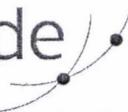


MEDICAL EMERGENCY RESILIENCE FOUNDATION

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

ILYAS SAEED & CO.
CHARTERED ACCOUNTANTS
A member of
mgeworldwide 

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MEDICAL EMERGENCY RESILIENCE FOUNDATION
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Medical Emergency Resilience Foundation (the Foundation), which comprise the statement of financial position as at June 30, 2025 and the related income & expenditure account, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanation given to us, the statement of financial position, the income & expenditure account, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and financial reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017) in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2025 and of the surplus and comprehensive income, its cash flows and changes in funds for the year then ended.

Basis For Opinion

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

Information Other Than The Financial Statements And Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

350

material misstatement of this other information, we are required to report that fact. We have not been provided with any other information and thus, we have nothing to report in this regard.

Responsibilities Of The Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and financial reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors is responsible for overseeing the Foundation's financial reporting process.

Auditors' Responsibilities For The Audit Of The Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial

9/20

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

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

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

Report On Other Legal And Regulatory Requirements

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

- a) proper books of account have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income & expenditure account, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's business; and
- d) no Zakat was deductible at source under Zakat & Ushr Ordinance, 1980 (XVIII of 1980).

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



CHARTERED ACCOUNTANTS

UDIN: AR2025102471CzgHyOnt

ISLAMABAD: 18/02/2026.

2/26

MEDICAL EMERGENCY RESILIENCE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

ASSETS	NOTE	2025 RUPEES	2024 RUPEES
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,995,549	2,399,109
Right-of-use assets	7	24,643,245	4,272,155
		26,638,794	6,671,264
CURRENT ASSETS			
Advances	8	3,136,860	4,113,127
Deposits, receivables and prepayments	9	762,900,600	1,011,804,902
Cash and bank	10	529,627,419	761,006,795
		1,295,664,879	1,776,924,824
TOTAL ASSETS		<u>1,322,303,673</u>	<u>1,783,596,087</u>
FUNDS AND LIABILITIES			
FUNDS			
Accumulated surplus	SCF	216,794,424	205,183,628
Restricted funds	11	515,939,437	375,327,181
		732,733,860	580,510,809
NON-CURRENT LIABILITIES			
Deferred income	12	-	-
Lease liability	13	13,830,594	-
		13,830,594	-
CURRENT LIABILITIES			
Current portion of lease liability	13	9,448,054	3,365,965
Trade and other payables	14	566,291,165	1,199,719,313
Provision for taxation	15	-	-
		575,739,219	1,203,085,278
TOTAL FUNDS AND LIABILITIES		<u>1,322,303,673</u>	<u>1,783,596,087</u>
Contingencies and Commitments	16	-	-

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

CHIEF EXECUTIVE



DIRECTOR



MEDICAL EMERGENCY RESILIENCE FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
INCOME			
Grants	17	3,623,558,907	5,182,311,229
Management fee	18	92,867,298	68,804,733
Other income	19	41,290,329	64,703,187
Amortized income	20	-	1
		<u>3,757,716,533</u>	<u>5,315,819,150</u>
EXPENDITURE			
Project expenses	21	(3,623,558,907)	(5,182,311,229)
Administrative and general expenses	22	(122,546,831)	(67,054,384)
		<u>(3,746,105,737)</u>	<u>(5,249,365,613)</u>
Operating Surplus Before Taxation		<u>11,610,796</u>	<u>66,453,537</u>
Levies & taxation	23	-	-
NET SURPLUS FOR THE YEAR		<u><u>11,610,796</u></u>	<u><u>66,453,537</u></u>

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

CHIEF EXECUTIVE



DIRECTOR



950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
Surplus For The Year		11,610,796	66,453,537
Other comprehensive income:			
- Items that will not be reclassified to income and expenditure account		-	-
- Items that will be reclassified to income and expenditure account		-	-
TOTAL COMPREHENSIVE INCOME		<u>11,610,796</u>	<u>66,453,537</u>

The annexed notes from (1) to (32) form an integral part of these financial statements. 2/20

CHIEF EXECUTIVE



DIRECTOR



MEDICAL EMERGENCY RESILIENCE FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	RESTRICTED FUNDS	ACCUMULATED SURPLUS	TOTAL
	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>
Balance as at July 01, 2023	500,920,764	138,730,091	639,650,855
Surplus for the year	-	66,453,537	66,453,537
Restricted funds received - Net	(441,749,382)	-	(441,749,382)
Due from donors - Net	316,155,799	-	316,155,799
Balance as at June 30, 2024	<u>375,327,181</u>	<u>205,183,628</u>	<u>580,510,809</u>
Balance as at July 01, 2023	375,327,181	205,183,628	580,510,809
Surplus for the year	-	11,610,796	11,610,796
Restricted funds received - Net	298,895,824	-	298,895,824
Due from donors - Net	(158,283,568)	-	(158,283,568)
BALANCE AS AT JUNE 30, 2025	<u>515,939,437</u>	<u>216,794,424</u>	<u>732,733,860</u>

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

CHIEF EXECUTIVE



DIRECTOR



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MEDICAL EMERGENCY RESILIENCE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	NOTE	2025 RUPEES	2024 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES			
Net surplus for the year	I&E	11,610,796	66,453,537
Adjustments for non cash items:			
Depreciation	6	8,700,658	7,651,580
Finance cost	22	1,201,494	1,588,768
Amortized income	20	-	(1)
Operating cash flow before working capital change:	(a)	21,512,948	75,693,884
Working capital changes:			
(Increase) / decrease in current assets			
Advances	8	976,267	620,287
Deposits, receivables and prepayments	9	248,904,301	(445,777,065)
Increase / (decrease) in current liabilities			
Trade and other payables	14	(633,428,148)	557,910,293
Net working capital changes	(b)	(383,547,580)	112,753,515
Cash flow from operations	(a+b)	(362,034,632)	188,447,400
Less: Taxes paid	15	-	-
Net Cash Flow From Operating Activities	(A)	(362,034,632)	188,447,400
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(504,480)	(3,188,990)
Net Cash Flow From Investing Activities	(B)	(504,480)	(3,188,990)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability	13	(8,251,026)	(6,818,432)
Finance cost paid	22	(1,201,494)	(1,588,768)
(Decrease) / increase in restricted funds	11	140,612,255	(125,593,583)
Net Cash Flow From Financing Activities	(C)	131,159,735	(134,000,783)
Net Changes In Cash & Equivalents During Year (A+B+C)		(231,379,376)	51,257,626
Cash & Equivalents At The Start Of The Year		761,006,795	709,749,169
CASH & EQUIVALENTS AT END OF YEAR	10	529,627,419	761,006,795

The annexed notes from (1) to (32) form an integral part of these financial statements. 9/10

CHIEF EXECUTIVE



DIRECTOR



MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND OPERATIONS

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

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

1.1 Geographical locations and addresses of business units

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

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

2/20

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2 STATEMENT OF COMPLIANCE

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

3 BASIS OF PREPARATION

3.1 Measurement

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

3.2 Significant accounting judgments and estimates

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

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

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

b) Impairment

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

950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

c) Provision for advances and other receivables

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

d) Provisions

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

e) Taxation

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

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

3.3 Functional and presentation currency

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

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 5 to these financial statements.

4.1 New accounting standards, amendments and interpretations that are not yet effective and have not been early adopted by the company.

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

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Amendments to IAS 21 'The Effects of changes in Foreign Exchange Rates - Lack of Exchangeability.	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures'	January 01, 2026
Amendments to IFRS 17 'Insurance Contracts	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments	January 01, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)	January 01, 2026

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025.

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRIC 12 Service Concession Arrangement
IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 19 Subsidiaries without Public Accountability: Disclosures

5 MATERIAL ACCOUNTING POLICIES INFORMATION

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

5.1 Property, Plant And Equipment

a) Donated Assets

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

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

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**MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

b) Owned Assets

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

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

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

5.2 Right-of-use assets

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

5.3 Lease liabilities

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments

9500

**MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

5.4 Financial Instruments

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

5.4.1 Financial Assets

i) Classification

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

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

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

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

ii) Recognition and derecognition

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

iii) Measurement

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

9/20

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

iv) **Debt instruments**

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

a) **Amortized cost**

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

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

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

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

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

v) **Equity instruments**

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

vi) **Impairment of financial assets**

The Foundation assess on a historical as well as forward-looking basis, the expected credit loss

950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

(ECL) as associated with its trade debts, deposits and bank balances carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are the financial instruments that are subject to the ECL model:

- Deposits
- Bank Balances

vii) General approach for deposits and bank balances

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

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

viii) Significant increase in credit risk

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

The following indicators are considered while assessing credit risk:

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

2/10

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

ix) Definition of default

The Foundation considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Foundation, in full (without taking into account any collaterals held by the Foundation).

x) Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

5.4.2 Financial Liabilities

i) Classification, initial recognition and subsequent measurement

Financial liabilities are classified into the following categories:

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

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

a) Fair value through profit or loss (FVTPL)

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

b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing, are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

recognized in income and expenditure account for the year, when the liabilities are derecognized as well as through effective interest rate amortization process.

ii) Derecognition of financial liabilities

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

5.4.3 Off setting financial assets and financial liabilities

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

5.5 Impairment

Financial assets

The Foundation assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on estimated future cash flows of financial asset or a group of financial assets that can be reliably estimated. All impairment losses are recognized in income and expenditure account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss was recognized.

Non - financial assets

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

5.6 Cash And Cash Equivalentents

Cash and cash equivalentents are carried in the statement of financial position at cost. For the

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

5.7 Trade Debts And Other Receivables

Measurement

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

Impairment

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

5.8 Advances, Deposits And Other Receivables

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

5.9 Restricted Funds

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

5.10 Trade And Other Payables

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

5.11 Income Recognition

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

5.12 Provisions And Contingencies

Provisions are recognized when the Foundation has a legal & constructive obligation as a result of past events & it is probable that outflow of resources embodying economic benefits will be

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

required to settle obligation & a reliable estimate can be made of amount of obligation. Provision is recognized at an amount that is best estimate of expenditure required to settle present obligation at reporting date. Where outflow of resources embodying economic benefits is not probable or where a reliable estimate of amount of obligation cannot be made, a contingent liability is disclosed till the possibility of the outflow remains remote.

5.13 Related Party Transactions

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

5.14 Levies & Taxation

The income of the Foundation, under Section 100C of the Income Tax Ordinance, 2001 is allowed 100% tax credit subject to fulfilments of certain requirements as set forth in Section 100C. The Foundation has successfully secured the tax exemption as per the aforementioned Section on August 11, 2023 which is valid for three years from the date of issuance. Consequently, no provision for taxation has been made in these financial statements.

5.15 Employees' Benefits

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

5.16 Foreign Currency Transactions

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

5.17 Government Grant

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities. The Foundation recognizes government grants where there is reasonable assurance that grant will be received and the Foundation will be able to comply with conditions associated with grants. Government grants are recognized at fair value, as deferred income.

950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
6 PROPERTY, PLANT AND EQUIPMENT			
Donated assets	6.1	-	-
Owned assets	6.2	<u>1,995,549</u>	<u>2,399,109</u>
		<u>1,995,549</u>	<u>2,399,109</u>

6.1 Donated Assets

<u>PARTICULARS</u>	<u>FURNITURE & FIXTURE</u>	<u>OFFICE & ELECTRICAL EQUIPMENT</u>	<u>COMPUTERS & ACCESSORY</u>	<u>TOTAL</u>
Cost	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>
Balance as at June 30, 2023	698,000	1,038,500	1,120,000	2,856,500
Additions during the year	-	-	-	-
Balance as at June 30, 2024	698,000	1,038,500	1,120,000	2,856,500
Additions during the year	-	-	-	-
Balance as at June 30, 2025	<u>698,000</u>	<u>1,038,500</u>	<u>1,120,000</u>	<u>2,856,500</u>
Depreciation				
Balance as at June 30, 2023	698,000	1,038,500	1,119,999	2,856,499
Charge for the year	-	-	1	1
Balance as at June 30, 2024	698,000	1,038,500	1,120,000	2,856,500
Charge for the year	-	-	-	-
Balance as at June 30, 2025	<u>698,000</u>	<u>1,038,500</u>	<u>1,120,000</u>	<u>2,856,500</u>
W.D.V. as at June 30, 2024	-	-	-	-
W.D.V. as at June 30, 2025	-	-	-	-

6.2 Owned Assets

<u>PARTICULARS</u>	<u>FURNITURE & FIXTURE</u>	<u>OFFICE & ELECTRICAL EQUIPMENT</u>	<u>COMPUTERS & ACCESSORY</u>	<u>TOTAL</u>
Cost	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>
Balance as at June 30, 2023	-	2,100,000	-	2,100,000
Additions during the year	-	322,990	2,866,000	3,188,990
Balance as at June 30, 2024	-	2,422,990	2,866,000	5,288,990
Additions during the year	-	-	504,480	504,480
Balance as at June 30, 2025	-	<u>2,422,990</u>	<u>3,370,480</u>	<u>5,793,470</u>
Depreciation				
Balance as at June 30, 2023	-	2,073,750	-	2,073,750
Charge for the year	-	70,661	745,470	816,131
Balance as at June 30, 2024	-	2,144,411	745,470	2,889,881
Charge for the year	-	41,787	866,253	908,040
Balance as at June 30, 2025	-	<u>2,186,198</u>	<u>1,611,723</u>	<u>3,797,921</u>
W.D.V. as at June 30, 2024	-	278,579	2,120,530	2,399,109
W.D.V. as at June 30, 2025	-	<u>236,792</u>	<u>1,758,757</u>	<u>1,995,549</u>

6.3 Depreciation rate (%)	<u>15%</u>	<u>15%</u>	<u>33%</u>
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940

MEDICAL EMERGENCY RESILIENCE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
6.4 Depreciation charged for the year			
Donated assets	6.1	-	1
Owned assets	6.2	<u>908,040</u>	<u>816,131</u>
		<u>908,040</u>	<u>816,132</u>

6.5 Depreciation is charged to general and administrative expenses only.

7 RIGHT-OF-USE-ASSETS - Building

Opening Balance		4,272,155	11,107,602
Addition during the year		28,163,709	-
Less: Depreciation for year - Projects	21	(7,639,052)	(6,835,448)
Less: Depreciation for year - Admin.	22	(153,566)	-
Reassessment increase / (decrease)		-	-
Closing balance		<u>24,643,245</u>	<u>4,272,155</u>

7.1 Lease of building

The Lease Agreement of Islamabad Office was made on November 29, 2021 between Mr. Muhammad Awais Khan & Mr. Mohammad Atif and the Foundation. The period of this lease was fixed for 36 months with effect from February 16, 2022 to February 15, 2025. This lease agreement extension for the period for 03 years starting from February 16, 2025 to February 15, 2025 inclusive, both parties decided to renew the contract by mutual agreement on same terms and condition. The monthly rent of the said premise is Rs. 825,220/- (Rupees Eight Hundred Twenty Five Thousand Two Hundred and Twenty Only) inclusive of all taxes, payable in advance on quarterly basis for the duration of the Lease Agreement. The rent will be increased by 10% after 12 months.

8 ADVANCES - unsecured - considered good

Advances to employees	8.1	4,135,962	5,112,229
Less: Provision for bad debts	8.2	(999,102)	(999,102)
		<u>3,136,860</u>	<u>4,113,127</u>

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

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

<u>Period</u>	<u>Amount</u>	<u>Allowance</u>		
0 - 1 month	-	0%	-	-
1 - 6 months	291,313	0%	-	-
6 - 12 months	2,874,290	1%	28,743	26,921
Over 1 year	970,359	100%	970,359	972,181
	<u>4,135,962</u>		<u>999,102</u>	<u>999,102</u>

950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
8.3			
The probability of expected credit losses is limited as the employees work under contractual arrangements and the recoveries, if any, may be made at the time of final settlement.			
9			
DEPOSITS, RECEIVABLES AND PREPAYMENTS - unsecured - considered good			
Security deposits	9.1	123,830,292	200,390,410
Other receivables	9.2	631,818,359	790,101,927
Prepayments	9.3	7,251,949	21,312,564
		<u>762,900,600</u>	<u>1,011,804,902</u>

9.1 Security deposits

Gross amount due	9.1.1	123,830,292	200,390,410
Less: Impairment / expected credit loss	9.1.2	-	-
		<u>123,830,292</u>	<u>200,390,410</u>

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

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

<u>Period</u>			
0 - 1 month		-	-
1 - 6 months		16,979,472	431,179
6 - 9 months		91,653,581	172,653,581
Over 9 months		15,197,239	27,305,650
		<u>123,830,292</u>	<u>200,390,410</u>

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

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

10 CASH AND BANK

Cash in hand		1,474,372	2,693,347
Cash at bank - current accounts		145,256,865	271,420,488
Cash at bank - saving accounts	10.1	382,896,183	486,892,960
		<u>529,627,419</u>	<u>761,006,795</u>

10.1 Profit on saving accounts range between 7.09%-9.5% (2024: 13.94% to 17.75%) per annum.

10.2 Cash in hand and cash at banks equal to the cash and cash equivalents in the statement of cash flows and approximate to the fair value as represented in the statement of financial position. 950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

11 RESTRICTED FUNDS - Schedule

Project Name	Donor	As at July 01, 2024		Grant received	Project expenditure incurred	Transferred to / (from) income & expenditure account	Net movement during the year	As at June 30, 2025	
		Opening grants received in advance	Opening grants receivable					Closing grants received in advance	Closing grant receivable
		<i>A</i> RUPEES	<i>B</i> RUPEES					<i>C</i> RUPEES	<i>D</i> RUPEES
Contract Under Public Private Partnership SINDH	Government of Sindh	41,879,283	-	1,042,236,000	(1,034,603,086)	7,632,914	7,632,914	49,512,197	-
Contract Under Public Private Partnership- Mishti Mela, District Orakzai	Government of KP	-	(113,077)	-	-	-	-	-	(113,077)
Contract Under Public Private Partnership- Mishti Mela, District Kurram	Government of KP	-	(88,257,935)	157,906,764	(229,168,770)	(71,262,006)	(71,262,006)	-	(159,519,941)
Contract under Public Private Partnership- Dogar, District Orakzai	Government of KP	-	(97,284,239)	116,355,827	(109,976,767)	6,379,060	6,379,060	-	(90,905,179)
Contract under Public Private Partnership- Ghiljo, District Sarokai, District South Waziristan	Government of KP	-	(137,626,490)	106,006,805	(78,261,437)	27,745,368	27,745,368	-	(109,881,123)
Contract under Public Private Partnership- Mola Khan Srai Mohmand	Government of KP	-	(80,941,767)	121,088,955	(16,457,923)	104,631,032	104,631,032	-	23,689,264
Contract under Public Private Partnership- Mamad Gat, District South Waziristan	Government of KP	-	(79,227,930)	83,554,818	(35,648,986)	47,905,832	47,905,832	-	(31,322,098)
Contract under Public Private Partnership- WANA, District District Khyber	Government of KP	-	(132,343,018)	268,721,262	(269,614,716)	(893,454)	(893,454)	-	(133,236,472)
Contract under Public Private Partnership- Bazar Zaka Khel, WFP - Ehsas Nashonuma Stunting Prevention Program - KALAT and Surab	World Food Programme	538,379	-	-	-	-	-	538,379	-
WFP - Ehsas Nashonuma Stunting Prevention Program - LASBELA	World Food Programme	11,070,276	-	-	-	-	-	11,070,276	-
International Medical Corps	International Medical Corps	1,720,253	-	-	-	-	-	1,720,253	-
WB- COVID HOSPITAL NISHTARABAD	WB-(World Bank)	-	(27,512,729)	309,914,788	(287,787,803)	22,126,986	22,126,986	-	(5,385,743)
UNICEF Funded- Social Mobilization and Community Outreach Activities to Promote Immunization in KP	UNICEF	276,092	-	-	-	-	-	276,092	-
BMGF- Management of Peshawar Dispensaries	Bill & Melinda Gates Foundation	118,684,669	-	306,050,508	(268,664,943)	37,385,566	37,385,566	156,070,234	-
Distribution of LINNs - Indus Hospital & Health Network	Indus Hospital & Health Network	-	(14,771,605)	-	-	-	-	-	(14,771,605)
Paramedics Training under FATA Youth Skills Development	FATA Development Authority	4,874,752	-	-	-	-	-	4,874,752	-
Social Mobilization and Community Outreach Activities to Promote Routine/ Essential Immunization	United Nations Children's Fund	207,401	-	-	-	-	-	207,401	-
CMW Training under FATA Youth Skills Development Prog	FATA Development Authority	2,357,278	-	-	-	-	-	2,357,278	-
ECHO- IRC- COVID19	International Rescue	2,682,865	-	-	(235,723)	(235,723)	(235,723)	2,447,142	-

2,500

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Project Name	Donor	As at July 01, 2024		Grant received	Project expenditure incurred	Transferred to/(from) income & expenditure account	Net movement during the year	As at June 30, 2025	
		Opening grants received in advance	Opening grants receivable					Closing grants received in advance	Closing grant receivable
		RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
		A	B	C	D	E	F	G	H
ECHO- IRC- NEAR	International Rescue Committee	-	(36,118,571)	50,882,521	(13,061,756)	37,820,765	37,820,765	1,702,194	-
Strengthening Healthcare including Nutrition in Emergencies (SHI)	International Rescue Committee	9,850,838	-	-	230,079	230,079	230,079	10,080,917	-
Nutrition Stabilization Centre (NSCs) PINS-ACF	Action Against Hunger - International	36,619,409	-	-	-	-	-	36,619,409	-
Nurses Training Under FATA Youth Skills Development	FATA Development Authority	6,853,279	-	-	-	-	-	6,853,279	-
Quetta Urban Survey	World Bank Group	6,884,505	-	-	-	-	-	6,884,505	-
Review and Training of International Catholic Migration Commission (ICMC)	International Catholic Migration Commission (ICMC)	140,000	-	-	-	-	-	140,000	-
Contract Under Public Private Partnership- COVID Response	Government of Sindh	272	-	-	-	-	-	272	-
Providing Lifesaving Health and Nutrition Services to the Conflict Affected Temporary Displaced People (TDP) and Host	Malteser International	523,315	-	-	-	-	-	523,315	-
European Union	International Rescue Committee	-	(4,745,691)	232,354,980	(250,688,100)	(18,333,120)	(18,333,120)	-	(23,078,810)
Distribution of ITNs - Indus Hospital & Health Network	Indus Hospital & Health Network	(57,939,107)	-	118,732,031	(6,006,325)	112,725,706	112,725,706	54,786,599	-
National Nutrition Survey 2017-18	Agha Khan University	1,633,664	-	-	-	-	-	1,633,664	-
Survey Home Based Workers By World Bank Group	Government of Balochistan	10,842,292	-	-	-	-	-	10,842,292	-
ECHO- IRC- SIDA	International Rescue Committee	-	-	-	28,980	28,980	28,980	28,980.00	-
FFA (Livelihoods and Resilience Building activities) in Balochistan	World Food Programme	348,747	-	-	-	-	-	348,747	-
Relief Cash in Nasseerabad & Kachhi Districts, Balochistan	World Food Programme	1,152,614	-	-	-	-	-	1,152,614	-
Relief Cash in Nasseerabad District, Balochistan	World Food Programme	205,419	-	-	-	-	-	205,419	-
Stunting Prevention Activities under BISP, 11 Districts of Balochistan	World Food Programme	1,266,565	-	-	-	-	-	1,266,565	-
Stunting Prevention Activities under BISP, 14 Districts of Balochistan	World Food Programme	58,488,965	-	475,608,069	(470,103,062)	5,505,007	5,505,007	63,993,971	-
Targeted Supplementary Feeding Programme in District, Dadu - Sindh.	World Food Programme	1,669,711	-	-	-	-	-	1,669,711	-
Targeted Supplementary Feeding Programme in District, Qambar Shahdad Kot - Sindh.	World Food Programme	-	(31,672,180)	32,500,659	-	32,500,659	32,500,659	828,479	-

950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Project Name	Donor	As at July 01, 2024		Grant received	Project expenditure incurred	Transferred to / (from) income & expenditure account	Net movement during the year	As at June 30, 2025	
		Operating grants received in advance	Opening grants receivable					Closing grants received in advance	Closing grant receivable
		A	B	C	D	E	F	G	H
		RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
UNICEF - BALUCHISTAN	United Nations Children's Fund	-	(11,367,583)	47,551,175	(34,503,133)	13,048,042	13,048,042	1,680,459	-
UNICEF - PUNJAB 2022-23	United Nations Children's Fund	2,906,642	-	-	(220,645)	(220,645)	(220,645)	2,685,997	-
UNICEF-Sindh NER	United Nations Children's Fund	42,197,868	-	152,402,323	(154,642,179)	(2,239,856)	(2,239,856)	39,958,012	-
UNICEF WAZIRISTAN	United Nations Children's Fund	34,870,105	-	-	(46,944,148)	(46,944,148)	(46,944,148)	-	(12,074,043)
UNICEF SINDH HEALTH	United Nations Children's Fund	32,520,831	-	27,738,469	(52,200,229)	(24,471,760)	(24,471,760)	8,049,071	-
UNICEF - SINDH 2023-24	UNICEF	-	-	-	-	-	-	-	-
BENAZIR NASHONUMA PROGRAMME (BNP)-KPK	World Food Program	-	-	-	(17,554,075)	(17,554,075)	(17,554,075)	(17,554,075)	-
BENAZIR NASHONUMA PROGRAMME (BNP)-Sindh	World Food Program	-	-	5,064,736	(4,574,197)	490,539	490,539	490,539	-
GAVI-KPK	GAVI the Vaccine Alliance	-	-	66,890,151	(14,895,654)	51,994,497	51,994,497	51,994,497	-
Building Resilience of Afghan Refugees and Host Communities	ECHO	-	-	125,865,346	(135,401,116)	(9,535,770)	(9,535,770)	-	(9,535,770)
TOTAL (30-06-2025)		375,327,181	(790,101,927)	3,922,454,730	(3,623,558,907)	298,895,824	298,895,824	515,939,436	(631,818,359)
TOTAL (30-06-2024)		500,920,764	(473,946,129)	4,740,561,847	(5,182,311,230)	(441,749,382)	(441,749,382)	373,327,181	(790,101,927)

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MEDICAL EMERGENCY RESILIENCE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
11.1 Restricted funds - Reconciliation			
Opening balance		375,327,181	500,920,764
Opening receivables		(790,101,927)	(473,946,129)
Grants received - net	17	298,895,824	(441,749,382)
Closing receivables		<u>631,818,359</u>	<u>790,101,927</u>
Closing balance		<u><u>515,939,437</u></u>	<u><u>375,327,181</u></u>
12 DEFERRED INCOME			
Opening balance		-	1
Add: Received during the year		<u>-</u>	<u>-</u>
		-	1
Less: Amortized during the year	12.1	<u>-</u>	<u>(1)</u>
		<u><u>-</u></u>	<u><u>-</u></u>
12.1 Deferred income represents donations in kind - non current assets and is amortized / credited to income with respect to the useful life of assets i.e. equal to depreciation charged.			
13 LEASE LIABILITY			
Total lease liability		23,278,648	3,365,965
Less: Current portion of lease liability		<u>(9,448,054)</u>	<u>(3,365,965)</u>
		<u><u>13,830,594</u></u>	<u><u>-</u></u>
13.1 Reconciliation of lease liability			
Opening balance		3,365,965	10,184,397
Add: Interest accrued during the year		1,201,494	1,588,768
Less: Payment made during the year		(9,452,520)	(8,407,200)
Addition during the year	7	<u>28,163,709</u>	<u>-</u>
Total outstanding lease liability		23,278,648	3,365,965
Less: Current portion of Lease Liability		<u>(9,448,054)</u>	<u>(3,365,965)</u>
		<u><u>13,830,594</u></u>	<u><u>-</u></u>
13.2 Maturity analysis of lease liability			
Upto 6 months		4,951,320	4,501,200
6-12 months		5,446,452	-
1-2 years		11,437,549	-
more than 2 years		5,991,097	-
		<u>27,826,418</u>	<u>4,501,200</u>
Less: future finance cost		<u>(4,547,771)</u>	<u>(1,135,235)</u>
Present value of lease liability		<u><u>23,278,648</u></u>	<u><u>3,365,965</u></u>
13.3 Incremental Borrowing rates against lease liability range from 11% to 14% per annum.			

950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
14 TRADE AND OTHER PAYABLES			
Payable to staff		8,183,047	6,866,723
EOBI/Insurance payable		7,296,610	9,585,852
Gratuity payable - contracted employees		195,113,513	181,603,184
Audit fee payable		759,000	1,518,000
Withholding tax payable	14.1	33,381,340	14,494,030
Accrued expenses	14.2	321,557,655	985,651,524
		<u>566,291,165</u>	<u>1,199,719,313</u>
14.1 Withholding tax payable			
Income tax withheld on payment of salaries		12,150,549	8,944,708
Income tax withheld on payment of supplies		3,216,522	1,813,182
Sales tax withheld on payment of supplies		7,010,937	2,567,386
Income tax withheld on payment of services		741,016	627,375
Sales tax withheld on payment of services		10,262,316	541,379
		<u>33,381,340</u>	<u>14,494,030</u>
14.2 Accrued expenses			
Salaries, wages and other benefits		103,837,404	174,218,673
Fuel and rent for vehicles		2,566,000	1,993,858
Medicines, drugs and consumables		176,943,227	217,709,392
Utilities		3,555,872	762,622
Legal and professional fee		-	1,886,450
Mass distribution campaign for malaria prevention		-	299,465,000
Medical equipment and uniforms		-	62,424,302
Communication and courier		108,942	88,808
Rehabilitation, repair and maintenance		28,814,027	220,807,500
Printing, stationery and newspaper		452,100	5,783,929
Field and health facilities running costs		66,279	510,990
Hygiene promotion and clean environmental costs		318,604	-
Monitoring and training costs		60,000	-
Medical equipment		1,925,002	-
Advertisement		235,723	-
Other creditors		2,674,475	-
		<u>321,557,655</u>	<u>985,651,524</u>
15 PROVISION FOR TAXATION			
Provision for the year	23	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

950

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There are no contingencies as at the reporting date (2024: Nil).

16.2 Commitments

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

	<u>2025</u>			<u>2024</u>
	<u>Within 1 year</u>	<u>Later than 1</u>	<u>Total</u>	<u>Total</u>
	<u>RUPEES</u>	<u>year</u>	<u>RUPEES</u>	<u>RUPEES</u>
		<u>RUPEES</u>		
Islamabad	10,397,772	17,428,646	27,826,418	8,490,900
Peshawar	-	-	-	-
Thatta	-	-	-	-
Quetta	-	-	-	-
	<u>10,397,772</u>	<u>17,428,646</u>	<u>27,826,418</u>	<u>8,490,900</u>
	<u>2024</u>			<u>2023</u>
	<u>Within 1 year</u>	<u>Later than 1 year</u>	<u>Total</u>	<u>Total</u>
	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>
Islamabad	8,490,900	-	8,490,900	8,490,900
Peshawar	-	-	-	2,223,375
Thatta	-	-	-	1,810,553
Quetta	-	-	-	1,422,506
	<u>8,490,900</u>	<u>-</u>	<u>8,490,900</u>	<u>13,947,334</u>

17 GRANTS

Grant received		<u>3,922,454,730</u>	4,740,561,847
Transferred from / to restricted funds	11	<u>(298,895,824)</u>	441,749,382
		<u>3,623,558,907</u>	<u>5,182,311,229</u>

18 MANAGEMENT FEE

Overhead charges / Management fee	18.1	<u>92,867,298</u>	68,804,733
		<u>92,867,298</u>	<u>68,804,733</u>

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

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MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
19 OTHER INCOME			
Financial assets - interest income	19.1	41,290,324	64,703,187
Miscellaneous income		5	-
		<u>41,290,329</u>	<u>64,703,187</u>

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

20 AMORTIZED INCOME

Capital grant amortized during the year	12	-	1
		<u>-</u>	<u>1</u>

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

21 PROJECT EXPENSES

Salaries, wages & other benefits		2,009,540,635	2,270,900,656
IT & software costs		824,010	3,588,101
Medicines, drugs & consumables		692,833,295	724,689,680
Medical equipment		48,048,713	153,370,933
Rehabilitation, repair & maintenance		231,976,890	306,274,990
Casual labour		506,000	181,050
Communication & courier		13,510,718	30,180,745
Field & health facilities running costs		18,279,249	38,293,322
Hospital staff uniform		358,568	2,029,910
Insurance charges		9,718,212	7,361,070
Legal & professional fee		1,518,293	5,134,153
Rent expense		9,700,799	21,464,147
Fuel & rent for vehicles		271,244,765	436,317,956
Printing, stationery & newspaper		41,135,355	64,559,535
Mass distribution compain for malaria prevention		-	837,314,619
Income tax withheld		-	785,353
Bank charges		453,073	517,165
Monitoring & training costs		120,527,299	106,576,228
Internet / communication		570,696	-
Hygiene promotion & clean environmental costs		12,842,927	11,241,544
Depreciation - right-of-use (building)	7	7,639,052	6,835,448
Finance cost	21.1	3,985	846,552
Travelling & accomodation		13,517,826	38,265,304
Utilities		118,808,547	115,582,769
		<u>3,623,558,907</u>	<u>5,182,311,229</u>

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MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
21.1 Finance cost on right-of-use assets has been allocated to both project expenses and administrative expenses on a prorated basis.			
22 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, wages & other benefits		51,225,041	24,114,212
Printing, stationery & newspaper		4,710,292	1,327,295
Communication & courier		3,018,194	2,379,192
Field & health facilities running costs		8,172,371	5,297,966
Insurance charges		699,422	3,995,484
Legal & professional fee		348,961	2,157,289
Travelling & accomodation		5,667,955	861,469
Office furniture & equipment	22.1	5,149,567	746,000
Rent expense		7,524,799	2,322,450
Fuel & rent for vehicles		15,339,589	8,171,890
Utilities		4,672,074	3,085,012
Rehabilitation, repair & maintenance		948,579	32,740
Income tax withheld		5,681,518	7,833,736
Bank charges		112,461	87
Medicines, drugs & consumables		287,362	1,279,294
Finance cost	21.1	1,197,509	742,216
Monitoring & training costs		1,832,856	23,750
Depreciation - right-of-use (building)	7	153,566	-
Depreciation	6.4	908,040	816,132
IT & software costs		2,139,869	1,109,170
Auditor's remuneration	22.2	759,000	759,000
Casual labor		59,000	-
Hygiene promotion & clean environmental costs		235,727	-
Provision for bad debts	22.3	1,703,079	-
		<u>122,546,831</u>	<u>67,054,384</u>

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

22.2 Auditor's remuneration

Annual audit fee	660,000	660,000
Sales tax on services	99,000	99,000
	<u>759,000</u>	<u>759,000</u>

22.3 Several prepayments were written off during the year as these were determined to be neither recoverable nor adjustable.

23 LEVIES & TAXATION

Current year tax	23.1	-	-
		<u>-</u>	<u>-</u>

9500

MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

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

24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

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

Position	No. of persons		Rumenration	
	2025	2024	2025	2024
CEO	1	1	21,362,601	21,367,390
Non- Executive	2	2	27,226,050	26,407,732
Executives	203	287	466,975,953	516,502,807

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

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

25 NUMBER OF EMPLOYEES

Average number of employees during the year	<u>2,607</u>	<u>3,228</u>
Total number of employees as at year end	<u>2,149</u>	<u>3,064</u>

26 RELATED PARTY TRANSACTIONS

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

Key Management Personnel

- Remuneration and other benefits paid to CEO	<u>21,362,601</u>	<u>21,367,390</u>
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There are no transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements.

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

27.1 Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is a reduction in the net present

9560

MEDICAL EMERGENCY RESILIENCE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although, typically expected cash flows do also change and expected credit losses are rebased from 12 months to lifetime expectations.

Financial Assets as per Statement of Financial Position

Amortized cost

Security deposits	123,830,292	200,390,410
Other receivable	631,818,359	790,101,927
Bank balances	528,153,048	758,313,448

Financial Liabilities as per Statement of Financial Position

Amortized cost

Trade and other payables	532,909,825	1,185,225,283
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Fair Value of Financial Instruments

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

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

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

i) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Foundation's performance to developments affecting a particular industry.

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

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MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

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

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

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

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

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

Exposure to credit risk

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

Security deposits	123,830,292	200,390,410
Other receivable	631,818,359	790,101,927
Bank balances	528,153,048	758,313,448
	<u>1,283,801,699</u>	<u>1,748,805,786</u>

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

ASCO

MEDICAL EMERGENCY RESILIENCE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

Credit quality and impairment

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

<u>Asset</u>	<u>Long Term</u>	<u>Agency</u>	<u>2025</u>	<u>2024</u>
Security deposit	N/A	N/A	123,830,292	200,390,410
Habib Bank	AAA	VIS	295,050,857	514,008,932
Meezan Bank	AAA	VIS	24,043,518	21,171,579
Habib Metro	AA+	PACRA	209,058,672	223,132,937
			<u>651,983,340</u>	<u>958,703,859</u>

a) **Security deposits**

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

b) **Bank balances**

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

Concentrations of credit risk

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

Banking companies	528,153,048	758,313,448
Others	123,830,292	200,390,410
	<u>651,983,340</u>	<u>958,703,859</u>

Collateral held

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

Changes in impairment allowance for expected credit losses

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

ii) **Liquidity Risk**

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its financial

ASCO

MEDICAL EMERGENCY RESILIENCE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

2025 2024
RUPEES RUPEES

NOTE

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

2025			
Financial liabilities	Contractual Cash Flow	1 to 12 Months	Total
Accrued and other liabilities	<u>566,291,165</u>	<u>566,291,165</u>	<u>566,291,165</u>
	<u>566,291,165</u>	<u>566,291,165</u>	<u>566,291,165</u>

2024			
Financial liabilities	Contractual Cash Flow	1 to 12 Months	Total
Accrued and other liabilities	<u>1,199,719,313</u>	<u>1,199,719,313</u>	<u>1,199,719,313</u>
	<u>1,199,719,313</u>	<u>1,199,719,313</u>	<u>1,199,719,313</u>

iii) Market Risk

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

a) Currency risk

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

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management believes that interest rate exposure is not significant to the Foundation's financial position.

27.2 Fair Value of Financial Instruments

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

950

**MEDICAL EMERGENCY RESILIENCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

27.3 Funds Risk Management

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

28 CORRESPONDING FIGURES - RECLASSIFICATION

The corresponding figures are re-arranged and / or re-classified, wherever necessary for better comparison. However, no significant re-classifications were made during the year.

29 EVENTS AFTER THE REPORTING DATE

No significant events have occurred after the reporting date.

30 OPERATING SEGMENT

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

31 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue by the Board of Directors on 18/02/2026

32 GENERAL

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

32.2 Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE



DIRECTOR

