128**	1,684,420
		1,246,138	1,684,430
RESTRICTED FUNDS			
Zakat fund	13	**187,059**	22,292
Endowment fund		**1,469,671**	1,206,839
Strategic fund	14	**621,616**	760,826
		2,278,346	1,989,957
TOTAL FUNDS		**3,524,484**	3,674,387
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income related to operating fixed assets	15	**21,033**	1,969
Lease liabilities	16	**57,743**	-
		78,776	1,969
CURRENT LIABILITIES			
Current portion of deferred income related to operating fixed assets	15	**5,258**	525
Current portion of lease liabilities	16	**8,160**	-
Creditors, accrued and other liabilities	17	**401,237**	193,034
		414,655	193,559
TOTAL LIABILITIES		**493,431**	195,528
TOTAL FUNDS AND LIABILITIES		**4,017,915**	3,869,915
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes 1 to 35 form an integral part of these financial statements.

Trustee **Trustee**

Statement of Income and Expenditure and Other Comprehensive Income

For The Year Ended June 30, 2024

	Note	2024	2023
		(Rupees in '000)	
INCOME	20	**3,489,768**	3,170,506
EXPENDITURE			
Operating expenses	21	**3,456,938**	2,214,248
Administrative expenses	22	**395,158**	211,717
Marketing expenses	23	**69,659**	42,073
Finance cost	16	**6,305**	-
Total expenditure		**3,928,060**	2,468,038
(Deficit) / surplus for the year before taxation		**(438,292)**	702,468
Taxation	25	**-**	-
Net (deficit) / surplus for the year		**(438,292)**	702,468
Other comprehensive income for the year		**-**	-
Total comprehensive (loss) / income for the year		**(438,292)**	702,468

The annexed notes 1 to 35 form an integral part of these financial statements.

Trustee **Trustee**

Statement of Changes in Fund Balances

For The Year Ended June 30, 2024

	Note	Un-Restricted funds		Restricted funds			
		Inception contribution	General fund	Zakat fund	Endowment fund	Strategic fund	Total
		(Rupees in '000)					
Balance as at July 1, 2022		10	981,952	181,299	505,373	738,842	2,407,476
Funds received during the year		-	-	329,834	701,466	1,859,038	2,890,338
Zakat utilised for operating expenses	13	-	-	(488,841)	-	-	(488,841)
Surplus for the year		-	702,468	-	-	-	702,468
Funds utilised during the year	14	-	-	-	-	(1,837,054)	(1,837,054)
Balance as at June 30, 2023		**10**	**1,684,420**	**22,292**	**1,206,839**	**760,826**	**3,674,387**
Funds received during the year		-	-	921,048	262,832	2,131,210	3,315,090
Zakat utilised for operating expenses	13	-	-	(756,281)	-	-	(756,281)
Deficit for the year		-	(438,292)	-	-	-	(438,292)
Funds utilised during the year	14	-	-	-	-	(2,270,420)	(2,270,420)
Balance as at June 30, 2024		**10**	**1,246,128**	**187,059**	**1,469,671**	**621,616**	**3,524,484**

The annexed notes 1 to 35 form an integral part of these financial statements.

Trustee

Trustee

Statement of Cash Flows

For The Year Ended June 30, 2024

	Note	2024	2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year		**(438,292)**	702,468
Adjustments for non-cash and other items:			
Amortisation of deferred income relating to operating fixed assets	20	**(3,457)**	(131)
Depreciation on operating fixed assets	5	**77,940**	62,108
Depreciation on right-of-use assets	6	**8,116**	-
Amortisation of intangible assets	7	**629**	881
Profit on investments and bank deposits	20.2	**(253,201)**	(197,628)
Loss on disposal of operating fixed assets	21.1 & 22.2	**104**	245
Finance cost	16	**6,305**	-
		(601,856)	567,943
(Increase) / decrease in current assets			
Consumables		**(150,996)**	(111,590)
Other receivables		**4,982**	(8,008)
Advances, deposits and prepayments		**8,281**	(21,943)
Increase in current liability			
Creditors, accrued and other liabilities		**208,203**	87,284
Net cash (utilised in) / generated from operating activities		**(531,386)**	513,686
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets	5	**(237,728)**	(65,300)
Term deposit receipts matured	10	**263,750**	-
Investment in Ijarah Sukuk	10	**(100,000)**	-
Realised gain on Islamic investments and bank deposits		**253,201**	197,628
Proceeds from disposal of operating fixed assets		**779**	252
Net cash generated from investing activities		**180,002**	132,580
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred income relating to operating fixed assets received	15	**27,254**	2,625
Zakat fund received	13	**921,048**	329,834
Strategic fund received	14	**2,131,210**	1,859,038
Endowment fund received		**262,832**	701,466
Utilisation of zakat fund	13	**(756,281)**	(488,841)
Utilisation of strategic fund	14	**(2,270,420)**	(1,837,054)
Donation in lieu of repayment of rent	16	**(9,969)**	-
Net cash generated from financing activities		**305,674**	567,068
Net (decrease) / increase in cash and cash equivalents		**(45,710)**	1,213,334
Cash and cash equivalents at beginning of the year		**2,866,789**	1,653,455
Cash and cash equivalents at end of the year	26	**2,821,079**	2,866,789

The annexed notes 1 to 35 form an integral part of these financial statements.

Trustee **Trustee**

Notes to the Financial Statements

For The Year Ended June 30, 2024

1 LEGAL STATUS AND OBJECTIVES

1.1 ChildLife Foundation (the Trust) was established under a registered trust deed dated October 27, 2010. During the year, the principal office of the Trust was changed to LG-49, Lower Ground, Lucky One Mall, LA-2/B, F.B. Area, Rashid Minhas Road, Karachi. The principal objectives of the Trust are to:

- promote the cause of medical care and manage emergency care units for children and setting-up, establishing, managing, operating, obtaining registrations and recognitions and funding for medical, educational and social welfare institutions;

- accept donations, grant contributions and subsidies from philanthropists, local and offshore donors, bodies and organisations;

- acquire, take over or receive by way of donations, develop plots, amenity sites and immovable properties of all kinds out of funds of the Trust; and

- provide medical and health care facilities for and medical treatment of the people by building, setting-up, establishing, managing, operating, funding, promoting, aiding and assisting hospitals, organising clinics, etc. and to generally do, effectuate, fulfil and undertake all other social welfare and charitable activities and to plan, implement and execute charitable and welfare projects of all kinds as may be permissible under the law.

Following are the geographical locations and addresses of all Children's Emergency Units operated by the Trust:

Head Office:

LG-49, Lower Ground, Lucky One Mall, LA-2/B, F.B. Area, Rashid Minhas Road, Karachi, in the province of Sindh.

Children's Emergency Units:

- Civil Hospital, Karachi, Sindh (CHK)
- National Institute of Child Health, Karachi, Sindh (NICH)
- Sindh Government Hospital Korangi 5, Karachi, Sindh (SGHK)
- Abbasi Shaheed Hospital, Karachi, Sindh (ASH)
- Sindh Government Lyari General Hospital, Karachi, Sindh (LGH)
- Maternal and Child Health Institute, District Shaheed Benazirabad, Nawabshah, Sindh (NWB)
- Children Hospital, Larkana, Sindh (LKN)
- Ghulam Mohammad Maher Medical College Teaching Hospital, Sukkur, Sindh (GMMMC)
- Liaquat University of Medical and Health Sciences Teaching Hospital, Hyderabad, Sindh (LUMHS)
- Civil Hospital, Quetta, Balochistan (CHQ)
- Mayo Hospital, Lahore, Punjab (MHL)
- PIMS Hospital, Islamabad, Punjab (PIMS)
- Children Hospital, Multan, Punjab (MUX)

1.2 The Trust is currently managing the Children’s Emergency Unit at CHK, NICH, SGHK, ASH, LGH, NWB, LKN, GMMMC, LUMHS and Telemedicine Satellite Centers in the province of Sindh under revised Memorandum of Understanding (MOU) signed on August 17, 2021, between the Trust and Government of Sindh (GoS) through the Secretary Health. Under the MOU:

- the GoS through Health Department is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical / medical experts, paramedical staff and other experts of related disciplines, would also provide basic utilities without cost and the use of an appropriate stand-by generator and to ensure that the supply of medicines, equipment, supplies and other materials (including oxygen supply) is in accordance with best practices in respect of stock inventory; and

- the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Units as and where necessary on its sole discretion. Further, the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of additional medicines and medical equipment where necessary on best effort basis, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.

1.3 The Trust is also managing the Children’s Emergency Unit in CHQ and Telemedicine Satellite Centers in the province of Balochistan under a revised MOU signed on March 3, 2021 between the Trust and Government of Balochistan (GoB) through the Secretary Health. Under the MOU:

- the GoB through Health Department is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical / medical experts, paramedical staff and other experts of related disciplines, would also provide basic utilities without cost and the use of an appropriate stand-by generator and to ensure that the supply of medicines, equipment, supplies and other materials (including oxygen supply) is in accordance with best practices in respect of stock inventory; and

- the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Unit as and where necessary on its sole discretion. Further the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of additional medicines and medical equipment where necessary on best effort basis, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.

1.4 The Trust is also managing the Children's Emergency Unit in MHL under a MOU signed on June 17, 2021 between the Trust and Mayo hospital, Lahore (MHL) through its Chairman, Board of Governors. Under the MOU:

- MHL is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical / medical experts, paramedical staff and other experts of related disciplines, would also provide basic utilities without cost and the use of an appropriate stand-by generator and to ensure that the supply of medicines, equipment, supplies and other materials (including oxygen supply) is in accordance with best practices in respect of stock inventory; and

- the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Unit as and where necessary on its sole discretion. Further the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of additional medicines and medical equipment where necessary, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.

1.5 The Trust is also managing the Children's Emergency Unit in PIMS under a MOU signed on January 28, 2022 between the Trust and Federal Medical Teaching Institute, PIMS, Islamabad through its Chairman, Board of Governors. Under the MOU:

- PIMS is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical / medical experts, paramedical staff and other experts of related disciplines, would also provide basic utilities without cost and the use of an appropriate stand-by generator and to ensure that the supply of medicines, equipment, supplies and other materials (including oxygen supply) is in accordance with best practices in respect of stock inventory; and

- the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Unit as and where necessary on its sole discretion. Further the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of additional medicines and medical equipment where necessary, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.

1.6 The Trust is also managing the Children's Emergency Unit in MUX under a MOU signed on September 11, 2023 between the Trust and Governor of the Punjab through Secretary, Specialized Healthcare and Medical Education Department, Government of Punjab (GoPb). Under the MOU:

- MUX is responsible for providing adequate resources in the annual budget and depute, post and assign such qualified, technical, professional and surgical / medical experts, paramedical staff and other experts of related disciplines, would also provide basic utilities without cost and the use of an appropriate stand-by generator and to ensure that the supply of medicines, equipment, supplies and other materials (including oxygen supply) is in accordance with best practices in respect of stock inventory; and

- the Trust is responsible for renovation and providing medical equipment, air conditioning and other essential equipment for the Children's Emergency Unit as and where necessary on its sole discretion. Further the Trust is responsible for efficiently managing the project and the facilities, developing proper inventory and data management systems, appointing qualified and professional experts and paramedic staff where required, arranging for the provisions of additional medicines and medical equipment where necessary, and may engage in technological advancements for compliance with medical protocols and improving the efficiency and quality of care.

1.7 The Trust is also managing Telemedicine Satellite Centers in the province of Punjab under letter no. SO(EP&C)3-20/2018 dated May 4, 2023 issued by the Primary & Secondary Healthcare Department, GoPb.

1.8 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Acts [i.e. Sindh Trust Act, 2020, Punjab Trust Act, 2020, Balochistan Trust Act, 2020, KPK Trust Act, 2020 and Islamabad Capital Territory (ICT) Trust Act, 2020] as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Acts have been introduced. The Trust was required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on June 2, 2023 the Trust Deed of the trust had been registered under the Sindh Trust Act. Moreover, as the Trust is registered under the province of Sindh hence it is not required to be registered under other Provincial Trust Acts.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan (SECP); and

- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

In case the requirements differ, the Accounting Standard for NPOs has been followed.

2.2 Amendments to accounting and reporting standards which become effective during the current year and early adopted by the Trust:

There were certain amendments that became applicable for the Trust during the year but are not considered to be relevant or did not have any significant effect on the Trusts operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS I 'Presentation of Financial Statements have become applicable to the Trust which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year, the ICAP has issued accounting standard on 'Financial Statement Disclosure of Zakat received by an entity' and notified by SECP vide SRO 240(1)/2024 which shall be followed by companies that receive zakat, and are required to prepare their financial statements in conformity with the financial reporting standards as applicable in Pakistan. The new standard is effective for the Trust effective July 1, 2024. However, the Trust has early adopted it.

2.3 New standards and amendments to accounting and reporting standards that are not yet effective

2.3.1 There are certain new standards and amendments that will be applicable to the Trust for its annual periods beginning on or after July 1, 2024. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1,2027 as per IASB, IFRS 18 and 19 will become part of the Trust's financial reporting framework upon adoption by the Securities and Exchange Commission of Pakistan (SECP). Moreover, the overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability and are applicable effective January 1, 2026.

The Trust's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

3.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates. The financial statements are presented in Pakistani Rupees, which is the Trust's functional and presentation currency.

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The assumptions underlying the estimates are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Trust's financial statements or where judgement was exercised in application of accounting policies are as follows:

a) Useful lives, residual values and depreciation method of operating fixed assets (notes 4.1 and 5);
b) Useful life, residual value and amortisation method of intangible assets (notes 4.3 and 7);
c) Impairment of financial and non-financial assets (notes 4.4 and 4.5.1.2);
d) Provisions (note 4.12);
e) Investments in financial assets (notes 4.5 and 10); and
f) Leases (notes 4.2 and 16).

4 MATERIAL ACCOUNTING POLICY INFORMATION

The 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, unless otherwise stated.

4.1 Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to statement of income and expenditure using the straight line method at the rates specified in note 5 to the financial statements.

In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

The residual values and useful lives of operating fixed assets are reviewed and adjusted, if appropriate, at each reporting date.

Assets are derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of operating fixed assets, if any, are recognised in the statement of income and expenditure as and when incurred.

Repairs and maintenance costs are recognised in the statement of income and expenditure as and when incurred.

4.2 Right-of-use assets and lease liabilities

The right-of-use assets is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, any estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated using the straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Trust's incremental borrowing rate. The extension and termination options are incorporated in the determination of the lease term only when the Trust is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Trust's estimate of the amount expected to be payable under a residual value guarantee. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of income and expenditure if the carrying amount of right of use of asset has been reduced to zero.

The Trust applies recognition exemption towards short-term leases (note 16.2).

4.3 Intangible assets

Intangible assets comprise of cost of computer software and is stated at cost less accumulated amortisation and accumulated impairment losses, if any. The cost of intangible assets is amortised over the estimated useful life stated in note 7 using the straight line method. Costs associated with maintaining the computer software are recognised as expense in the statement of income and expenditure as and when incurred. The useful life, residual value and amortisation method of intangible asset is reviewed and adjusted, if appropriate, at each reporting date.

4.4 Impairment of non-financial assets

The Trust assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of income and expenditure. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. Reversal of impairment loss is recognised as income.

4.5 Financial instruments

4.5.1 Financial assets

4.5.1.1 Classification and subsequent measurement

The Trust has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit and loss (FVTPL).

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Trust's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Trust classifies its debt instruments in one of the following three measurement categories:

a) **At amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.5.1.2.

b) **Fair value through other comprehensive income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognised and measured as described in note 4.5.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the statement of income and expenditure. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of income and expenditure.

c) **Fair value through profit and loss (FVTPL)**

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the statement of income and expenditure in the period in which it arises.

4.5.1.2 Impairment

The Trust assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried amortised cost and FVOCI. The Trust recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available with out undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

4.5.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

(i) the Trust transfers substantially all the risks and rewards of ownership; or

(ii) the Trust neither transfers nor retains substantially all the risks and rewards of ownership and the Trust has not retained control.

4.5.2 Financial liabilities

All financial liabilities are recognised initially at fair value less directly attributable cost, if any, and subsequently measured at amortised cost.

4.5.2.1 Derecognition of financial liabilities

The Trust derecognises financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of income and expenditure.

4.6 Offsetting of financial assets and liabilities

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

4.7 Foreign currency transactions and translation

Foreign currency transactions are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities, denominated in foreign currencies are translated into reporting currency equivalents using year-end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rates that existed when these were initially recognised.

Gains and losses arising on retranslation are included in the statement of income and expenditure for the period.

4.8 Retirement benefit obligation

4.8.1 Defined contribution plan

The Trust also operates an unrecognised provident fund scheme for the permanent employees. Contributions to fund are made monthly by the Trust and employee at the rate of 8.33% of the basic salary. The Trust's contributions are recognised as employee benefit expense when they are due.

4.9 Consumables

Consumables include medicines and general store items purchased by the Trust and received as donation from CHK, NICH, SGHK, ASH, NWB, LKN, LGH, GMMMC, LUMHS, CHQ, MHL, MUX and PIMS. They are initially recorded at the cost and are subsequently valued using the weightage average cost method.

4.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of balances with banks and short term highly liquid investments with original maturity within three months.

4.11 Creditors, accrued and other liabilities

Liabilities for creditors, accrued and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust.

4.12 Provisions

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

4.13 Advances, deposits and prepayments

These include advance to suppliers for contract work at emergency care units, security deposit made against rented property and prepayments. These are stated at cost less estimates made for doubtful receivables based on review of all outstanding amounts at year end. Balances considered bad and irrecoverable are written off when identified.

4.14 Taxation

The Trust is registered with the income tax authorities as a non-profit organisation under section 2(36)(c) of the Income Tax Ordinance, 2001 read with Rules 212 and 220 of the Income Tax Rules, 2002. The Trust does not account for taxation, as non-profit organisations are allowed a tax credit equal to one hundred percent (100%) of the tax payable including minimum tax and final tax payable, under section 100C of the Income Tax Ordinance, 2001, subject to fulfilment of certain conditions stipulated therein.

4.15 Income recognition

4.15.1 Donations

Donation contributions are recognised on receipt basis.

4.15.2 Donations in kind

Medicines and other donations received in kind are recorded at fair value, being the deemed cost of the Trust, as and when they are received.

4.15.3 Zakat received

Zakat represents actual amount transferred to income in accordance with approval received from the Shariah Advisory Committee (SAC).

Donation and Zakat contributions related to specific operating fixed assets are recognised as deferred income and amortised over the useful lives of the asset when the asset is available for intended use.

4.16 Fund accounting

Resources are categorised, for accounting and reporting purposes, into funds in accordance with activities or objectives specified by the donor. Accordingly, two main groups of funds are distinguished - Unrestricted and Restricted funds.

4.16.1 Un-restricted funds

Un-restricted funds have been established to meet the operational expenses of the Trust from funds received during the year. These include the General fund and the Inception fund.

4.16.1.1 General Fund

General fund is used to record all resource inflows and outflows that are not associated with specific funds.

4.16.1.2 Inception Fund

Inception fund represents the initial token amount received by the Trust at the time of formation of the Trust.

4.16.2 Restricted funds

The Trust's restricted funds include Zakat fund, Endowment fund and Strategic fund.

4.16.2.1 Zakat fund

Zakat fund mainly includes the amount received in the Holy month of Ramadan. Funds received are utilised for the operating expenses of the Trust in accordance with approved SAC guidelines.

As recommended by the SAC, the fund was created for the benefits of Zakat eligible patients. All the funds received on account of Zakat are directly credited to the fund. Each year, the utilisation of Zakat funds for operating expenses are duly approved by the SAC and endorsed by the Board of Trustees.

In a meeting held on June 6, 2015, the SAC recommended 67% of operating expenses except for depreciation as adjustable from Zakat fund. The SAC also approved the utilisation of Zakat fund for patient consultation as per actual number of Zakat eligible patients. This was endorsed by the Board of Trustees in their meeting held on June 21, 2015.

4.16.2.2 Endowment fund

Endowment fund has been created with the approval of the Trustees for the purpose of achieving sustainability. This fund is invested in Islamic investments. Realized gain on investments pertaining to the Endowment fund are appropriated to the Endowment fund through an appropriation of surplus. Investment income earned on Endowment fund is utilised for operating expenses of the Trust.

4.16.2.3 Strategic fund

The Trust receives funds each year for strategic purposes such as establishing new Children's Emergency Care Units in various cities of Pakistan. At the discretion of donors, it has set aside these funds solely for the expansion of such units and for their routine operating expenditures.

4.17 Government Grant

Government grants are recognised at the fair value of consideration received. A grant that imposes specified future performance obligations is recognised in income when all those conditions are met. Government grants are recognized in the statement of income and expenditure on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate and are presented separately in "strategic fund utilised".

5 OPERATING FIXED ASSETS

	June 30, 2024					
	Furniture and fixtures	Office equipment	Computer equipment	Medical equipment	Motor vehicle	Total
	(Rupees in '000)					
At July 1, 2023						
Cost	24,507	127,640	70,841	134,423	4,053	361,464
Accumulated depreciation	(18,981)	(77,243)	(42,400)	(84,583)	(1,081)	(224,288)
Net book value	5,526	50,397	28,441	49,840	2,972	137,176
Additions during the year	10,723	60,195	28,735	138,075	-	237,728
Disposals						
Cost	(195)	(4,344)	(3,058)	(433)	-	(8,030)
Accumulated depreciation	186	3,642	2,935	384	-	7,147
	(9)	(702)	(123)	(49)	-	(883)
Depreciation charge for the year (note 5.2)	(3,431)	(23,885)	(18,187)	(31,626)	(811)	(77,940)
Closing net book value	12,809	86,005	38,866	156,240	2,161	296,081
At June 30, 2024						
Cost	35,035	183,491	96,518	272,065	4,053	591,162
Accumulated depreciation	(22,226)	(97,486)	(57,652)	(115,825)	(1,892)	(295,081)
Net book value	12,809	86,005	38,866	156,240	2,161	296,081
Depreciation rate per annum	20%	20%	33%	20%	20%	

	June 30, 2023					
	Furniture and fixtures	Office equipment	Computer equipment	Medical equipment	Motor vehicle	Total
	(Rupees in '000)					
At July 1, 2022						
Cost	24,424	109,339	52,185	111,155	4,053	301,156
Accumulated depreciation	(14,803)	(54,869)	(34,870)	(61,863)	(270)	(166,675)
Net book value	9,621	54,470	17,315	49,292	3,783	134,481
Transfer in / (transfer out)						
Cost	(247)	4,656	(5,091)	682	-	-
Accumulated depreciation	78	(3,190)	3,774	(662)	-	-
	(169)	1,466	(1,317)	20	-	-
Additions during the year	447	17,178	24,742	22,933	-	65,300
Disposals						
Cost	(117)	(3,533)	(995)	(347)	-	(4,992)
Accumulated depreciation	103	3,174	940	278	-	4,495
	(14)	(359)	(55)	(69)	-	(497)
Depreciation charge for the year (note 5.2)	(4,359)	(22,358)	(12,244)	(22,336)	(811)	(62,108)
Closing net book value	5,526	50,397	28,441	49,840	2,972	137,176
At June 30, 2023						
Cost	24,507	127,640	70,841	134,423	4,053	361,464
Accumulated depreciation	(18,981)	(77,243)	(42,400)	(84,583)	(1,081)	(224,288)
Net book value	5,526	50,397	28,441	49,840	2,972	137,176
Depreciation rate per annum	20%	20%	33%	20%	20%	

5.1 The operating fixed assets of the Trust include capitalized assets purchased via funding received from it's strategic partnerships with the Government of Sindh (GOS) and Government of Balochistan (GOB). The partnerships are governed by MOUs signed with the GOS and the GOB. The arrangements with GOS are for a period of 10 years extendable with consent of both parties, while arrangements with GOB are for a period of three years, subject to yearly renewal by both parties and after three years they will be extendable with consent of both parties. The Trust has capitalized the assets as the substantial period of useful lives of these assets falls within the length of contract where the Trust will control the assets and receive the economic benefits flowing from them.

The purchase of the above assets is reflected in the statement of income and expenditure as part of 'Strategic fund utilised' and recognised as revenue when the Trust utilises them for the purpose of the funding, i.e. to operate the Emergency Care Units.

5.2 The depreciation charge for the year has been allocated as follows:

	Note	**2024**	2023
		(Rupees in '000)	
Operating expenses	21	**73,744**	58,450
Administrative expenses	22	**4,196**	3,658
		77,940	62,108

6 RIGHT-OF-USE ASSETS

Net carrying value

	Note	**2024**	2023
Balance as at July 1		**-**	-
Additions during the year		**69,567**	-
Depreciation charge for the year	22	**(8,116)**	-
Balance as at June 30		**61,451**	-

Gross carrying value

	2024	2023
Cost	**69,567**	-
Accumulated depreciation	**(8,116)**	-
Net book value	**61,451**	-
Depreciation rate per annum	**20%**	-

6.1 This represents right-of-use assets recognised in respect of space provided for the Head Office of the Trust free-of-cost for a period of five years.

7 INTANGIBLE ASSET

Particulars	**Cost**				**Accumulated amortization**				**Carrying value**	**Annual rate of amortization**
	At July 1, 2023	**Addition during the year**	**Disposal**	**At June 30, 2024**	**At July 1, 2023**	**Charge for the year**	**Accumulated amortization on Disposal**	**At June 30, 2024**	**At June 30, 2024**	
	(Rupees in '000)									**%**
Computer software	**9,877**	**-**	**-**	**9,877**	**9,137**	**629**	**-**	**9,766**	**111**	**33**

Particulars	Cost				Accumulated amortization				Carrying value	Annual rate of amortization
	At July 1, 2022	Addition during the year	Disposal	At June 30, 2023	At July 1, 2022	Charge for the year	Accumulated amortization on Disposal	At June 30, 2023	At June 30, 2023	
	(Rupees in '000)									%
Computer software	9,877	-	-	9,877	8,256	881	-	9,137	740	33

7.1 The amortisation charge for the year has been allocated as follows:

	Note	**2024**	2023
		(Rupees in '000)	
Operating expenses	21	**580**	813
Administrative expenses	22	**49**	68
		629	881

8	CONSUMABLES	Note	2024	2023
			(Rupees in '000)	
	Balance as at July 1		**207,973**	96,383
	Purchases during the year		**1,076,904**	709,459
	Consumables received in kind	20.1	**64,082**	59,817
	Consumed during the year		**(989,990)**	(657,686)
	Balance as at June 30		**358,969**	207,973

9	ADVANCES, DEPOSITS AND PREPAYMENTS			
	Advance to suppliers	9.1	**12,586**	21,762
	Advance to staff		**704**	150
	Security deposits	9.2	**4,748**	5,208
	Prepayments	9.3	**2,883**	2,082
			20,921	29,202

9.1 This represents advance given for the following purposes:

Advance against operating fixed assets	**7,259**	192
Advance against construction / renovation	**-**	20,183
Advance against maintenance expense - software	**1,978**	439
Promotional expenses	**697**	195
Others	**2,652**	753
	12,586	21,762

9.2 This represents security deposits given in relation to rental agreement for warehouse, water supply, oxygen and LPG cylinders.

9.3	This represents prepayments made for the following purposes:	Note	2024	2023
			(Rupees in '000)	
	Rent		**1,543**	1,996
	Insurance		**1,340**	86
			2,883	2,082

10	SHORT-TERM INVESTMENTS			
	At amortised cost			
	Islamic term deposit receipts with banks (TDRs)	10.1 & 10.2	**635,031**	1,108,781
	Ijarah Sukuks (Sukuks)	10.1 & 10.3	**100,000**	-
			735,031	1,108,781

10.1 This includes investments made from Endowment and other funds.

10.2 These TDRs carry return at the rates ranging from 17.50% to 20.10% (2023: 15.0% to 20.30%) per annum and are due to mature between July 2024 to May 2025.

10.3 These Sukuks carry yield at the rate of 21.85% per annum and are due to mature in October 2024.

11	OTHER RECEIVABLES	2024	2023
		(Rupees in '000)	
	Accrued interest on:		
	- Bank deposits	**2,937**	5,054
	- TDRs	**12,971**	22,069
	- Sukuk	**4,729**	-
		20,637	27,123
	Full and final settlement receivable - relating to employees	**3,022**	1,933
	Others	**613**	198
		24,272	29,254

12 CASH AND BANK BALANCES

	Note	2024	2023
		(Rupees in '000)	
Local currency			
Cash in hand		**436**	412
Cash at banks:			
Current accounts	12.1	**199,132**	205,018
Savings accounts	12.2	**488,383**	572,241
		687,515	777,259
Foreign currency			
Cash at banks in savings account	12.2	**1,833,128**	1,579,118
		2,521,079	2,356,789

12.1 These include Zakat current accounts amounting to Rs. 187.059 million (2023: Rs. 22.292 million).

12.2 These carry return at the rates ranging from 0.25% to 18.5% (2023: 0.25% to 17.5%) per annum.

13 ZAKAT FUND

	Note	2024	2023
		(Rupees in '000)	
Zakat available for utilisation			
Balance as at July 1		**22,292**	181,299
Received during the year	13.1	**921,048**	329,834
		943,340	511,133
Zakat utilised during the year			
Zakat utilised for operating expenses	13.2	**(756,281)**	(488,841)
Zakat utilised for general and administrative expenses		**-**	-
Zakat utilised for CAPEX		**-**	-
Balance as at June 30		**187,059**	22,292
Closing balance of the zakat is represented by:			
Cash at bank balances related to zakat balances	12.1	**187,059**	22,292

13.1 This represents funds received from individuals and corporate donors during the year for running operations of Emergency Care Units in Pakistan.

13.2 This represents utilisation of funds in meeting operational expenses of Emergency Care Units in CHK, NICH, SGHK, ASH, NWB, LKN, LGH, GMMMC, LUMHS, CHQ, PIMS, MHL and MUX in accordance with SAC guidelines. During the year, 22.36% (2023: 22.68%) of operating expenses (excluding depreciation and amortisation) have been utilised from the Zakat fund.

14 STRATEGIC FUND

	Note	2024	2023
		(Rupees in '000)	
Balance as at July 1		**760,826**	738,842
Received during the year	14.1	**2,131,210**	1,859,038
Utilised during the year	14.2	**(2,270,420)**	(1,837,054)
Balance as at June 30	14.3	**621,616**	760,826

14.1 This represents funds received during the year for construction and running operations of Emergency Care Units in Pakistan. These include funds received from GoS, GoB, GoPb, Bank Alfalah, Rehmat Foundation and HBL Foundation.

14.2 This represents utilisation of funds in meeting operational expenses of Emergency Care Units in CHK, NICH, SGHK, ASH, NWB, LKN, LGH, GMMMC, LUMHS, CHQ, PIMS, MHL and MUX.

14.3 The management intends to utilise these funds for meeting the expenditures of Emergency Care Units in Pakistan.

15 DEFERRED INCOME RELATED TO OPERATING FIXED ASSETS

	Note	2024	2023
		(Rupees in '000)	
Balance as at July 1		**2,494**	-
Assets purchased during the year		**27,254**	2,625
Amortisation during the year	20	**(3,457)**	(131)
Balance as at June 30	15.1	**26,291**	2,494

15.1 This represents deferred income related to operating fixed assets to be recognised:

	2024	2023
Within one year	**5,258**	525
After one year	**21,033**	1,969
	26,291	2,494

16 LEASE LIABILITIES

	Note	2024	2023
Balance as at July 1		**-**	-
Additions during the year		**69,567**	-
Accretion of interest		**6,305**	-
Donation in lieu of repayment of rent	20.1	**(9,969)**	-
Balance as at June 30		**65,903**	-

16.1 Lease liabilities included in statement of financial position as at June 30

	2024	2023
Current	**8,160**	-
Non-current	**57,743**	-
	65,903	-

16.2 Lease payments on short-term leases amounting to Rs. 23.899 million (2023: Rs. 10.565 million) have been recognised as expense during the year.

17 CREDITORS, ACCRUED AND OTHER LIABILITIES

	Note	2024	2023
		(Rupees in '000)	
Creditors	17.1	**232,917**	107,809
Accrued liabilities	17.2	**138,514**	75,953
Others	17.3	**29,806**	9,272
		401,237	193,034

17.1 Creditors

	2024	2023
Payables relating to medicines & medical supplies	**75,122**	20,739
General payables	**123,326**	59,952
Other payables	**34,469**	27,118
	232,917	107,809

17.2 Accrued liabilities

	2024	2023
Salary & benefits payable	**1,172**	521
Leave encashment payable	**41,539**	22,682
Full and final settlement payables - relating to employees	**501**	501
Provident fund payable	**-**	3
EOBI payable	**2**	-
Other accrued payables	**33**	289
Provision for audit expenses	**800**	596
Provision for monthly expenses	**94,467**	51,361
	138,514	75,953

17.3 Others

	Note	2024	2023
Retention payable	17.3.1	**15,502**	1,401
Withholding tax payable		**14,304**	7,871
		29,806	9,272

17.3.1 Retention money is withheld at the rate of 5.00% (2023: 5.00%) on the amount of invoices paid to contractors.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 On May 30, 2022, the Deputy Commissioner Inland Revenue (DCIR) issued a demand of Rs. 40.830 million pertaining to tax year 2019 that the Trust has not obtained approval from the Chief Commissioner in order to become eligible for tax credit as required under section 100C(2)(c) of the Income Tax Ordinance 2001. In calculating the tax demand DCIR made an addition on account of exchange gain amounting to Rs. 56.218 million despite the fact that said exchange gain has already been declared by the Trust as part of taxable income in the return of income. Being aggrieved by the decision, the Trust in consultation with its tax consultant filed an appeal before the Commissioner

(Appeals). Commissioner (Appeals) passed an order under section 129(1) of the Income Tax Ordinance, 2001, dated October 26, 2022, whereby it had confirmed the demand of Rs. 40.83 million, however, deleted the addition on account of exchange gain. The Trust has challenged the order passed by Commissioner (Appeals) before Appellate Tribunal Inland Revenue (ATIR) and simultaneously filed stay application. The Decision against the appeal is pending to date.

Further, the tax department has also filed a cross appeal before ATIR being aggrieved by the decision of Commissioner (Appeals) on account of exchange gain.

Based on the advice of its tax advisor, the Trust believes that the result of these cases would be decided in favor of the Trust. Therefore, no provision has been recognised in these financial statements.

18.1.2 On February 20, 2023, the Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The notice was passed relating to super tax by raising demand of Rs. 4.978 million. The Trust has responded to the notice on the grounds that the Trust is a non-profit organisation under section 2(36)(c) of Income Tax Ordinance and is also subject to 100% tax credit under section 100 of the Ordinance.

Based on the advice of its tax advisor, the Trust believes that the result of these cases would be decided in favor of the Trust. Therefore, no provision has been recognised in these financial statements.

18.2 Commitments

The Trust's commitment in respect of fixed capital expenditure contracted but not incurred amounted in aggregate to Rs. Nil (2023: Rs. 114.79 million relating to Emergency Care Unit at PIMS Hospital)

19 MAJOR SOURCES OF CONTRIBUTIONS

Major contributories of the Trust during the year are as follows:

	2024	2023
	(Rupees in '000)	
Government of Sindh	**1,600,000**	1,600,000
ChildLife America	**898,547**	756,059
Government of Punjab	**200,000**	-
Government of Balochistan	**190,000**	190,000
HBL Foundation	**120,000**	17,500
Shahbaz Garments (Private) Limited	**27,780**	39,761
Artistic Fabric & Garment Industries (Private) Limited	**24,000**	26,000
Bank Al Habib Limited	**20,000**	15,000
Lucky Textile Mills Limited	**20,000**	20,000
Rehmat Foundation	**17,108**	-
Liaquat University Hospital Hyderabad	**11,946**	9,905
Pakistan Refinery Limited	**10,000**	-
Habib Metropolitan Bank Limited	**9,000**	-
Ismail Industries Limited	**6,000**	6,000
Dr.Ruth Pfau Civil Hospital	**9,886**	5,762
National Institute of Child Health (NICH)	**9,749**	8,667
PIMS Hospital Islamabad	**7,783**	10,582
Chandka Medical College Larkana	**6,344**	5,682
300 Mother & Child Hospital-Nawabshah	**4,966**	5,273
GMC Sukkur Hospital	**2,214**	2,383
Sindh Government Lyari General Hospital	**1,160**	1,020
Other individuals, corporates and non-profit organizations	**358,552**	453,102

		Note	2024	2023
			(Rupees in '000)	
20	**INCOME**			
	Strategic fund utilised	14	**2,270,420**	1,837,054
	Donations			
	Received in cash / bank		**175,861**	255,977
	Received in kind	20.1	**74,051**	59,817
	Zakat utilised for operating expenses	13.2	**756,281**	488,841
	Amortisation of deferred income related to operating fixed assets	15	**3,457**	131
	Other income - net	20.2	**209,698**	528,686
			3,489,768	3,170,506

20.1	**Received in kind**			
	Medicines and consumables received in kind	20.1.1	**64,082**	59,817
	Donation in lieu of repayment of rent	16	**9,969**	-
			74,051	59,817

20.1.1 This includes medicines received from CHK, NICH, SGHK, ASH, NWB, LKN, LGH, GMMMC, LUMHS, CHQ, MHL, PIMS and MUX for Emergency Care Units operated by the Trust.

		2024	2023
20.2	**Other income - net**	(Rupees in '000)	
	Profit on bank deposits	**98,468**	58,111
	Income from TDRs	**141,653**	139,517
	Income from Sukuks	**13,080**	-
	Exchange (loss) / gain	**(44,212)**	325,318
	Others	**709**	5,740
		209,698	528,686

21 OPERATING EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Salaries and benefits	24	**1,158,923**	870,002
Third party contractual services		**417,344**	252,986
Lab services		**144,199**	38,977
Medicines consumed		**902,161**	601,034
Project renovation		**161,028**	27,061
Depreciation on operating fixed assets	5.2	**73,744**	58,450
Amortisation of intangible assets	7.1	**580**	813
Supplies and consumables		**135,806**	93,525
Oxygen supplies		**137,528**	69,058
Repairs and maintenance		**66,265**	37,195
Travelling and related expenses		**73,372**	48,861
Utilities		**102,830**	52,274
Cartage		**31,815**	22,268
Insurance		**14,635**	11,617
Training and development		**7,901**	3,665
Information system maintenance		**393**	16,449
Legal and professional		**4,638**	1,250
Others	21.1	**23,776**	8,763
		3,456,938	2,214,248

21.1 Others

	Note	2024	2023
Rent	21.1.1	**22,359**	6,939
Net loss on sale of operating fixed assets		**86**	95
Miscellaneous and other expenses		**1,331**	1,729
		23,776	8,763

21.1.1 This rent pertains to warehouse maintained in Karachi amounting to Rs. 8.82 million (2023: Rs. 4.37 million), telemedicine control rooms maintained in Lahore amounting to Rs. 6.42 million (2023: Rs. 2.57 million) and telemedicine control rooms maintained in Islamabad amounting to Rs. 7.12 million (2023: Rs. Nil).

	Note	2024	2023
		(Rupees in '000)	

22 ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries and benefits	24	**168,552**	141,616
Third party contractual services		**6,320**	3,978
Project renovation		**127,266**	22,250
Depreciation on operating fixed assets	5.2	**4,196**	3,658
Depreciation on right-of-use assets	6	**8,116**	-
Amortisation of intangible assets	7.1	**49**	68
Supplies and consumables		**9,116**	8,026
Repairs and maintenance		**12,042**	2,710
Travelling and related expenses		**5,247**	1,367
Utilities		**12,426**	4,448
Insurance		**3,025**	2,185
Training and development		**2,660**	8,291
Information system maintenance		**24,760**	1,371
Legal and professional		**8,224**	4,801
Auditors' remuneration	22.1	**825**	596
Others	22.2	**2,334**	6,352
		395,158	211,717

22.1 Auditors' remuneration

Annual audit fee	**644**	500
Out of pocket expense	**120**	52
Sales tax	**61**	44
	825	596

22.2 Others

Head office rent expense	**1,540**	3,626
Loss on sale of operating fixed assets	**18**	150
Miscellaneous	**776**	2,576
	2,334	6,352

23 MARKETING EXPENSES

	Note		
Programmatic activities and preventive health care		**8,179**	4,342
Advertisement	23.1	**61,480**	37,731
		69,659	42,073

23.1 Advertisement

This includes resource mobilisation, fund raising and advertisement cost for Emergency Care Units.

24 SALARIES AND BENEFITS

24.1 Salaries and benefits include Rs. 35.35 million (2023: Rs. 28.16 million) in respect of contribution to employees' provident fund.

25 TAXATION

The Trust has been approved as a non-profit organization under Section 2(36)(c) of the Income Tax Ordinance, 2001 (the Ordinance). The Trust is allowed tax credit equal to 100% of the tax payable including minimum tax and final taxes, under section 100C of the Ordinance. The management intends to avail a tax credit equal to 100% of the tax payable. Accordingly, no tax charge has been recorded in the financial statements.

As per section 100C of the Income Tax Ordinance, 2001, non profit organisations, trusts or welfare organisations as mentioned in sub section 2 of section 100C shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum and final tax payable under any of the provisions of the Income Tax Ordinance, 2001, subject to the following conditions, namely:

(a) return has been filed;

(b) tax required to be deducted or collected has been deducted or collected and paid;

(c) withholding tax statements for the relevant tax year have been filed;

(d) the administrative and management expenditure does not exceed 15% of the total receipts;

(e) approval of Commissioner has been obtained as per requirement of clause (36) of section 2;

(f) none of the assets of trusts or welfare institutions confers, or may confer, a private benefit to the donors or family, children or author of the trust or his descendants or the maker of the institution or to any other person and where such private benefit is conferred, the amount of such benefit shall be added to the income of the donor; and

(g) a statement of voluntary contributions and donations received in the immediately preceding tax year has been filed in the prescribed form and manner.

The Trust has complied with the aforementioned conditions of the Income Tax Ordinance, 2001 and obtained certificate from Pakistan Centre for Philanthropy which is valid upto 30th March 2025.

The operations of the Trust fall within the purview of section 100C of the Income Tax Ordinance, 2001 and the tax credit of hundred percent is allowed under section 100C of the Income Tax Ordinance, 2001 in respect of tax payable including minimum and final taxes payable and consequently no charge has been recognised in these financial statements.

	Note	**2024**	2023
		(Rupees in '000)	
26 CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	**2,521,079**	2,356,789
TDRs having original maturity of three months	10	**300,000**	510,000
		2,821,079	2,866,789

27 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Trust comprise of employees' provident fund, trustees of the Trust, associated undertakings with common trustees and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust. The Trust considers Chief Executive Officer, Director Finance, Medical Director, Director Operations and Associate Director Quality as its key management personnel. Transactions with related parties not shown elsewhere in financial statements are as follows:

Relationship with the Trust	Nature of Transaction	**2024**	2023
		(Rupees in '000)	
ChildLife America (Mr. Osman Rashid is a common Trustee)	Endowment funds received Zakat received	**262,832** **635,715**	701,466 54,593
Lucky Textile Mills Limited (Mr. Sohail Tabba, the Trustee of ChildLife Foundation is Director of Lucky Textile Mills Limited)	Zakat received	**20,000**	20,000
Lucky Core Industries Limited (formerly ICI Pakistan Limited)	Purchases of medicines	**2,319**	8,032
(Mr. Sohail Tabba, the Trustee of ChildLife Foundation is Chairman of Lucky Core Industries Limited)	Donations received	**7,500**	31,500
Lucky Landmark (Private) Limited (Mr. Sohail Tabba, the Trustee of ChildLife Foundation is Chairman of Lucky Landmark (Private) Limited)	Payments made against maintenance, electricity and chilled water charges	**14,134**	-
Dr. Ahson Rabbani (Chief Executive Officer)	Donations received	**1,703**	1,550
Mr. Abid Ganatra (Trustee)	Zakat received	**500**	1,250
Mr. Sohail Tabba (Trustee)	Donations received	**150**	-

27.1 Remuneration of Chief Executive Officer and Executives

	2024		2023	
	Chief Executive Officer	**Executives**	Chief Executive Officer	Executives
	(Rupees in '000)			
Gross salary (net of deductions)	**15,598**	**30,380**	13,587	29,538
Allowances and reimbursements	**268**	**3,642**	402	3,338
Provident fund contribution	**1,014**	**1,875**	888	1,705
	16,880	**35,897**	14,877	34,581
Number of persons	**1**	**4**	1	5

28 NUMBER OF EMPLOYEES

	2024	2023
	Number	
- At June 30	**1172**	1015
- Average during the year	**1101**	996

29 FINANCIAL INSTRUMENTS BY CATEGORIES

	Note	June 30, 2024		
		At amortised cost	At fair value	Total
Financial assets		(Rupees in '000)		
Security deposits	9	**4,748**	-	**4,748**
Short-term investments	10	**735,031**	-	**735,031**
Other receivables	11	**24,272**	-	**24,272**
Cash and bank balances	12	**2,521,079**	-	**2,521,079**
		3,285,130	-	**3,285,130**

	Note	June 30, 2024	
		At amortised cost	Total
Financial liabilities		(Rupees in '000)	
Creditors, accrued and other liabilities	17	**401,237**	**401,237**

	Note	June 30, 2023		
		At amortised cost	At fair value	Total
Financial assets		(Rupees in '000)		
Security deposits	9	5,208	-	5,208
Short-term investments	10	1,108,781	-	1,108,781
Other receivables	11	29,254	-	29,254
Cash and bank balances	12	2,356,789	-	2,356,789
		3,500,032	-	3,500,032

	Note	June 30, 2023	
		At amortised cost	Total
Financial liabilities		(Rupees in '000)	
Creditors, accrued and other liabilities	17	193,034	193,034

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Trustees has overall responsibility for the establishment and oversight of the Trust's financial risk management. The responsibility includes developing and monitoring the Trust's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Trust's financial risk exposures. The Trust's exposure to the risks associated with the financial instruments and the risk management policies and procedures adopted by it are summarized as follows:

30.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from the inability of the issuers of the instruments, relevant financial institution or counter parties, in case of placements or other arrangements, to fulfil their obligations.

Exposure to credit risk

Credit risk of the Trust mainly arises from balances with banks, security deposits, short-term investments and other receivables. The maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
	(Rupees in '000)	
Security deposits	**4,748**	5,208
Other receivables	**24,272**	29,254
Short-term investments	**735,031**	1,108,781
Bank balances	**2,521,079**	2,356,789
	3,285,130	3,500,032

For security deposits, the management does not expect to incur material losses and considers that such amount is receivable upon termination of contract. For other receivables (includes accrued markup), bank balances and short-term investments, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. The credit quality of banks as per credit rating agencies are as follows:

	Rating	
Name of banks	**Short-term**	**Long-term**
Habib Bank Limited	A1+	AAA
Meezan Bank Limited	A1+	AAA
Bank Al-Habib Limited	A1+	AAA
Bank Alfalah Limited	A1+	AAA
Dubai Islamic Bank Limited	A1+	AA
Sindh Bank Limited	A1+	AA-
Habib Metropolitan Bank Limited	A1+	AA+

30.2 Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. To guard against the risk, the Trust has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents.

The following are the contractual maturities of financial liabilities:-

	2024		
	Contractual cash flows	**Upto one year**	**More than one year**
	(Rupees in '000)		
Non-derivative financial liabilities			
Creditors, accrued and other liabilities	**401,237**	**401,237**	**-**

	2023		
	Contractual cash flows	Upto one year	More than one year
	(Rupees in '000)		
Non-derivative financial liabilities			
Creditors, accrued and other liabilities	193,034	193,034	-

30.3 Market risk

Market risk is the risk that changes in market price, such as currency exchange rates and interest rates will affect the Trust's income or the value of its holdings of financial instruments.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

30.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Trust monitors exchange rates on a regular basis.

As at the reporting date, the Trust is exposed to currency risk on its foreign currency bank account:

	2024	2023
	(Rupees in '000)	
Foreign currency bank account	**1,833,128**	1,579,118

The following exchange rates have been applied:

	Average rates		Reporting date rates	
	2024	2023	**2024**	2023
USD to PKR	283.24	248.00	278.34	285.99

As at the reporting date, if the Rupee is strengthened / weakened by 10% against the US dollar, with all other variables held constant, surplus for the year and total funds would have been lower/higher by Rs. 183.313 million (June 30, 2023: Rs. 157.912 million) mainly as a result of net foreign exchange loss / gain on translation of foreign currency bank account. This analysis assumes that all other variables, in particular interest rates, remain constant. The sensitivity analysis is performed on the same basis as for 2023.

30.3.2 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.

Sensitivity analysis for variable rate instruments:

As at the reporting date, the Trust has the following variable interest bearing assets where interest rate risk may arise due to fluctuations in the rates:

Financial assets	2024	2023
	(Rupees in '000)	
Variable rate instruments		
Savings accounts	**2,321,511**	2,151,359

With all other variables held constant, in case of 100 basis points increase / decrease in applicable rates at the last repricing date, the surplus of income over expenditure and total funds would have been higher / lower by Rs. 23.215 million (2023: Rs. 21.514 million).

31 FUND MANAGEMENT

The objective of the Trust when managing funds is to safeguard its ability to continue as a going concern so that it can invest in profitable investments and earn benefits which in turn, can help the Trust to grow and contribute to its objectives; and to maintain a strong fund base to support the sustained development of the Trust and to maintain confidence of donors, creditors and market.

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Trust is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

32.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Trust has not disclosed the fair value of its financial assets and financial liabilities as these are either short-term in nature or re-priced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

33 **RECLASSIFICATION**

Comparative figures have been re-arranged and re-classified for the purpose of better presentation, the effect of which is not material.

34 **GENERAL**

34.1 **Rounding off**

Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

35 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by the Board of Trustees on November 8, 2024.

Trustee

Trustee