Junaidy Shoaib Asad
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Caravan of Life Pakistan Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Caravan of Life Pakistan Trust (the Trust), which comprise the statement of financial position as at 30 June 2025, and the statement of income and expenditure, statement of comprehensive income, statement of changes in funds, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2025 and its financial performance for the year then ended, in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Responsibilities of Management and Board of Trustees for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, 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

1/6-P, Block-6, P.E.C.H.S, Mohtarma Laeeq Begum Road, Off Shahra-e-Faisal, Near Nursery Flyover, Karachi, Pakistan. Tel: +92 (021) 34371910 - 13 | 0331-1210878 | 0331-1210923 | 0331-1210908
Fax: +92 (021) 34371916 | Email: info@jsa.com.pk | URL: www.jsa.com.pk
Other Offices: Lahore, Islamabad & Multan

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Farrukh V. Junaidy.

Chartered Accountants

Date: 22 July 2026

Karachi.

UDIN: AR202510653IrLxOYfj2

CARAVAN OF LIFE PAKISTAN TRUST
Statement of Financial Position
As at 30 June 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	1,340,129	1,208,512
Long-term deposits		550,000	550,000
		1,890,129	1,758,512
Current assets			
Investments	5	9,000,000	9,000,000
Accounts receivable	6	2,062,117	1,456,094
Tax refunds due from Government	7	3,517,460	2,410,998
Advances and prepayments	8	354,200	444,047
Cash and bank balance	9	28,640,403	12,016,117
		43,574,180	25,327,256
Total Assets		45,464,309	27,085,768
FUNDS AND LIABILITIES			
Funds			
General fund		12,515,151	13,333,087
Zakat fund		12,172,856	2,582,715
Capex fund		16,003,362	3,003,362
Clients fund		-	666,061
		40,691,369	19,585,225
Non - current liability			
Deferred capital grant	10	315,070	630,140
Current liabilities			
Accrued and other liabilities		2,846,860	5,196,394
Advance against client fees		1,611,010	1,674,009
		4,457,870	6,870,403
Total Funds and Liabilities		45,464,309	27,085,768

Contingencies and commitments

The annexed notes from 1 to 17 form an integral part of these financial statements.

Trustee

Trustee

CARAVAN OF LIFE PAKISTAN TRUST
KARACHI

CARAVAN OF LIFE PAKISTAN TRUST

Statement of Income and Expenditure

For the year ended 30 June 2025

		2025				2024			
		General / Unrestricted Fund	Restricted Fund		Total	General / Unrestricted Fund	Restricted Fund		Total
			Capex	Zakat			Capex	Zakat	
Income	*Note*	(Rupees)							
Donation	*11*	2,523,846	13,000,000	11,150,740	26,674,586	11,602,488	-	510,000	12,112,488
Deferred capital grant	*10*	-	315,070	-	315,070	-	315,070	-	315,070
Restricted funds - opening balance		-	3,003,362	3,248,776	6,252,138	-	3,003,362	3,926,819	6,930,181
Restricted funds - closing balance		-	(16,003,362)	(12,172,856)	(28,176,218)	-	(3,003,362)	(3,248,776)	(6,252,138)
		2,523,846	315,070	2,226,660	5,065,576	11,602,488	315,070	1,188,043	13,105,601
Restricted fund utilized during the		-	-	(2,226,660)	(2,226,660)	-	-	(1,188,043)	(1,188,043)
Patient fee	*12*	53,772,824	-	-	53,772,824	47,177,277	-	-	47,177,277
Markup on term deposit receipts		1,251,208	-	-	1,251,208	1,666,531	-	-	1,666,531
Other income	*13*	202,184	-	-	202,184	1,081,614	-	-	1,081,614
Total income		57,750,062	315,070	-	58,065,132	61,527,910	315,070	-	61,842,980
Expenditure									
Staff salaries and benefits		25,757,730	-	-	25,757,730	27,678,006	-	-	27,678,006
Rent expenses		7,860,000	-	-	7,860,000	7,573,048	-	-	7,573,048
Community outreach expense		6,720,038	-	-	6,720,038	6,034,993	-	-	6,034,993
Food and catering		6,597,062	-	-	6,597,062	6,761,267	-	-	6,761,267
Utility expenses		5,751,555	-	-	5,751,555	6,196,672	-	-	6,196,672
Legal and professional		2,057,497	-	-	2,057,497	1,296,250	-	-	1,296,250
Miscellaneous expense		1,197,838	-	-	1,197,838	1,412,963	-	-	1,412,963
Repairs and maintenance		1,028,577	-	-	1,028,577	568,475	-	-	568,475
Depreciation	*4*	171,797	315,070	-	486,867	386,529	315,070	-	701,599
Cleaning expense		560,123	-	-	560,123	781,081	-	-	781,081
Printing and stationery		128,880	-	-	128,880	198,785	-	-	198,785
Telephone & communication		241,075	-	-	241,075	153,136	-	-	153,136
Travelling and conveyance		156,020	-	-	156,020	253,961	-	-	253,961
Audit fee		237,600	-	-	237,600	237,600	-	-	237,600
Advertising		75,731			75,731	-	-	-	-
Insurance expense		26,475	-	-	26,475	42,841	-	-	42,841
Total expenditure		58,567,998	315,070	-	58,883,068	59,575,607	315,070	-	59,890,677
Surplus transferred to general fund		(817,936)	-	-	(817,936)	1,952,303	-	-	1,952,303

The annexed notes from 1 to 17 form an integral part of these financial statements.

Trustee

CARAVAN OF LIFE PAKISTAN TRUST KARACHI

Trustee

CARAVAN OF LIFE PAKISTAN TRUST

Statement of changes in Accumulated Fund

For the year ended 30 June 2025

	General / Unrestricted Fund	Restricted Funds			Total
		Zakat Fund	Capex Fund	Clients Fund	
	(Rupees)				
Balance as at 01 July 2023	11,380,784	3,260,758	3,003,362	666,061	18,310,965
Surplus for the year	1,952,303	-	-	-	1,952,303
Addition in funds during the year	-	510,000	-	-	510,000
Less: Funds utilized during the year	-	(1,188,043)	-	-	(1,188,043)
Balance as at 30 June 2024	**13,333,087**	**2,582,715**	**3,003,362**	**666,061**	**19,585,225**
Deficit for the year	(817,936)	-	-	-	(817,936)
Addition in funds during the year	-	11,150,740	13,000,000	-	24,150,740
Less: Funds utilized during the year	-	(1,560,599)	-	(666,061)	(2,226,660)
Balance as at 30 June 2025	**12,515,151**	**12,172,856**	**16,003,362**	**-**	**40,691,369**

The annexed notes from 1 to 17 form an integral part of these financial statements.

JS

Trustee

Trustee

CARAVAN OF LIFE PAKISTAN TRUST KARACHI

CARAVAN OF LIFE PAKISTAN TRUST
Statement of Cash flows
For the year ended 30 June 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year		(817,936)	1,952,303
Adjustments for:			
Depreciation	4	486,867	701,599
Operating profit before working capital changes		(331,069)	2,653,902
(Increase) / decrease in current assets			
Stock in hand		-	57,343
Accounts receivable	6	(606,023)	100,637
Tax refunds due from Government	7	(1,106,462)	(600,907)
Advances and prepayments	8	89,847	(90,918)
		(1,622,638)	(533,845)
Increase / (decrease) in current liabilities			
Accrued and other liabilities		(2,349,535)	2,374,274
Advance against client fees		(62,998)	(1,548,132)
Deferred capital grant	10	(315,070)	(315,070)
		(2,727,603)	511,072
Net cash flows (used in) / generated from operating activities		(4,681,310)	2,631,129
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	4	(618,484)	(289,941)
CASH FLOWS FROM FINANCING ACTIVITIES			
Donations - net of utilization		21,924,080	(678,043)
Net increase in cash and cash equivalents		16,624,286	1,663,145
Cash and cash equivalents at the beginning of the year		12,016,117	10,352,972
Cash and cash equivalents at the end of the year	14	28,640,403	12,016,117

The annexed notes from 1 to 17 form an integral part of these financial statements.

JS

Trustee

Trustee

CARAVAN OF LIFE PAKISTAN TRUST
KARACHI

1. LEGAL STATUS AND NATURE OF OPERATIONS

Caravan of Life Pakistan Trust (the Trust), was established on September 12, 2008 and is duly registered with Sub-registrar Clifton Town, Karachi holding registration number 591 of 1999. The principle objectives of the Trust include undertaking, on non-profit basis, a psychiatric rehabilitation programme for the benefit of the general public suffering from severe and persistent mental illness. The Trust is registered under the Trust Act, 1882 (which was repealed after enactment of Sindh Trusts (Amendment) Act, 2021 in September 2021). The Trustees are in process of registering the Trust under the Sindh Trust Act, 2021.

The registered address of the Trust is 156, Block A, Tipu Sultan Road, Kathiawar Society, Karachi.

The financial statements are presented in Pak Rupee, which is the Trust's functional and presentation currency.

The names of the members of the Board of Trustees of the Trust are as follows:

S.No	Name of Trustee
1.	Ms. Shaheen Sultan
2.	Mr. Khusro Karamat Elley
3.	Ms. Saadia Awan
4.	Mr. Hasan Ali Azhar
5.	Ms. Bareera Hamidi (President)
6.	Mr. Jehangir Abbas Awan
7.	Mr. Syed Shomail Abbas Naqvi
8.	Mr. Zahid Butt
9.	Mr. Zubair Palwala
10.	Mr. Khaqan Sikander

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- Revised Accounting and Financial Reporting Standard for Small-Sized Entities (AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP); and

- Accounting Standards for Not for Profit Organizations (Accounting Standards for NPOs) issued by ICAP.

2.2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. Management believes that there are no such matters involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical estimates and judgements made by the Trust's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal 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.

3.1 Property and equipment

These are initially measured at cost. Subsequent to initial recognition these are stated at cost less accumulated depreciation. Depreciation is charged to statement of income and expenditure applying straight line method in accordance with the rates stated in note 4 of these financial statements after taking into account the residual value if any.

Depreciation on acquisition is charged from the month in which the property and equipment is put to use whereas no depreciation is charged in the month of disposal.

Gain or loss on disposal, if any, is recognised in the current year statement of income and expenditure.

Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to income and expenditure account as and when incurred.

3.2 Stock in hand

It contains the medicines in hand held by the Trust. These are valued at lower of cost or net realizable value.

3.3 Investments

These comprises of Term Deposit Receipt measured at amortized cost.

3.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash in hand and balance with bank.

3.5 Provisions

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

3.6 Taxation

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

3.7 Revenue recognition

General donations are recognised as income on cash basis.

Donations are recorded as income in the statement of income and expenditure when received.

Income from donation is classified as either restricted or un-restricted income. Restricted income pertains to specific projects being undertaken by the Trust and is initially credited to the restricted fund. It is subsequently transferred on a systematic basis to statement of income and expenditure when expenses related to these specific projects are being incurred. Whereas un-restricted income is recognised directly to statement of income and expenditure.

3.8 Other revenue

- Patient Fee is recognized in the income and expenditure account when it is earned.
- Other income comprises of the income recognized against deferred capital grant.
- Return on savings account and term deposit receipts are recognised on accrual basis.

3.9 Expense recognition

Disbursements of donation are recognised in the statement of income and expenditure during the period in which they are incurred. Other general expenses pertains to running of the Trust are recognised on accrual basis.

3.10 General fund

Donations received for ongoing operations, without any restriction on utilization, are classified as unrestricted funds. These donations are recognised as income when received. The expenses incurred against such funds are recognised in the statement of income and expenditure as and when incurred.

Any excess / shortfall of income over expenditure for the year is taken to the general fund, further, any unutilised balance in any other fund maintained by the Trust in transferred to general fund, if deemed necessary by the Trustees.

3.11 Restricted fund

Restricted fund reflect donations with restrictions imposed by the donor that do not expire and that typically allow for the income earned thereon to be expired consistent with donor intent, restricted funds of the Trust are classified in the following funds:

Zakat fund

Donations received (on account of zakat) with restriction from the donors to utilize the amount for reimbursement of zakat eligible patients, are classified as Zakat fund.

Client fund

Donations received with restriction from the donors to utilize the amount for reimbursement to those patients who are unable to pay the patient fee to the Trust are classified as Client fund.

Capex fund

Donations received with restriction from the donors to purchase operating fixed assets for the Trust are classified as Capex fund.

3.12 Deferred capital grant

Restricted donations received for capital expenditure purpose are initially recorded under Capex fund. Upon utilization, operating fixed assets are recorded in the financial statements, with an equal amount being recorded as deferred capital grant. An amount equal to the depreciation charge on assets is released from deferred capital grant account and is recognised as income in the statement of income and expenditure as deferred capital grant released.

3.13 Accrued and other liabilities

Accrued and other liabilities are stated at their nominal value.

4. PROPERTY AND EQUIPMENT

	Leasehold Improvement - Restricted	Leasehold Improvement - Un-restricted	Furniture and Fixtures	Equipment	Vehicle	Computer Equipment	Total
Net Carrying Value Basis Year ended June 30, 2025							
Opening net book value	630,140	-	23,400	48,950	122,254	383,768	1,208,512
Additions	-	-	69,570	485,800	-	63,114	618,484
Depreciation charge for the year	(315,070)	-	(13,076)	(74,140)	(18,338)	(66,243)	(486,867)
Closing net book value	315,070	-	79,894	460,610	103,916	380,639	1,340,129
Gross carrying value basis							
As at June 2025							
Cost	1,575,350	1,858,495	894,558	4,161,155	1,051,000	532,855	10,073,413
Accumulated depreciation	(1,260,280)	(1,858,495)	(814,664)	(3,700,545)	(947,084)	(152,216)	(8,733,284)
	315,070	-	79,894	460,610	103,916	380,639	1,340,129
Rate %	20	20	15	15	15	15	
Net Carrying Value Basis Year ended June 30, 2024							
Opening net book value	945,210	-	-	169,559	277,222	228,179	1,620,170
Additions	-	-	26,000	52,000	-	211,941	289,941
Depreciation charge for the year	(315,070)	-	(2,600)	(172,609)	(154,968)	(56,352)	(701,599)
Closing net book value	630,140	-	23,400	48,950	122,254	383,768	1,208,512
Gross carrying value basis							
As at June 2024							
Cost	1,575,350	1,858,495	824,988	3,675,355	1,051,000	469,741	9,454,929
Accumulated depreciation	(945,210)	(1,858,495)	(801,588)	(3,626,405)	(928,746)	(85,973)	(8,246,417)
	630,140	-	23,400	48,950	122,254	383,768	1,208,512

5. INVESTMENTS

	Note	2025 Rupees	2024 Rupees
Term deposit receipts (TDRs)	*5.1*	9,000,000	9,000,000

5.1 The rate return on these term deposits receipts are ranging from 7% to 8.1% (2024: 16% to 19.5%) per annum and will mature on September 24, 2025 and March 24, 2026.

6. ACCOUNTS RECEIVABLE

	2025 Rupees	2024. Rupees
Considered good	2,062,117	1,456,094
Less: Provision for doubtful debt	-	-
	2,062,117	1,456,094

7. This represents withholding tax deducted at source on utility bills and from profit received on Term Deposits Receipts and savings account.

8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	2025 Rupees	2024 Rupees
Advance to staff	40,000	129,000
Security deposit	314,200	315,047
Other receivables	-	-
	354,200	444,047

9. CASH AND BANK BALANCE

	Note	2025 Rupees	2024 Rupees
Cash in hand		480,089	59,546
Cash at bank - current account		22,690,045	5,951,086
Cash at bank - savings account	9.1	5,470,269	6,005,485
		28,640,403	12,016,117

9.1 These carry profits at the rate of 6.75% (2024: 6.75%) per annum.

10. DEFERRED CAPITAL GRANT

	Note	2025	2024
Opening balance		630,140	945,210
Capital expenditure	4	-	-
		630,140	945,210
Deferred capital grant released - depreciation	4	(315,070)	(315,070)
		315,070	630,140

11. DONATIONS

Donations received amounting to Rs. 11.15 million (2024: Rs. 0.51 million) is received as a zakat from the donors.

12. PATIENT FEE

	2025 Rupees	2024 Rupees
In-house client fee	46,513,419	39,386,140
Day rehab programme fee	5,643,136	6,596,375
Day client fee	1,616,269	1,194,762
	53,772,824	47,177,277

13. OTHER INCOME

	2025	2024
Profit on savings account	169,503	266,166
Profit on zakat account	25,281	25,786
Liabilities written back	7,400	789,662
	202,184	1,081,614

14. FINANCIAL INSTRUMENTS

	2025	2024
Financial assets measured at amortised cost	40,056,719	22,916,258
Financial liabilities measured at amortised cost	4,457,870	6,870,403

15. TRANSACTIONS WITH RELATED PARTIES

Related parties of the trust comprise of trustees and key management personnel. Following are the related party transactions during the year:

Relationship	Nature of transaction	2025 Rupees	2024 Rupees
Caravan of Life U.S.A	Donation received	-	7,801,155
Trustees	Donation received	1,430,000	1,740,000
Key management personnel	Remuneration	-	-

16. NUMBER OF EMPLOYEES

	2025	2024
Average number of employees during the year	39	42
Number of employees at end of the year	39	42

17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on ______________________ by the Board of Trustees.

Trustee

Trustee