Financial Statements and Auditors' Report

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
For the year ended June 30, 2023

Grant Thornton Anjum Rahman
Chartered Accountants

Grant Thornton

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
For the year ended June 30, 2023

Contents

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BAS/C452/23/1006

October 06, 2023

The Board of Directors
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Abdullah Haroon Road, Saddar
Karachi

Grant Thornton Anjum Rahman
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Karachi, Pakistan.

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Dear Sirs,

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

We are pleased to enclose three copies of draft financial statements of Mahvash and Jahangir Siddiqui Foundation (the Foundation) as at and for the year ended June 30, 2023, prepared by management of the Foundation, together with our draft audit report thereon. The draft financial statements have been initialed by us for the purposes of identification only.

We shall be pleased to sign our audit report in the present form or with modification after the board of directors (the Board) has considered the matters raised in this letter and after:

a. the enclosed draft financial statements have been considered and approved by the board and signed on behalf of the board by two Director;

b. we have received the directors report as required under section 226 of the Companies Act, 2017;

c. we have received specific approvals of the board for transactions mentioned in Annexure 'A'; and

d. we have received the management representation letter on the attached format duly signed by the two Director of the Foundation.

These financial statements shall remain and be deemed unaudited unless these have been approved by the board, and signed in accordance with the requirements of section 232 of the Companies Act, 2017 and the audit report on these financial statements has been signed by us.

1. RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The rights and responsibilities of the independent auditors in a usual examination of the financial statements are explained in section 248 and 249 of the Companies Act, 2017 and International Standards on Auditing (ISA's). While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for their preparation is primarily that of the Foundation's management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies and safeguarding of the assets of the Foundation. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of account and records should not be relied upon to disclose all the errors or irregularities, which are not material in relation to the financial statements.

2. SIGNIFICANT MATTERS FOR THE BOARD'S ATTENTION

We have also included in this letter our observations and comments on the Foundation's financial statements, underlying accounting records, controls and related matters, which we believe require your attention.

We emphasize that as auditors, we are not required to report on the adequacy and effectiveness of the internal control system. Therefore, our ensuing observations and comments are based on the matters that came to our notice during the course of the audit and are being submitted as part of our value-added services provided to you with our insight into certain important aspects of accounting, internal controls and related matters.

2.1 Qarz-e-Hasna

The Foundation was established to promote educational activities, health facilities and social activities all over Pakistan. In pursuant to the object of the Foundation, Qarz-e-Hasna is being provided to students for higher education purposes and other needy individuals for medical purposes. However, during the course of our audit we found that the Foundation has no formal policy for the disbursement of Qarz-e-Hasna. We were informed by the management that financial assistance is provided after approval from executive committee.

We recommend the board should formulate a formal policy for the disbursement of Qarz-e-Hasna. The policy should mention the eligibility criteria for entitlement of Qarz-e-Hasna in order to ensure that only entitled individuals are provided with Qarz-e-Hasna.

2.2 The Sindh Charities Registration and Regulation Act, 2019

The Foundation, during the year 2021, has filed C.P. No D-2254 of 2021 in the Honorable Sindh High Court (SHC) against the Province of Sindh and Federation of Pakistan, against registration under the Sindh Charities Registration and Regulation Act, 2019 (the Act).

As per the section 9 (1):

"Irrespective of registration of charity under any law, every charity shall get itself registered with the Commission not later than such date as the Government may, by notification, determine."

Further as per section 9 (2):

"A charity shall not collect charitable funds or seek collection of the charitable funds unless it is registered under this Act."

The Foundation has pleaded that the Act will create hurdle and hindrance in the working of the Foundation. Foundation is of the view since it is governed by rules and regulations issued by Securities and Exchange Commission of Pakistan (SECP) and is also subject to the requirement of Associations with Charitable and Not for Profit Objects Regulations, 2018, therefore the requirements of the Act should not apply to the Foundation. We have been informed by the management that SHC vide order dated March 03, 2021 has granted stay order in the said petition and has also instructed the defendant not to take any adverse action against the Foundation.

3. OTHER MATTERS FOR THE BOARD'S INFORMATION

3.1. Frauds and errors

We have been informed by the management that no cases of frauds and errors have been brought to their knowledge which occurred during the year and which could have a material effect on these financial statements.

3.2. Related party transactions

We have been informed by the management that there have been no transactions with related parties other than those as disclosed in the financial statements. Further, these transactions have been carried out on arm's length basis.

3.3. Contingencies and commitments

We have been informed by the management that there are no contingencies and commitments other than those as disclosed in the financial statements.

We wish to place on record our appreciation for the courtesy and cooperation extended to us by the management and the staff of the Foundation during the course of the audit.

Yours truly

Grant Thornton Anjum Rahman.

Encl: as above

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Annexure 'A'

List of items requiring specific approval of the board

{Refer point "c" of the letter}

We request the following specific approvals / resolutions ratifications of the Board of Directors be provided to us.

- Donations disbursed during the year	15,134,915
- Donations disbursement commitments as disclosed in note 13.3 to the financial statements	14,320,092
- Qarz-e-Hasna disbursed during the year	3,212,000
- Qarz-e-Hasna received during the year	7,273,176

- Transactions and balances with related parties as disclosed in the financial statements and a confirmation that there are no transactions and balances with related parties other than those disclosed in the financial statements.

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INDEPENDENT AUDITOR'S REPORT

To the members of Mahvash and Jahangir Siddiqui Foundation

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of **Mahvash and Jahangir Siddiqui Foundation** (the Foundation), which comprise the statement of financial position as at **June 30, 2023** and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in reserves, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in reserves 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 Foundation's affairs as at June 30, 2023 and of the deficit and other comprehensive income, the changes in reserves and its cash flows 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 *Auditor's 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 Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in the Annual Report of the Foundation for the year ended June 30, 2023, 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 or 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 Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of 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 are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 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 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 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 statement of income and expenditure, the statement of comprehensive income, the statement of changes in reserves 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 the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.

Grant Thornton Anjum Rahman.
Chartered Accountants

Karachi
Date: October 23, 2023
UDIN: AR2023101547d4zckt2K

Mahvash & Jahangir Siddiqui Foundation

Annual Financial Statements
For the year ended June 30, 2023

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		-----------Rupees-----------	
ASSETS			
Non-current assets			
Property and equipment	6	**235,555,937**	320,123,018
Long-term investments	7	**-**	-
Long-term loans	8	**335,955**	-
		235,891,892	320,123,018
Current assets			
Advances, deposits, prepayments and other receivables	9	**34,147,877**	4,056,558
Current portion of long-term loans	8	**-**	18,310,826
Short term investments	10	**143,762,519**	123,274,623
Cash and bank balances	11	**47,067,088**	10,077,123
		224,977,484	155,719,130
Current liabilities			
Other liabilities	12	**1,270,021**	1,419,773
		1,270,021	1,419,773
Net assets		**459,599,355**	474,422,375
Represented by:			
Accumulated reserves		**459,599,355**	474,422,375
Contingencies and Commitments	13		

The annexed notes 1 to 26 form an integral part of these financial statements.

Directors **Directors**

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		------------Rupees------------	
Income			
Profit on bank balances and investments	14	**24,411,037**	9,688,850
Unwinding of discounting on long-term loans	8	**1,225,129**	1,546,508
Unrealized gain on re-measurement of investments carried at fair value through profit or loss - net		**142,760**	7,822
Other loss- net	15	**-**	(1,547,683)
		25,778,926	9,695,497
Expenditure			
Donations disbursed	16	**15,134,915**	3,168,957
Expenses incurred on projects	17	**27,396,202**	43,416,504
Other operating expenses	18	**1,667,350**	112,860
Reversal of provision against Qarz-e-Hasna disbursed - net	9.4	**(4,061,176)**	(3,895,175)
		(40,137,291)	(42,803,146)
Deficit of income over expenditure before taxation		**(14,358,365)**	(33,107,649)
Taxation	19	**(464,655)**	-
Deficit for the year		**(14,823,020)**	(33,107,649)

The annexed notes 1 to 26 form an integral part of these financial statements.

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Directors

Directors

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
	------------Rupees------------	
Deficit for the year	(14,823,020)	(33,107,649)
Other comprehensive Income		
Items that may be reclassified subsequently to income and expenditure account	-	-
Items that will not be reclassified subsequently to income and expenditure account	-	-
Total comprehensive loss for the year	**(14,823,020)**	(33,107,649)

The annexed notes 1 to 26 form an integral part of these financial statements.

Directors **Directors**

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
	------------Rupees------------	
Balance at beginning of the year	**474,422,375**	507,530,024
Deficit for the year	**(14,823,020)**	(33,107,649)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(14,823,020)**	(33,107,649)
Balance at end of the year	**459,599,355**	474,422,375

The annexed notes 1 to 26 form an integral part of these financial statements.

Directors

Directors

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		-----------Rupees-----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit after taxation		**(14,358,365)**	(33,107,649)
Adjustments for:			
Loss on disposal of operating fixed assets		**-**	1,547,683
Unwinding of discounting on long-term loans	8	**1,225,129**	(1,546,508)
Depreciation	6.1	**24,567,081**	40,524,649
Intangibles		**-**	-
Unrealized gain on re-measurement of investments carried at fair value through profit or loss - net		**(142,760)**	(7,822)
Profit on investments		**(24,411,037)**	(9,688,850)
Reversal of provision against Qarz-e-Hasna disbursed - net	9.4	**(4,061,176)**	(3,895,175)
		(17,181,128)	(6,173,672)
Changes in Working Capital			
Increase/(decrease) in advances, deposits, prepayments and other receivables		**(91,319)**	(278,071)
(Decrease) in other liabilities		**(149,752)**	(112,964)
		(241,071)	(391,035)
Cash used in operations		**(17,422,199)**	(6,564,707)
Income taxes paid		**(464,655)**	-
Qarz-e-Hasna disbursed during the year		**(3,212,000)**	(2,974,375)
Qarz-e-Hasna received during the year		**7,273,176**	6,869,550
Net cash used in operating activities		**(13,825,678)**	(2,669,532)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from dividend income on mutual funds		**3,097,684**	-
Proceeds from profit on investment in treasury bills		**-**	5,108,551
Proceeds from profit on investment in term finance certificates		**391,499**	391,499
Proceeds from profit on PLS deposit accounts with JS Bank Limited		**3,250,059**	4,273,508
Proceeds from repayment of long term loan from IBA Sukkur		**16,749,742**	-
Repayment of loan from employee		**-**	180,000
Repayment of interest-free financing		**-**	24,998
Purchase of long-term investments		**-**	(20,000,000)
Purchase of Treasury Bills		**(2,673,341)**	(103,266,801)
Purchase of operating fixed assets		**-**	(20,000)
Proceeds from disposal of operating fixed assets		**30,000,000**	55,211,000
Net cash generated from / (used in) investing activities		**50,815,643**	(58,097,245)
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net increase / (decrease) in cash and cash equivalents		**36,989,965**	(60,766,777)
Cash and cash equivalents at the beginning of the year		**10,077,123**	70,843,900
Cash and cash equivalents at the end of the year	11	**47,067,088**	10,077,123

The annexed notes 1 to 26 form an integral part of these financial statements.

Directors **Directors**

1 LEGAL STATUS AND NATURE OF ACTIVITIES

Mahvash and Jahangir Siddiqui Foundation (the "Foundation") was incorporated in Karachi, Pakistan on January 9, 2003 as a Foundation limited by guarantee and not having share capital under section 42 of the repealed Companies Ordinance, 1984 (now section 42 of Companies Act, 2017). The registered office of the Foundation is situated at 20/F, The Centre, Plot No.28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan. The principal activities of the Foundation are to promote educational activities, health facilities and social activities all over Pakistan. The Foundation applies its income towards its objective and prohibits the payment of any dividend or income to the members.

The liability of the members in the event of winding up of the Foundation shall not exceed by Rs. 10,000. There are 17 members of the Foundation as at June 30, 2023 (2022: 17 members). In the case of the winding up of the Foundation, any surplus arising shall be transferred to another non-profit association after the approval of SECP.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE FOUNDATION'S FINANCIAL POSITION AND PERFORMANCE

During the year, the Foundation has recorded an impairment of Rs.60 million at net book value (Cost: Rs. 100 million and accumulated depreciation Rs: 40 million) as the Hospital building was damaged due to floods in 2022-23. However, as the building was insured from EFU General Insurance Limited, the assessed damage of Rs. 60 million was claimed from the insurance company out of which Rs. 30 million was received during the year and Rs. 30 million subsequent to year end.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the 'International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention method except for certain investments and donation received in kind, which are carried at fair value and statement of cash flows which are measured and recorded on cash basis.

3.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupee which is the Foundation's functional and presentation currency and have been rounded off to the nearest Pakistani rupee.

3.4 Standards, Amendments and Interpretations to Approved Accounting Standards

3.4.1 Standards, amendments and interpretations to the published standards that may be relevant to the Foundation and adopted in the current year

The Foundation has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Annual improvements to IFRSs 2018 - 2020 Cycle	January 1, 2022
IFRS 3 References to Conceptual Framework	January 1, 2022
IAS 16 Proceeds before intended use	January 1, 2022
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022

3.4.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Foundation

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IAS 12 - International tax reform- pillar 'Two model rules'	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
IAS 8 - 'Definition of Accounting Estimates	January 1, 2023
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2024
IAS 1 - Non-current Liabilities with covenants	January 1, 2024
IFRS 16- Lease liability in a sale and leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7- Supplier finance arrangements	January 1, 2024

The Foundation is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Foundation.

3.4.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts'	January 1, 2023
IFRS 1 'First-time Adoption of International Financial Reporting Standards'	July 1, 2009

4 CRITICAL ASSUMPTIONS AND ESTIMATES

The preparation of these financial statements in conformity with approved financial reporting framework requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the 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, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

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 estimates are revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to these financial statements are as follows:

	Note
(a) operating fixed assets	5.1
(c) impairment of financial assets	5.2
(d) taxation	5.6
(e) provisions	5.7
(f) impairment of non-financial assets	5.9
(g) contingencies	5.11

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Operating fixed assets

Freehold land is stated at cost. Items of equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Donated vehicles are initially measured at fair value which is considered its cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is charged to statement of income and expenditure under the straight-line method basis at the rates specified in note 6.1 to these financial statements. Depreciation on additions is charged from the month in which they are available for use and on deletions up to the month of deletion.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace an item of equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the statement of income and expenditure during the period in which they are incurred.

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

Gains and losses on disposal of assets, if any, are taken to statement of income and expenditure.

5.2 IFRS 9 - Financial Instruments - Initial Recognition and subsequent measurement

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

Classification of financial assets

The Foundation classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL");
- at fair value through other comprehensive income ("FVTOCI"); or
- at amortized cost.

The Foundation determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Foundation's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Foundation classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"); or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instrument held for trading or derivatives) or the Foundation has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in statement of other comprehensive income/(loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of income and expenditure. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the statement of income and expenditure in the period in which they arise.
Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Foundation's own credit risk will be recognized in statement of other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial assets

The Foundation recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- bank balances;
- loans and advances; and
- other receivables

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Foundation expects to receive).

The gross carrying amount of a financial asset is written off when the Foundation has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

A provision against Qarz-e-Hasna is created on the disbursement as Foundation is of the view that realization of these amounts is neither mandatory nor certain. Any subsequent repayment is recognized in statement of income and expenditure as reversal of provision.

Derecognition

i) Financial assets

The Foundation derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable is recognized in statement of income and expenditure. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to statement of income and expenditure. In contrast, on derecognition of an investment in equity instrument which the Foundation has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement of income and expenditure, but is transferred to statement of changes in reserves.

ii) Financial liabilities

The Foundation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in statement of income and expenditure. The Foundation's financial liabilities include other liabilities.

5.3 Investments

All regular way purchases and sales of investments are recognized on the trade date, i.e. the date on which commitment to purchase / sale is made by the Foundation. Regular way purchases or sales of investments require delivery of securities within two days after transaction date as required by stock exchange regulations.

5.4 Other receivables

Other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in other receivables is made in accordance with the policy mentioned in note 5.2. Other receivables considered irrecoverable are written off.

5.5 Income recognition

- Donations are recognized as and when these are received.
- Donations in kind related to operating fixed assets e.g. for vehicles etc. are recognized at fair value of the assets as deferred income and amortized over the useful lives of the assets from the date the assets are available for intended use.
- Income on bank deposits (including term deposits) and government securities is recognized at effective yield on time proportion basis.
- Dividend income is recognized when the right to receive the same is established.
- Gains / (losses) arising on sale of investments are included in the statement of income and expenditure in the period in which they arise.
- Unrealized gains / (losses) arising from mark to market of investments at fair value through Other Comprehensive Income (FVTOCI) are included in the statement of other comprehensive income.

5.6 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation on income. The charge for current tax is calculated using prevailing tax rates. The Foundation's income is taxable under the provisions of the Income Tax Ordinance, 2001 (the Ordinance), however, the Foundation, being a charitable organization, is also entitled to a tax credit equal to one hundred percent of the tax payable under the Ordinance, in view of provisions contained in section 100C of the Ordinance.

Deferred

The income of the Foundation has remained exempt in prior years under clause 58 of Part I of Second Schedule to the Income Tax Ordinance. Now, the income of the Foundation is taxable, however, full tax credit is available to the Foundation under section 100C of the Income Tax Ordinance, 2001. Hence, there are no temporary differences and therefore, no deferred tax asset/liability is required to be recognized in these financial statements.

5.7 Provisions

A provision is recognized in the reporting date when the Foundation has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a estimate can be made of the amount of obligation.

5.8 Off-setting

Financial assets and liabilities are off set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amounts and the Foundation intends either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

5.9 Impairment of non-financial assets

The carrying of the Foundation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount in estimated and accordingly impairment loss is recognized in the statement of income and expenditure for the carrying amount of the asset that exceeds its recoverable amount.

5.10 Trade and other payables

All non derivative financial liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

5.11 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Foundation, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/ non-occurrence of the uncertain future event(s).

5.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, balances with banks in current account and profit and loss sharing accounts and short term deposit having maturity of less than three months from the date of deposit.

6 PROPERTY AND EQUIPMENT

	Note	June 30, 2023	June 30 2022
		------------ Rupees ----------	
Operating fixed assets	6.1	235,555,937	320,123,(

6.1 Operating fixed assets

Year ended June 30, 2023	Note	OWNED Leasehold Land (note 6.1.2)	Freehold land (note 6.1.3 & 6.1.4)	Building (note 6.1.4 & 6.1.5)	Furniture and fixture	Office equipment	Vehicles	Total
		----------	----------	----------	Rupees	----------	----------	
Cost								
As at July 01, 2022	6.1.1	76,006,018	22,190,739	323,144,853	9,258,490	17,035,196	6,895,921	454,531,2
Additions		-	-	-	-	-	-	-
Impairment		-	-	(100,000,000)	-	-	-	(100,000,0
As At June 30, 2023		76,006,018	22,190,739	223,144,853	9,258,490	17,035,196	6,895,921	354,531,2
Depreciation								
As at July 01, 2022		-	-	101,820,323	9,251,827	16,810,473	6,525,576	134,408,1
Charge for the year		-	-	23,981,152	6,663	208,921	370,345	24,567,0
Impairment		-	-	(40,000,000)	-	-	-	(40,000,0
As At June 30, 2023		-	-	85,801,475	9,258,490	17,019,394	6,895,921	118,975,2
Written down value								
As At June 30, 2023		76,006,018	22,190,739	137,343,378	-	15,802	-	235,555,9
Rate of depreciation				10%	33%	30%	20%	

Year ended June 30, 2022	OWNED						
	Leasehold Land (note 6.1.2)	Freehold land (note 6.1.3 & 6.1.4)	Building (note 6.1.4 & 6.1.5)	Furniture and fixture	Office equipment	Vehicles	Total
	---Rupees---						
Cost							
As at July 01, 2021	76,006,018	76,173,804	326,845,673	9,258,490	17,203,670	6,895,921	512,383,5
Additions	-	-	-	-	20,000	-	20,0
Transfer from capital work-in-progress	-	-	-	-	-	-	-
Disposals	-	(53,983,065)	(3,700,820)	-	(188,474)	-	(57,872,3
As at June 30, 2022	76,006,018	22,190,739	323,144,853	9,258,490	17,035,196	6,895,921	454,531,21
Depreciation							
As at July 01, 2021	-	-	70,245,997	6,904,234	12,040,675	5,806,320	94,997,22
Charge for the year	-	-	32,499,528	2,347,593	4,958,272	719,256	40,524,64
Disposals	-	-	(925,202)	-	(188,474)	-	(1,113,67
As at June 30, 2022	-	-	101,820,323	9,251,827	16,810,473	6,525,576	134,408,19
Written down value as at June 30, 2022	76,006,018	22,190,739	221,324,530	6,663	224,723	370,345	320,123,01
Rate of depreciation			10%	33%	30%	20%	

6.1.1 It includes office equipment, furniture and fixture & vehicles amounting to Rs. 16,864,526 (2022: Rs. 445,719), Rs. 9,258,490 (2022: Rs. 8,592,022) & Rs. 6,895,9 (2022: Rs. 3,299,621) respectively, which are fully depreciated .

6.1.2 The Foundation has a leasehold land in S.I.T.E area Karachi, for establishment of technical training institute, which contains area of approximately 0.65 acres (2022: 0. acres) costing Rs.76 million (2022: Rs. 76 million) including government taxes and fees paid thereon.

6.1.3 The Foundation has one open freehold land in Deh Patt Gahi, Taluka, Deh Bagh Yousuf Taluka Sehwan, District Jamshoro for the establishment of a hospital whi contains area of approximately 37 acres (2022: 37 acres) costing to Rs. 22.19 million (2022: Rs. 22.19 million).

6.1.4 This includes land and building constructed there upon for Jahangir Siddiqui Hospital Sehwan, Sindh. The management and operations of the hospital has been hande over to Indus Health Network for providing free of cost medical treatment to the people of Sehwan and other areas.

6.1.5 During the year, the Foundation has recorded an impairment of Rs. 60 million at net book value (Cost: Rs. 100 million and accumulated depreciation Rs: 40 million) a the Hospital building was damaged due to floods in 2022-23. However, as the building was insured, the assessed damage of Rs. 60 million was claimed from th insurance company out of which Rs. 30 million was received during the year and Rs. 30 million subsequent to year end.

	Note	June 30, 2023	June 30, 2022
7 LONG-TERM INVESTMENTS		------------Rupees------------	
Investments classified at fair value through Other Comprehensive Income (FVTOCI)	7.1	-	-
		-	-

7.1 Investments classified at fair value through Other Comprehensive Income (FVTOCI)

These are investments in fully paid ordinary shares.

2023	2022		Note	June 30, 2023	June 30, 2022
(Number of shares/ certificates / units)				------------Rupees------------	
		Investments in ordinary shares unquoted			
137,143	137,143	Kashf Holdings (Private) Limited (fully provided) (face value Rs. 10 each)		**9,600,010**	9,600,010
				9,600,010	9,600,010
		Investment in Privately Placed Term Certificates (PPTFC)			
1,020	1,020	Azgard Nine Limited (face value of Rs. 10,000 each)	7.1.1	**7,994,337**	7,994,337
1,465	1,465	Azgard Nine Limited (7th Issue)		**7,325,000**	7,325,000
				15,319,337	15,319,337
		Total investments at FVTOCI		**24,919,347**	24,919,347
		Provision for impairment		**(24,919,347)**	(24,919,347)
				-	-

7.1.1 The preference shares of Azgard Nine Limited (ANL) were to be redeemed in two equal tranches at the end of the year 2009 and 2010. However, ANL was unable to make payment as per the commitment and issued convertible Privately Placed Term Finance Certificates (PPTFCs) against the settlement of these preference shares under the "Settlement Agreement" dated October 22, 2012 between the Foundation and Azgard Nine Limited. Since these PPTFCs were received against a non-performing security, therefore the management, as a matter of prudence has recognized above PPTFCs at nil value. The cost of preference shares so converted into PPTFCs was Rs. 7.99 million and provision held there against was Rs.7.99 million. These convertible PPTFCs carry mark-up rate at 11% per annum with a tenor of 8 years (inclusive of a 2-year grace period for principal redemption and payable by October 19, 2020) as per the terms and conditions. In case of default, the PPTFCs holders have the right to exercise the option to convert the PPTFCs into ordinary voting shares of Azgard Nine Limited as per the terms and procedures. The Honorable Lahore High Court (LHC) approved a Scheme of Arrangement (the Approved Scheme) to restructure the liabilities of ANL from April 29, 2021.

7.1.2 During the year 2021, ANL has issued 1,465 new PPTFCs against the markup of previous PPTFCs and paid Rs.0.391 million as markup @ 5% per annum on outstanding principal balance of the previous PPTFCs. The management has recognized the new PPTFCs at nil value.

8 LONG-TERM LOANS	Note	June 30, 2023	June 30, 2022
		------------Rupees------------	
Sukkur Institute of Business Administration - gross amount (unsecured)	8.1	**20,000,000**	20,000,000
Interest fee loan	8.2	**800,000**	-
Effect of discounting		**(464,045)**	(1,689,174)
		20,335,955	18,310,826
Repayment received during the year		**(20,000,000)**	-
Total receivable		**335,955**	18,310,826
Current portion of loan		**-**	(18,310,826)
Non - Current portion of loan		**335,955**	-

8.1 Under an 'Endowment Fund Agreement' dated February 02, 2015, the Foundation have deposited Rs. 20 million in a term deposit receipt account with JS Bank Limited for a period of 8 years. This account carries interest rate of 9.225% (2022: 9.225%) (net of withholding tax) per annum, as redeemable contribution in the name of Sukkur IBA Endowment Fund. Sukkur IBA has also placed an equivalent amount in the same account. Interest on this account was credited to a separate bank account maintained with JS Bank Limited carrying interest rate of 9.5% (2022: 9.5%) per annum. These accounts are jointly operated by the representatives of the Foundation and Sukkur IBA. The purpose of the agreement was to facilitate deserving students enrolled in the programs offered by Sukkur IBA. During the month February 2023, the Foundation has received Rs. 20 million against repayment of the loan upon expiry of term.

8.2 Interest free loan is provided to students for their education. The loan is secured by promissory note and post dated cheques and is being discounted on over the period of loan.

9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	June 30, 2023	June 30, 2022
		------------Rupees------------	
Advances			
Advance tax	9.1	**1,809,617**	1,809,617
Advance for expenses		**30,000**	30,250
		1,839,617	1,839,867
Deposits			
Security deposit - Individual	9.2	**360,000**	360,000
Prepayments			
Prepaid insurance		**646,538**	638,570
Prepaid against software maintenance charges		**12,500**	21,700
		659,038	660,270
		2,858,655	2,860,137
Other receivables			
Profit receivable on Profit and Loss Sharing (PLS) bank account		**476,833**	324,032
Insurance claim receivable	9.3	**30,000,000**	-
Qarz-e-Hasna	9.4	**145,826,658**	149,887,834
Individuals for interest-free financing	9.5	**812,389**	812,389
Loan to an employee		**-**	60,000
		177,115,880	151,084,255
Provision held against Qarz-e-Hasna disbursed	9.4	**(145,826,658)**	(149,887,834)
		34,147,877	4,056,558

9.1 This represents amount of advance tax - adjustable paid against the property held at S.I.T.E. area, Karachi under section 236K of the Income tax ordinance, 2001.

9.2 This amount is paid as six month security deposit towards the rent of house on behalf of Autism Spectrum Disorder Resource Centre.

9.3 This insurance claim is receivable against damage to the Jahangir Siddiqui Hospital, Sehwan due to floods in the year 2022-2023. The assessed damage was Rs. 60 million which has been recovered against insurance claim out of which Rs. 30 million was received during the year and Rs. 30 million subsequent to year end.

9.4 Qarz-e-Hasna represents net amount given to students for their education purposes and other under privileged for medical and other purposes. The management of the Foundation has maintained provision against the balance of Qarz-e-Hasna as it is of the view that realization of these amounts is neither mandatory nor certain.

Provision held against Qarz-e-Hasna disbursed	**June 30, 2023**	June 30, 2022
	------------Rupees------------	
Opening balance	**149,887,834**	153,783,009
Payments made during the year	**3,212,000**	2,974,375
Payments received during the year	**(7,273,176)**	(6,869,550)
Net (Reversal)/Charge during the year	**(4,061,176)**	(3,895,175)
Closing balance - June 30, 2023	**145,826,658**	149,887,834

9.5 These represent interest-free amounts extended to eligible individuals for financing 'down payment' that is required to be made by such individuals in order to acquire government loan for purchase of taxi car for usage with Careem.

	10 SHORT TERM INVESTMENTS	**Note**	**June 30, 2023**	**June 30, 2022**
			------------Rupees------------	
	At amortized cost	10.1	**123,611,937**	103,266,801
	Investment classified at fair value through Profit and Loss (FVTP&L) Units of Mutual Funds	10.2	**20,150,582**	20,007,822
			143,762,519	123,274,623
10.1	**At amortized cost**			
	Market treasury bills	10.1.1	**119,012,675**	101,627,135
	Accrued interest		**4,599,262**	1,639,666
			123,611,937	103,266,801

10.1.1 The profits on these market treasury bills range between 21.98% to 21.99% per annum (2022: 13.19% to 14.66%). These include market treasury bills amounting to Rs. 75,000,000, Rs. 30,000,000 and Rs. 20,000,000 having maturities on July 13, 2023 and July 25, 2023 and August 10, 2023 respectively.

10.2 Investments classified at fair value through Profit and Loss (FVTP&L) Units of Mutual Funds	**June 30, 2023**	June 30, 2022
	------------Rupees------------	
Total cost of investments	**20,000,000**	20,000,000
Unrealized gain on investments	**150,582**	7,822
Total market value of investments	**20,150,582**	20,007,822

10.2.1 The investment is held in JS Cash Fund management by JS Investments Limited.

11 CASH AND BANK BALANCES

	Note	June 30, 2023	June 30, 2022
		---Rupees---	
Cash in hand		**3,174**	6,184
Cash with banks:			
- in current accounts	11.1	-	-
- in PLS deposit accounts	11.2	**47,063,914**	10,070,939
		47,067,088	10,077,123

11.1 Current accounts comprise of Zakat Accounts.

11.2 This consist of balance amounting to Rs. 47.06 million (2022: Rs. 10.07 million) maintained with JS Bank Limited. This deposit carries profit rate of 19.80% per annum (2022: 13.50% per annum).

12 OTHER LIABILITIES

	Note	June 30, 2023	June 30, 2022
		---Rupees---	
Audit fee payable		**54,000**	33,480
Retention money against IBA Auditorium Project		**794,653**	794,653
Others payable		**421,368**	591,640
		1,270,021	1,419,773

13 CONTINGENCIES AND COMMITMENTS

13.1 Chief Commissioner Inland Revenue (CCIR) vide his order dated June 17, 2017 (received at a later date by management) withdrew the non-profit organization (NPO) status of the Foundation for the tax years 2011 to 2013 for various reasons stated therein. Foundation's tax counsel is currently contesting a constitutional petition (C.P No. D-1823 of 2019) against the aforesaid order before the High Court of Sindh, Karachi. Management, based on views of its tax counsel, is confident that the outcome will be in favor of the Foundation.

13.2 The Foundation, during the last year dated March 30,2021 had filed C.P. No D-2254 of 2021 in the Honorable Sindh High Court (SHC) against the Province of Sindh and Federation of Pakistan, against registration under the Sindh Charities Registration and Regulation Act, 2019. The Foundation has pleaded that the Act will create hurdle and hindrance in the working of the Foundation. The SHC vide order dated March 03, 2021 has granted stay order in the said petition and also instructed the defendant not to take any adverse action against the Foundation. The appeal is pending for hearing.

13.3 At June 30, 2023, the Foundation had committed donations to the following:

	Note	June 30, 2023	June 30, 2022
		---Rupees---	
Higher Education Support Under Qarz e Hasna Scheme	13.4	**14,320,092**	15,918,092
INTEREST FREE EDUCATION LOAN			
Syed Subhan Ali Naqvi	13.4	**400,000**	-

13.4 The above commitments for donations are subject to incurrence of expenditures by the donees.

		Note	June 30, 2023	June 30, 2022
14	**PROFIT ON BANK BALANCES AND INVESTMENTS**	**Note**	**------------Rupees------------**	
	Profit on bank balances			
	Profit on PLS deposit accounts with JS Bank Limited		**3,250,059**	4,188,800
			3,250,059	4,188,800
	Profit on investments			
	Dividend income		**3,097,684**	-
	Profit on Treasury bills		**17,671,795**	5,108,551
	Profit on TFC from ANL	14.1	**391,499**	391,499
			24,411,037	9,688,850

14.1 This consist of profit on Azgard Nine TFCs amounting to Rs. 391,499 (2022: Rs. 391,499).

		Note	June 30, 2023	June 30, 2022
15	**OTHER LOSS**	**Note**	**------------Rupees------------**	
	Loss on disposal of property and equipment		-	(1,547,683)
16	**DONATIONS DISBURSED**			
	Organisations		-	74,600
	Projects / programmes	16.1	**13,944,163**	2,268,087
	Individuals	16.2	**1,190,752**	826,270
			15,134,915	3,168,957
16.1	**Donations disbursed to projects / programmes**			
	JS Hospital Sehwan Project		**1,401,163**	2,268,087
	University of Bolton Pakistan Project		**12,543,000**	-
			13,944,163	2,268,087

16.2 These amounts are paid to needy individuals in respect of Education, Health and other purposes.

16.3 No director or his spouse has any interest in the donees.

		Note	June 30, 2023	June 30, 2022
17	**EXPENSES INCURRED ON PROJECTS**	**Note**	**------------Rupees------------**	
	Salaries, wages and allowances		-	168,000
	Fees and subscription		**13,180**	11,625
	Computers, Repair and Maintenance		**36,200**	53,800
	Vehicle, Repair and Maintenance		**126,752**	-
	Depreciation	6.1	**24,567,081**	40,524,649
	Storage expenses		**288,585**	343,547
	Utilities	17.1	**1,062,079**	1,064,540
	Printing & office supplies		**5,855**	3,171
	Insurance expenses		**1,291,920**	1,222,067
	Other expense		**4,550**	5,151
	Travelling expense		-	19,954
			27,396,202	43,416,504

17.1 This includes the utilities and security charges paid in respect of SITE area land.

		Note	2023	2022
			------------Rupees------------	
18	**OTHER OPERATING EXPENSES**			
	Web Development Charges		1,228,350	-
	Legal and professional charges		385,000	-
	Auditor's remuneration	18.1	54,000	112,860
			1,667,350	112,860
18.1	**Auditors' remuneration**			
	Annual audit fee		30,000	15,000
	Out of pocket		20,000	16,000
	Sales Tax		4,000	2,480
			54,000	33,480
	Fee for tax advisory and other statutory certifications		-	79,380
			54,000	112,860
19	**TAXATION**			
	Current	19.1	464,655	-

19.1 The Foundation does not carry any tax provision for prior years as it has been claiming tax credit under section 100C of the Income Tax Ordinance, 2001 since tax year 2015, Further above amount charged during the year pertains to final tax on dividend income.

20 RELATED PARTY TRANSACTIONS

Related parties comprise of associated undertakings, key management personnel, directors of the Foundation and companies with common directorship. Transactions with related parties are carried out at agreed terms. Following are associated entities and their relationship with the Foundation with whom the Foundation has outstanding balances and/or entered into transactions during the year, which have been disclosed in respective notes to these financial statements:

20.1 Details of transactions with related parties and the balances with them as at year end are as follows:

Nature of relationship	Holding %age	Transaction / Balance Outstanding	June 30, 2023	June 30, 2022
			----------------Rupees--------------	
Common Directors				
Transactions				
Jahangir Siddiqui & Co. Limited	0%	Reimbursement of postage charges	857	1,832
EFU General Insurance Limited	0%	Payment for insurance	1,307,647	1,450,654
EFU General Insurance Limited	0%	Insurance claim received	30,000,000	-
JS Investments Limited	0%	Repair and maintenance	-	130,553
Balances				
EFU General Insurance Limited	0%	Insurance claim receivable	30,000,000	-

21 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	--Rupees--							
Number of persons	1	1	7	7	1	1	9	9

The Directors, Chief Executive Officer and Company Secretary of the Foundation work voluntarily and in honorary capacity without drawing any salary or remuneration from it.

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

The Foundation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The overall risk management of the Foundation is carried out under policies approved by the Board of Directors. Such policies entail identifying, evaluating and addressing financial risk of the Foundation.

22.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Foundation's risk management framework. The executive management team is responsible for developing and monitoring the Foundation’s risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors directly.

Risk management systems are reviewed regularly by the executive committee to reflect changes in market conditions and the Foundation’s activities. The Foundation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

22.2 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 are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Foundation's performance to developments affecting a particular industry.

Exposure in credit risk

Credit risk arises principally from deposits and other receivables, bank balances and term deposits held with banks till their maturities. The carrying amount of financial assets represents the maximum credit exposure. The management continuously monitors credit exposures and makes provision against those balances considered doubtful for recovery.

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

		Carrying amount	
		June 30, 2023	June 30, 2022
Financial Assets	**Note**	------------**Rupees**------------	
Long term loan	8	**335,955**	-
Other receivable	9	**31,289,222**	1,196,421
Deposits	9	**360,000**	360,000
Short term investments	10	**143,762,519**	123,274,623
Bank balances	11	**47,063,914**	10,070,939
		222,811,610	134,901,983

Exposure in credit risk

Credit risk arises principally from deposits and other receivables, bank balances and term deposits held with banks till their maturities. The carrying amount of financial assets represents the maximum credit exposure. The management continuously monitors credit exposures and makes provision against those balances considered doubtful for recovery.

Quality of bank balances

The Foundation limits exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit ratings. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations. The Foundation have maintained balances and placed term deposits receipts with JS Bank Limited having long term rating of "AA-" (2022: "AA-") and short term rating of "A1+" (2022: "A1+") as assigned by PACRA an independent rating agency.

22.3 Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Foundation's activities are discussed as under:

22.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Foundation is not exposed to currency risk since there are no foreign currency transactions and balances at the reporting date.

22.3.2 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is not exposed to equity price risk since the equity instruments held by the Foundation are fully impaired as at reporting date. The Foundation is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

22.3.3 Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

The Foundation is exposed to interest rate risk on balances with banks in savings deposit accounts and market treasury bills. Deposits in bank savings accounts held at variable interest rate expose the Foundation to cash flow interest rate risk and market treasury bills issued by the banks at fixed interest rates give rise to fair value interest rate risk. Significant interest rate risk exposures are primarily managed by a suitable mix of deposits. As at June 30, 2023, the Foundation's interest bearing financial assets amounted to Rs. 166.08 million (2022: Rs. 111.70 million).

As at June 30, 2023, if the interest rate on the Foundation's deposits had been 1% higher / lower with other variables held constant, deficit before tax for the year would have been higher / (lower) by Rs. 1.66 million (2022: Rs. 1.12 million) mainly as a result of higher / (lower) interest income.

22.4 Fair value of financial instruments

Fair value is the amount at which an asset could be exchanged or liability settled between knowledgeable willing parties in an arm's length transaction. The carrying value of all the financial assets and liabilities reflected in the financial statements approximate their fair values.

The various fair value levels have been defined as follows:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

As at June 30, 2023, the Foundation has classified financial instrument (Units of Mutual Funds) under the fair value model at level 2 having market value Rs.20,007,822 and face value Rs.20,000,000.

23 FINANCIAL INSTRUMENTS BY CATEGORY

		As at June 30, 2023		
		At amortized cost	Fair value through P&L	Total
Financial Assets	Note	Rupees		
Long-term loan	8	335,955	-	335,955
Other receivable	9	31,289,222	-	31,289,222
Deposits	9	360,000	-	360,000
Long-term investments	7	-	-	-
Short term investments	10	123,611,937	20,150,582	143,762,519
Cash and bank balances	11	47,067,088	-	47,067,088
		202,664,202	20,150,582	222,814,784
Financial liabilties				
Other liabilities	12	-	1,270,021	1,270,021

	As at June 30, 2022		
	At amortized cost	Fair value through P&L	Total
Financial Assets	Rupees		
Long-term loan	-	-	-
Other receivable	1,196,421	-	1,196,421
Deposits	360,000	-	360,000
Short term investments	103,266,801	20,007,822	123,274,623
Cash and bank balances	10,077,123	-	10,077,123
	114,900,345	20,007,822	134,908,167
Financial liabilties			
Other liabilities	-	1,419,773	1,419,773

24 CORRESPONDIN FIGURES

Previous year figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in the financial statements. However, there is no significant rearrangement or reclassification.

25 EMPLOYEES

	June 30, 2023	June 30, 2022
Number of employees at the end of year	1	1
Average number of employees during the year	1	1

26 DATE OF AUTHORISATION

These financial statements were authorized for issue by the Board of Directors in their meeting held on 13 OCT 2023.

Directors

Directors