



**OVERSEAS PAKISTANIS  
FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2024**

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF OVERSEAS PAKISTANIS FOUNDATION

### Report on the Audit of the Financial Statements

#### Opinion

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

In our opinion and to the best of our information and according to the explanation given to us, the statement of financial position, the income and expenditure statement, the statement of comprehensive income, the statement of changes in fund 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 loss and comprehensive loss, the changes in fund 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 Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to the following matters:

- As noted in 1.4, the financial statements, the consolidated financial statements of the Foundation by consolidating the result of its wholly owned subsidiary, Kaghan Brick Works Limited, have not been prepared since the effect is immaterial.
- Note 13.2 to the financial statements provides an explanation of the status of the claim related to the United Nations Compensation Commission Funds.

Our opinion is not modified in respect of these matters.



## Information Other than the Financial Statements and Auditors Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with 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 the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act, 2023) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditors Responsibilities for the Audit of the Financial Statements

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

*Advised*



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 profit or loss, the statement of comprehensive income, the statement of changes in fund 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 SOE Act, 2023 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). *Review*





**Other Matter**

The financial statements of the Foundation for the year ended June 30, 2023, were audited by another firm of Chartered Accountants, who expressed an unmodified opinion vide their reported dated December 29, 2023.

The engagement partner on the audit resulting in this independent auditor report is Iffat Hussain.

ISLAMABAD

DATED: 04 FEB 2025

UDIN: AR202410094g3u8dBZtY

*Bdo ebrahim & Co.*  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
*psdscw*

**OVERSEAS PAKISTANIS FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2024**

Note	2024 Rupees	2023 Rupees (Restated)	2022 Rupees (Restated)	
<b>FUNDS AND LIABILITIES</b>				
<b>FUNDS AND RESERVES</b>				
Welfare fund	6	7,024,518,743	5,807,930,712	6,418,299,428
Capital reserve	7	156,250	156,250	156,250
		7,024,674,993	5,808,086,962	6,418,455,678
<b>NON-CURRENT LIABILITIES</b>				
Deferred grant	8	4,851,398	4,446,468	31,629,561
Lease liabilities	9	16,292,918	47,483,720	44,731,438
Staff retirement benefits	10	2,551,713,674	2,626,104,473	1,798,028,080
		2,572,857,990	2,678,034,661	1,874,389,079
<b>CURRENT LIABILITIES</b>				
Current portion of lease liabilities	9	23,068,913	21,272,723	22,345,836
Contract liabilities	11	3,615,436,300	2,821,543,238	1,839,160,856
Creditors, accrued and other liabilities	12	1,485,276,983	1,685,069,572	1,846,412,206
Claims payable and foreign dues	13	2,191,573,352	1,737,428,995	1,503,670,710
		7,315,355,548	6,265,314,528	5,211,589,608
<b>TOTAL LIABILITIES</b>		9,888,213,538	8,943,349,189	7,085,978,687
<b>TOTAL FUND AND LIABILITIES</b>		16,912,888,531	14,751,436,151	13,504,434,365
<b>CONTINGENCIES AND COMMITMENTS</b>	14			

The annexed notes 1 to 51 form an integral part of these financial statements.

  
MANAGING DIRECTOR

  
CHIEF FINANCIAL OFFICER

Note	2024 Rupees	2023 Rupees (Restated)	2022 Rupees (Restated)	
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property and equipment	15	2,504,356,064	2,450,878,613	2,384,655,391
Right of use assets	16	37,161,893	54,090,961	53,903,094
Intangible assets	17	1,717,642	5,075,064	5,925,954
Investment property	18	57,177,710	58,643,805	45,900,750
Long term investments	19	-	-	-
Long term advances	20	272,455,596	240,472,276	230,623,732
Long term deposits	21	6,302,304	5,810,604	4,872,829
		2,879,171,209	2,814,971,323	2,725,881,750
<b>CURRENT ASSETS</b>				
Development properties - housing schemes	22	6,773,785,329	5,354,616,199	3,661,946,891
Contract receivables	23	78,885,821	461,011,015	766,930,436
Short term investments	24	5,305,171,224	4,813,369,230	4,698,467,240
Advances, prepayments and other receivables	25	262,316,883	164,838,519	120,995,097
Taxation - net	26	63,081,921	57,322,482	74,230,177
Cash and bank balances	27	1,550,476,144	1,085,307,383	1,455,982,774
		14,033,717,322	11,936,464,828	10,778,552,615
<b>TOTAL ASSETS</b>		16,912,888,531	14,751,436,151	13,504,434,365

  
MEMBER BOARD OF GOVERNORS

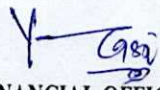


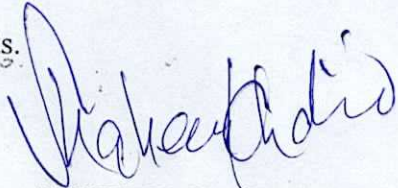
**OVERSEAS PAKISTANIS FOUNDATION  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees Restated
<b>INCOME</b>			
Return on deposits accounts and investments	28	817,541,556	568,667,563
Housing Division income	29	802,708,924	643,263,392
Welfare Division income	30	31,153,153	16,266,446
Education Division income	31	1,370,139,601	1,298,399,123
Training Division	32	228,000	155,500
GIZ		-	35,941,162
Other income	33	75,282,737	68,205,204
		3,097,053,971	2,630,898,390
<b>EXPENDITURES</b>			
Housing Division expenses	34	1,425,343,989	949,838,531
Welfare Division expenses	35	536,042,415	428,720,424
Education Division expenses	36	2,023,013,304	1,794,300,328
Publicity and Marketing cell expenses	37	21,396,817	20,325,721
Administrative expenses	38	1,109,287,694	928,661,777
GIZ	8.1	-	35,941,162
		5,115,084,219	4,157,787,943
<b>Deficit before levy and taxation</b>		(2,018,030,248)	(1,526,889,553)
Levy	39	(45,142,399)	(54,077,754)
<b>Deficit before taxation</b>		(2,063,172,647)	(1,580,967,307)
Taxation	40	-	(189,374,564)
<b>Deficit after taxation</b>		(2,063,172,647)	(1,770,341,871)

The annexed notes 1 to 51 form an integral part of these financial statements.

  
MANAGING DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
MEMBER BOARD OF GOVERNORS




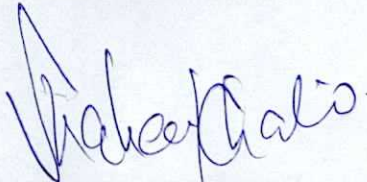
**OVERSEAS PAKISTANIS FOUNDATION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024**

	2024 Rupees	2023 Rupees Restated
Deficit after taxation	(2,063,172,647)	(1,770,341,871)
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to statement of income and expenditure:</b>		
Remeasurement gain / (loss) on employee retirement benefit plan	245,860,139	(653,015,738)
Related deferred tax	-	189,374,564
	245,860,139	(463,641,174)
Total comprehensive loss for the year	(1,817,312,508)	(2,233,983,045)

The annexed notes 1 to 51 form an integral part of these financial statements.

  
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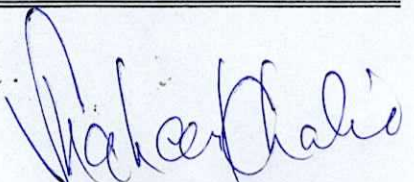
**OVERSEAS PAKISTANIS FOUNDATION  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

	Welfare fund	Capital reserve	Total
Note	(Rupees)		
Balance at July 01, 2022, as previously reported	7,224,845,962	156,250	7,225,002,212
Impact of restatement owing to change in accounting policy 4.2	(503,289,357)	-	(503,289,357)
Impact of restatement owing to error 4.3	(303,257,177)	-	(303,257,177)
Balance at July 01, 2022 (restated)	6,418,299,428	156,250	6,418,455,678
Receipts directly credited to welfare fund	1,623,614,329	-	1,623,614,329
Total comprehensive income for the year:			
Deficit for the year restated	(1,770,341,871)	-	(1,770,341,871)
Other comprehensive income	(463,641,174)	-	(463,641,174)
	(2,233,983,045)	-	(2,233,983,045)
Balance at June 30, 2023 (restated)	5,807,930,712	156,250	5,808,086,962
Receipts directly credited to welfare fund	3,033,900,539	-	3,033,900,539
Total comprehensive income for the year:			
Deficit for the year	(2,063,172,647)	-	(2,063,172,647)
Other comprehensive income	245,860,139	-	245,860,139
	(1,817,312,508)	-	(1,817,312,508)
Balance at June 30, 2024 6	7,024,518,743	156,250	7,024,674,993

The annexed notes 1 to 51 form an integral part of these financial statements.

  
MANAGING DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
MEMBER BOARD OF GOVERNORS




**OVERSEAS PAKISTANIS FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees Restated
<b>Cash used in operations</b>	40	(2,379,173,308)	(1,974,741,377)
Long term advances - net		(31,983,320)	(9,987,744)
Income tax paid	23	(50,901,838)	(37,170,059)
Employee benefits paid		(343,517,555)	(327,667,642)
Deferred grant received - net	5	-	7,173,953
Finance cost paid		-	(466,604)
		(426,402,713)	(368,118,096)
Net cash used in operating activities		(2,805,576,021)	(2,342,859,473)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property and equipment		(129,046,018)	(154,917,782)
Capital expenditure on intangibles	14	(105,000)	-
Proceeds from disposal of property and equipment		375,000	767,499
Short term investments - net		(491,801,994)	(114,901,990)
Interest received		890,418,562	648,640,337
Increase in long term deposits		(491,700)	(937,775)
Net cash generated from investing activities		269,348,850	378,650,289
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Welfare fund receipts		3,033,900,539	1,623,614,329
Payments against lease liabilities	6.1	(32,504,607)	(30,080,536)
Net cash from financing activities		3,001,395,932	1,593,533,793
Net decrease in cash and cash equivalents		465,168,761	(370,675,391)
Cash and cash equivalents at beginning of the year		1,085,307,383	1,455,982,774
Cash and cash equivalents at end of the year	25	1,550,476,144	1,085,307,383

The annexed notes 1 to 51 form an integral part of these financial statements.

  
MANAGING DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
MEMBER BOARD OF GOVERNORS



**OVERSEAS PAKISTANIS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**1 THE FOUNDATION AND ITS OPERATIONS**

- 1.1 Overseas Pakistanis Foundation (the Foundation) is a Company limited by guarantee and was incorporated under the repealed Companies Act, 1913 (now the Companies Act, 2017) with the objectives to advance social welfare of Pakistanis abroad, their families and dependents in Pakistan and contributing towards their systematic rehabilitation on return. The registered office of the Foundation is situated at Shahrah-e-Jamhuriat, G-5/2, Islamabad. The foundation is incorporated in July 08, 1979.
- 1.2 The welfare fund established under Rule 26 of the Emigration Rules, 1979 vests in and is controlled by the Foundation and the amounts received in the designated bank accounts of the Foundation are reflected in the books of account of the Foundation.
- 1.3 The geographical location and addresses of the Foundation's operating units are as under:

Sr. No.	Operating unit	Address
1	Head Office	Shahrah-e-Jamhuriat, G-5/2, Islamabad.
<b>Regional offices:</b>		
2	Lahore	I-M, Gulberg-III, Lahore.
3	Peshawar	Plot No. 33, Sector B-1 Phase V, Hayatabad, Peshawar.
4	Quetta	I House No. 1-A, Block No. 4, Satellite Town, Quetta.
5	Mirpur	I House No. 60-A, Block 5-A, Near Jamia Mosque, Sector D-4, Mirpur, AJK.
6	Karachi	2/A-20, Block 6, PECHS, Near Bank Al-Habib Limited, Main Shahrah-e-Faisal, Karachi.
7	Multan	Shama Plaza 123/ABC, 2nd Floor, Old Bahawalpur Road, Nishter Chowk, Multan.
<b>Educational Institutions:</b>		
8	OPF Girls College	Park Road F-8/2, Islamabad.
9	OPF Boys College	Sector II-8/4, Islamabad.
10	OPF Girls Higher Secondary School	Block C, Satellite Town, Rawalpindi.
11	OPF Public School	Gujar Khan Road, Kallar Syedan, Rawalpindi.
12	Girls Higher Secondary School	New Satellite Town, near Al-Hamra Hall Bhalwal, Sargodha.
13	OPF Public School	I House No. 160-161, Mir Hassan Road, Model Town, Sialkot.
14	OPF Public School	I House No. 1, Wilayatnbad, Oppt. Naz Cinema, Vehari Road, Multan.

Sr. No.	Operating unit	Address
15	OPF Public School	Government Colony Okara Road, Depalpur, Okara.
16	OPF Public School	OPF Housing Scheme, Bhimber Road, Gujrat.
17	OPF Public School	House No. 4 and 5, Sector S, Green Town Opposite District Complex, Pakpattan.
18	OPF Public School	Red Crescent Building, Malkani Petrol Pump, Larkana Road, Dadu.
19	OPF Public School	Red Crescent Building, Kiyani Road, Sanghar.
20	OPF Public School	OPF Housing Colony, Noudero Road, Larkana.
21	OPF Public School	Near Civil Hospital Road, Badin.
22	OPF Public School	Nishter Road Near K.M.C Workshop, Karachi.
23	OPF Public School	Samungli Road, Near Kidney Hospital, Quetta.
24	OPF Public School	Badhani Road, Dawranpur, OPF Housing Colony, Peshawar.
25	OPF Public School	B and R Colony, Turbat.
26	OPF Public School	Housing Scheme, Kotli, AJK.
27	OPF Public School	D-30 and 31, Housing Scheme, Upper Chatter Muzaffarabad, AJK.
28	OPF Public School	House No. 74, Sector F-1, Mirpur, AJK.
29	OPF Public School	Muslimabad, P.O PTS Main Road, Hangu.
30	OPF Public School	Safdar Road, Dab No. 1, Manshra.
31	OPF Public School	Fort Road, Gulshan Colony, DI-Khan.
<b>Hospitals units:</b>		
32	OPF Eye Hospital	Tonsa Road, Near Cement Factory More, Dera Ghazi Khan.
33	OPF Eye Hospital	OPF Housing Scheme Chatterpari, Mirpur, Azad Jammu and Kashmir.
<b>Training institute:</b>		
34	Vocational Training Institute	Vocational Training Centre, Peshawar.

1.4 The Foundation has a wholly-owned subsidiary 'Kaghan Brick Works Limited' (KBWL). The financial position of KBWL, based on its un-audited financial statements as at June 30, 2024 is as follows:

Particulars	2024 Rupees	2023 Rupees
Total assets	1,440,990	1,440,990
Total liabilities (payable to the Foundation)	86,400,116	86,365,116
Net equity	(84,959,126)	(84,924,126)
Total liabilities and equity	1,440,990	1,440,990



Since the Foundation has fully provided for its investment in KBWL (see note 19.2) and as the assets and liabilities of KBWL as shown above are not material in the overall context of the financial statements of the Foundation, management believes that consolidating the results of KBWL will not add value to the users of the financial statements and accordingly it is considered appropriate not to prepare the consolidated financial statements.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

- International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") as notified under the Companies Act, 2017; and
- 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.
- The State-Owned Enterprises (Governance and Operations) Act, 2023.

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

### **2.2 Basis of Preparation**

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

### **2.3 Functional and presentation currency**

The financial statements of the Foundation are presented in Pak Rupees, which is the Foundation's functional and presentation currency.

## **3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**

### **3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024**

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Foundation's

operations or did not have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Foundation adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Foundation to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note-4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

### **3.2 New accounting standards, amendments and interpretations that are not yet effective**

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	



#### 4 RESTATEMENT DUE TO CHANGE OF ACCOUNTING POLICY AND ERROR

##### 4.1 Taxation

During the year, the Foundation has adopted accounting policy of recognising the portion of income tax paid or payable for the year under the Income Tax Ordinance, 2001, not based on the taxable profits of the Foundation, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the changed policy provides reliable and more relevant information to the users of the financial statements.

The adoption of accounting policy has been accounted for retrospectively in accordance with *International Accounting Standard 8: "Accounting Policies, Changes in Accounting Estimates and Errors"*. There has been no effect on the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows as a result of this change. Impact on the statement of income and expenditure is as follows:

Effect on statement of income and expenditure	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating changes in accounting policy
	-----Rupees-----		
<b>2024:</b>			
Deficit before levy and taxation	-	(2,018,030,248)	(2,018,030,248)
Levy	-	(45,142,399)	(45,142,399)
Deficit before taxation	(2,018,030,248)	(45,142,399)	(2,063,172,647)
Taxation	(45,142,399)	45,142,399	-
<b>2023:</b>			
Deficit before levy and taxation	-	(1,526,889,553)	(1,526,889,553)
Levy	-	(54,077,754)	(54,077,754)
Deficit before taxation	(1,526,889,553)	(54,077,754)	(1,580,967,307)
Taxation	(243,452,318)	54,077,754	(189,374,564)

##### 4.2 Surcharge income

The Foundation has changed its accounting policy for the recognition of surcharge income on receipt basis rather than accrual basis for fair presentation in the financial statements. This policy change has been corrected retrospectively in accordance with *IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"*.

Effect on statement of financial position	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating changes in accounting policy
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-----Rupees-----

**2023:**

**Current Assets**

Contract receivables	1,586,153,068	(503,289,357)	1,082,863,711
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**Fund and Liabilities**

Welfare Fund	7,224,845,962	(503,289,357)	6,721,556,605
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**4.3 Housing division income**

In prior years, the Foundation recognised revenue from auction of plots at the time of issuance of provisional allotment letter. However, as per the requirement of IFRS-15 Revenue from contract with customers, significant control is transferred at the time of issuance of possession letter. Accordingly, the revenue recognised in prior years has been restated as follows:

Had there been no error	Impact of correction	After correction
-------------------------	----------------------	------------------

-----Rupees-----

**Impact on Statement of financial position as at June 30, 2023**

**Current Assets**

Contract receivables	876,791,390	(415,780,375)	461,011,015
Development properties	5,093,134,957	261,481,242	5,354,616,199

**Fund and Liabilities**

Contract liabilities	2,498,983,463	(322,559,775)	2,821,543,238
Welfare fund	6,284,789,620	(476,858,908)	5,807,930,712

**Impact on statement of income and expenditure as at June 30, 2023**

Housing division income	846,938,392	(203,675,000)	643,263,392
Housing division expenditure	979,911,800	30,073,269	949,838,531

**Impact on Statement of financial position as at June 30, 2022**

**Current Assets**

Contract receivables	1,082,863,711	(315,933,275)	1,398,796,986
Development properties	3,430,538,918	231,407,973	3,661,946,891

**Fund and Liabilities**

Contract liabilities	(1,620,428,981)	(218,731,875)	(1,839,160,856)
Welfare Fund	6,721,556,605	(303,257,177)	6,418,299,428

*Also*

## 5 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 5.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Foundation's financial statements or where judgments were exercised in application of accounting policies are as follows:

#### **Useful lives, patterns of economic benefits and impairments of property and equipment and intangible assets**

The Foundation reviews the appropriateness of the rates of depreciation / amortization, useful lives and residual values used in the calculation of depreciation / amortization on items of property and equipment and intangible assets on a regular basis. Further, where applicable, an estimate of the recoverable amount of assets including intangible assets is made for possible impairment on an annual basis. In making these estimates, the Foundation uses the technical resources available inside / outside the Foundation, as appropriate. Any change in the future might affect the carrying amount of items of property and equipment along with intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

#### **Income tax**

In making the estimates for income tax currently payable by the Foundation, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### **Allowance for expected credit losses**

The Foundation uses default rates based on provision matrix for large portfolio of customers who have similar characteristics to calculate Expected Credit Loss (ECL) for trade debts.

The rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Foundation's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historically observed default rates and the forecast economic conditions and ECL are significant estimates. The amount of ECL is sensitive to



changes in circumstances and forecasts of economic conditions. The Foundation's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

### **Provisions**

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision are recognized in the income and expenditure statement unless the provision was originally recognized as part of cost of an asset.

### **Impairment**

The carrying amounts of the Foundation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the income and expenditure statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income and expenditure.

### **Contingencies**

The Foundation reviews the status of all pending litigations and claims against it. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at reporting date.

### **Impairment of investment in subsidiary company**

In making an estimate of recoverable amount of the Foundation's investment in subsidiary company, the management considers future cash flows.

### **Employees' retirement benefit**

The cost of the defined benefit plans is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

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## **Financial instruments – fair value**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

## **Revenue from contracts with customers**

The Foundation assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue.

In cases where the Foundation determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. The Foundation determines the transaction price in respect of each of its contracts with customers and in making such judgment the Foundation assess the impact of any variable consideration in the contract (if any), due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

When recognizing revenue in relation to tuition fee, the key performance obligation of the Foundation is considered over the period of time when the services are rendered to students.

## **Leases**

The Foundation assess whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement to determine if the control of an unidentified asset has been passed between the parties. Controls exist if substantially all of the economic benefits from the use of asset are transferred to the lessee and the lessee has the ability to direct its use for a period of time. As per IFRS 16, the Foundation assess the lease term as the non-cancellable lease term and uses incremental borrowing rate as the discount rate to determine the present value of lease payments for determination of lease liability and related right-of-use asset.

## **Development Properties (note 5.7)**

## **Investment properties (note 5.17)**

### **5.2 IFRS 16 “Leases”**

#### **a) Foundation as a lessee**

##### **Right-of-use assets**

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease



incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Foundation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Foundation has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to statement of income and expenditure as incurred.

#### **Lease liabilities**

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

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to income and expenditure statement if the carrying amount of the right-of-use asset is fully written down.

#### **b) Foundation as a lessor**

Leases in which the Foundation does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the income and expenditure due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **5.3 Staff retirement benefits**

The Foundation operates an approved funded gratuity scheme for all of its employees who complete qualifying period of service. The liability recognized in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The charge for the year is based on actuarial valuation and is charged to the income and expenditure statement. The amounts arising as a result of remeasurements are recognized immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognized immediately in statement of income and expenditure.

#### **Other long-term benefits**

The Foundation has the policy to provide for compensated absences of its employees in accordance with respective entitlement.

The Foundation accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions are made annually to cover the obligation for employees' compensated absences based on actuarial valuation and are charged to the income and expenditure statement. The amount recognized in the statement of the financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the income and expenditure statement immediately in the period when these occur.

### **5.4 Taxation**

#### **Current**

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the surplus for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

#### **Deferred**

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the income and expenditure statement, except to the extent



that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

### **Levy**

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of income and expenditure. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

## **5.5 Property and equipment and depreciation**

### **Operating fixed assets**

Items of property and equipment except freehold land are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land is stated at cost less impairment losses, if any.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognized in statement of income and expenditure.

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 Foundation and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of income and expenditure during the period in which they are incurred.

### **Depreciation**

Depreciation / amortization is calculated to write off the cost of items of property and equipment less their estimated residual values using reducing balance method, at the rates given in note 12.1, over the useful lives. Leased assets are amortized over the shorter of the leased term and their useful lives unless it is reasonably certain that the Foundation will obtain ownership by the end of the lease term. Depreciation / amortization is recognized in the income and expenditure statement. Depreciation / amortization on additions is charged from the month the assets are available for use while no depreciation / amortization is charged in the month in which the assets are derecognized / disposed off. Depreciation / amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **De-recognition**

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of income and expenditure in the year the asset is de-recognized.

## **Capital work-in-progress**

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

### **5.6 Intangible assets**

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditure relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any.

#### **Amortization**

Intangible assets are amortized from the month, when these assets are available for use, using the reducing balance method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Foundation. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.

### **5.7 Development properties – housing schemes**

Property acquired, constructed or in the course of construction for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as development properties and is measured at lower of cost and net realizable value. The Foundation will sell plots, apartments and country homes and will not provide any construction services as a contractor engaged by the buyer. In addition, the buyer of constructed units does not have an ability to specify the major structural elements of the design or major structural changes before construction and / or construction is in progress. All project costs incurred or to be incurred are capitalized as a cost of development properties and mainly includes: costs / rights for free-hold and leasehold land; construction cost of apartments and country homes; borrowing costs, planning and design costs, costs of site preparation and internal / external infrastructure costs, professional fees for legal services, property transfer taxes, construction overheads and other related costs necessary to bring the premises in saleable condition; and development charges.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date less estimated costs of completion and the estimated costs necessarily to be incurred to make the sale.

When a development property is sold, the carrying amount of the development property is recognized as an expense in the period in which the related revenue is recognized.

The cost of sales recognized in statement of income and expenditure is determined with reference to the directly and indirectly attributable costs incurred on the plots, apartments, country homes and commercial sites sold and any non-specific costs based on the total area of land sold for plots, apartments, country homes and commercial sites in relation to total area of land of the project.



The development charges are recognized in income and expenditure statement on the basis of reimbursable development costs recoverable to date from customers on plots, apartments, country homes and commercial sites sold apportioned to total area of land sold in relation to total area of land. Development charges not recoverable from customers are borne by the Foundation and charged to income and expenditure statement in the year, in which these are incurred. However, if non-recoverable development charges are subsequently recovered from future sales to customers, the same will be credited to statement of income and expenditure.

## **5.8 Investments and other financial assets**

### **a) Classification**

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

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

For assets measured at fair value, gains and losses will either be recorded in income and expenditure statement or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Foundation has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Foundation reclassifies debt investments when and only when its business model for managing those assets changes.

### **b) Measurement**

At initial recognition, the Foundation measures a financial asset at its fair value plus transaction cost, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged to statement of income and expenditure.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### **Debt instruments**

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

### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in income and expenditure statement and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of income and expenditure.

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

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in income and expenditure statement. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to income and expenditure statement and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of income and expenditure.

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

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. Any gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in income and expenditure statement and presented net within other income / (other expenses) in the period in which it arises.

### **Equity instruments**

The Foundation subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

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

Where the Foundation's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to income and expenditure statement. Impairment losses (and reversal of



impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

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

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of income and expenditure as applicable.

Dividends from such investments continue to be recognized in statement of income and expenditure as other income when the Foundation's right to receive payments is established.

### **5.9 Financial liabilities - Classification and measurement**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in income and expenditure statement. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of income and expenditure. Any gain or loss on de-recognition is also included in statement of income and expenditure.

### **5.10 Impairment of financial assets**

The Foundation recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Foundation measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical



experience and informed credit assessment and including forward-looking information.

The Foundation assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time.

The Foundation has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Foundation has established a matrix that is based on the Foundation's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Foundation has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Foundation individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Foundation expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Foundation's procedures for recovery of amounts due.

At each reporting date, the Foundation assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Foundation on terms that the Foundation would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

## **5.11 De-recognition of financial assets and financial liabilities**

### **a) Financial assets**

The Foundation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in

which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Foundation is recognized as a separate asset or liability.

**b) Financial liabilities**

The Foundation derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

**Offsetting of financial instruments**

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

**5.12 Investment in subsidiaries**

Investments in subsidiaries and associates are stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

**5.13 Revenue from contracts with customers**

**a) Revenue recognition**

**i) Sale of plots, apartments and country homes**

Revenue from the sale of plots, apartments and country homes is recognized at a point in time (i.e. when the plot is auctioned and developed) at which the performance obligation is satisfied and one of the below conditions are not met:

- the customer simultaneously receives and consumes the benefits provided by the Foundation's performance as the Foundation performs; or
- the Foundation's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Foundation's performance does not create an asset with an alternative use to the Foundation and the Foundation has an enforceable right to payment for performance obligation completed to date.

Revenue on plots cancelled during the period is recognized to the extent of amount forfeited at the time when the cancellation request is approved.

## **Surcharge and other non-refundable charges**

Surcharge and other non-refundable charges on housing schemes are recognized on receipt basis.

### **ii) Interest**

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### **Dividend**

Dividend on equity investments is recognized when:

- the right to receive the dividend is established,
- it is probable that the economic benefits associated with the dividend will flow to the Foundation; and
- the amount of the dividend can be measured reliably.

### **iii) Education Division**

#### **Tuition Fees**

- Tuition and training fees are recognised when the Foundation satisfies a performance obligation by provision of specific academic and non-academic courses to the students and transaction price is apportioned to revenue over the period of instruction.

- Admission and application processing fees are recognised as revenue on receipt basis.

### **iv) Welfare Division**

Revenue is recognised at point in when token is issued to the patients.

### **v) Training Division**

Revenue is recognized over the period of time when training services are rendered.

### **vi) Rental income**

Rent revenue from investment properties is recognized on a straight-line basis over the lease term. Lease incentives granted are recognized as part of the rental revenue. Contingent rentals are recognized as income in the period when earned.



**vii) Deferred grant**

Income from restricted grants is recognised using deferral method in the income and expenditure statement over the period necessary to match them with the expenses that they are intended to compensate.

**viii) Other revenue**

Other revenue is recognized when it is received or when the right to receive payment is established.

**b) Contract assets**

Contract assets arise when the Foundation performs its performance obligations by transferring goods or services to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

**c) Contract liabilities**

Contract liability is the obligation of the Foundation to transfer goods or services to a customer for which the Foundation has received consideration from the customer. If a customer pays consideration before the Foundation transfers goods or services, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Foundation performs its performance obligations under the contract.

**d) Refund liabilities**

Refund liabilities are recognized where the Foundation receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Foundation does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

**5.14 Impairment of non-financial assets**

The carrying amounts of the Foundation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of income and expenditure.

**5.15 Welfare fund**

Funds received under Rule 26 of the Emigration Rules, 1979, including interest on promoters' securities, from the Bureau of Emigration and Overseas Employment (BEOE) and other voluntary receipts in a year are credited directly to Welfare Fund.

The Foundation may invest money and incur expenditure from welfare fund on activities specified in Rule 26(2) of the Emigration Rules, 1979.

#### **5.16 Deferred grants**

Grants received for specific purposes are shown as deferred grants. Such grants are transferred to income to the extent of actual expenditure incurred there against. Expenditure incurred against grant committed but not received is accrued and recognized in income and is reflected as receivable from donors. Unspent portion of such grants are reflected as deferred grants in the statement of financial position. Profit earned on bank balances is credited to respective grant amount.

#### **5.17 Investment properties**

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the development or supply of goods or services or for administrative purposes. Investment properties are measured at cost less accumulated depreciation and impairment losses, if any. When the use of a property changes, it is reclassified as property and equipment.

#### **5.18 Foreign currency transactions and translation**

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to the income and expenditure statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

#### **5.19 Hajj expense**

The Foundation offer yearly Hajj trip to 6 executive and 2 non-executive of its employees. The employees are selected through balloting.

#### **5.20 Provisions**

Provisions are recognized when the Foundation has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.



#### **5.21 Trade and other receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Foundation has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, contract receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

#### **5.22 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

#### **5.23 Creditors, accrued and other liabilities**

Liabilities for creditors, accrued and other liabilities are initially recognized at fair value, which is normally the transaction cost.

#### **5.24 Financial aid**

The financial aid scheme was introduced in 1980 to provide financial assistance to the destitute families of overseas Pakistanis in the event of death or disability of overseas Pakistanis while working abroad or within three years of permanent return to Pakistan. Liability for financial aid is recognized when application from applicant is received by the welfare department.

#### **5.25 Contingent assets**

Contingent assets are disclosed when the Foundation has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation. Contingent assets are not recognized until their realization become certain.

#### **5.26 Contingent liabilities**

Contingent liability is disclosed when the Foundation has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.



6 **WELFARE FUND**

Welfare fund represents compulsory and voluntary contribution by emigrants and interest on promoters' security as transferred by the Bureau of Emigration and Overseas Employments (BEOE). Deficit for the year is transferred to the welfare fund. The movement in this fund during the year is as follows:

	Note	2024 Rupees	2023 Rupees (Restated)
Balance at start of the year		5,807,930,712	6,418,299,428
Receipts during the year		3,033,900,539	1,623,614,329
Deficit for the year		(1,817,312,508)	(2,233,983,045)
Balance at end of the year		<u>7,024,518,743</u>	<u>5,807,930,712</u>

7 **CAPITAL RESERVE**

Capital reserve	7.1	<u>156,250</u>	<u>156,250</u>
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7.1 This represents the cost of land donated by the Government of KPK to the Foundation in 1995 for Vocational Training Centre, Peshawar.

	Note	2024 Rupees	2023 Rupees
Balance at start of the year		4,446,468	31,629,561
Received during the year		-	7,173,953
Profit on bank deposits		404,930	1,584,116
Amortization during the year		-	(35,941,162)
Balance at end of the year		<u>4,851,398</u>	<u>4,446,468</u>

8.1 It represents grant received from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH to facilitate the returning overseas Pakistanis in term of their skill and development in Pakistan's social and economic fabric for gainful employment. For this purpose, Memorandum of Understanding (MOU) was signed between the GIZ and Ministry of Overseas Pakistanis and Human Resource Development (M/o OP&HRD) on July 29, 2020. As per MoU the Foundation is implementing partner on behalf of M/o OP&HRD. The Foundation has stop the project in consultation with GIZ. The project was completed in the prior year and the remaining amount will be reimbursed to GIZ.

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		2024 Rupees	2023 Rupees
9	<b>LEASE LIABILITIES</b>		
	Total lease liabilities	39,361,831	68,756,443
	Less: Current portion shown under current liabilities	(23,068,913)	(21,272,723)
		<u>16,292,918</u>	<u>47,483,720</u>
9.1	<b>Reconciliation of lease liabilities</b>		
	Opening balance	68,756,443	67,077,274
	Additions during the year	3,521,088	23,843,150
	Adjustment on remeasurement	(4,973,105)	-
	Interest accrued on lease liabilities	4,562,012	7,916,555
	Payments made during the year	(32,504,607)	(30,080,536)
	Closing balance	39,361,831	68,756,443
	Current portion shown under current liabilities	(23,068,913)	(21,272,723)
	Non-current portion	<u>16,292,918</u>	<u>47,483,720</u>
9.2	<b>Interest accrued for the year has been allocated in the income and expenditure statement as follows:</b>		
	Welfare division	35	274,115
	Education division:	36	475,677
	OPF Public Schools - Pakistan	3,557,285	6,173,034
	OPF Public Schools - Azad Jammu and Kashmir	551,593	957,191
		4,108,878	7,130,225
	Regional office - Multan, Pakistan	179,019	310,653
		<u>4,562,012</u>	<u>7,916,555</u>
9.3	<b>Maturity analysis of lease liabilities is as follows:</b>		
	Not later than one year	22,082,502	36,887,904
	Later than one but not later than five years	25,043,443	42,377,122
		47,125,945	79,265,026
	Less: Future finance cost	(7,764,114)	(10,508,583)
	Present value of finance lease liability	<u>39,361,831</u>	<u>68,756,443</u>
9.4	Total cash outflow for leases is Rs. 32,504,607 (2023: Rs. 30,080,536).		
9.5	Implicit rate against lease liabilities ranges from 7.33% to 21.03% (2023: 7.33% to 21.03%) per annum.		

9.6 Lease liabilities are effectively secured, as the right to the leased assets recognised in the financial statements revert to the lessor in the event of default.

	Note	2024 Rupees	2023 Rupees
<b>10 STAFF RETIREMENT BENEFITS</b>			
Compensated absence	10.1	549,136,456	544,883,894
Gratuity	10.2	2,002,577,218	2,081,220,579
		<u>2,551,713,674</u>	<u>2,626,104,473</u>

**10.1 Employees' compensated absences**

The actuarial valuation of employees' compensated absences was conducted on June 30, 2024, using projected unit credit method. Detail of obligation for employees' compensated absences is as follows.

	Note	2024 Rupees	2023 Rupees
Present value of defined benefit obligation	10.1.1	<u>549,136,456</u>	<u>544,883,894</u>

**10.1.1 Movement in the present value of obligation is as follows:**

Defined benefit obligation at beginning of the year		544,883,894	362,416,344
Current service cost		17,799,781	5,577,100
Experience adjustment		(33,304,370)	187,978,538
Benefits paid		(63,617,555)	(55,435,642)
Interest cost		83,374,706	44,347,554
Defined benefit obligation at the end of the year		<u>549,136,456</u>	<u>544,883,894</u>

**10.1.2 Charge for the year recognized in the income and expenditure statement:**

Current service cost		17,799,781	5,577,100
Interest cost for the year		83,374,706	44,347,554
Actuarial loss on present value of defined benefit obligation		(33,304,370)	187,978,538
	10.1.3	<u>67,870,117</u>	<u>237,903,192</u>

**10.1.3 Allocation of charge for the year is as follows:**

Housing division		5,260,896	17,962,238
Welfare division:			
- OPF Eye Hospital, Dera Ghazi Khan		228,640	882,646
- Administrative activities		5,113,210	19,058,441
		<u>5,341,850</u>	<u>19,941,087</u>



	2024 Rupees	2023 Rupees
Education division:		
- OPF Public Schools, Pakistan	28,582,326	96,867,852
- OPF Public Schools, Azad Jammu and Kashmir	2,791,223	9,466,922
- Administrative activities	2,428,166	10,583,084
	33,801,715	116,917,858
Publicity and marketing cell	661,852	2,110,261
Administrative and other expenses - Head office	22,476,969	79,837,363
Regional Office Mirpur Azad Jammu and Kashmir	326,837	1,134,385
	67,870,119	237,903,192

#### 10.1.4 Actuarial assumptions

The following were the principal actuarial assumptions as at 30 June:

##### Assumptions to determine defined benefit obligation:

	2024	2023
Discount rate	16.25%	13.25%
Rate of salary increase	16.75%	16.25%

##### Assumptions to determine defined benefit cost:

Discount rate	16.25%	13.25%
Rate of salary increase	14.75%	16.25%
Expected mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
Effective duration	8 Years	8 Years
Duration of obligation	Setback 1 Year	Setback 1 Year
Retirement assumptions	60 Years	60 Years
Withdrawal rate	Moderate	Moderate

#### 10.1.5 Sensitivity analysis

The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on projected credit unit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. If the significant actuarial assumptions used to estimate the defined benefit obligations at the reporting date, had fluctuated by +1 bps with all other variables held constant, the present value of the defined benefit obligations as at June 30, 2024 would have been as follows:

### Impact on present value of defined benefit obligation

	Increase ----- Rupees -----	- Decrease -----
Discount rate + 1 %	549,083,788	503,700,455
Future salary increase + 1 %	597,831,683	591,912,557
Future withdrawal (10% movement)	549,188,930	544,720,428
Mortality rate (1 year movement)	548,880,596	545,319,800

	2024 Rupees	2023 Rupees
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### Expected maturity profile

Following are the expected distribution and timing of benefit payments at year end.

Year 1	24,604,420	64,903,658
Year 2	42,917,194	72,466,009
Year 3	55,824,165	84,452,949
Year 4	51,042,846	87,422,751
Year 5	80,439,862	92,372,303
Year 6 to Year 10	430,685,680	404,500,473

### 10.1.6 Risks associated with defined benefit plan

#### Discount rate risk

The risk of changes in discount rate may have an impact on the plan liabilities.

#### Mortality risk

The risk that the actual mortality experience is lighter than that of expected i.e. the actual life expectancy is longer than assumed.

#### Salary increase / inflation risk

The risk that the actual salary increase is higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on

#### Withdrawal risk

The risk of actual withdrawals experience may differ from the assumed in the calculation.

### 10.2 Gratuity

The latest actuarial valuation was carried out as at June 30, 2024, using the projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2024 Rupees	2023 Rupees
<b>10.2.1</b>	<b>The amounts recognized in the statement of financial position are as follows:</b>		
Present value of defined benefit obligation	10.2.2	2,639,374,005	2,528,973,060
Less: Fair value of plan assets	10.2.3	(636,796,787)	(447,752,481)
Net defined benefit liability	10.2.4	<u>2,002,577,218</u>	<u>2,081,220,579</u>
<b>10.2.2</b>	<b>Changes in the present value of defined benefit obligations:</b>		
Present value of defined benefit obligations at beginning of the year		2,528,973,060	1,726,525,513
Current service cost for the year		132,102,878	93,414,991
Interest cost for the year		394,117,555	217,806,961
Gain/(losses) arising on plan settlements Remeasurements			
Actuarial (Gains)/Losses from Changes in financial assumptions		(1,928,035)	
Experienced adjustments		(206,622,934)	656,624,371
Payments made during the year		(207,268,519)	(165,398,776)
Present value of defined benefit obligations at end of the year		<u>2,639,374,005</u>	<u>2,528,973,060</u>
<b>10.2.3</b>	<b>Changes in the fair value of plan assets:</b>		
Fair value of plan assets at beginning of the year		447,752,481	290,913,777
Contributions made during the year		279,900,000	272,232,000
Employee contribution		442,567	
Interest Income on plan assets for the year		78,661,086	46,396,847
Actuarial gain / (loss)		37,309,172	3,608,633
Benefits paid during the year		(207,268,519)	(165,398,776)
Fair value of plan assets at end of the year	10.2.5	<u>636,796,787</u>	<u>447,752,481</u>
<b>10.2.4</b>	<b>Movement in net defined benefit liability</b>		
Net liability at beginning of the year		2,081,220,576	1,435,611,733
Charge to income and expenditure statement	10.2.6	447,116,780	264,825,105
Charge to statement of other comprehensive income for the year	10.2.7	(245,860,139)	653,015,738
Contributions made during the year		(279,900,000)	(272,232,000)
Net liability at end of the year		<u>2,002,577,217</u>	<u>2,081,220,576</u>



	Note	2024 Rupees	2023 Rupees
<b>10.2.5 Plan assets comprise of:</b>			
Investments in equity securities		760,044	760,044
Treasury bills		600,967,623	417,256,572
Balances in bank accounts		35,069,120	29,735,865
		<u>636,796,787</u>	<u>447,752,481</u>
<b>10.2.6 Charge for the year recognized in the statement of income and expenditure comprise of:</b>			
Current service cost		132,102,878	93,414,991
Employee Contribution		(442,567)	-
Interest cost		394,117,555	217,806,961
Expected return on plan assets		(78,661,086)	(46,396,847)
	10.2.8	<u>447,116,780</u>	<u>264,825,105</u>
<b>10.2.7 Charge for the year recognized in the statement of comprehensive income comprise of:</b>			
Actuarial gain / (loss) on present value of defined benefit obligations		208,550,969	(656,624,371)
Actuarial gain on plan assets		37,309,172	3,608,633
		<u>245,860,141</u>	<u>(653,015,738)</u>
<b>10.2.8 Allocation of charge for the year is as follows:</b>			
Housing division		27,021,833	13,916,587
Welfare division:			
- OPF Eye Hospital, Dera Ghazi Khan		2,336,798	2,212,784
- Administrative activities		34,080,967	20,691,640
		36,417,765	22,904,424
Education division:			
- OPF Public Schools, Pakistan		200,529,953	125,803,668
- OPF Public Schools, Azad Jammu and Kashmir		16,999,593	10,006,524
- Administrative activities		15,554,249	10,334,405
		233,083,795	146,144,597
Publicity and marketing cell		4,124,915	1,948,350
Administrative and other expenses		144,046,557	78,624,335
Regional Office Mirpur Azad Jammu and Kashmir		2,421,915	1,286,812
		<u>447,116,780</u>	<u>264,825,105</u>

**10.2.9 Estimated expenses to be charged in income and expenditure statement in financial year 2025.**

	Rupees
Current service cost	141,308,841
Interest cost on defined benefit obligation	378,675,856
Interest income on plan assets	(103,938,342)
	416,046,355

**10.2.10 Actuarial assumptions**

The following were the principal actuarial assumptions at 30 June:

	2024	2023
Discount rate used for year end obligations	16.25%	16.25%
Discount rate used for interest cost	14.75%	13.25%
Salary increase rate (per annum)	14.75%	13.25%
Expected mortality rate	Setback 1 Year	Setback 1 Year
Duration of obligation	7 Years	7 Years
Retirement assumptions	60 Years	60 Years
Withdrawal rate	Moderate	Moderate

**10.2.11 Sensitivity analysis**

The sensitivity analysis is prepared using same computation model and assumptions as used to determined defined benefit obligation based on projected credit unit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. If the significant actuarial assumptions used to estimate the defined benefit obligations at the reporting date, had fluctuated by +1 bps with all other variables held constant, the present value of the defined benefit obligations as at 30 June 2024 would have been as follows:

	<b>Impact on present value of defined benefit obligation</b>	
	<b>Increase</b>	<b>Decrease</b>
	----- Rupees -----	
Discount rate (1% movement)	2,461,617,718	2,361,998,904
Salary increase rate (1% movement)	2,840,469,512	2,716,019,563
Future withdrawal (10% movement)	2,639,566,259	2,528,214,365
Mortality rate (1 year movement)	2,631,944,735	2,526,696,981

### 10.2.12 Expected maturity profile

Following are the expected distribution and timing of benefit payments at year end.

	2024 Rupees	2023 Rupees
Year 1	144,160,127	222,201,957
Year 2	244,526,796	248,092,163
Year 3	318,313,354	289,130,242
Year 4	326,342,685	299,297,555
Year 5	471,499,274	316,242,675
Year 6 to Year 10	2,421,752,874	1,464,564,387

### 10.2.13 Risks associated with defined benefit plan

#### Discount rate risk

The risk of changes in discount rate may have an impact on the plans liabilities.

#### Mortality risk

The risk that the actual mortality experience is lighter than that of expected i.e. the actual life expectancy is longer than assumed.

#### Salary increase / inflation risk

The risk that the actual salary increase is higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.

#### Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

#### Amounts for the current and previous four years:

	2024 Rupees	2023 Rupees
Present value of defined benefit obligation	2,639,374,005	2,528,973,060
Fair value of plan assets	(636,796,787)	(447,752,481)
Receipts on behalf of the fund	-	-
Deficit	<u>2,002,577,218</u>	<u>2,081,220,579</u>
Remeasurement gain / (loss) on obligation	<u>208,550,969</u>	<u>(656,624,371)</u>
Remeasurement gain on plan assets	<u>37,309,172</u>	<u>3,608,633</u>



	Note	2024 Rupees	2023 Rupees (Restated)
<b>11 CONTRACT LIABILITIES</b>			
Unsecured;			
Advances from customers against housing schemes	10.1	3,609,633,242	2,813,593,901
Advance rent against investment properties		3,414,445	5,702,308
Advance tuition fee		2,388,613	2,247,029
		<u>3,615,436,300</u>	<u>2,821,543,238</u>

**11.1 Advance from customers against housing schemes**

It represents advance received in respect of booking of residential and commercial plots, farm houses, apartments, country homes and development charges, as per respective payment plans on which sales have not been recognized, since such transactions do not meet the recognition criteria. Region wise breakup of which is as follows:

	Note	2024 Rupees	2023 Rupees
Islamabad scheme		1,095,921,287	806,200,706
Raiwind road colony		2,216,728,936	1,837,692,388
Peshawar scheme		160,580,637	159,802,639
Chittarpari Mirpur		126,304,943	673,384
Rawat scheme		1,147,025	1,147,025
Dadu		12,000	
Faisalabad - Refundable	11.1.1	7,077,759	7,077,759
Gujrat		1,193,880	1,000,000
Larkana		666,775	
		<u>3,609,633,242</u>	<u>2,813,593,901</u>

11.1.1 It includes interest amounting to Rs. 5.145 million (2023: Rs. 5.145 million) accrued till 2017 as per the Board of Governors decision to compensate allottees of abandoned housing scheme, Faisalabad.

	Note	2024 Rupees	2023 Rupees
<b>12 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Accrued liabilities		33,665,937	32,856,227
Financial aid	12.1	678,700,000	1,039,300,000
Salaries payable		1,807,037	-
Retention money		1,999,452	5,597,955
Security deposits	12.2	516,975,848	454,575,416
Installments due for purchase of land	12.3	1,298,875	1,298,875

	Note	2024 Rupees	2023 Rupees
Application money for Islamabad Zone - V plots		2,793,101	2,793,101
Withheld tax payable		27,611,784	13,210,689
Federal excise duty payable		-	16,550,984
Provident fund payable	12.4	39,906,774	39,906,774
Contributory pension payable	12.5	1,984,784	1,984,784
Payable to contractors and consultants		151,934,111	56,314,131
Other liabilities		26,599,280	20,680,636
		<u>1,485,276,983</u>	<u>1,685,069,572</u>
<b>12.1 Financial aid</b>			
At start of the year		1,039,300,000	1,106,600,000
Provision for the year	35.1	314,300,000	247,400,000
Paid during the year		(700,800,000)	(314,700,000)
Reversal of time barred cheques		25,900,000	-
At end of the year		<u>678,700,000</u>	<u>1,039,300,000</u>
<b>12.2 Security deposits</b>			
These represent security deposits received from:			
- Suppliers		267,605,087	244,515,267
- Students		221,196,745	195,097,749
- Teachers		17,169,720	14,962,400
		<u>505,971,552</u>	<u>454,575,416</u>
12.3	It represents payable to Mirpur Development Authority for purchase of land in Chittarpari Phase 1.		
12.4	Pursuant to the decision of the Board of Governors dated 10 December 2015, Contributory Provident Fund (CPF) was discontinued with immediate effect. The Board decided that portion of CPF related to employees along with the profit will be refunded. Later on the Board in its meeting held on 01 April 2017, further directed to pay employer's portion of CPF along with interest withheld by the Foundation.		
12.5	Pursuant to the decision of the Board of Governors dated 04 March 2015, the Overseas Pakistanis Pension Trust (OPPT) was dissolved and its assets and liabilities were transferred to the Foundation on 31 December 2015 and the Board decided to pay the contributory pension to the relevant members of OPPT.		

13 CLAIMS PAYABLE AND FOREIGN DUES

	Social security claims Libya (note )		Claims related to United Nations Compensation Commission Funds (note )		Total	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Balance as at start of the year	9,517,760	6,739,460	1,727,911,235	1,496,931,250	1,737,428,995	1,503,670,710
<b>Add:</b>						
Return on:						
Saving accounts	94,110	79,544	117,009,091	93,978,493	117,103,201	94,058,037
Short term investments		-	257,690,659	137,152,794	257,690,659	137,152,794
Exchange gain		2,710,686	-	-	-	2,710,686
Other income		-	-	-	-	-
	94,110	2,790,230	374,699,750	231,131,287	374,793,860	233,921,517
<b>Less:</b>						
Bank charges and taxes	14,115	11,930	2,713	3,634	16,828	15,564
Payment to claimants	-	-	12,398	132,668	12,398	132,668
Legal and professional fee	-	-	-	-	-	-
Exchange loss	267,789	-	-	-	267,789	-
Other expense	-	-	-	15,000	-	15,000
	281,904	11,930	15,111	151,302	297,015	163,232
<b>Foreign Dues</b>						
Addition	-	-	-	-	122,550,614	-
Payment	-	-	-	-	(42,903,102)	-
					79,647,512	
Balance at the end of the year	<u>9,329,966</u>	<u>9,517,760</u>	<u>2,102,595,874</u>	<u>1,727,911,235</u>	<u>2,191,573,352</u>	<u>1,737,428,995</u>

13.1 The matter of social security claims of Pakistani workers in Libya was discussed in the meeting of Pak-Libyan Joint Technical Committee held on 24 August 1999. Pakistani workers claimed payment of social security deducted from salaries during their service. During the years 2004-2006, the Foundation received from Libya, social security claims of these Pakistani workers amounting to USD 96,572 and disbursements were made from time to time. The balance represents pending claims and accrued mark-up there on. As at 30 June, the balance represents USD 33,257.66 (2023: USD 33,257.66).



13.2 The United Nations Compensation Commission (the Commission) is located in Villa La Pelouse within United Nations Office in Geneva, Switzerland. It was created in 1991 as a subsidiary organ of the United Nations Security Council under Security Council resolution No. 687 of 1991, to process claims and pay compensation for losses and damages suffered as a direct result of Iraq's invasion and occupation of Kuwait in 1990-91. The Commission accepted claims of individuals, corporations and Governments, submitted by Governments and international organizations.

In an inter-ministerial meeting held on 1st October 1991, it was decided that Overseas Pakistanis Foundation (the Foundation) would be the focal point for distribution and collection of compensation forms required by the Commission. The Foundation received and disbursed USD 337,604,063 equivalent to Rs. 17,218,286,361 from time to time.

In its fifty-sixth session in June 2005, the Governing Council set 30 September 2006 as the definitive date for the location and payment to unallocated claimants. As a result, any claimants located subsequent to this date were no longer entitled to receive their award.

A human rights case was initiated in 2009 on the basis of an appeal appearing in the newspapers initiated by the action committee of the affectees of the Iraq-Kuwait war claiming difficulties and hurdles in getting their due claims. Suo moto notice was taken by the Chief Justice of Pakistan. As per representations made before the Court, it was established that the Foundation disbursed claims among 44,290 claimants and the amount received from UNCC stands disbursed barring profit earned on the funds. The Supreme Court of Pakistan vide order dated 24 June 2014 directed the Foundation to hold, disburse and deal with these funds as fiduciary for claimants who are entitled to the same and the Foundation shall account for the same in its annual audited accounts including income / interest accrued thereon.

## 14 CONTINGENCIES & COMMITMENTS

### 14.1 Contingencies

14.1.1 The Foundation purchased a land measuring 407 kanals in zone - V, Islamabad dated 22 April 1995 from Mir Fazal through Muhammad Nawaz, who had power of attorney. The sale consideration was fixed at Rs. 13,740 million. The total consideration was paid to Mr. Muhammad Nawaz who transferred Rs. 4.8 million in account of Mir Fazal. However, on 19 May 1995 a public notice was published by Mir Fazal claiming to be the owner in possession of the aforesaid land. Therefore, the Foundation filed a Civil suit No. 134 dated May 23, 1995 (new number 826 26 November 2005) in the Civil Court at Islamabad, the same was dismissed vide order dated March 27, 2006. The Foundation then filed Civil Appeal No. 29/8 April 2011 (new number 39/11 June 2011) before Additional District Judge, Islamabad which was dismissed vide judgement dated July 20, 2011. Being aggrieved, the Foundation filed civil revision petition in Islamabad High Court, Islamabad which was dismissed through judgement dated January 24, 2011 and Islamabad High Court directed Mir Fazal to repay the amount of Rs. 4.8 million to the Foundation. The Foundation filed a Civil Petition for leave to Appeal under Article 185(3) in the Supreme Court of Pakistan against the judgement of Islamabad High Court, Islamabad, which was dismissed by the Supreme Court of Pakistan vide order dated April 01, 2022. The Foundation has filed a civil review petition dated May 07, 2022 against the judgement of Supreme Court of Pakistan. The matter is still pending before the Supreme Court of Pakistan. The management is hopeful of a favourable outcome of the case. Accordingly, no provision has been made in these financial statements.

14.1.2 M/s Tariq & Siraj Associates was the contractor for supply of land measuring 3,000 kanals @ Rs. 55,000 per kanal. The land measuring 2,474 kanals and 2 marlas including above stated 407 kanals was supplied by the contractor. The contractor filed a suit in Civil Court for recovery of Rs.

185.4 million along with markup from August 01, 1997 till actual realization of amount. The case was referred in Islamabad High Court, Islamabad where the Foundation claimed an amount of Rs. 175.335 million as counter claim from plaintiff. On July 08, 2015, the Islamabad High Court, Islamabad dismissed the case and declared that neither party could prove its claim against each other. The contractor filed Regular First Appeal R.F.A No. 175 against judgement of Islamabad High Court, Islamabad which is still pending. Honourable Islamabad High Court decided to case in favour of OPF in order date.

14.1.3 A dispute arose between the Foundation and the contractor appointed for supply of land measuring 148 kanals 8 marlas for the establishment of the Foundation's housing scheme in Raiwind Road, Lahore (Extension Phase). The contractor failed to provide compact land due to which development could not be started and the Foundation incurred losses. The Foundation filed a suit in the Civil Court in 1998 for recovery of an amount of Rs. 185.35 million including cost of land and surcharges. The case was dismissed by the Civil Court vide order dated June 04, 2021. The Foundation filed regular first appeal dated June 21, 2021 before the Honorable Islamabad High Court against order passed by the Civil Court. Management is hopeful of a favorable outcome of the dispute. Accordingly, no provision has been made in these financial statements.

14.1.4 There are certain other cases outstanding as on June 30, 2024. Adverse impact, if any, if these cases is not considered material to these financial statements and management assesses favorable outcome of these cases.

14.1.5 The Foundation has provided bank guarantees amounting to Rs. 1.58 million (2023: Rs. 1.58 million). These guarantees have been secured against lien on bank balance of the Foundation amounting to Rs. 1.58 million (2023: Rs. 1.58 million).

## 14.2 Commitments

14.2.1 Contractual commitments against the development expenditure on housing schemes were Rs.9,262.30 million (2023: Rs. 9,606.59 million).

14.2.2 Capital commitment against the construction work of school and building were Rs. 46.78 million (2023:Rs. 40.21 million).

	Note	2024 Rupees	2023 Rupees
15	<b>PROPERTY AND EQUIPMENT</b>		
	Operating fixed assets	2,426,407,986	2,430,487,182
	Capital work in progress	78,028,678	20,421,431
		<u>2,504,436,664</u>	<u>2,450,908,613</u>

15.1 Operating fixed assets

Description	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Water storage dam	Library books	Furniture and fixtures	Vehicles	Electrical equipment	Office equipment	Sub total - carried forward
Rupees											
<b>Year ended June 30, 2023</b>											
<b>Net book value basis:</b>											
Opening net book value	67,150,377	29,297,104	991,576,880	961,257,104	122,421,220	212,412	47,789,126	7,506,643	22,447,671	11,809,414	2,252,447,951
Additions	-	-	-	-	-	-	6,587,145	-	2,665,968	53,290	9,286,213
Transferred from capital work in progress (note 12.2)	-	-	80,016,790	185,479,937	-	-	-	-	-	-	235,496,727
Transferred from investment properties (note 15)	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	(17,396,638)	-	-	-	-	-	-	-	(17,396,638)
Accumulated depreciation	-	-	3,180,965	-	-	-	-	-	-	-	3,180,965
	-	-	(14,215,673)	-	-	-	-	-	-	-	(14,215,673)
<b>Disposals</b>											
Cost	-	-	-	-	-	-	(205,945)	(110,944)	(171,052)	(8,216)	(496,152)
Accumulated depreciation	-	-	-	-	-	-	109,534	5,807	149,261	5,337	269,939
	-	-	-	-	-	-	(96,411)	(6,137)	(21,791)	(2,879)	(126,218)
Amortization - depreciation charge for the year	-	(1,471,749)	(25,149,746)	(22,188,785)	(3,660,531)	(31,862)	(4,951,185)	(1,513,794)	(3,557,805)	(1,773,279)	(68,828,627)
Closing net book value	<u>67,150,377</u>	<u>18,735,355</u>	<u>1,002,228,251</u>	<u>1,119,548,256</u>	<u>119,360,689</u>	<u>180,550</u>	<u>49,328,675</u>	<u>6,047,712</u>	<u>21,554,043</u>	<u>10,076,435</u>	<u>2,414,210,443</u>
<b>Gross book value basis:</b>											
Cost	67,150,377	53,008,348	1,172,924,500	1,315,056,036	124,760,479	5,914,652	129,858,789	115,873,212	132,192,205	46,192,983	3,164,933,587
Accumulated amortization - depreciation	-	(34,272,993)	(170,696,249)	(195,407,780)	(5,200,790)	(5,734,102)	(80,530,114)	(109,825,500)	(112,638,162)	(36,116,548)	(750,721,253)
Net book value	<u>67,150,377</u>	<u>18,735,355</u>	<u>1,002,228,251</u>	<u>1,119,548,256</u>	<u>119,360,689</u>	<u>180,550</u>	<u>49,328,675</u>	<u>6,047,712</u>	<u>21,554,043</u>	<u>10,076,435</u>	<u>2,414,210,443</u>
<b>Year ended June 30, 2024</b>											
<b>Net book value basis:</b>											
Opening net book value	67,150,377	18,735,355	1,002,228,251	1,119,548,256	119,360,689	180,550	49,328,675	6,047,712	21,554,043	10,076,435	2,414,210,443
Additions	-	-	-	-	-	-	4,284,915	-	13,714,183	942,936	18,942,028
Transferred from capital work in progress (note 12.2)	-	-	966,872	48,612,644	-	-	-	-	-	-	49,579,516
Disposals											
Cost	-	-	-	-	-	-	(101,318)	-	(196,978)	(2,450)	(300,736)
Accumulated depreciation	-	-	-	-	-	-	64,635	-	180,557	996	247,188
	-	-	-	-	-	-	(36,683)	-	(16,421)	(1,454)	(154,588)
Amortization - depreciation charge for the year	-	(1,471,749)	(25,086,037)	(29,149,418)	(2,984,017)	(27,083)	(5,143,722)	(1,209,542)	(4,466,029)	(1,598,267)	(71,136,060)
Closing net book value	<u>67,150,377</u>	<u>17,263,606</u>	<u>978,109,090</u>	<u>1,139,011,482</u>	<u>116,376,672</u>	<u>153,467</u>	<u>48,433,185</u>	<u>4,838,170</u>	<u>20,785,776</u>	<u>9,478,174</u>	<u>2,413,547,239</u>
<b>Gross book value basis:</b>											
Cost	67,150,377	53,008,348	1,173,891,372	1,363,668,680	124,760,479	5,914,652	134,042,386	115,873,212	147,709,410	47,133,433	3,234,152,349
Accumulated amortization - depreciation	-	(35,744,742)	(195,782,282)	(224,657,198)	(8,383,807)	(5,761,185)	(85,609,201)	(111,035,042)	(116,923,634)	(37,735,259)	(821,611,350)
Net book value	<u>67,150,377</u>	<u>17,263,606</u>	<u>978,109,090</u>	<u>1,139,011,482</u>	<u>116,376,672</u>	<u>153,467</u>	<u>48,433,185</u>	<u>4,838,170</u>	<u>20,785,776</u>	<u>9,478,174</u>	<u>2,413,547,239</u>
Annual rate of depreciation	-	30 & 33 years	2.5%	2.5%	2.5%	15%	10%	20%	15%	15%	-

*file 10*



Description	Sub total - brought forward	Computer equipment	Medical equipment	Laboratory equipment	Tools and equipment	Play equipment	Photography equipment	Security equipment	Arms and ammunition	Grand total
<b>R u p e e s</b>										
<b>Year ended June 30, 2023:</b>										
<b>Net book value basis:</b>										
Opening net book value	2 252 447.951	11 834 211	1 651 321	1 210 989	288 004	1 180 376	424 177	3 225 534	729	2 272 262 292
Additions	9 286 213	4 600 776	-	-	-	-	-	459 740	-	14 362 724
Transferred from capital work in progress (note 12.2)	235 496 727	-	-	-	-	-	-	-	-	235 496 727
Transferred from investment properties (note 15)	-	-	-	-	-	-	-	-	-	-
Cost	(17 396 638)	-	-	-	-	-	-	-	-	(17 396 638)
Accumulated depreciation	3 180 965	-	-	-	-	-	-	-	-	3 180 965
	(14 215 673)	-	-	-	-	-	-	-	-	(14 215 673)
<b>Disposals</b>										
Cost	(396 157)	(796 180)	-	-	-	-	-	-	-	(1 192 337)
Accumulated depreciation	269 939	769 455	-	-	-	-	-	-	-	1 039 394
	(126 218)	(26 745)	-	-	-	-	-	-	-	(152 963)
Amortization / depreciation charge for the year	68 678 657	(4 393 811)	(247 697)	(181 649)	(43 201)	(177 056)	(63 476)	(540 268)	(109)	(4 325 924)
Closing net book value	2 414 210 343	9 080 425	1 403 624	1 029 340	244 803	1 063 320	359 701	3 125 006	620	2 440 187 382
<b>Gross book value basis:</b>										
Cost	3 164 931 581	65 429 146	7 431 462	13 639 874	592 809	10 707 055	601 864	8 715 859	9 425	3 272 059 078
Accumulated amortization / depreciation	(750 721 238)	(56 348 721)	(6 027 838)	(12 610 534)	(348 006)	(9 703 735)	(242 163)	(5 590 853)	(8 805)	(841 601 893)
Net book value	2 414 210 343	9 080 425	1 403 624	1 029 340	244 803	1 063 320	359 701	3 125 006	620	2 440 187 382
<b>Year ended June 30, 2024</b>										
<b>Net book value basis:</b>										
Opening net book value	2 414 210 343	9 080 425	1 403 624	1 029 340	244 803	1 063 320	359 701	3 125 006	620	2 440 187 382
Additions	18 942 028	1 615 018	59 120	-	-	-	-	1 180 690	-	21 839 896
Transferred from capital work in progress (note 12.2)	49 579 516	-	-	-	-	-	-	-	-	49 579 516
Disposals										
Cost	(300 776)	(16 310)	-	-	-	(826)	-	-	-	(317 912)
Accumulated depreciation	246 188	11 674	-	-	-	331	-	-	-	258 193
	(54 588)	(4 636)	-	-	-	(495)	-	-	-	(59 719)
Amortization / depreciation charge for the year	(71 136 060)	(3 202 916)	(229 625)	(154 401)	(36 720)	(150 437)	(53 955)	(544 659)	(76)	(75 508 849)
Closing net book value	2 411 541 239	7 487 891	1 273 119	874 939	208 083	852 888	305 746	3 764 037	544	2 426 367 986
<b>Gross book value basis:</b>										
Cost	3 233 152 349	67 027 854	7 530 582	13 639 874	592 809	10 706 229	601 864	9 899 549	9 425	3 343 160 535
Accumulated amortization / depreciation	(821 611 110)	(59 539 963)	(6 257 463)	(12 764 935)	(384 726)	(9 853 841)	(296 118)	(16 135 512)	(8 881)	(916 852 549)
Net book value	2 411 541 239	7 487 891	1 273 119	874 939	208 083	852 888	305 746	3 764 037	544	2 426 367 986
Annual rate of depreciation		33%	15%	15%	15%	15%	15%	15%	15%	

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	Note	2024 Rupees	2023 Rupees
<b>15.1.1</b>	<b>Depreciation charge for the year has been allocated as follows:</b>		
	Housing division	5,794,007	5,906,247
	Welfare division - Administrative	587,223	725,121
	Eye hospitals	642,598	676,926
	Education division		
	- OPF Public Schools Pakistan depreciation	61,172,984	58,811,144
	- Administration depreciation	656,777	727,317
	OPF Public Schools - AJ&K	414,422	475,018
	Publicity and marketing cell	75,950	105,103
	Administrative expenses	6,017,484	6,726,557
	Regional office Azad Jammu & Kashmir	147,404	172,491
		<u>75,508,849</u>	<u>74,325,924</u>
<b>15.2</b>	<b>Capital work in progress</b>		
	- Civil works	15.2.1 <u>78,048,078</u>	<u>20,421,431</u>
<b>15.2.1</b>	<b>Capital work in progress (CWIP)</b>		
	Balance as at beginning of the year	20,421,431	112,393,099
	Additions during the year	<u>107,206,162</u>	<u>143,525,059</u>
		127,627,593	255,918,158
	Transfers to operating fixed assets:		
	- Buildings on freehold land	(966,872)	(50,016,790)
	- Buildings on leasehold Land	(48,612,643)	(185,479,937)
	- Water storage dam	-	-
		<u>(49,579,515)</u>	<u>(235,496,727)</u>
	Balance at the end of the year	<u>78,048,078</u>	<u>20,421,431</u>
<b>15.2.2</b>	<b>Capital work in progress- civil works</b>		
	OPF Public School Quetta	43,177,408	20,421,431
	Head office building	14,850,000	-
	OPF Public School Peshawar	17,035,670	-
	School at OPF H.S. Zone V Islamabad	2,985,000	-
		<u>78,048,078</u>	<u>20,421,431</u>

*f.13/13*

	2024 Rupees	2023 Rupees
<b>16 RIGHT-OF-USE ASSETS</b>		
Net carrying amount at start of the year	54,090,961	53,903,094
Additions during the year	3,521,088	23,843,150
Depreciation	(17,300,547)	(23,655,283)
Adjustment on remeasurement	(3,149,609)	-
Net carrying amount as at end of the year	<u>37,161,893</u>	<u>54,090,961</u>
As at 30 June		
Cost	146,905,914	143,384,826
Adjustments	(3,149,609)	-
Accumulated depreciation	<u>(106,594,412)</u>	<u>(89,293,865)</u>
	<u>37,161,893</u>	<u>54,090,961</u>

16.1 The Foundation obtained buildings on lease for its regional offices, educational institutes and airport offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically carried for a period of 3 to 11 years.

16.2 The Foundation also has certain leases of education division with lease term of 12 months or less and leases of low value assets. The Foundation applies the 'short term leases' and 'lease of low value assets' recognition exemption for these leases.

16.3 Depreciation charge for the year has been allocated as follows:

	2024 Rupees	2023 Rupees
Welfare division - administrative activities	1,464,266	2,002,112
Education division:		
- OPF Public Schools - Pakistan	11,646,979	15,925,080
- OPF Public Schools - Azad Jammu and Kashmir	3,317,946	4,536,674
	14,964,925	20,461,754
	16,429,191	22,463,866
Administrative and other expenses:		
- Regional Office Multan, Pakistan	871,356	1,191,417
- Regional Office Mirpur, Azad Jammu and Kashmir	-	-
	-	1,191,417
	<u>17,300,547</u>	<u>23,655,283</u>

	2024 Rupees	2023 Rupees
<b>17 INTANGIBLE ASSETS</b>		
<b>Cost:</b>		
As at beginning of the year	11,804,997	11,804,997
Additions	105,000	-
Software Under Implementation	3,347,500	3,347,500
Impairment	(2,875,000)	-
As at the end of the year	<u>12,382,497</u>	<u>15,152,497</u>
<b>Amortization</b>		
As at beginning of the year	<u>10,077,433</u>	<u>9,226,543</u>
Charge for the year	587,422	850,890
As at the end of the year	10,664,855	10,077,433
Written down value as at year of the year	<u>1,717,642</u>	<u>5,075,064</u>
<b>Amortization rate</b>	<b>33%</b>	<b>33%</b>

17.1 It includes accounting software and sale module installed at finance division and financial aid management software installed at welfare division.

	2024 Rupees	2023 Rupees
<b>18 INVESTMENT PROPERTY</b>		
<b>Cost:</b>		
As at beginning of the year	78,554,248	61,157,610
Additions	-	-
Transfer (to) / from fixed assets	-	17,396,638
As at end of the year	<u>78,554,248</u>	<u>78,554,248</u>
<b>Depreciation:</b>		
As at beginning of the year	19,910,443	15,256,860
Transfer (to) / from fixed assets	-	3,180,965
Depreciation charge for the year	1,466,095	1,472,618
As at end of the year	<u>21,376,538</u>	<u>19,910,443</u>
Written down value as at end of the year	<u>57,177,710</u>	<u>58,643,805</u>
<b>18.1 Depreciation rate</b>	<b>2.5%</b>	<b>2.5%</b>

The Company's investment property consists of the ground floor, half portion of first floor and second floor of the Head-Office building. In addition to one building each at Peshawar and Karachi.



## 18.2 Rental income

The rental income in respect of these properties amounting to Rs. 59.733 million (2022: Rs. 56.157 million) has been recognized in the income and expenditure statement and included in 'other income' (note 33). The direct operating expenses pertaining to these properties are borne by the tenant.

## 18.3 Depreciation

Depreciation on these properties is charged to income and expenditure statement applying the reducing balance method so as to write off the cost / depreciable amount of the properties over their estimated useful lives.

## 18.4 Leasing arrangement

The Foundation as a lessor has entered into operating leases on its investment property portfolio consisting of certain office buildings. These leases have terms between 6 months to 3 years. All lease arrangements include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases as at reporting date are as follows:

	2024 Rupees	2023 Rupees
Overdue	27,854,037	24,439,273
Up to one year	59,696,708	53,870,519
After one year but not more than five years	73,665,298	70,096,644
	<u>161,216,043</u>	<u>148,406,436</u>

18.5 Fair value of investment properties is estimated to be Rs. 687.138 million (2023: Rs. 654.675 million). The investment property is placed in level 3 of the fair value hierarchy. Since the value has been determined by a third party and inputs are not observable, sensitivity analysis has not been presented.

	Note	2024 Rupees	2023 Rupees
<b>19 LONG TERM INVESTMENTS</b>			
Debt instruments	19.1	-	-
Equity instruments	19.2	-	-
Less: Transferred to current maturity		-	-

		2024 Rupees	2023 Rupees
19.1	Banker's Equity Limited (BEL) - under liquidation	3,429,474	3,429,474
	Provision against investment	(3,429,474)	(3,429,474)
		-	-
		-	-

19.1.1 The State Bank of Pakistan had taken over the management of Banker's Equity Limited (BEL) in 1999 and imposed restriction on withdrawals of funds by institutions. BEL was placed in liquidation under the Sindh High Court order dated April 18, 2001. The Supreme Court suspended the order of the Sindh High Court and granted interim status quo in November 2001. Subsequently, the status quo was vacated by the Supreme Court. Consequently, the liquidation proceedings under the Sindh High Court order resumed and the Official Liquidator disbursed 3rd dividend of 15 paise for a rupee in year 2012.

		2024 Rupees	2023 Rupees
19.2	<b>Equity instruments</b>		
	Kaghan Brick Works Limited- subsidiary		
	Percentage of holding : 100% 650,000 (30 June 2012: 650,000) ordinary shares of Rs. 10 each	269,891	269,891
	Less: Fair value loss	(269,891)	(269,891)
		-	-
	Duty Free Shops Limited - associate		
	percentage of holding : 2.39% 35,801 (30 June 2012: 35,801) unquoted ordinary shares of Rs. 100 each including 34,699 (30 June 2012: 34,699) fully paid bonus shares	110,200	110,200
	Less: Fair value loss	(110,200)	(110,200)
		-	-

	Note	2024 Rupees	2023 Rupees
<b>20 LONG TERM ADVANCES</b>			
Receivable from subsidiary and other undertakings			
Kaghan Brick Works Limited- subsidiary		83,945,355	83,945,355
Center of Excellence and Management Sciences		5,000,000	5,000,000
		<u>88,945,355</u>	<u>88,945,355</u>
Less: Provision for doubtful receivables	20.1	<u>(88,945,355)</u>	<u>(88,945,355)</u>
		-	-
Advances to staff -secured and considered good	20.2	321,286,038	286,649,362
Less: Current maturity of long term advances		(48,830,442)	(46,177,086)
		<u>272,455,596</u>	<u>240,472,276</u>
		<u>272,455,596</u>	<u>240,472,276</u>

20.1 It mainly represents expenses incurred on behalf of Kaghan Bricks Works Limited by the Foundation. The maximum aggregate amount outstanding at the end of any month during the year was Rs. 83.945 million (2023: Rs. 83.945 million). Age analysis of receivable from Kaghan Brick Works Limited is as follows:

Upto 1 year	-	139,200
More than 2 years	83,945,355	83,806,155
	<u>83,945,355</u>	<u>83,945,355</u>

20.2 These represent long term advances given to employees for purchase / construction of house, car, motorcycle and educational purposes. These advances are recoverable in 10 to 20 years and are secured against the subject house, car, motorcycle and gratuity fund balances. Advances, other than the motorcycle advances, carry interest at the rates ranging from 4% to 4.5% (2023: 4% to 4.5%) per annum on the outstanding balance. No amount is due from Directors and Chief Executive Officer as at June 30, 2024 (2023: Nil). Advances to employees have not been carried at amortized cost as required by IFRS 9 "Financial Instruments" as its effect is immaterial. Movement in these balances is as follows:

	2024 Rupees	2023 Rupees
Balance as at start of the year	286,649,352	279,890,350
Addition during the year	75,436,342	48,687,015
Interest accrued during the year	10,989,610	11,112,759
Receipt during the year	(51,789,266)	(53,040,772)
Balance as at end of the year	<u>321,286,038</u>	<u>286,649,352</u>

	Note	2024 Rupees	2023 Rupees (Restated)
<b>22.2 Housing schemes</b>			
Islamabad scheme		3,615,663,270	3,006,157,284
Raiwind road colony		1,310,268,835	1,004,098,791
Peshawar scheme		450,237,659	270,136,211
Chittarpari Mirpur		509,591,190	572,842,928
Gujrat scheme		316,138	93,928
Dadu scheme		467,877	239,031
Rawat scheme		131,363,073	131,068,027
		<u>6,017,908,042</u>	<u>4,984,636,200</u>

### 23 CONTRACT RECEIVABLES

#### Considered good

#### Receivables against :

-Sale of plots, secured

23.1 8,923,064 416,679,917

-Tuition fee, unsecured

69,962,757 44,331,098

78,885,821 461,011,015

#### Receivables against sale of plots:

Islamabad

296,088,021 320,511,001

Peshawar

- -

Chittarpari AJK

20,324,892 42,823,530

Raiwand road Lahore

44,116,311 53,345,386

Allowance for expected credit losses

(351,606,160) -

8,923,064 416,679,917

23.1 These relate to a number of independent parties from whom there is no recent history of default.

23.2 Allowance for expected credited loss assessed during the year amounting to Rs. 351.606 million (2023: nil) has been charged to the statement of income and expenditure.

	Note	2024 Rupees	2023 Rupees
<b>24 SHORT TERM INVESTMENTS</b>			
<b>At fair value through profit and loss</b>			
Treasury bills - OPF	24.1	3,307,480,459	3,547,392,661
Accrued interest		555,760,951	97,527,691
		<u>3,863,241,410</u>	<u>3,644,920,352</u>
Treasury bills -UNCC	24.1	1,400,881,224	1,149,036,682
Accrued interest		41,048,590	19,412,196
		<u>1,441,929,814</u>	<u>1,168,448,878</u>
		<u>5,305,171,224</u>	<u>4,813,369,230</u>



24.1 These represent treasury bills issued by the State Bank of Pakistan. Maturity period of these bills ranges from 3 to 12 months and earn interest ranging from 19.45% to 22.94% (2023:15.98% to 21.99%) per annum.

	Note	2024 Rupees	2023 Rupees
<b>25 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Receivable against allotments		-	331,718
Prepayments		11,899,384	6,545,438
Accrued interest	25.1	6,393,250	6,333,368
Rent Receivable		-	24,439,273
Advances to staff		11,651,164	9,266,003
Advances to suppliers		425,959	429,959
Advance against salaries		161,306,289	69,523,928
Current maturity of long-term advances		48,830,442	46,177,086
Others		25,914,200	7,727,268
Less: Provision against doubtful receivables	25.2	(4,103,804)	(5,935,522)
		<u>262,316,883</u>	<u>164,838,519</u>

25.1 This mainly represents interest accrued on investments made in securities issued by Government of Pakistan, and on saving accounts maintained with financial institutions owned by Government of Pakistan.

	Note	2024 Rupees	2023 Rupees
<b>25.2 Movement in provision for doubtful advances and receivables is as follows:</b>			
Balance at the beginning of the year		5,935,522	10,562,768
Provision for the year		-	-
Written off during the year		(1,831,718)	(4,627,246)
Balance at the end of the year	25.3.1	<u>4,103,804</u>	<u>5,935,522</u>

**25.3.1 Considered doubtful**

Receivable against allotments		331,718	331,718
Advances to staff		2,429,621	2,429,621
Other receivables		1,342,465	3,174,183
		<u>4,103,804</u>	<u>5,935,522</u>

26	TAXATION - NET	Note	2024 Rupees	2023 Rupees (Restated)
	Balance at the beginning of the year		70,727,002	87,634,697
	Income tax deducted at source		50,901,838	37,170,059
	Levies	38	(45,142,399)	(54,077,754)
			<u>76,486,441</u>	<u>70,727,002</u>
	Provision against doubtful taxation recoverable		(13,404,520)	(13,404,520)
	Balance at the end of the year		<u><u>63,081,921</u></u>	<u><u>57,322,482</u></u>
27	CASH AND BANK BALANCES			
	Cash in hand		1,986,914	2,822,960
	<b>Cash at bank:</b>			
	Current account-local currency		45,848,473	50,193,582
	Saving accounts:			
	-local currency	27.1 & 27.2	1,493,311,143	1,022,773,433
	-foreign currency	27.3	9,329,614	9,517,408
			<u>1,548,489,230</u>	<u>1,082,484,423</u>
			<u><u>1,550,476,144</u></u>	<u><u>1,085,307,383</u></u>

27.1 These carry mark up at the rate 11.5% to 20.5% per annum, (2023: 12.25% to 19.5%).

27.2 These include Rs. 98.20 million (2023: Rs. 68.04 placed with financial institution owned by Government of Pakistan, Rs. 591.80 (2023: Rs. 506.15) for claims related to United Nation Compensation Commission Funds, respectively and Rs. 79.72 million and Rs. 4.85 million (2022: Rs. 56.87 million and Rs. 4.45 million) kept in separate bank accounts relating to students security deposits and deferred grant, respectively.

27.3 The balances in deposit accounts includes USD 33,542.04 (2023: 33,257.66) which pertains to social security claims Libya.  
*Libya*

		2024 Rupees	2023 Rupees
28	<b>RETURN ON DEPOSITS ACCOUNTS AND INVESTMENTS</b>		
	Profit on:		
	-Deposit accounts	92,567,520	53,120,666
	-Short term investments	724,974,036	515,546,897
		817,541,556	568,667,563

28.1 This includes Rs. 180.543 million (2018: Rs. 531.605 million) earned on investments made in securities issued by Government of Pakistan, and on saving accounts maintained with financial institutions owned by Government of Pakistan.

		2024 Rupees	2023 Rupees (Restated)
29	<b>HOUSING DIVISION INCOME</b>		
	Profit on deposit accounts	16,131,363	30,016,134
	Income on recognised schemes	608,141,785	462,437,463
	Transfer fee, surcharge and other charges	178,227,776	150,809,795
	Miscellaneous income	208,000	-
		802,708,924	643,263,392

		2024 Rupees	2023 Rupees
30	<b>WELFARE DIVISION INCOME</b>		
	OPF Eye hospital-DG Khan	832,959	650,333
	Profit on deposit accounts	29,698,194	15,616,113
	Miscellaneous Income	622,000	-
		31,153,153	16,266,446

		2024 Rupees	2023 Rupees
31	<b>EDUCATION DIVISION INCOME</b>		
	<b>Pakistani Schools</b>		
	school fee recognized during the year	1,272,911,539	1,119,169,078
	canteen rent	8,746,145	8,837,113
	Profit on deposit accounts	4,760,819	3,274,787
	Reversal of allowance of ECL	-	25,259,035
	Students Security deposits written back	6,086,461	56,095,091
	Miscellaneous Income	1,426,510	1,779,663

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	Note	2024 Rupees	2023 Rupees
<b>Azad Jammu and Kashmir Schools</b>			
School fee recognized during the year		52,659,170	46,824,883
Canteen rent		514,500	429,500
Students security deposits written back		371,250	3,331,048
Profit on deposit accounts		21,941,582	16,502,120
-Short term investments		-	16,057,895
Miscellaneous income		721,625	838,910
		<u>1,370,139,601</u>	<u>1,298,399,123</u>

### 32 TRAINING DIVISION INCOME

Fee against training programs	32.1	<u>228,000</u>	<u>155,500</u>
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32.1 It represents fee received against different types of vocational training programmes.

	Note	2024 Rupees	2023 Rupees
<b>33 OTHER INCOME</b>			
Rental income from investment property	33.1	59,733,941	56,156,878
Gain on disposal of operating fixed assets		292,282	614,536
Interest on loan to employees		10,989,610	11,112,759
Liability written-back		4,067,000	-
Miscellaneous income		199,904	321,031
		<u>75,282,737</u>	<u>68,205,204</u>

33.1 The amount of Rs. 5.702 million included in contract liabilities (note 11) as at 30 June 2023 has been recognised as other income in 2024 (2023: Rs. 4.93 million).

	Note	2024 Rupees	2023 Rupees (Restated)
<b>34 HOUSING DIVISION EXPENSES</b>			
Salaries and benefits	34.1	124,011,331	138,132,113
Travelling and conveyance		994,852	1,452,684
Repairs and maintenance		185,260	476,315
Rent, rates & taxes		-	102,000
Postage, telephone and telegram		423,278	616,483
Printing, stationery and periodicals		882,091	1,724,587
Depreciation	15.1.1	5,794,007	5,906,247



	2024 Rupees	2023 Rupees (Restated)
Amortization	40,467	60,398
Development of housing schemes	169,837,899	218,067,330
Scheme's repair and maintenance	664,590,130	460,996,516
Security expenses	18,642,980	29,949,293
Light & heat	84,242,553	77,916,235
Advertisement	1,262,208	2,862,395
Finance cost	28,857	28,691
Professional charges	1,903,850	2,632,800
Allowance for expected credit loss	351,606,160	-
Miscellaneous	898,066	8,914,444
	1,425,343,989	949,838,531

34.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 10.1.3 and 10.2.3 respectively.

	Note	2024 Rupees	2023 Rupees
<b>35 WELFARE DIVISION EXPENSES</b>			
Financial aid	35.1	314,300,000	247,400,000
Salaries and benefits OPF Eye Hospital-DG Khan	35.2	13,833,896	12,834,807
Depreciation-eye hospitals	15.1.1	642,598	676,926
Service cell		5,850,615	3,311,506
Amortization		17,325	
Emergency relief fund		5,037,073	6,907,217
Foreign exchange remittance card		308,892	-
Light and heat		483,001	357,274
Repair and maintenance		9,635,933	2,707,522
Postage and telephone		46,746	27,164
Vehicle running and maintenance		63,992	-
Printing, stationery and periodicals		72,915	58,881
Bank charges		-	1,218
Others		122,927	805,373
<i>Refered</i>		350,415,913	275,087,888

		2024 Rupees	2023 Rupees
<b>Administrative</b>			
Salaries and benefits	35.2	170,877,737	145,867,293
Travelling and conveyance		76,530	64,580
Repairs and maintenance		98,729	54,212
Airport administrative expenditure		10,862,741	3,354,147
Postage, telephone and telegram		801,647	740,684
Printing, stationery and periodicals		175,324	53,918
Finance cost/ bank charges		20,864	24,654
Finance cost interest on lease liabilities	9.2	274,115	475,677
Depreciation	15.1.1	587,223	725,121
Depreciation on right of use assets		1,464,266	2,002,112
Amortization		64,724	96,603
Miscellaneous		322,602	173,535
		<u>185,626,502</u>	<u>153,632,536</u>
		<u>536,042,415</u>	<u>428,720,424</u>

35.1 The Foundation has disbursed the said amount to the families of Overseas Pakistanis (OPs) on the death or permanent disability as per its policy. During the year, payments were made to 1,725 deceased OPs and 36 disabled OPs (2023: 746 deceased OPs and 26 disabled OPs).

35.2 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 10.1.3 and 10.2.3 respectively.

*also.*

	Note	2024 Rupees	2023 Rupees
<b>36 EDUCATION DIVISION EXPENSES</b>			
<b>OPF Public Schools- Pakistan</b>			
Salaries and benefits	36.1	1,361,125,139	1,198,296,605
Travelling and conveyance		371,417	193,187
Depreciation	15.1.1	61,172,984	58,811,144
Depreciation on right of use assets		11,646,979	15,925,080
Rate and taxes		4,386,007	4,779,361
Repair and maintenance		219,902,183	159,321,252
Vehicle running and maintenance		31,000,068	25,260,429
Light and heat		41,572,929	34,425,635
Postage, telephone and telegram		2,606,501	2,348,072
Security services		43,400,754	34,749,686
Printing, stationery and periodicals		16,013,554	11,195,545
Finance cost	36.2	3,767,452	6,321,602
Miscellaneous		8,313,691	11,214,397
		<b>1,805,279,658</b>	<b>1,562,841,995</b>
<b>OPF Public Schools- AJ&amp;K</b>			
Salaries and benefits		99,458,240	90,144,871
Repair and maintenance		8,237,970	12,420,972
Vehicle running and maintenance		-	253,266
Light and heat		1,475,594	1,376,666
Printing, stationery and periodicals		1,192,633	338,480
Security services		3,035,575	2,773,154
Depreciation on right of use assets		3,317,946	4,536,674
Finance cost	36.2	573,305	963,491
Depreciation	15.1.1	414,422	475,018
Miscellaneous		1,909,453	1,189,314
		<b>119,615,138</b>	<b>114,471,906</b>
Scholarships and awards		2,214,000	14,923,020
		<b>1,927,108,796</b>	<b>1,692,236,921</b>
<b>Administrative</b>			
Salaries and benefits	36.1	89,341,921	96,802,583
Travelling and conveyance		723,322	595,739
Professional charges		495,000	375,000
Rent, rate and taxes		524,360	-
Repairs and maintenance		467,641	300,724
Vehicle running and maintenance		-	265,060
Postage, telephone and telegram		207,502	253,327

		2024 Rupees	2023 Rupees
Printing, stationery and periodicals		88,825	79,010
Advertisement		868,861	474,939
Finance cost	36.2	16,684	23,871
Security services		1,606,085	-
Depreciation	15.1.1	656,777	727,317
Miscellaneous		907,530	2,165,837
		<u>95,904,508</u>	<u>102,063,407</u>
		<u>2,023,013,304</u>	<u>1,794,300,328</u>

36.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 9.1.3 and 9.2.3 respectively.

	Note	2024 Rupees	2023 Rupees
<b>36.2 Finance cost</b>			
OPF Public Schools - Pakistan			
- Interest on lease liabilities	9.2	3,557,285	6,173,034
- Bank charges		210,167	148,568
		<u>3,767,452</u>	<u>6,321,602</u>
- OPF Public Schools - AJK			
- Interest on lease liabilities	9.2	551,593	957,191
- Bank charges		21,712	6,300
		573,305	963,491
- Administrative activities - bank charges		16,684	23,871
		<u>4,357,441</u>	<u>7,308,964</u>

### 37 PUBLICITY AND MARKETING CELL EXPENSES

Magazine Yaran-e-watan		214,052	-
Administrative			
Salaries and benefits	37.1	20,165,321	19,595,867
Postage, telephone and telegram		54,572	83,551
Printing, stationery and periodicals		427,105	366,655
Depreciation	15.1.1	75,950	105,103
Miscellaneous		459,817	174,545
		<u>21,182,765</u>	<u>20,325,721</u>
		<u>21,396,817</u>	<u>20,325,721</u>

37.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 10.1.3 and 10.2.3 respectively.

	Note	2024 Rupees	2023 Rupees
<b>38 ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	38.1	891,525,632	763,335,803
Travelling and conveyance		5,382,114	3,495,833
Foreign tours		74,026	65,785
Repairs and maintenance		40,757,447	25,969,519
Vehicle running and maintenance		28,033,240	19,767,430
Postage, telephone and telegram		7,231,136	7,004,358
Light and heat		45,991,946	33,210,426
Printing, stationery and periodicals		4,818,317	4,204,635
Professional fee		5,443,857	2,421,073
Auditor's remuneration	38.2	2,113,639	1,758,715
Advertisement		2,839,229	2,364,604
Depreciation	15.1.1	6,017,484	6,726,557
Depreciation -investment property	18	1,466,095	1,472,618
Amortization-intangibles	17	464,906	693,889
Depreciation on right of use assets		871,356	1,191,417
Hajj expenses		7,884,000	9,480,000
Finance cost	38.3	9,389,105	9,770,785
Rent, rates and taxes		1,113,863	
Other receivables written-off		3,610,923	139,200
Staff welfare expense		2,815,000	920,000
Security Services		11,405,956	10,319,083
BOG expenses		4,688,254	4,558,836
Hardware and software maintenance		3,701,132	499,678
Miscellaneous		5,554,347	5,364,731
		1,093,193,004	914,734,975

**Regional Office Mirpur Azad Jammu and Kashmir**

Salaries and benefits	38.1	12,251,852	10,116,979
Travelling and conveyance		203,048	393,314
Repairs and maintenance		566,145	796,656
Vehicle running and maintenance		886,441	921,041
Postage, telephone and telegram		175,163	141,882
Printing, stationery and periodicals		178,953	205,797
Depreciation	15.1.1	147,404	172,491
Finance cost		2,750	2,800
Miscellaneous		1,682,934	1,175,842
		16,094,690	13,926,802
		1,109,287,694	928,661,777

38.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 10.1.3 and 10.2.3 respectively.

*figures.*



	Note	2024 Rupees	2023 Rupees
38.2 Auditor's remuneration			
Statutory audit fee		1,948,054	1,543,960
Statement of Compliance with the public sector companies (Corporate Governance) Rules, 2013		-	139,755
Out of pocket expenses		165,585	82,500
		<u>2,113,639</u>	<u>1,683,715</u>

38.3 Finance cost includes interest on lease liabilities amounting to Rs. 179,019 (2023: 310,653)

	Note	2024 Rupees	2023 Rupees (Restated)
39 LEVY			
Minimum tax	39.1		
-Current year		38,713,175	27,133,021
-Prior year		6,429,224	26,944,733
		<u>45,142,399</u>	<u>54,077,754</u>

39.1 This represents minimum tax paid under section 113 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

	2024 Rupees	2023 Rupees (Restated)
40 TAXATION		
Tax for the year:		
Current year	-	-
Prior year	-	-
	<u>-</u>	<u>-</u>
Deferred tax	-	189,374,564
	<u>-</u>	<u>189,374,564</u>

40.1 Reconciliation between current tax charged under the Ordinance with current tax recognized in the statement of income and expenditure, is as follows:

*for 2024*

	2024 Rupees	2023 Rupees
Current tax liability for the year as per the Ordinance	45,142,399	54,077,754
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	<u>(45,142,399)</u>	<u>(54,077,754)</u>
	<u>-</u>	<u>-</u>

- 40.2 Deferred tax assets amounting to Rs. 2,076.59 million (2023: 2,460.67 million) has not been recognised in these financial statements due to uncertainty in availability of future taxable profits. The tax losses available for carry forward as at June 30, 2024 amounting to Rs. 5,777.49 million (2023: 5,973.73). These includes unabsorbed tax depreciation amounting Rs. 801.48 million (2023: 681.69 million).

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	2024 Rupees	2023 Rupees (Restated)
<b>41 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit before levy and taxation	(2,018,030,248)	(1,526,889,553)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation - property and equipment	75,508,849	74,325,924
Depreciation - right-of-use assets	17,300,547	23,655,283
Amortization	587,422	850,890
Depreciation - investment properties	1,466,095	1,472,618
Provision for staff retirement benefits	514,986,897	502,728,297
Students' security deposits written off	(6,086,461)	56,095,091
Teachers' security deposits written off	(294,752)	-
Provision for doubtful long term advances	-	139,200
Allowance / (reversal) for expected credit losses	351,606,160	(25,259,035)
Impairment loss	2,875,000	-
Finance cost	4,562,012	8,383,159
Gain on disposal of property and equipment	(315,281)	(614,536)
Long outstanding liabilities written back	(4,067,000)	-
Return on deposit accounts and investments	(890,073,514)	(650,134,612)
Amortization of deferred grant	-	(35,941,162)
Net adjustment on lease	(1,823,496)	-
Operating income before working capital changes	<u>(1,951,797,770)</u>	<u>(1,571,188,436)</u>
<b>Working capital changes:</b>		
<b>(Increase) / decrease in current assets:</b>		
Development properties - housing schemes	(1,419,169,131)	(1,692,669,308)
Contract receivables	30,519,033	331,178,456
Advances, prepayments and other receivables	(97,418,483)	(40,765,031)
	(1,486,068,581)	(1,402,255,883)
<b>Increase / (decrease) in current liabilities:</b>		
Claims payable	454,144,357	233,758,285
Contract liabilities	793,893,062	982,382,382
Creditors, accrued and other liabilities	(189,344,376)	(217,437,725)
	1,058,693,043	998,702,942
<b>Cash used in operations</b>	<u>(2,379,173,308)</u>	<u>(1,974,741,377)</u>

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42 FINANCIAL ASSETS AND LIABILITIES

The Company's exposure to interest rate risk on its financial assets and liabilities are summarised as follows:

	Total	Interest / mark up bearing			Non Interest / mark up bearing
		Maturity up to one year	Maturity after one year	Sub-total	
Rupees					
<b>June 30, 2024</b>					
<b>At amortized cost:</b>					
<b>Financial assets</b>					
Long term advances	321,286,038	48,830,442	272,455,596	321,286,038	-
Long term deposits	6,302,304	-	-	-	6,302,304
Short term investments	5,305,171,224	5,305,171,224	-	-	-
Advances, prepayments and other receivables	244,024,249	-	-	-	244,024,249
Cash and bank balances	1,550,476,144	-	-	-	1,550,476,144
	<u>7,427,259,959</u>	<u>5,354,001,666</u>	<u>272,455,596</u>	<u>321,286,038</u>	<u>1,800,802,697</u>
<b>Financial liabilities</b>					
Lease liabilities	39,361,831	23,068,913	16,292,918	39,361,831	-
Creditors, accrued and other liabilities	1,423,999,262	-	-	-	1,423,999,262
Claims payable and foreign dues	2,191,573,352	-	2,191,573,352	-	-
	<u>3,772,325,514</u>	<u>5,330,932,753</u>	<u>(1,935,410,674)</u>	<u>281,924,207</u>	<u>376,803,435</u>
<b>On balance sheet gap</b>					
<b>June 30, 2023</b>					
<b>At amortized cost:</b>					
<b>Financial assets</b>					
Long term advances	286,649,362	46,177,086	240,472,276	286,649,362	-
Long term deposits	5,810,604	-	-	-	5,810,604
Short term investments	4,813,369,230	4,813,369,230	-	-	-
Advances, prepayments and other receivables	146,605,767	-	-	-	-
Cash and bank balances	1,085,307,383	-	-	-	1,085,307,383
	<u>7,306,742,146</u>	<u>4,859,546,316</u>	<u>240,472,276</u>	<u>286,649,362</u>	<u>1,091,117,987</u>
<b>Financial liabilities</b>					
Lease liabilities	68,756,443	21,272,723	47,483,720	68,756,443	-
Creditors, accrued and other liabilities	1,639,002,656	-	-	-	1,639,002,656
Claims payable and foreign dues	1,737,428,995	-	1,737,428,995	-	-
	<u>3,861,554,052</u>	<u>4,838,273,593</u>	<u>(1,544,440,439)</u>	<u>217,892,919</u>	<u>(547,884,669)</u>

42.1 Effective interest rates are mentioned in the respective notes to the financial statements.

## 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors of the Foundation has overall responsibility for the establishment and oversight of the Foundation's risk management framework.

The Foundation's risk management policies are established to identify and analyse the risks faced by the Foundation, to set appropriate risk limits and controls, and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect the changes in conditions and the Foundation's activities. The Foundation, through trainings, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors review and agree policies for managing each of the above risks which are summarized below:

### 43.1 Credit risk

Credit risk is the risk of financial loss to the Foundation, if a counterparty to a financial instrument fails to meet its contractual obligations. The Foundation does not have any significant exposure to individual customer.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	2024 Rupees	2023 Rupees
Long term advances	321,286,038	286,649,362
Long term deposits	6,302,304	5,810,604
Short term investments - held to maturity	5,305,171,224	4,813,369,230
Advances, prepayments and other receivables	244,024,249	146,605,767
Bank balances	1,548,489,230	1,082,484,423
	<u>7,425,273,045</u>	<u>6,334,919,386</u>

### 43.2 Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations, as they fall due. The Foundation's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation.

The table below analyses the Foundation's financial liabilities into relevant maturity groupings.



based on the remaining period at the reporting date, to the contractual maturity dates. The amounts disclosed below are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	Two to five years
	----- Rupees -----				
<b>June 30, 2024</b>					
Lease liabilities	39,361,831	48,171,593	11,534,456	11,534,456	16,292,918
Creditors, accrued and other liabilities	1,485,276,983	1,485,276,983	742,638,492	742,638,492	-
Claims payable	2,191,573,352	-	-	-	2,191,573,352
	<u>3,716,212,166</u>	<u>1,533,448,576</u>	<u>754,172,948</u>	<u>754,172,948</u>	<u>2,207,866,270</u>
<b>June 30, 2023</b>					
Lease liabilities	67,077,274	80,587,006	10,636,362	10,636,362	45,804,551
Creditors, accrued and other liabilities	1,685,069,572	1,685,069,572	842,534,786	842,534,786	-
Claims payable	1,737,428,995	1,737,428,995	-	-	1,737,428,995
	<u>3,489,575,841</u>	<u>3,503,085,573</u>	<u>853,171,148</u>	<u>853,171,148</u>	<u>1,783,233,546</u>

#### 43.3 Market risk

Market risk, is the risk that results from changes in market prices, such as foreign exchange rates and interest rates. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

##### a) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from interest bearing investments. At the balance sheet date the interest rate risk profile of the Fund's interest bearing financial instruments is:

	2024 Effective rate %	2023 14.5% to 20.5%	2024 Carrying amount Rupees	2023 9,517,408
<b>Financial asset</b>				
Bank balances-saving account	20.50%		<u>9,329,614</u>	

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased /

(increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the prior year.

	Profit or loss	
	100 bp Increase	100 bp Decrease
<b>As at June 30, 2024</b>		
Cash flow sensitivity - variable rate financial asset	<u>93,296</u>	<u>93,296</u>
<b>As at June 30, 2023</b>		
Cash flow sensitivity - variable rate financial asset	<u>95,174</u>	<u>95,174</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Foundation.

**b) Foreign exchange risk**

Foreign exchange risk arises mainly where the receivable and payables exists due to transactions with foreign undertakings. The Foundation's exposure to foreign currency risk is as follow:

	2024	2023
	US dollars	
Bank balances - foreign currency	<u>33,542</u>	<u>33,258</u>

Following are significant exchange risk applied during the year:

	Average rate		Closing rate	
	2024	2023	2024	2023
	----- Rupees -----			
USD -1 Buying	283.02	247.69	278.15	286.18
USD -1 Selling	283.45	248.11	278.59	286.60

**Foreign currency sensitivity analysis**

A 10 percent variation of rupee against US dollars at June 30 would have effected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular mark-up rates, remains constant.

	Change in foreign exchange rate %	Effect on Profit or loss Rupees	Effect on Equity
<b>2024</b>			
Foreign currency	+10%	934,447	934,447
Foreign currency	-10%	(934,447)	(934,447)

	Change in foreign exchange rate %	Effect on Profit or loss Rupees	Effect on Equity
<b>2023</b>			
Foreign currency	+10%	953,165	953,165
Foreign currency	-10%	(953,165)	(953,165)

#### 43.4 Capital Risk Management

The Foundation's prime objectives, while managing capital, is to ensure its ability to continue as going concern of the first step and then continue to provide returns on investments to its' shareholders. The Foundation, at present, is maintaining strong capital base to support the sustained development of its business. The Foundation monitors capital on the basis of gearing ratio. The ratio calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances.

#### 44 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS 9. The carrying amount of trade receivables and payables is assumed to approximate their fair values.

##### Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different values have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

All financial assets carried at amortised cost are at level three of the fair value hierarchy.

During the reporting period there were no transfers into and out of level 3.

#### 44.1 Fair value verses carrying value

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follow:

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Assets carried at amortised cost</b>				
Long term advances	321,286,038	321,286,038	286,649,362	286,649,362
Long term deposits	6,302,304	6,302,304	5,810,604	5,810,604
Short term investments - held to maturity	5,305,171,224	5,305,171,224	4,813,369,230	4,813,369,230
Advances, prepayments and other receivables	244,024,249	244,024,249	146,605,767	146,605,767
Cash and bank balances	1,550,476,144	1,550,476,144	1,085,307,383	1,085,307,383
<b>Liabilities carried at amortised cost</b>				
Lease liabilities	39,361,831	39,361,831	68,756,443	68,756,443
Creditors, accrued and other liabilities	1,451,611,046	1,451,611,046	1,652,213,345	1,652,213,345
Claims payable	2,191,573,352	2,191,573,352	1,737,428,995	1,737,428,995

#### 45 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Welfare fund		Lease liabilities	
	2024	2023	2024	2023
	----- Rupees -----			
Balance as at July 01,	6,284,945,870	6,721,712,855	68,756,443	67,077,274
Receipts in welfare fund during the year	3,033,900,539	1,623,614,329	-	-
Total comprehensive loss for the year	(1,840,049,840)	(2,050,381,314)	-	-
Lease liabilities recognized during the year	-	-	3,521,088	23,843,150
Adjustment on remeasurement	-	-	(4,973,105)	-
Interest accrued on lease liabilities	-	-	4,562,012	7,916,555
Repayment of lease liabilities	-	-	(32,504,607)	(30,080,536)
Balance as at June 30,	<u>7,478,796,569</u>	<u>6,284,945,870</u>	<u>39,361,831</u>	<u>68,756,443</u>

*for*

46 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Foundation is as follows:

	Managing Director		Directors		Executives				Total	
	2024	2023	2024	2023	Key management Personnel		Other executives		2024	2023
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Managerial remuneration	2,842,060	2,696,976	2,790,000	2,540,000	12,733,010	14,240,000	129,727,756	181,796,973	148,092,826	201,273,949
Leave encashment and gratuity	-	-	-	-	216,260	216,260	9,544,003	118,451,749	9,760,263	118,668,009
Housing and utilities	8,504,780	7,492,896	-	1,578,836	-	-	142,071,750	106,464,488	150,576,530	115,536,220
Medical expenses	758,490	364,304	-	-	424,247	23,715	14,385,471	16,130,612	15,568,208	16,518,631
	<u>12,105,330</u>	<u>10,554,176</u>	<u>2,790,000</u>	<u>4,118,836</u>	<u>13,373,517</u>	<u>14,479,975</u>	<u>295,728,980</u>	<u>422,843,822</u>	<u>323,997,827</u>	<u>451,996,809</u>
Number of persons	<u>1</u>	<u>1</u>	<u>18</u>	<u>-</u>	<u>2</u>	<u>3</u>	<u>-</u>	<u>106</u>	<u>21</u>	<u>110</u>



## 47 TRANSACTIONS WITH RELATED PARTIES

The Foundation is administratively governed by the Ministry of Overseas Pakistanis and Human Resource Development, Government of Pakistan (GoP). Therefore, all the departments, ministries and agencies of the Government of Pakistan are the Foundation's related parties. Other related parties comprise of subsidiary, associated companies / undertakings due to common directorship, directors, key management personnel and employees' gratuity fund. Details of transactions with related parties have been disclosed in relevant notes to the financial statements.

	2024	2023
	---No. of employees---	
48 NUMBER OF EMPLOYEES		
Total employees of the Foundation at the year end	<u>1915</u>	<u>1934</u>
Average employees of the Foundation during the year	<u>1925</u>	<u>1907</u>

## 49 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, where necessary for better classification and presentation. However, no significant re-classification has been made during the year, except as disclosed in note 4 to the financial statements.

## 50 DATE OF AUTHORISATION

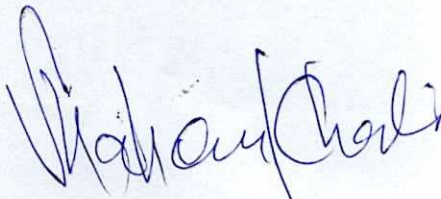
These financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Foundation.

## 51 GENERAL

Figures have been rounded off to the nearest rupee.

  
MANAGING DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
MEMBER BOARD OF GOVERNORS