



FINANCIAL STATEMENTS
OF
FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42
OF THE COMPANIES ACT, 2017)
FOR THE YEAR ENDED
JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF FAMILY EDUCATIONAL SERVICES FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of FAMILY EDUCATIONAL SERVICES FOUNDATION (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of income and expenditure, the statement of other 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 a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of other 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 Company's affairs as at June 30, 2024 and of the surplus, other comprehensive income, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Governors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of Governors are responsible for overseeing the Company'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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 auditors' report. However, future events or conditions may cause the Company 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 Board of Governors 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 Company as required by the Companies Act, 2017 (XIX of 2017);



- b) the statement of financial position, the statement of income and expenditure, the statement of cash flows and the statement of changes in general fund together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 31 OCT 2024

UDIN: AR202410067jflhv8R30

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	96,199,562	88,261,835
Intangible asset	6	58,070	178,492
Long term investments	7	99,533,094	100,419,879
Long term loans	8	7,480,879	5,350,360
Long term deposits	9	941,754	864,763
		<u>204,213,359</u>	<u>195,075,329</u>
CURRENT ASSETS			
Loans and advances	10	22,430,330	7,627,499
Short-term prepayments	11	4,682,620	3,043,666
Short term investments	12	845,836,945	571,895,737
Accrued interest	13	11,857,955	5,700,417
Other receivables		1,000,589	482,399
Cash and bank balances	14	110,947,380	114,333,825
Advance Tax		654,163	200,000
		<u>997,409,982</u>	<u>703,283,543</u>
TOTAL ASSETS		<u>1,201,623,341</u>	<u>898,358,872</u>
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted			
General fund		431,219,168	398,774,278
Restricted			
Strategic fund	15	729,119,196	490,202,265
Zakat fund	16	3,854,607	394,611
Rehabilitation fund	17	5,484,000	5,484,000
Specific project	18	22,403,400	-
		<u>760,861,203</u>	<u>496,080,876</u>
		<u>1,192,080,371</u>	<u>894,855,154</u>
CURRENT LIABILITIES			
Deferred income	19	7,196,476	-
Accrued liabilities		2,346,494	3,503,718
		<u>9,542,970</u>	<u>3,503,718</u>
TOTAL FUND AND LIABILITIES		<u>1,201,623,341</u>	<u>898,358,872</u>
CONTINGENCIES AND COMMITMENTS			
	20		

The annexed notes from 1 to 34 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
Donation received	21	398,403,250	356,223,177
Other income	22	150,346,055	87,855,456
		<u>548,749,305</u>	<u>444,078,633</u>
EXPENDITURE			
Operational expenses	23	463,019,784	386,115,573
Administrative expenses	24	43,444,727	39,364,887
Other expenses	25	8,414,236	2,816,643
Finance cost		1,425,668	2,267,719
		<u>516,304,415</u>	<u>430,564,822</u>
Surplus for the year		<u><u>32,444,890</u></u>	<u><u>13,513,811</u></u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

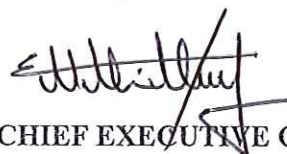
FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Surplus for the year	32,444,890	13,513,811
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>32,444,890</u>	<u>13,513,811</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

DIRECTOR




CHIEF EXECUTIVE OFFICER

FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Unrestricted General Fund	Restricted					Total	
		Strategic Fund (Endowment)			Zakat Fund	Rehabilitation Fund		Specific project
		DEPD	Others	Total				
-----Rupees-----								
Balance as at July 01, 2022	385,260,467	250,000,000	49,196,669	299,196,669	9,437,091	5,484,000	-	699,378,227
Surplus transferred from income and expenditure account	13,513,811	-	-	-	-	-	-	13,513,811
Other comprehensive income	-	-	-	-	-	-	-	-
Funds received during the year	-	180,000,000	11,005,596	191,005,596	65,070,141	-	-	256,075,737
Funds utilised during the year	-	-	-	-	(74,112,620)	-	-	(74,112,620)
Balance as at June 30, 2023	398,774,278	430,000,000	60,202,265	490,202,265	394,611	5,484,000	-	894,855,154
Surplus transferred from income and expenditure account	32,444,890	-	-	-	-	-	-	32,444,890
Other comprehensive income	-	-	-	-	-	-	-	-
Funds received during the year	-	225,000,000	13,916,931	238,916,931	83,928,367	-	22,403,400	345,248,698
Funds utilised during the year	-	-	-	-	(80,468,372)	-	-	(80,468,372)
Balance as at June 30, 2024	431,219,168	655,000,000	74,119,196	729,119,196	3,854,607	5,484,000	22,403,400	1,192,080,371

The annexed notes from 1 to 34 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	32,444,890	13,513,811
Adjustments for:		
Depreciation	14,383,246	15,075,537
Amortisation	120,422	120,422
(Gain) / disposal on disposal of property and equipment	(720,122)	74,214
Gain on disposal of investments	-	(1,893,529)
Finance cost	1,425,668	2,267,719
Dividend income	(43,565,443)	(27,167,239)
Unrealised gain on remeasurement of investments	(375,765)	(1,581,433)
	3,712,896	409,502
(Increase) / decrease in current assets:		
Loans and advances	(14,802,831)	4,799,727
Advance tax	(454,163)	-
Short term prepayments	(1,638,954)	(236,962)
Accrued interest	(6,157,538)	(2,779,313)
Other receivables	(518,190)	278,846
	(23,571,676)	2,062,298
(Decrease) in current liabilities:		
Accrued liabilities	(1,157,224)	(2,389,258)
Payable to provident fund	-	(2,365,892)
	(1,157,224)	(4,755,150)
Cash used in operations	(21,016,004)	(2,283,350)
Finance cost paid	(1,425,668)	(2,267,719)
Long term security deposits released	(76,991)	(240,000)
Long term loans	(2,130,519)	(1,587,016)
Net cash used in operating activities	(24,649,182)	(6,378,085)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	(229,113,217)	(130,473,490)
Additions to property and equipment	(23,813,347)	(17,297,166)
Proceeds from disposal of property and equipment	2,212,499	198,800
Net cash used in investing activities	(250,714,065)	(147,571,856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Strategic funds received	238,916,931	191,005,596
Zakat funds received	83,928,367	65,070,140
Zakat funds utilized	(80,468,372)	(74,112,620)
Amount received for KP project	22,403,400	-
Deferred income received- net	7,196,476	-
Net cash flows generated from financing activities	271,976,802	181,963,116
Net (decrease) / increase in cash and cash equivalents	(3,386,445)	28,013,175
Cash and cash equivalents at the beginning of the year	114,333,825	86,320,650
Cash and cash equivalents at the end of the year	110,947,380	114,333,825

The annexed notes from 1 to 34 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

**FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 NATURE AND STATUS OF BUSINESS

Family Educational Services Foundation ('the Company') was established in 2002 as a company limited by guarantee [registered under Section 42 of the Companies Act, 2017 (previously the Companies Ordinance, 1984)]. It is a non profit organisation and is rendering services in the field of education, teacher training and academic / voluntary training for deaf students. The Company is currently managing following programs:

- Deaf Reach School and Training Centre;
- Digital Learning Program; and
- Pakistan Sign Language Program.

The geographical location and address of business unit are as under:

Location	Addresses
Karachi - Head and Registered office	Deaf Reach School and Training Centre, Gulistan-e-Jauhar, Block-12, behind CNG Station, near telephone exchange, Karachi.
Rashidabad	Deaf Reach School, Rashidabad, Tando Allah Yar, Sindh.
Hyderabad	House No. 282, Deh Sari Dhoraji, opposite Rani Bagh.
Nawabshah	Essar Pura, opposite Haji Naseer Qabristan, New Sabzi Mandi Road.
Sukkur	Inside GVIB – Govt. Polytechnic Institute, Qureshi Goth Road, near Shar chowk, Golimar.
Sujawal	Moriro Markaz, Near Chandio School, Main Road, Sujawal..
Lahore	14-Hunza Block, Main Boulevard, Allama Iqbal Town.
Jhelum	Naqeeb Plaza, Kala Gujran Morr, G. T. Road, Jehlum.

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 Standards) issued by the International Accounting Standards Boards (IASB) as notified under the Companies Act, 2017;

- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis unless stated otherwise.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees ("Rupees" or "Rs.") which is the functional currency of the Company.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments' about the carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of operating fixed assets (note 4.1);
- Useful lives, residual values and amortisation method of intangible asset (note 4.2);
- Provision for retirement benefit obligation (note 4.6.2); and
- Impairment of financial and non - financial assets (note 4.9.3 and 4.3).

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

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

	Effective for the period beginning on or after
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 Company 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.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Tax (Revised 2022)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'. However, this has no impact on the Company.

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 Company 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 policy information 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

	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 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' - Disclosure of Accounting Policies	January 01, 2023
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.

3.3 Standards not yet notified by Securities and Exchange Commission of Pakistan

Following are the new standards issued by International Accounting Standards Board which are not yet notified by Securities and Exchange Commission of Pakistan.

Standard or Interpretation

IFRS 1	First Time Adoption of International Financial Reporting Standards; and
IFRS 17	Insurance contracts

4 MATERIAL ACCOUNTING POLICIES INFORMATION

4.1 Property and Equipment

Cost

Property and equipment, except leasehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income and expenditure during the year in which they are incurred.

Depreciation

Depreciation is charged to the statement of income and expenditure using the reducing balance method at the rates specified in the note 5 to the financial statements. Depreciation on additions is charged from the date at which an asset is available for use while no depreciation is charged for the month in which an asset is de-recognized.

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

Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of income and expenditure in the year the asset is derecognized.

4.2 Intangible asset

Cost

Intangible asset is stated at cost less amortisation and impairment loss, if any. Intangible assets are amortized on the rate stated in note 6 to these of these financial statements, using the straight line basis method.

Subsequent costs are included in the intangible assets' 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 Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of income and expenditure during the year in which they are incurred.

Amortisation

Amortisation on additions are charged from the date at which an asset is available for use while no amortisation is charged for the month in which an assets is de-recognized.

The Company reviews the residual value and useful life of the intangible asset for possible impairment on an annual basis. The effect of changes in estimate is accounted for on prospective basis.

Derecognition

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of income and expenditure in the year the intangible asset is derecognized.

4.3 Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of income and expenditure. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. Reversal of impairment loss is recognised as income.

4.4 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, current and deposit accounts held with banks and short term investments in TDRs (having three months maturity), government securities and mutual funds.

4.5 Taxation

The Company has been approved as a non - profit organisation under Section 2(36)(c) of the Income Tax Ordinance, 2001 (the Ordinance). The Company is allowed 100% tax credit against the tax liability including minimum tax and final taxes, under Section 100C of the Ordinance. The management intends to avail a tax credit equal to 100% of the tax payable. Accordingly, no provision for taxation has been made in these financial statements.

4.6 Employee benefit

4.6.1 Defined contribution plan

The Company also operates a voluntary provident fund scheme for permanent employees. Contributions to fund are made monthly by the Company and employee at the rate of 8.33% of the basic salary. The Company's contributions are recognised as employee benefit expense when they are due.

4.6.2 Loans to employees

Long term interest-free loans to employees are initially recognized at their fair value. The fair value is determined based on the present value of expected future cash flows discounted at the market interest rate applicable for similar loans at the time of issuance. The loan is subsequently measured at amortized cost using the effective interest method. The carrying amount of the loan is adjusted to reflect the effective interest rate over the loan term. The difference between the fair value and cash disbursement is accounted for as a prepaid staff cost and is being amortised over the term of the respective loans.

For short-term cash loans, the proceeds of loan are recognized at their nominal value at the time of issuance. Subsequently, the remaining loan balance will be adjusted for any repayments made by the employee.

4.7 Funds and grants

4.7.1 Unrestricted funds

This fund represents surplus of income over expenditures accumulated over the years. Unrestricted funds received are recognized as income in the year of receipts.

4.7.2 Restricted funds

Restricted funds refer to financial resources that are designated by donors for specific projects within the Company. Restricted contributions are recognized as income in the income and expenditure account on a systematic basis in the same period in which the related statement expenditure is incurred. Fund balances can be internally or externally restricted.

4.7.2.1 Strategic fund (Endowment)

The Company's endowment fund is established to provide sustainable financial support through prudent investment. The Board has decided to invest these funds and utilize the return earned thereon to cover operational expenses of the Company. This fund is internally restricted by the Board through resolution.

4.7.2.2 Zakat fund

The Zakat fund distributes the collected zakat to eligible beneficiaries in a manner that adheres to Islamic principles. Such funds are utilized for operational purposes of the Company as approved under the shahriah principles. This fund is internally restricted by the Board through resolution.

4.7.3 Deferred capital grant

Grants related to property and equipment and intangible assets are accounted for by setting up the grants as deferred grant. These grants are recognized as income systematically over the useful life of the related property, equipment, and intangible assets, in alignment with the depreciation charged on the capitalized assets against the deferred capital grant.

4.7.4 Deferred income

Grant received for specific purposes and due to be utilized in meeting the Company's service delivery expenses are deferred when received and charged to income to the extent of actual expenditure incurred. Unspent portion of such grants are reflected as deferred income in the statement of financial position.

4.8 Income recognition

Donations for operation of projects and voluntary participation from the community are recognised as income as and when received.

The assets received as grant is recognized as property and equipment and deferred capital grants and is amortized over the useful life of an asset.

Markup on investments are recorded on accrual basis.

Dividend income is recognised when the Company's right to receive dividend is established.

4.9 Financial assets

4.9.1 Classification, recognition and measurement

Financial assets are classified into appropriate categories at amortized cost or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

Financial assets are measured at amortized cost when:

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

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortised cost are measured at fair value through profit or loss (FVTPL).

Initial recognition and subsequent measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognized at fair value plus transaction cost and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in income and expenditure.

Financial assets carried at fair value through profit and loss account are initially recorded at fair value and the related transaction costs are expensed in the statement of income and expenditure account. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets and liabilities held at fair value through profit or loss are included in the statement of income and expenditure in the period in which they arise.

4.9.2 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of income and expenditure and statement of changes in funds.

4.9.3 Impairment of financial assets

The carrying value of financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income and expenditure account.

4.10 Financial liabilities

The Company recognizes a financial liability in its statement of financial position when, it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable cost, if any, and subsequently measured at amortised cost.

4.10.1 Derecognition of financial liabilities

The Company derecognises financial liabilities when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of income and expenditure.

4.11 Off setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.12 Foreign currency transactions and translation

Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. All non monetary items are translated into rupees at exchange rates prevailing on date of transaction or on date when fair values are determined.

4.13 Provisions and contingent liabilities

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

PROPERTY AND EQUIPMENT

Description		Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Office renovation	Total
		(Rupees)					
Net carrying value as at June 30, 2024							
Karachi, Hyderabad and Lahore	5.1	13,897,896	15,822,541	24,185,471	10,962,316	1,698,934	66,567,158
Sukkur	5.2	712,201	241,148	4,973,009	571,494	-	6,497,852
Nawabshah	5.3	1,188,473	257,198	2,250,335	748,167	34,574	4,478,747
Rashidabad	5.4	8,062,898	2,580,846	7,067,528	655,352	-	18,366,624
Deaf Reach Satellite School	5.5	-	-	192,416	96,765	-	289,181
		<u>23,861,468</u>	<u>18,901,733</u>	<u>38,668,759</u>	<u>13,034,094</u>	<u>1,733,508</u>	<u>96,199,562</u>
Net carrying value as at June 30, 2023							
Karachi, Hyderabad and Lahore		15,341,596	12,428,581	18,623,846	9,383,350	1,887,705	57,665,078
Sukkur		791,334	301,435	3,586,930	816,332	-	5,496,031
Nawabshah		1,320,526	321,498	2,309,572	1,087,766	38,416	5,077,778
Rashidabad		8,958,776	3,226,058	6,889,568	948,546	-	20,022,948
Deaf Reach Satellite School		-	-	-	-	-	-
		<u>26,412,232</u>	<u>16,277,572</u>	<u>31,409,916</u>	<u>12,235,994</u>	<u>1,926,121</u>	<u>88,261,835</u>

5.1

Karachi, Hyderabad and Lahore

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Office renovation	Total
(Rupees)						
Year ended June 30, 2024						
Net carrying value basis						
Opening book value	15,341,596	12,428,581	18,623,846	9,383,350	1,887,705	57,665,078
Additions	95,100	6,736,250	7,845,600	5,722,080	-	20,399,030
Disposal - NBV	-	(1,001,319)	(84,833)	(331,097)	-	(1,417,249)
Depreciation charge	(1,538,800)	(2,340,971)	(2,199,142)	(3,812,017)	(188,771)	(10,079,701)
Closing net book value	13,897,896	15,822,541	24,185,471	10,962,316	1,698,934	66,567,158
Gross carrying value basis						
Cost	26,335,800	35,707,450	44,174,884	32,096,629	4,472,573	142,787,336
Accumulated depreciation/Impairment	(12,437,904)	(19,884,909)	(19,989,413)	(21,134,313)	(2,773,639)	(76,220,178)
Net book value	13,897,896	15,822,541	24,185,471	10,962,316	1,698,934	66,567,158
Year ended June 30, 2023						
Net carrying value basis						
Opening net book value (NBV)	15,754,101	15,535,726	17,708,539	7,466,905	2,097,450	58,562,721
Additions (at cost)	1,212,244	-	2,976,423	5,374,017	-	9,562,684
Disposal	-	-	(150,156)	(22,744)	-	(172,900)
Depreciation charge	(1,624,749)	(3,107,145)	(1,910,960)	(3,434,828)	(209,745)	(10,287,427)
Closing net book value	15,341,596	12,428,581	18,623,846	9,383,350	1,887,705	57,665,078
Gross carrying value basis						
Cost	26,240,700	30,931,200	36,554,704	27,629,502	4,472,573	125,828,679
Accumulated depreciation	(10,899,104)	(18,502,619)	(17,930,858)	(18,246,152)	(2,584,868)	(68,163,601)
Net book value	15,341,596	12,428,581	18,623,846	9,383,350	1,887,705	57,665,078
Depreciation rate % per annum	10%	20%	10%	33.33%	10%	

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Office renovation	Total
(Rupees)						
Year ended June 30, 2024						
Net carrying value basis						
Opening book value	1,320,526	321,498	2,309,572	1,087,766	38,416	5,077,778
Additions	-	-	176,675	27,957	-	204,632
Depreciation charge	(132,053)	(64,300)	(235,912)	(367,556)	(3,842)	(803,663)
Closing net book value	1,188,473	257,198	2,250,335	748,167	34,574	4,478,747
Gross carrying value basis						
Cost	2,799,752	3,400,400	4,633,065	2,866,444	126,742	13,826,403
Accumulated depreciation/impairment	(1,611,279)	(3,143,202)	(2,382,730)	(2,118,277)	(92,168)	(9,347,656)
Net book value	1,188,473	257,198	2,250,335	748,167	34,574	4,478,747
Year ended June 30, 2023						
Net carrying value basis						
Opening net book value (NBV)	755,191	401,872	2,402,325	558,624	42,685	4,160,697
Additions (at cost)	701,500	-	236,110	1,056,184	-	1,993,794
Disposal	-	-	(79,648)	(20,485)	-	(100,133)
Depreciation charge	(136,165)	(80,374)	(249,215)	(506,557)	(4,269)	(976,580)
Closing net book value	1,320,526	321,498	2,309,572	1,087,766	38,416	5,077,778
Gross carrying value basis						
Cost	2,799,752	3,400,400	4,456,390	2,838,487	126,742	13,621,771
Accumulated depreciation	(1,479,226)	(3,078,902)	(2,146,818)	(1,750,721)	(88,326)	(8,543,993)
Net book value	1,320,526	321,498	2,309,572	1,087,766	38,416	5,077,778
Depreciation rate % per annum	10%	20%	10%	33.33%	10%	

5.4

Rashidabad

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Office renovation	Total
(Rupees)						
Year ended June 30, 2024						
Net carrying value basis						
Opening book value	8,958,776	3,226,058	6,889,568	948,546	-	20,022,948
Additions	-	-	924,965	27,960	-	952,925
Disposal - NBV	-	-	(18,959)	-	-	(18,959)
Depreciation charge	(895,878)	(645,212)	(728,046)	(321,154)	-	(2,590,290)
Closing net book value	8,062,898	2,580,846	7,067,528	655,352	-	18,366,624
Gross carrying value basis						
Cost	18,173,444	10,311,204	13,955,964	2,695,946	-	45,136,558
Accumulated depreciation/Impairment	(10,110,546)	(7,730,358)	(6,888,436)	(2,040,594)	-	(26,769,934)
Net book value	8,062,898	2,580,846	7,067,528	655,352	-	18,366,624
Year ended June 30, 2023						
Net carrying value basis						
Opening net book value (NBV)	7,860,045	4,032,573	6,853,254	87,148	-	18,833,020
Additions (at cost)	2,061,825	-	781,811	1,257,108	-	4,100,744
Depreciation charge	(963,094)	(806,515)	(745,497)	(395,710)	-	(2,910,816)
Closing net book value	8,958,776	3,226,058	6,889,568	948,546	-	20,022,948
Gross carrying value basis						
Cost	18,173,444	10,311,204	13,056,130	2,667,986	-	44,208,764
Accumulated depreciation	(9,214,668)	(7,085,146)	(6,166,562)	(1,719,440)	-	(24,185,816)
Net book value	8,958,776	3,226,058	6,889,568	948,546	-	20,022,948
Depreciation rate % per annum	10%	20%	10%	33.33%	10%	

5.5 Deaf Reach Satellite School

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Office renovation	Total
(Rupees)						
Year ended June 30, 2024						
Net carrying value basis						
Opening book value	-	-	-	-	-	-
Additions	-	-	193,100	101,298	-	294,398
Depreciation charge	-	-	(684)	(4,533)	-	(5,217)
Closing net book value	-	-	192,416	96,765	-	289,181
Gross carrying value basis						
Cost	-	-	193,100	101,298	-	294,398
Accumulated depreciation/Impairment	-	-	(684)	(4,533)	-	(5,217)
Net book value	-	-	192,416	96,765	-	289,181
Year ended June 30, 2023						
Net carrying value basis						
Opening net book value (NBV)	-	-	-	-	-	-
Additions (at cost)	-	-	-	-	-	-
Depreciation charge	-	-	-	-	-	-
Closing net book value	-	-	-	-	-	-
Gross carrying value basis						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Net book value	-	-	-	-	-	-
Depreciation rate % per annum	10%	20%	10%	33.33%	10%	

	Note	2024	2023
(Rupees)			
5.6 Depreciation charged during the year has been allocated as follows:			
Operating expenses	23	12,944,921	13,567,983
Administrative expenses	24	1,438,325	1,507,554
		<u>14,383,246</u>	<u>15,075,537</u>

5.7 The land and building use by the Company for its operational purposes are given by the government as assistance to the Company for rendering services in the field of education, teacher training and academic / voluntary training for deaf students. Such are not the part of these financial statements.

	Note	2024 Rupees	2023 Rupees
6 INTANGIBLE ASSET			
Computer software		<u>58,070</u>	<u>178,492</u>
Net carrying value basis			
Opening net book value		178,492	298,914
Amortization charged	24	<u>(120,422)</u>	<u>(120,422)</u>
Closing net book value		<u>58,070</u>	<u>178,492</u>
Gross carrying value basis			
Cost		1,204,222	1,204,222
Accumulated amortization		<u>(1,146,152)</u>	<u>(1,025,730)</u>
Net book value		<u>58,070</u>	<u>178,492</u>
Amortization rate % per annum		10%	10%

6.1 Amortization expense for the year ended has been charged to administrative expenses.

7 LONG TERM INVESTMENTS

At amortized cost

GOP Ijarah Sukuk	7.1	<u>99,533,094</u>	<u>100,419,879</u>
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7.1 This represents investments in GOP Ijarah Sukuk certificates having fair value amounting to Rs. 84,678,750 carrying a fixed coupon rate of 11.40% (2023: 11.40%). The instrument was purchased on February 16, 2022 and will mature on December 15, 2026. The effective rate of interest on the instrument is 10.15% (2023: 10.15%).

8 LONG TERM LOANS

Secured - considered good

Vehicle loans to employees			
Car loan		9,144,445	7,376,540
Bike loan		1,005,040	348,642
		10,149,485	7,725,182
Loans against laptop		153,368	569,744
		10,302,853	8,294,926
Less: current portion	10	<u>(2,821,974)</u>	<u>(2,944,566)</u>
		<u>7,480,879</u>	<u>5,350,360</u>

8.1 These are interest free loans recoverable in monthly installments over a period ranging from 1 to 5 years. These loans are secured against promissory note and the title documents of the underlying items are used as collateral by the Company.

8.2 Movement of the present value of the long term loans to employees are below:

	Note	2024 Rupees	2023 Rupees
Opening balance		8,294,926	6,244,810
Disbursements made during the year		11,200,500	7,963,598
Repayments during the year		(7,115,568)	(4,757,247)
Fair value on initial recognition	8.1	(3,371,451)	(2,938,728)
Interest income on loan to employees		1,294,446	1,782,493
Closing balance		<u>10,302,853</u>	<u>8,294,926</u>

8.3 Present value of loan to employees		10,302,853	8,294,926
Prepaid staff cost	8.4	3,859,497	1,782,493
Outstanding loan to employees		<u>14,162,350</u>	<u>10,077,419</u>

8.4 This amount reflects the benefit from the interest free loans given to employees. Market rates used for discounting ranges from 15.39% to 22.25% (2023: 13.18% to 19.6%) per annum.

9 LONG TERM DEPOSITS

Security deposits against

Rent		300,000	260,000
Utilities		641,754	604,763
		<u>941,754</u>	<u>864,763</u>

10 LOANS AND ADVANCES

Unsecured - considered good

Cash loans to employees- secured	10.1	5,174,691	2,599,590
Current portion of long term loans- secured	8	2,821,974	2,944,566
		<u>7,996,665</u>	<u>5,544,156</u>
Advance			
- To suppliers		13,898,530	2,083,343
- Against salary		535,135	-
		<u>22,430,330</u>	<u>7,627,499</u>

10.1 These are interest free short-term loans to employees recoverable in monthly installments deducted from salary within a year. These loans are secured against employees' provident fund.

	Note	2024 Rupees	2023 Rupees
11			
SHORT-TERM PREPAYMENTS			
For insurance		806,173	1,244,223
For expenses		16,950	16,950
Staff cost	8	3,859,497	1,782,493
		<u>4,682,620</u>	<u>3,043,666</u>

12			
SHORT TERM INVESTMENTS			
Amortised cost			
Term deposit receipts			
Bank Islami	12.1	600,000,000	370,000,000
At fair value through profit or loss			
Mutual funds			
Atlas Islamic Income Fund		111,333	-
Atlas Islamic Money Market Fund		245,725,612	201,895,737
	12.2	245,836,945	201,895,737
		<u>845,836,945</u>	<u>571,895,737</u>

12.1 These investments carry mark-up at the rate of 19% to 21% (2023: 12% to 20%) per annum.

12.2 Details of investment in mutual funds are as follows:

	No. of Units	Carrying value at June 30, 2024	Fair value at June 30, 2024	Unrealised gain/(loss)
Atlas Islamic Income Fund	217	115,647	111,333	(4,314)
Atlas Islamic Money Market Fund	487,754	245,345,533	245,725,612	380,079
Total		<u>245,461,180</u>	<u>245,836,945</u>	<u>375,765</u>

	No. of Units	Carrying value at June 30, 2023	Fair value at June 30, 2023	Unrealised gain
Atlas Islamic Money Market Fund	401,226	200,314,304	201,895,737	1,581,433
Total		<u>200,314,304</u>	<u>201,895,737</u>	<u>1,581,433</u>

	Note	2024 Rupees	2023 Rupees
13			
ACCRUED INTEREST			
Bank deposit		1,564,065	1,118,499
Term deposits		10,293,890	4,581,918
		<u>11,857,955</u>	<u>5,700,417</u>
14			
CASH AND BANK BALANCES			
Cash in hand		975,350	546,307
Cash at banks:			
Current accounts		56,507,138	30,076,248
Saving accounts	14.1	53,464,892	83,711,270
		109,972,030	113,787,518
		<u>110,947,380</u>	<u>114,333,825</u>

14.1 These carry markup at the rate of 7% to 14% (2023: 10% to 20%) per annum.

15 STRATEGIC FUND (ENDOWMENT)

This fund received from the Department of Empowerment of Persons with Disabilities (DEPD-GOS) and FESF-North America, intended for the Deaf Reach Schools to ensure sustainability. The fund has been invested in accordance with the Board approval and MOU duly signed with above specified donors.

16 ZAKAT FUND

This represents zakat received during the period amounting to Rs. 83,928,367 (2023: Rs. 65,070,141) of which Rs. 3,854,607 (2023: Rs. 394,611) remained un-utilized at the reporting date. The amount of Rs. 80,468,372 (2023: Rs. 74,112,620) utilized against expenses approved under shariah principles.

17 REHABILITATION FUND

This represent an amount received from the Sindh Education Foundation (SEF) for improving / reconstructing / expanding the school's infrastructure for creating a conducive learning environment.

18 SPECIFIC PROJECT

This includes amount received during the year from Pakistan Poverty Alleviation Fund (PPAF). The agreement's purpose is to provide a grant from the contracting authority to fund the implementation of the project titled "Establishing a Deaf Reach Centre of Excellence in KP."

	Note	2024 Rupees	2023 Rupees
19 DEFERRED INCOME			
Deferred grant related to income	19.1	<u>7,196,476</u>	<u>-</u>

19.1 These grants are received for sponsorship of students.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

There were no contingencies as at the reporting date (2023: Rs. Nil).

20.2 Commitments

There were no commitments as at the reporting date (2023: Rs. Nil).

21 DONATION RECEIVED

Donations	21.1	366,777,953	339,476,509
Donation in kind	21.2	21,230,136	10,276,878
Voluntary participation from community	21.3	<u>10,395,161</u>	<u>6,469,790</u>
	21.4	<u>398,403,250</u>	<u>356,223,177</u>

21.1 Donations

Donations received			
- Under sponsorship	21.1.1	111,244,730	99,769,704
- General contribution		<u>255,533,223</u>	<u>239,706,805</u>
		<u>366,777,953</u>	<u>339,476,509</u>

	Note	2024 Rupees	2023 Rupees
21.1.1 Donations under sponsorship			
Human Concern Internation (HCI)		22,216,885	33,558,294
Children of Islamic Nations (COIN)	21.1.3	3,737,362	-
Children of Hope (COH)		-	2,221,875
COSARAF Foundation		8,409,123	1,621,135
Muslim Welfare Charity (MWC)		11,025,000	7,787,500
Sindh Education Foundation (SEF)		33,606,760	30,876,500
Others		32,249,600	23,704,400
		<u>111,244,730</u>	<u>99,769,704</u>
21.1.2	All the above donations mentioned in 21.1.1 are utilized as per the sponsorship arrangements.		
21.1.3	The zakat amount received from Children of Islamic Nations (COIN) amounting to Rs. 6,486,823 (2023: Rs. Nil) of which Rs. 3,737,362 utilized during the period.		
21.2	It includes donations received with respect to consumable items amounting to Rs. 15,181,950 (2023: Rs. 7,629,507) and insurance services amounting to Rs. 721,100 (2023: Rs. 762,971). Further, it also includes donated assets capitalized during the period amounting to Rs. 5,327,086 (2023: Rs. 1,884,400).		
21.3	This represents voluntary payments from the community of students against the educational services being rendered by the Company.		
21.4	Major sources of donations are as follows:		
	Local:		
Funds from Government and others		33,606,760	34,580,900
Donations from individuals		89,304,055	81,185,504
Donations from corporate sector		156,272,705	132,671,755
Donations from other Not-for-profit organisations		55,940,414	51,796,680
	Foreign:		
Donations from individuals		16,852,847	13,782,457
Donations from corporate sector		46,426,469	42,205,881
		<u>398,403,250</u>	<u>356,223,177</u>

	Note	2024 Rupees	2023 Rupees
22 OTHER INCOME			
Income from financial asset			
Profit on deposit accounts		93,937,585	45,203,679
Markup on long term investment		10,174,194	10,227,083
Gain on disposal of investments		-	1,893,529
Dividend income		43,565,443	27,167,239
Unrealised gain on investments- net		375,765	1,581,433
Markup on loan to employees		1,294,446	1,782,493
		149,347,433	87,855,456
Income from non financial asset			
Gain on disposal of property and equipment		998,622	-
		<u>150,346,055</u>	<u>87,855,456</u>

23 OPERATIONAL EXPENSES

Salaries and other benefits	23.1	209,406,595	229,667,068
Eduserve program		4,703,457	1,894,139
Depreciation	5.6	12,944,921	13,567,983
Events, function and fund raising program		26,733,817	22,757,145
Repair and maintenance		27,807,048	19,211,884
Vehicle running expense		34,158,415	26,709,017
Utilities		20,712,032	14,829,325
Student lunch and benefits		24,290,920	13,728,335
Rent		5,037,018	3,902,430
Training costs		6,407,082	3,835,822
Transportation		10,443,543	1,113,521
Groceries and cleaning		5,057,861	4,782,029
Printing and stationery		9,354,050	4,796,825
Postage and communication		4,545,341	3,953,163
Insurance		7,342,684	4,570,493
Hospitality		5,233,146	1,267,558
Consultancy and professional charges		2,425,715	1,616,169
Pakistan Sign Language Program		5,798,993	619,025
Distance Learning Program		21,154,942	13,293,642
Research & Development		10,502,594	-
Resource Development Program		8,959,610	-
		<u>463,019,784</u>	<u>386,115,573</u>

23.1 Salaries and other benefits include Rs. 10,940,520 (2023: Rs. 8,635,053) in respect of employees' provident fund.

	Note	2024 Rupees	2023 Rupees
24 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	24.1	23,267,399	25,047,328
Depreciation	5.6	1,438,325	1,507,554
Events, function and fund raising program		2,970,424	2,528,572
Repair and maintenance		3,089,672	2,134,654
Vehicle running expense		3,795,379	2,967,669
Utilities		2,301,337	1,565,745
Rent		559,669	433,603
Training costs		711,898	426,202
Transportation		1,160,394	123,725
Groceries and cleaning		561,984	531,337
Printing and stationery		1,039,339	532,981
Postage and communication		505,038	436,848
Insurance		815,854	507,833
Hospitality		581,461	140,840
Auditors' remuneration		256,608	180,000
Amortization	6	120,422	120,422
Consultancy and professional charges		269,524	179,574
		<u>43,444,727</u>	<u>39,364,887</u>

24.1 Salaries and other benefits include Rs. 1,215,613 (2023: Rs. 959,450) in respect of employees' provident fund.

24.2 Auditors' remuneration

Audit fee	216,000	151,515
Out of pocket	21,600	15,152
Sales tax	19,008	13,333
	<u>256,608</u>	<u>180,000</u>

25 OTHER EXPENSES

Loss on disposal of property and equipment	278,500	74,214
Donation processing charges	420,786	1,132,006
Miscellaneous	7,714,950	1,610,423
	<u>8,414,236</u>	<u>2,816,643</u>

26 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Executives	
	2024	2023	2024	2023
Managerial remuneration	5,996,546	5,710,994	42,423,194	46,908,109
Number of person	1	1	11	12

26.1 The Board of Directors have not drawn any remuneration from the Company.

26.2 The company provides company maintained vehicles to key management personnel for official use.

27 RELATED PARTY TRANSACTIONS

Related parties comprise retirement benefit fund and key management personnel. The Company has not executed any transaction with related party during the year except for remuneration to the Chief Executive Officer as disclosed in note 26 to these financial statements.

28 NUMBER OF EMPLOYEES

Number of employees as at year end	520	493
Average number of employees during the year	507	421
	2024	2023
	Rupees	Rupees

29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

29.1 Financial instruments by category

Financial assets

At amortised cost

Investment in term deposit receipt	600,000,000	370,000,000
Investment in GOP- Ijarah Sukuk	99,533,094	100,419,879
Long term loans	10,302,853	8,294,926
Long term deposits	941,754	864,763
Loans to employees	5,174,691	2,599,590
Accrued interest	11,857,955	5,700,417
Other receivables	1,000,589	482,399
Cash and bank balances	110,947,380	114,333,825
	839,758,316	602,695,799

	2024 Rupees	2023 Rupees
At fair value through profit or loss		
Investment in mutual funds	<u>245,836,945</u>	<u>201,895,737</u>
Financial liabilities		
At amortised cost		
Accrued liabilities	<u>2,346,494</u>	<u>3,503,718</u>
	<u>2,346,494</u>	<u>3,503,718</u>

29.2 Financial risk management

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Board of Governors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company has exposure to the risks associated with the financial instruments and the risk management policies and procedures summarised as follows:

29.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, relevant financial institution or counter parties, in case of placements or other arrangements, to fulfill their obligations.

Exposure to credit risk

Credit risk of the Company mainly arises from balances with banks, long term deposits, loan to employees, investments and other receivables on account of provision of different services.

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

	2024 Rupees	2023 Rupees
Long term loans	10,302,853	8,294,926
Long term deposits	941,754	864,763
Loans to employees	5,174,691	2,599,590
Investments	845,836,945	571,895,737
Accrued interest	11,857,955	5,700,417
Other receivables	1,000,589	482,399
Bank balances	109,972,030	113,787,518
	<u>985,086,817</u>	<u>703,625,350</u>

Concentration of credit risk

Concentration of credit risk for the Company is that a significant portion of its revenue or funding comes from a limited number of sources, such as major donors, grants, or contracts. This concentration can pose risks if those sources face financial difficulties or decide to withdraw support, potentially impacting the Company's financial stability. To mitigate this risk, Company diversifying their funding streams, develop relationships with multiple donors, and create a robust fundraising strategy to ensure sustainable revenue.

Bank balances

For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. The credit quality of cash at banks as per credit rating agencies are as follows:

Name of banks	Rating	
	Short term	Long term
Habib Bank Limited	A1+	AAA
Meezan Bank Limited	A1+	AAA
Allied Bank Limited	A1+	AAA
MCB Bank Limited	A1+	AAA
United Bank Limited	A1+	AAA
Sindh Bank Limited	A1+	AA-
Silk Bank Limited	A2	A-
Habib Metropolitan Bank Limited	A1+	AA+
National Bank of Pakistan	A1+	AAA
Bank Islami Pakistan Limited	A1	AA-

29.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company finances its operations through donations and profits from investments with a view to maintaining an appropriate mix between various sources of finances to minimise risk.

The following are the contractual maturities of financial liabilities:

	2024		
	Contractual cash flows	Upto one year	More than one year
Non-derivative financial liabilities			
Accrued liabilities	2,346,494	2,346,494	-
	<u>2,346,494</u>	<u>2,346,494</u>	<u>-</u>
	2023		
	Contractual cash flows	Upto one year	More than one year
Accrued liabilities	3,503,718	3,503,718	-
	<u>3,503,718</u>	<u>3,503,718</u>	<u>-</u>

29.2.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other prices will affect the Company's income or the value of its holdings of financial instruments.

29.2.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency.

The Company is not exposed to foreign currency risk.

29.2.3.2 Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has significant interest bearing assets where interest rate risk may arise due to fluctuations in the rates. At the reporting date, the interest rate profile of the Company's interest bearing financial assets are:

	2024 Rupees	2023 Rupees
Financial assets		
Variable rate instruments		
Term deposit receipt	600,000,000	370,000,000
Deposit accounts	53,464,892	83,711,270
	<u>653,464,892</u>	<u>453,711,270</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis on points in interest rates at the reporting date would have (increased) / decreased income and expenditure by the amount shown below. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis as for 2023.

	Effect on surplus of income over expenditure due to 100 basis points	
	(Increase)	Decrease
	-----Rupees-----	
As at June 30, 2024		
Cash flow sensitivity	<u>(939,376)</u>	<u>939,376</u>
As at June 30, 2023		
Cash flow sensitivity	<u>(452,037)</u>	<u>452,037</u>

29.2.3.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to price risk with respect to collective investment scheme (CIS). Investments are monitored through continuous trend prevailing in the market, leading to better management of funds in different investment avenues available in the market.

A 10% increase / (decrease) in share prices at year end would have increased / (decreased) the Company surplus in case of investments at fair value through income and expenditure as follows:

	Surplus change due to 10%	
	Increase	(Decrease)
	-----Rupees-----	
As at June 30, 2024		
Investment at fair value through income and expenditure	<u>24,583,695</u>	<u>(24,583,695)</u>
As at June 30, 2023		
Investment at fair value through income and expenditure	<u>20,189,574</u>	<u>(20,189,574)</u>

30 FUND RISK MANAGEMENT

The Company actively manages fund risk through diversification of funding sources, maintaining financial reserves, and implementing thorough budgeting and forecasting practices. The Company regularly monitor our financial performance and engage with stakeholders to ensure transparency and continued support, safeguarding our long-term sustainability.

31 FAIR VALUE MEASUREMENTS

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 hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

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

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not hold any financial instrument which can be classified under the above mentioned levels except for investment in mutual funds as follows:

	2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
Investment in mutual funds	-	245,836,945	-	245,836,945
	-	245,836,945		245,836,945
	2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
Investment in mutual funds	-	201,895,737	-	201,895,737
	-	201,895,737	-	201,895,737

There were no transfers between the levels during the year.

32 CORRESPONDING FIGURES

32.1 Corresponding figures have been re-arranged and re-classified, wherever necessary, for better presentation and disclosure. Below are the details of amount re- arranged and re-classified:

Description	Reclassified from	Reclassified to	Amount in Rs.
Reclassified the impact of benefit to employees due to interest free loan.	Long term loans	Prepaid staff cost	1,149,736
	Current portion of long term loans	Prepaid staff cost	632,757

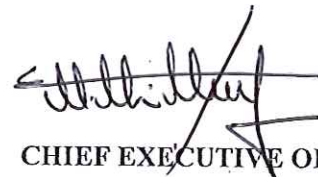
33 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee, unless stated otherwise.

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 29 OCT 2024 by the Executive Committee of the Company.

DIRECTOR



CHIEF EXECUTIVE OFFICER