Financial Statements and Auditors' Report

MAHVASH & JAHANGIR SIDDIQUI FOUNDATION
For the year ended June 30, 2024

Grant Thornton Anjum Rahman
Chartered Accountants

Grant Thornton

MAHVASH & JAHANGIR SIDDIQUI FOUNDATION
For the year ended June 30, 2024

Contents

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BAS/C452/24/1002

October 02, 2024

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Dear Sirs,

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, 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.

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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 Restatement for Better Presentation

After withdrawal of Technical Release 27 'IAS 12 Income Taxes (Revised 2012), the Institute of Chartered Accountants of Pakistan – ICAP has issued circulars recently on accounting for minimum taxes and final taxes based on application of IAS-12 'Income Taxes' and IFRIC-21 'Levies'.

As per these circulars, since the computation of final taxes (so designated under provisions of ITO, 2001) is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37. Hence, final tax paid should be classified as levy and not income tax in the statement of income and expenditure.

In the light of the abovementioned circulars, the Foundation reclassified its final tax from income tax expense to levies retrospectively, as explained in note 3.4 of the financial statements.

2.2 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.

2.3 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. Subsequent events

We have been informed that all the events subsequent to the date of the financial statements and for which accounting and reporting standards as applicable in Pakistan requires adjustment or disclosure, have been adjusted or disclosed.

3.4. 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	257,449,651
- Donations disbursement commitments as disclosed in note 13.3 to the financial statements	11,320,092
- Qarz-e-Hasna disbursed during the year	3,400,000
- Qarz-e-Hasna recovered during the year	8,149,084

- 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, 2024** 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, 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, 2024 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 directors' report of the Foundation for the year ended June 30, 2024, 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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**.

Chartered Accountants

Karachi
Date: October 17, 2024

UDIN: AR202410154TUwX1CIi6

MAHVASH & JAHANGIR SIDDIQUI FOUNDATIO
Financial Statements
For the year ended June 30, 2024

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		---Rupees---	
ASSETS			
Non-current assets			
Property and equipment	6	**137,225,143**	235,555,937
Long-term investments	7	**-**	-
Long-term loans	8	**6,118,219**	335,955
		143,343,362	235,891,892
Current assets			
Advances, deposits, prepayments and other receivables	9	**7,238,797**	34,147,877
Current portion of long-term loans	8	**7,249,998**	-
Short term investments	10	**65,716,963**	143,762,519
Cash and bank balances	11	**3,100,945**	47,067,088
		83,306,703	224,977,484
Current liabilities			
Other liabilities	12	**1,463,996**	1,270,021
		1,463,996	1,270,021
Net assets		**225,186,069**	459,599,355
Represented by:			
Accumulated reserves		**225,186,069**	459,599,355
Contingencies and Commitments	13		

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

Director **Director**

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD ENDED JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023 (Restated)
		----------------Rupees----------------	
Income			
Profit on bank balances and investments	14	**32,004,981**	24,411,037
Unwinding of discounting on long-term loans	8	**(6,237,978)**	1,225,129
Unrealized gain on re-measurement of investments carried at fair value through profit or loss - net		**342,310**	142,760
Other income - net	15	**18,194,176**	-
		44,303,488	25,778,926
Expenditure			
Donations disbursed	16	**257,499,651**	15,134,915
Expenses incurred on projects	17	**24,214,742**	27,396,202
Other operating expenses	18	**1,190,000**	1,667,350
Reversal of provision against Qarz-e-Hasna disbursed - net	9.4	**(4,749,084)**	(4,061,176)
		(278,155,309)	(40,137,291)
Deficit of income over expenditure before taxation and levies		**(233,851,821)**	(14,358,365)
Levies- final tax		**(557,978)**	**(464,655)**
Taxation	19	**(3,487)**	-
Deficit for the year		**(234,413,286)**	(14,823,020)

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

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Director

Director

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
	----------------Rupees----------------	
Deficit for the year	**(234,413,286)**	(14,823,020)
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	**(234,413,286)**	(14,823,020)

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

Director

Director

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		--------------Rupees--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before taxation		**(233,851,821)**	(14,358,365)
Adjustments for:			
- Gain on disposal of operating fixed assets	15	**(18,194,176)**	-
- Unwinding of discounting on long-term loans	8	**6,237,978**	1,225,129
- Depreciation	6.1	**22,324,776**	24,567,081
- Unrealized (gain) on re-measurement of investments carried at fair value through profit or loss - net		**(342,310)**	(142,760)
- Profit on investments	14	**(32,004,981)**	(24,411,037)
- Reversal of Provision against Qarz-e-Hasna disbursed - net	9.4	**(4,749,084)**	(4,061,176)
		(260,579,618)	(17,181,128)
Changes in Working Capital			
(Increase) /decrease in advances, deposits, prepayments and other receivables		**(3,090,920)**	(91,319)
Increase / (Decrease) in other liabilities		**193,975**	(149,752)
		(2,896,945)	(241,071)
Cash used in operations		**(263,476,563)**	(17,422,199)
Income taxes and levies paid	19	**(561,465)**	(464,655)
Qarz-e-Hasna disbursed during the year	9.4	**(3,400,000)**	(3,212,000)
Qarz-e-Hasna received during the year	9.4	**8,149,084**	7,273,176
Net cash used in operating activities		**(259,288,944)**	(13,825,678)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from profit on investment in term finance certificates		**1,929,125**	391,499
Proceeds from profit on PLS deposit accounts with JS Bank Ltd		**2,909,039**	3,250,059
Proceeds from realized gain from sale of investment carried at FVTPL		**13,949**	-
Proceeds from dividend income on Mutual Funds		**3,719,836**	3,097,684
Disbursement of interest free loan		**(19,270,240)**	16,749,742
(Purchase)/maturity of Treasury Bills and mutual funds - net		**101,820,898**	(2,673,341)
Insurance claim received		**30,000,000**	
Proceeds from disposal of operating fixed assets-net		**94,200,194**	30,000,000
Net cash generated from investing activities		**215,322,801**	50,815,643
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net change in cash and cash equivalents		**(43,966,143)**	36,989,965
Cash and cash equivalents at the beginning of the year		**47,067,088**	10,077,123
Cash and cash equivalents at the end of the year	11	**3,100,945**	47,067,088

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

Director

Director

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
STATEMENT OF CHANGES IN RESERVES
FOR THE PERIOD ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
	----Rupees----	
Balance at beginning of the year	**459,599,355**	474,422,375
Deficit for the year	**(234,413,286)**	(14,823,020)
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(234,413,286)**	(14,823,020)
Balance at end of the year	**225,186,069**	459,599,355

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

Director **Director**

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, 2024 (2023: 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 given Endowment Fund amounting to Rs. 250 million to Future Trust with the approval of the Board of Directors. The income earned from the Endowment Fund will be utilized for operations and maintenance of Jahangir Siddiqui Hospital and other initiatives of Future Trust.

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 Restatement for better presentation

Prior year figures, have been restated, wherever necessary, for better presentation. The Foundation has reclassified the amount of taxes paid and charged to the statement of income and expenditure over income tax, subject to and determined using general enacted rate of taxation under Income Tax Ordinance, 2001, classified as current income tax in the statement of income and expenditure, to levy as reflected in statement of income and expenditure of these financial statements.

3.5 Standards, Amendments and Interpretations to Approved Accounting Standards

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

Further, certain IFRS 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.

3.5.2 Standards, amendments to approved accounting standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2023 are explained below:

(a) IAS 1 Disclosure of accounting policies **Effective date: January 1, 2023**

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Foundation's financial statements.

3.5.3 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Foundation

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2023 and have not been early adopted by the Foundation:

(a)	IAS 1 Classification of liabilities as current or non current	Effective date: January 1, 2024
(b)	IAS 8 Definition of accounting estimates	Effective date: January 1, 2023
(c)	IFRS Sale and leaseback transaction	Effective date: January 1, 2024
(d)	IAS 2 Lack of exchangeability	Effective date: January 1, 2025

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
(b) effects of discounting	8
(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 MATERIAL ACCOUNTING POLICY INFORMATION

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. Realised and unrealised 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 recognise a financial liability at FVTPL, any changes associated with the Foundation's own credit risk will be recognised in statement of other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial assets

The Foundation recognises 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 realisation of these amounts is neither mandatory nor certain. Any subsequent repayment is recognised 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 recognised 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 derecognises 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 derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised 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 recognised 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 amortised 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 amortised 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.
- Unrealised 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

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. Further, levies are accounted for in accordance with the requirement of IFRIC - 21

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 realise 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 recognised 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 amortised 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, 2024	June 30 2023
		------------ Rupees ------------	
Operating fixed assets	6.1	137,225,143	235,555,937

6.1 Operating fixed assets

Year ended June 30, 2024	Note	Leasehold Land (note 6.1.2)	Freehold land (note 6.1.3 & 6.1.4)	Building (note 6.1.4)	Furniture and fixture	Office equipment	Vehicles	Total
		OWNED						
		--Rupees--						
Cost								
As at July 01, 2023	6.1.1	76,006,018	22,190,739	223,144,853	9,258,490	17,035,196	6,895,921	354,531,217
Additions		-	-	-	-	-	-	-
Transfer from capital work-in-progress		-	-	-	-	-	-	-
Disposals		(76,006,018)	-	-	-	-	-	(76,006,018)
As At June 30, 2024		-	22,190,739	223,144,853	9,258,490	17,035,196	6,895,921	278,525,199
Depreciation								
As at July 01, 2023		-	-	85,801,475	9,258,490	17,019,394	6,895,921	118,975,280
Charge for the year		-	-	22,314,480	-	10,296	-	22,324,776
Disposals		-	-	-	-	-	-	-
As At June 30, 2024		-	-	108,115,955	9,258,490	17,029,690	6,895,921	141,300,056
Written down value As At June 30, 2024		-	22,190,739	115,028,898	-	5,506	-	137,225,143
Rate of depreciation				10%	33%	30%	20%	

MAHVASH AND JAHANGIR SIDDIQUI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2024

Year ended June 30, 2023	OWNED						
	Leasehold Land (note 6.1.2)	Freehold land (note 6.1.3 & 6.1.4)	Building (note 6.1.4)	Furniture and fixture	Office equipment	Vehicles	Total
	-----Rupees-----						
Cost							
As at July 01, 2022	76,006,018	22,190,739	323,144,853	9,258,490	17,035,196	6,895,921	454,531,217
Additions	-	-	-	-	-	-	-
Transfer from capital work-in-progress	-	-	-	-	-	-	-
Disposals	-	-	(100,000,000)	-	-	-	(100,000,000)
As at June 30, 2023	76,006,018	22,190,739	223,144,853	9,258,490	17,035,196	6,895,921	354,531,217
Depreciation							
As at July 01, 2022	-	-	101,820,323	9,251,827	16,810,473	6,525,576	134,408,199
Charge for the year	-	-	23,981,152	6,663	208,921	370,345	24,567,081
Disposals	-	-	(40,000,000)	-	-	-	(40,000,000)
As at June 30, 2023	-	-	85,801,475	9,258,490	17,019,394	6,895,921	118,975,280
Written down value as at June 30, 2023	76,006,018	22,190,739	137,343,378	(0)	15,802	-	235,555,937
Rate of depreciation			10%	33%	30%	20%	

6.1.1 It includes office equipment, furniture and fixture & vehicles amounting to Rs. 17,035,196 (2023: Rs. 16,864,526), Rs. 9,258,490 (2023: Rs. 9,258,490) & Rs. 6,895,921 (2023: Rs. 6,895,921) respectively, which are fully depreciated .

6.1.2 The Foundation disposed of a leasehold land in S.I.T.E area Karachi, which contains area of approximately 0.65 acres amounting of Rs. 95,000,000.

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 which contains area of approximately 37 acres costing to Rs. 22.190 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 handed over to Indus Health Network for providing free of cost medical treatment to the people of Sehwan and other areas.

7 LONG-TERM INVESTMENTS	Note	June 30, 2024	June 30, 2023
		-------------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.

2024	2023		Note	June 30, 2024	June 30, 2023
(Number of shares/ certificates / units)				-------------Rupees------------	
137,143	137,143	**Investments in ordinary shares unquoted**			
		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. 1.566 million (2023: 0.391 million) as markup @ 5% per annum on outstanding principal balance of the previous PPTFCs and Rs. 0.36 million (2023: Nil) as principal prepayment of new PPTFCs. The management has recognised the new PPTFCs at nil value.

8 LONG-TERM LOANS

	Note	June 30, 2024	June 30, 2023
		------------Rupees------------	
Sukkur Institute of Business Administration - gross amount (unsecured)	8.1	-	20,000,000
Interest fee loan	8.2	20,070,240	800,000
Effect of discounting		(6,702,023)	(464,045)
		13,368,217	20,335,955
Repayment received during the year		-	(20,000,000)
Total receivable		13,368,217	335,955
Current portion of long-term loan		(7,249,998)	-
Non-current portion of long-term loan		6,118,219	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% (2023: 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 is credited to a separate bank account maintained with JS Bank Limited carrying interest rate of 9.5% (2023: 9.5%) per annum. These accounts are jointly operated by the representatives of the Foundation and Sukkur IBA. The agreement will continue in effect, unless earlier terminated or until Sukkur IBA repays in full to the Foundation. The purpose of the agreement is to facilitate deserving students enrolled in the programs offered by Sukkur IBA. In view of the facts stated above, the balance has been discounted in accordance with requirements of relevant accounting standards. During the year 2023, the Foundation has received Rs. 20 million against repayment of the loan.

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 using rate of 21% (2023: 21%).

9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	June 30, 2024	June 30, 2023
		------------Rupees------------	
Advances			
Advance tax	9.1	5,518,417	1,809,617
Advance for expenses		-	30,000
		5,518,417	1,839,617
Deposits			
Security deposit - Individual	9.2	360,000	360,000
Prepayments			
Prepaid insurance		501,010	646,538
Prepaid against software maintenance charges		9,000	12,500
		510,010	659,038
		6,388,427	2,858,655
Other receivables			
Profit receivable on Profit and Loss Sharing (PLS) bank accounts		37,981	476,833
Insurance claim receivable	9.3	-	30,000,000
Qarz-e-Hasna	9.4	141,077,574	145,826,658
Individuals for interest-free financing	9.5	812,389	812,389
		141,927,944	177,115,880
Provision held against Qarz-e-Hasna disbursed	9.4	(141,077,574)	(145,826,658)
		7,238,797	34,147,877

9.1 This represents amount of advance tax - adjustable paid against the property held at S.I.T.E. area, Karachi under section 236K, 236C and 7E 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 was receivable against damage to the Jahangir Siddiqui Hospital, Sehwan due to floods in the year 2022-2023.

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 realisation of these amounts is neither mandatory nor certain.

Provision held against Qarz-e-Hasna disbursed	**June 30, 2024**	June 30, 2023
	------------Rupees------------	
Opening balance	**145,826,658**	149,887,834
Payments made during the year	**3,400,000**	3,212,000
Payments received during the year	**(8,149,084)**	(7,273,176)
Net (Reversal)/Charge during the year	**(4,749,084)**	(4,061,176)
Closing balance - June 30, 2024	**141,077,574**	145,826,658

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, 2024**	**June 30, 2023**
		------------Rupees------------	
At amortized cost	10.1	**46,710,123**	123,611,937
Investment classified at fair value through Profit and Loss (FVTP&L Units of Mutual Funds	10.2	**19,006,840**	20,150,582
		65,716,963	143,762,519

10.1 At amortized cost

Market treasury bills	10.1.1	**41,194,750**	119,012,675
Accrued interest		**5,515,373**	4,599,262
		46,710,123	**123,611,937**

10.1.1 The profit on the market treasury bill is 21.43% per annum (2023: 15.57% to 21.99%). This include market treasury bill amounting to Rs. 50,000,000 maturing on November 14, 2024.

10.2 Investments classified at fair value through Profit and Loss (FVTP&L) Units of Mutual Funds

		June 30, 2024	June 30, 2023
		------------Rupees------------	
Total cost of investments	10.2.1	**18,513,949**	20,000,000
Unrealised gain on investments		**492,891**	150,582
Total market value of investments		**19,006,840**	20,150,582

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

11 CASH AND BANK BALANCES

	Note	June 30, 2024	June 30, 2023
		------------Rupees------------	
Cash in hand		**7,153**	3,174
Cash with banks:			
- in current accounts	11.1	**-**	-
- in PLS deposit accounts	11.2	**3,093,791**	47,063,914
		3,100,945	47,067,088

11.1 Current accounts comprise of Zakat Accounts amounting to Rs. NIL (2023: Rs. NIL).

11.2 This includes balance amounting to Rs. 3.10 million (2023: Rs. 47.07 million) maintained with JS Bank Limited. This deposit carries profit rate of 20.55% per annum (2023: 19.80% per annum).

12 OTHER LIABILITIES

	Note	June 30, 2024	June 30, 2023
		------------Rupees------------	
Audit fee payable		**54,000**	54,000
Retention money against IBA Auditorium Project		**794,653**	794,653
Retention money against JS Hospital at Sehwan		**193,750**	-
Others payable		**325,782**	325,557
Payable to contractors		**95,811**	95,811
		1,463,996	1,270,021

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 this outcome will be in favor of the Foundation.

13.2 The Foundation, during 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, 2024, the Foundation had committed donations to the following:

	Note	June 30, 2024	June 30, 2023
		---------------Rupees---------------	
Higher Education Support Under Qarz e Hasna Scheme	13.4	**11,320,092**	14,320,092

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

Interest Free Education Loan		**8,629,759**	400,000

14 PROFIT ON BANK BALANCES AND INVESTMENTS

	Note	June 30, 2024	June 30, 2023
		----------Rupees----------	
Profit on bank balances			
Profit on PLS deposit accounts with JS Bank Limited		2,909,039	3,250,059
		2,909,039	3,250,059

	Note	June 30, 2024	June 30, 2023
Profit on investments		----------Rupees----------	
Realized gain on sale of investment carried at FVTPL		13,949	-
Dividend Income		3,719,836	3,097,684
Profit on Treasury bills		23,433,032	17,671,795
Profit on TFC from ANL	14.1	1,929,125	391,499
		32,004,981	24,411,037

14.1 This includes profit on Azgard Nine TFCs amounting to Rs. 363,129 (2023: Rs. 391,499) and principal repayment of Rs. 1,565,996 (2023: Rs. Nil)

15 OTHER (LOSS)/INCOME - NET

	Note	June 30, 2024	June 30, 2023
		----------Rupees----------	
Gain on disposal of property and equipment		18,194,176	-
		18,194,176	-

16 DONATIONS DISBURSED

	Note	June 30, 2024	June 30, 2023
		----------Rupees----------	
Organisations	16.1	250,000,000	-
Projects / programmes	16.2	5,515,516	13,944,163
Individuals	16.3	1,984,135	1,190,752
		257,499,651	15,134,915

16.1 Donations disbursed to Organisation

Future Trust	250,000,000	-
	250,000,000	-

16.2 Donations disbursed to projects / programmes

JS Hospital Sehwan Project	5,515,516	1,401,163
University of Bolton Pakistan Project	-	12,543,000
	5,515,516	13,944,163

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

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

17 EXPENSES INCURRED ON PROJECTS

	Note	June 30, 2024	June 30, 2023
		---Rupees---	
Fees and subscription		**18,320**	13,180
Computers, Repair and Maintenance		**21,500**	36,200
Vehicle, Repair and Maintenance		**276,543**	126,752
Depreciation	6.1	**22,324,778**	24,567,081
Storage expenses		**294,606**	288,585
Utilities	17.1	**62,016**	1,062,079
Printing & office supplies		**10,185**	5,855
Insurance expenses		**1,147,544**	1,291,920
Project Legal and professional charges		**54,000**	-
Other expense		**5,250**	4,550
		24,214,742	27,396,202

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

18 OTHER OPERATING EXPENSES

	Note	June 30, 2024	June 30, 2023
		---Rupees---	
CDC Charges		**20,000**	-
Web Developer Charges		**-**	1,228,350
Legal and professional charges		**1,116,000**	385,000
Auditor's remuneration	18.1	**54,000**	54,000
		1,190,000	1,667,350

18.1 Auditors' remuneration

Annual audit fee	**30,000**	30,000
Sales Tax	**4,000**	4,000
Out of pocket	**20,000**	20,000
	54,000	54,000

19 TAXATION

	Note	June 30, 2024	June 30, 2023 (Restated)
		---Rupees---	
Current	19.1	**3,487**	-

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 withholding tax paid on dividend income and on sale of JS Cash Fund units.

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:

Related company due to common directorship and common management

Jahangir Siddiqui & Company Limited

Reimbursements expenses allocated to the Foundation pertaining to postage charges during the year amounting to Rs. NIL (2023: Rs 857) by Jahangir Siddiqui & Co. Ltd.

20.1 Details of transactions with related parties and the balances with them as at year end other than those which have been disclosed else where are as follows:

			June 30, 2024	June 30, 2023
			---Rupees---	
Transactions				
Jahangir Siddiqui & Co. Ltd.	0%	Reimbursement of postage charges	-	857
EFU General Insurance Limited	0%	Payment for insurance	**1,002,016**	1,307,647
EFU General Insurance Limited	0%	Insurance claim received	**30,000,000**	30,000,000
Balances				
EFU General Insurance Limited	0%	Insurance claim	-	30,000,000

21 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
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 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, 2024	June 30, 2023
Financial Assets	**Note**	**(Rupees)**	
Long term loan	8	**6,118,219**	335,955
Other receivable	9	**850,370**	31,289,222
Deposits	9.2	**360,000**	360,000
Short term investments	10	**65,716,963**	143,762,519
Bank balances	11.2	**3,093,791**	47,063,914
		76,139,343	222,811,610

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 with JS Bank Limited having long term rating of "AA" (2023: "AA-") and short term rating of "A1+" (2023: "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, 2024, the Foundation's interest bearing financial assets amounted to Rs. 3.10 million (2023: Rs. 47.06 million).

As at June 30, 2024, 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. 0.3 million (2023: Rs. 0.5 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, 2024, the Foundation has classified financial instrument (Units of Mutual Funds) under the fair value model at level 2 having market value **Rs.19,006,840** and face value **Rs. 18,513,949.**

23 FINANCIAL INSTRUMENTS BY CATEGORY

		As at June 30, 2024		
		At amortized cost	At fair value through profit or loss	Total
Financial Assets	Note	Rupees		
Long-term loan	8	6,118,219	-	6,118,219
Deposits and other receivables	9	1,210,370	-	1,210,370
Long-term investments	7	-	-	-
Short term investments	10	46,710,123	19,006,840	65,716,963
Cash and bank balances	11	3,100,945	-	3,100,945
		57,139,657	19,006,840	76,146,497

		As at June 30, 2024		
		At amortized cost	At fair value through profit or loss	Total
Financial Liabilities		Rupees		
Other liabilities	12	-	1,463,996	1,463,996
		-	1,463,996	1,463,996

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	As at June 30, 2023		
Financial Assets	At amortized cost	Fair value through P&L	Total
	---Rupees---		
Long-term loan	335,955	-	335,955
Deposits and other receivables	31,649,222		31,649,222
Short term investments	123,611,937	20,150,582	143,762,519
Cash and bank balances	47,067,088	-	47,067,088
	202,664,202	20,150,582	222,814,784

	As at June 30, 2023		
Financial Liabilities	At fair value through profit or loss	At amortized cost	Total
	---Rupees---		
Other liabilities	-	1,270,021	1,270,021
	-	1,270,021	1,270,021

24 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified wherever necessary to confirm to the presentation adopted in the current year. Such reclassifications do not impact the Foundation's previous year reported losses or equity.

25 EMPLOYEES

	June 30, 2024	June 30, 2023
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 authorised for issue by the Board of Directors in their meeting held on 09 OCT 2024. The financial statements are signed by two directors due to non-availability of the Chief Executive Officer.

Director

Director