

***FINANCIAL STATEMENTS
OF
VM TRUST FOR EDUCATION
FOR THE YEAR ENDED
30 JUNE 2024***

C-88, Ground Floor, KDA Scheme No. 1,
Main Karsaz Road,
Opp. Maritime Museum,
Karachi – 75350.

☎ 021-34301966-69
☎ 021-34301965
✉ info@fac.com.pk
🌐 www.fac.com.pk

INDEPENDENT AUDITORS' REPORT

To the trustees of the VM Trust for Education

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VM Trust for education ('the Trust') which comprise the statement of financial position as at 30 June 2024 and the statement of income and expenditure, statement of changes in funds and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We bring to your attention that The VM Trust for education, a trust established under the Trust Act 1882, mandated to be re-registered, under the Sindh Trust Act 2020. The Trust got registered under the said act after balance sheet date on 3 September 2024. As the Trust failed to comply with this requirement by the reporting date it resulted in the blockage of its bank accounts. This hindered our ability to obtain sufficient appropriate audit evidence regarding the year-end bank balance of Rs 18,032.

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 Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or



our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society'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

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on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

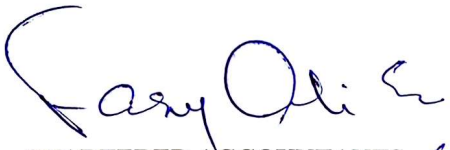

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The financial statement of VM Trust for Education for the year ended 30th June 2023 were audited by another auditor who expressed qualified opinion on those financial statements on 20 October 2023.

The engagement partner on the audit resulting in this independent auditor's report is Fasih uz Zaman.


CHARTERED ACCOUNTANTS 

Place: Karachi

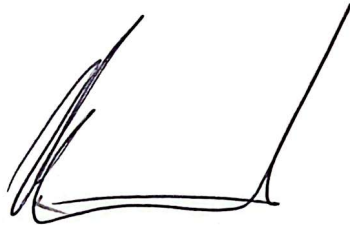
Dated: 18 DEC 2024

UDIN: RR202110179UCSGWEnLv

**VM TRUST FOR EDUCATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Notes	2024 ----- (Rupees) -----	2023 -----
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property and equipment	4	2,693,949	1,428,519
CURRENT ASSETS			
Advances	5	1,099,680	5,000
Cash and bank balances	6	70,462	30,462
		1,170,142	35,462
		<u>3,864,091</u>	<u>1,463,981</u>
<u>FINANCED BY</u>			
Accumulated fund	7	(9,986,365)	469,957
CURRENT LIABILITIES			
Accrued and other liabilities	8	13,850,456	994,024
		<u>3,864,091</u>	<u>1,463,981</u>

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


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**VM TRUST FOR EDUCATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 ----- (Rupees) -----	2023 -----
INCOME			
Courses fees		653,714	311,200
Miscellaneous income		<u>16,000</u>	<u>--</u>
		669,714	311,200
EXPENDITURE			
Salaries, wages and other benefits		6,021,230	285,835
Events expenses		1,757,594	--
Legal and professional		901,981	179,200
Sports materials		453,251	--
Registration charges		391,875	--
Travel and accommodation		251,129	400
Internet / Web site charges		237,103	--
Printing and stationery		231,055	27,446
Teacher's salaries		229,000	217,500
Deprecation	4	224,725	229,861
Material and accessories		140,127	32,300
Auditor's remuneration		100,000	100,000
Miscellaneous		84,889	15,490
Fee concession		41,700	--
Diploma course registration fee		30,000	28,000
Entertainment		17,777	6,080
Repairs and maintenance		12,600	11,550
Postage and telephone		--	2,546
		<u>11,126,036</u>	<u>1,136,208</u>
Taxation - Net		--	--
Deficit of income over expenditure		<u><u>(10,456,322)</u></u>	<u><u>(825,008)</u></u>

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

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**VM TRUST FOR EDUCATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2024**

Unrestricted funds		Total
Capital Funds	Accumulated (deficit) / Unappropriated surplus	
----- (Rupees) -----		

Balance as at 1 July 2022	--	1,294,965	1,294,965
Deficit of income over expenditure	--	(825,008)	(825,008)
Balance as at 30 June 2023	--	469,957	469,957
Surplus of income over expenditure	--	(10,456,322)	(10,456,322)
Balance as at 30 June 2024	--	(9,986,365)	(9,986,365)

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

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**VM TRUST FOR EDUCATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	2024	2023
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit of income over expenditure	(10,456,322)	(825,008)
<i>Adjustment for non-cash items:</i>		
Depreciation expense	4 224,725	229,861
Cash outflows before working capital changes	(10,231,597)	(595,147)
<i>Changes in working capital</i>		
<i>(Increase) / decrease in current assets:</i>		
Advances	(1,094,680)	--
<i>Increase / (decrease) in current liabilities</i>		
Accrued and other liabilities	12,856,432	595,147
	11,761,752	595,147
Cash generated from operations	1,530,155	--
Net cash generated from operating activities	1,530,155	--
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,490,155)	--
Net cash outflows from investing activities	(1,490,155)	--
CASH FLOWS FROM FINANCING ACTIVITIES		
	--	--
Net increase in cash and cash equivalents	40,000	--
Cash and cash equivalents at the beginning of the year	30,462	30,462
Cash and cash equivalents at the end of the year	70,462	30,462

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

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**VM TRUST FOR EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

1 THE TRUST AND ITS OPERATIONS

VM Trust for education is a philanthropic, not for profit educational Trust (the Trust) established through a Trust Deed dated December 26, 2013, The registered office of the Trust is situated at PB Block No. 4 & 5, K.D.A Scheme No. 7, Block 4, Dhoraji Colony, Karachi, Pakistan.

The Trust has been granted approval as a "Non-profit Organization" by the Federal Board of Revenue vide letter no. CIR/(ZONE-III)/Exemption 2(36)/RTO-II/2013-2014/1848 dated April 07, 2014 under section 2(36) (c) of the Income Tax Ordinance, 2001, read with Rule 212 and 220 of the Income Tax Rules, 2002.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Society operates. The financial statements are presented in Pak Rupees, which is the Society's functional and presentation currency and have been rounded off to the nearest rupee.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property and equipment

These are stated at cost less accumulated depreciation. Depreciation is charged to income on reducing balance method at the rates specified in fixed assets note.

Depreciation on additions to PPE is charged from the month in which an asset is available for use upto the month prior to the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred.

Gain or loss on disposal of fixed assets is included in current income.



3.2 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.3 Taxation

Current

Provision for current tax is based on the taxable income in accordance with Income Tax Ordinance 2001.

3.4 Revenue recognition

Revenue is recognized when performance obligation is satisfied. The performance obligation is regarded as satisfied at a point in time/ over time. As mentioned below;

Course fee

Course Fee is recognized when the services are rendered to the student i.e. when the course is conducted.

Donation

Donations are recognized when the entitlement of the trust is established i.e. when the amount is received at a point in time.

Mark-up on saving account

Mark-up on saving accounts and bank deposits is recognized on time apportioned basis using effective interest method.

4 PROPERTY AND EQUIPMENT

Operating fixed assets

	2024	2023
	(Rupees)	(Rupees)
4.1	<u>2,693,949</u>	<u>1,428,519</u>

4.1 Operating fixed assets - At cost less accumulated depreciation

Particulars	2024							Rate %
	COST			DEPRECIATION			Written down value as at 30 June 2024	
	As at 1 July 2023	Additions during the year	As at 30 June 2024	As at 1 July 2023	Charge for the year	As at 30 June 2024		
	(Rupees)							
	Furniture and Fixtures	895,566	223,000	1,118,566	496,399	41,775	538,174	
Office Equipment	974,970	36,950	1,011,920	564,408	44,443	608,851	403,069	10
Computer	3,155,611	599,000	3,754,611	2,890,238	84,927	2,975,165	779,446	25
Workshop Equipments	380,500	--	380,500	114,673	26,583	141,256	239,244	10
Library Books	217,372	--	217,372	129,782	17,518	147,300	70,072	20
Electronic Equipment	--	631,205	631,205	--	9,479	9,479	621,726	10
TOTAL	5,624,019	1,490,155	7,114,174	4,195,500	224,725	4,420,225	2,693,949	

Particulars	2023							
	COST			DEPRECIATION			Written down value as at 30 June 2023	Rate %
	As at 1 July 2022	Additions during the year	As at 30 June 2023	As at 1 July 2022	Charge for the year	As at 30 June 2023		
	(Rupees)							
Furniture and Fixtures	895,566	--	895,566	452,047	44,352	496,399	399,167	10
Office Equipment	974,970	--	974,970	518,790	45,618	564,408	410,562	10
Computer	3,155,611	--	3,155,611	2,801,781	88,457	2,890,238	265,373	25
Workshop Equipments	380,500	--	380,500	85,137	29,536	114,673	265,827	10
Library Books	217,372	--	217,372	107,884	21,898	129,782	87,590	20
TOTAL	5,624,019	--	5,624,019	3,965,639	229,861	4,195,500	1,428,519	

	2024	2023
	(Rupees)	
5 ADVANCES		
Advance against expenses	1,099,680	5,000
6 CASH AND BANK BALANCES		
Cash in hand	52,430	12,430
Cash at banks		
- Current accounts	10,850	10,850
- Saving accounts	7,182	7,182
	18,032	18,032
	70,462	30,462
6.1 Currently all the transactions of VM Trust for Education are carried out from ZVMG Rangoonwala Trust's Bank Account.		
7 ACCUMULATED FUNDS		
Accumulated (deficit) / unappropriated surplus	(9,986,365)	469,957
8 ACCRUED AND OTHER LIABILITIES		
Auditor's remuneration	100,000	100,000
Payable to associate against charitable expenses	8.1 13,661,456	769,198
MAITS payable	10,000	10,000
Payable for expenses	--	13,326
Teacher's salaries payable	79,000	101,500
	13,850,456	994,024

8.1 Payable to associate against charitable expenses

Balance as on 30 June	769,198	--
Payments for charitable activities during the year	12,892,258	769,198
	13,661,456	769,198

- 8.2 This represent payments made by Zulaikha Bai VM Rangoonwala Trust, a related party, for Charitable activities on behalf of the Trust, as the bank accounts of the Trust were blocked by banks for re - registration under Sindh Trust Act 2020. Subsequent to the year end Trust was registered under the Sindh Trust Act and reopening of bank accounts were in process. The amount will be settled in due course following the opening of the trusts accounts.

9 NUMBER OF EMPLOYEES

Number of employees as at 30 June

Average number of employees as at 30 June

2024	2023
----- (Numbers) -----	
10	1
6	1

10 TRANSACTIONS WITH RELATED PARTIES

Related parties include trustees, directors and associated undertakings in which Trustees hold common directorship, key management personnel and close members of the family of all above mentioned related parties. Transactions with related parties and associated undertakings, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

Companies	Nature of relationship	Transactions during the year	2024	2023
----- (Rupees) -----				
Zuleikhabai V.M. Gany Rangoonwala Trust	Common Trustees	Charitable expenses	12,892,258	769,198

11 CORRESPONDING FIGURES


The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation. However, there is no significant reclassifications and restatement.

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 30 DEC 2024 in accordance with resolution by the Board of Trustees.

13 GENERAL

Figures have been rounded off to the nearest rupee.


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