Riaz Ahmad & Company
Chartered Accountants

OVERSEAS PAKISTANIS FOUNDATION

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 JUNE 2019

A member of Nexia International

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Overseas Pakistanis Foundation

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Overseas Pakistanis Foundation ('the Foundation'), which comprise the statement of financial position as at 30 June 2019, and the income and expenditure statement, the statement of comprehensive income, the statement of changes in fund and reserve, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that, except as described in the *Basis for Qualified Opinion* section below, 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, except for the effects of matters described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the income and expenditure statement, the statement of comprehensive income, the statement of changes in fund and reserve 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 30 June 2019 and of the deficit, other comprehensive income, the changes in fund and reserve and its cash flows for the year then ended.

Basis for Qualified Opinion

- As mentioned in note 2.12 to the financial statements, revenue from education division is recognized on receipt basis which under the requirements of accounting and reporting standards as applicable in Pakistan should be recognized over time when the Foundation satisfies performance obligation. We are unable to determine adjustment, if any, in revenue from education division recognized in the financial statements with corresponding impact on welfare fund as at 30 June 2019 due to limitation of education division software in extracting relevant reports and lack in uniform reporting available in education division software of the Foundation.

- As at the reporting date, the Foundation has balances of Rupees 1,168.15 million (note 7) and 1,135.42 million (note 17). These represent advances received from customers and trade receivables respectively against acquisition of land and development charges related to housing schemes being developed by the Foundation. Management of the Foundation has incorporated prior year adjustment with respect to advances from customers disclosed in note 2.21(i). However, in the absence of a reconciliation between balance as per accounting records and subsidiary records / files as at 30 June 2019 to identify and properly account for the differences, we are unable to verify prior year adjustment disclosed in note 2.21(i) and to determine if any adjustment to the carrying amount of "advances from customers and trade receivables" and corresponding impacts on the financial statements.

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

Emphasis of Matters

We draw attention to the following matters:

- As stated in note 1.3 to the financial statements, the consolidated financial statements of the Foundation by consolidating the results of its wholly owned subsidiary, Kaghan Brick Works Limited, have not been prepared since the effect is immaterial.
- Note 6.2 to the financial statements which more fully explains the status of claims related to United Nations Compensation Commission Funds.
- Note 19 to the financial statements which states that the recoverability of taxation receivable amounting to Rupees 138.698 million is subject to acceptance of refund claims by taxation authorities.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' 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 draw attention to the matters described in the *Basis for Qualified Opinion* section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

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 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 Governors are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

We communicate with the 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 except for the effects of matters described in basis for qualified opinion section of our report:

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 income and expenditure statement, the statement of comprehensive income, the statement of changes in fund and reserve and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements for the preceding year ended 30 June 2018 excluding the adjustments described in note 2.21 to the financial statements were audited by another firm of chartered accountants who, vide their report dated 11 March 2020, expressed modified audit opinion on those financial statements concerning (i) recognition of education division revenue on receipt basis (ii) difference in advances received from customers as per financial statements and detailed customer wise subsidiary record, along with emphasis of matters concerning (i) non-preparation of consolidated financial statements of the Foundation; and (ii) recoverability of taxation from the Government of Pakistan.

The engagement partner on the audit resulting in this independent auditor's report is Raheel Arshad.

RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

Date: 31 JUL 2021

OVERSEAS PAKISTANIS FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	NOTE	2019 Rupees	2018 Restated Rupees	2017 Restated Rupees
FUND AND LIABILITIES				
FUND AND RESERVE				
Welfare fund	3	5,845,206,460	6,443,709,097	7,552,600,326
Capital reserve	4	156,250	156,250	156,250
		5,845,362,710	6,443,865,347	7,552,756,576
LIABILITIES				
NON-CURRENT LIABILITY				
Staff retirement benefits	5	1,713,646,963	1,581,845,232	1,256,987,434
CURRENT LIABILITIES				
Claims payable	6	1,152,584,718	1,052,199,784	995,069,446
Advances from customers - housing schemes	7	1,168,155,612	2,657,764,634	2,591,833,799
Creditors, accrued and other liabilities	8	1,008,722,333	1,035,288,506	996,284,590
		3,329,462,663	4,745,252,924	4,583,187,835
TOTAL LIABILITIES		5,043,109,626	6,327,098,156	5,840,175,269
CONTINGENCIES AND COMMITMENTS	9			
TOTAL FUND AND LIABILITIES		10,888,472,336	12,770,963,503	13,392,931,845

	NOTE	2019 Rupees	2018 Restated Rupees	2017 Restated Rupees
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	10	1,679,913,971	1,481,220,137	1,380,946,438
Intangibles	11	2,966,886	3,207,547	985,827
Investment properties	12	70,248,331	63,340,669	64,964,789
Long term investments	13	-	-	-
Long term advances	14	213,443,562	198,125,906	180,666,525
Long term deposits		3,825,695	4,022,036	4,022,036
Deferred income tax asset	15	-	-	-
		1,970,398,445	1,749,916,295	1,631,585,615
CURRENT ASSETS				
Development properties - housing schemes	16	1,658,343,552	5,032,128,259	5,037,431,606
Trade receivables	17	1,135,420,103	-	-
Advances, prepayments and other receivables	18	167,362,362	294,402,287	180,549,148
Taxation recoverable - net	19	138,698,293	219,956,932	212,050,113
Short term investments	20	4,644,191,764	4,064,547,365	5,235,562,070
Cash and bank balances	21	1,174,057,817	1,410,012,365	1,095,753,293
		8,918,073,891	11,021,047,208	11,761,346,230
TOTAL ASSETS		10,888,472,336	12,770,963,503	13,392,931,845

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

MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

MEMBER BOARD OF GOVERNORS

OVERSEAS PAKISTANIS FOUNDATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 Rupees	2018 Restated Rupees
INCOME			
Return on deposit accounts and investments	22	384,498,443	275,710,191
Housing division	23	1,488,852,224	134,047,435
Welfare division	24	2,280,310	4,123,474
Education division	25	957,374,691	782,162,458
Training division		695,891	72,000
Publicity and marketing cell	26	226,002	93,378
Other income	27	75,452,554	68,526,143
		2,909,380,115	1,264,735,079
EXPENDITURE			
Housing division	28	1,821,472,352	449,925,650
Welfare division	29	311,743,344	803,944,162
Education division	30	1,047,897,583	992,944,449
Publicity and marketing cell	31	10,061,745	7,370,147
Administrative and other expenses	32	839,215,125	833,792,907
		4,030,390,149	3,087,977,315
Deficit before taxation		(1,121,010,034)	(1,823,242,236)
Taxation	33	(36,367,251)	(15,809,188)
Deficit after taxation		(1,157,377,285)	(1,839,051,424)

The annexed notes 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 30 JUNE 2019

	2019 Rupees	2018 Restated Rupees
DEFICIT AFTER TAXATION	(1,157,377,285)	(1,839,051,424)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to income and expenditure account		
Remeasurment gain / (loss) on employees' retirement benefit plan	57,996,647	(139,255,123)
Items that may be reclassified subsequently to income and expenditure account	-	-
Other comprehensive income / (loss) for the year	57,996,647	(139,255,123)
Total comprehensive loss for the year	(1,099,380,638)	(1,978,306,547)

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

MANAGING DIRECTOR | **CHIEF FINANCIAL OFFICER** | **MEMBER BOARD OF GOVERNORS**

OVERSEAS PAKISTANIS FOUNDATION

STATEMENT OF CHANGES IN FUND AND RESERVE

FOR THE YEAR ENDED 30 JUNE 2019

	Welfare fund	Capital reserve	Total
	-------------------Rupees-------------------		
Balance as at 30 June 2017 - as previously reported	7,672,134,519	156,250	7,672,290,769
Impact of restatement (Note 2.21)	(119,534,193)	-	(119,534,193)
Balance as at 30 June 2017 - restated	7,552,600,326	156,250	7,552,756,576
Receipts directly credited to welfare fund	869,415,318	-	869,415,318
Deficit for the year - restated	(1,839,051,424)	-	(1,839,051,424)
Other comprehensive loss for the year	(139,255,123)	-	(139,255,123)
Total comprehensive loss for the year - restated	(1,978,306,547)	-	(1,978,306,547)
Balance as at 30 June 2018 - restated	6,443,709,097	156,250	6,443,865,347
Adjustment on adoption of IFRS 15	(451,599,472)	-	(451,599,472)
Adjusted total fund as at 01 July 2018	5,992,109,625	156,250	5,992,265,875
Receipts directly credited to welfare fund	952,477,473	-	952,477,473
Deficit for the year	(1,157,377,285)	-	(1,157,377,285)
Other comprehensive income for the year	57,996,647	-	57,996,647
Total comprehensive loss for the year	(1,099,380,638)	-	(1,099,380,638)
Balance as at 30 June 2019	5,845,206,460	156,250	5,845,362,710

The annexed notes 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 30 JUNE 2019

	2019 Rupees	2018 Restated Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before taxation	(1,121,010,034)	(1,823,242,236)
Adjustments for non-cash charges and other items:		
Depreciation - property and equipment	50,435,727	43,592,429
Depreciation - investment properties	1,801,239	1,624,120
Amortization	1,289,161	763,074
Provision for staff retirement benefits	246,928,125	267,725,836
Provision against staff advances	1,028,740	3,841,935
Reversal of provision against doubtful mobilization advances	(10,012,500)	-
Accrued interest on short term investments written off	46,433	-
Staff advances written off	781,229	-
Gain on disposal of operating fixed assets	(4,654,903)	(2,883,918)
Return on deposit accounts and investments	(384,498,443)	(275,710,191)
Cash flows from operating activities before working capital changes	(1,217,865,226)	(1,784,288,951)
Working capital changes:		
(Increase) / decrease in current assets:		
Development properties - housing schemes	1,427,571,686	5,303,347
Trade receivables	(527,191,905)	-
Advances, prepayments and other receivables	128,178,108	(117,695,074)
	1,028,557,889	(112,391,727)
(Decrease) / increase in current liabilities:		
Claims payable	100,000,626	57,088,832
Advances from customers - housing schemes	(593,211,171)	65,930,835
Creditors, accrued and other liabilities	(26,566,173)	39,003,916
	(519,776,718)	162,023,583
Cash used in operations	(709,084,055)	(1,734,657,095)
Long term advances - net	(15,317,656)	(17,459,381)
Income tax refund / (paid) - net	44,891,388	(23,716,007)
Employee benefits paid	(57,129,747)	(82,123,160)
	(27,556,015)	(123,298,548)
Net cash used in operating activities	(736,640,070)	(1,857,955,643)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property and equipment	(25,430,952)	(14,136,718)
Capital expenditure on intangibles	(1,048,500)	(2,984,794)
Additions in capital work in progress	(232,888,050)	(129,999,245)
Proceeds from disposal of operating fixed assets	5,135,443	3,153,751
Short term investments (made) / encashed - net	(582,052,911)	1,170,469,730
Interest received	382,935,807	275,710,191
Decrease in long term deposits	196,341	-
Net cash (used in) / from investing activities	(453,152,822)	1,302,212,915
CASH FLOWS FROM FINANCING ACTIVITIES		
Welfare fund receipts	952,477,473	869,415,318
Net cash from financing activities	952,477,473	869,415,318
Net (decrease) / increase in cash and cash equivalents	(237,315,419)	313,672,590
Cash and cash equivalents at beginning of the year	1,410,012,365	1,095,753,293
Effect of exchange rate changes	1,360,871	586,482
Cash and cash equivalents at end of the year	1,174,057,817	1,410,012,365

The annexed notes 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 30 JUNE 2019

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

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 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.

1.2 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
Regional offices:		
2.	Lahore	I-M, Gulberg-III, Lahore
3.	Peshawar	Plot No. 33, Sector B-1 Phase V, Hayatabad, Peshawar
4.	Quetta	House No. 1-A, Block No. 4, Satellite Town, Quetta
5.	Mirpur	House No. 60-A, Block 5-A, Near Jamia Mosque, Sector D-4, Mirpur, Azad Jammu and Kashmir
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
Educational Institutions:		
8.	OPF Girls College	Park Road F-8/2, Islamabad
9.	OPF Boys College	Sector H-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	House No. 160-161, Mir Hassan Road, Model Town, Sialkot

Sr. No.	Operating unit	Address
14.	OPF Public School	House No. 1, Wilayatabad, Oppt. Naz Cinema, Vehari Road, Multan
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, Nodero 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, Azad Jammu Kashmir
27.	OPF Public School	D-30 and 31, Housing Scheme, Upper Chatter Muzaffarabad (Azad Jammu and Kashmir)
28.	OPF Public School	House No. 74, Sector F-1, Mirpur (Azad Jammu and Kashmir)
29.	OPF Public School	Muslimabad, P.O PTS Main Road, Hangu
30.	OPF Public School	Safdar Road, Dab No. 1, Mansehra
31.	OPF Public School	Fort Road, Gulshan Colony, Dera Ismail Khan
	Hospitals and training institute:	
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)
34.	Vocational Training Institute	Vocational Training Centre, Peshawar

1.3 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 30 June 2019 is as follows:

	Rupees
Total assets	1,441,525
Total liabilities (mainly include payable to the Foundation)	86,163,456
Net equity	(84,721,931)
Total liabilities and equity	1,441,525

Since the Foundation has fully provided for its investment in KBWL (see note 13.2) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except for the liabilities for gratuity and compensated absences which are measured at values determined through actuarial valuations.

c) 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

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Foundation. Further, the Foundation reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation 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 allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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.

d) Standards, interpretations and amendments to published approved accounting standards that are effective in current year and are relevant to the Foundation

Following standards, interpretations and amendments to published approved accounting standards are mandatory for the Foundation's accounting periods beginning on or after 01 July 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 15 (Amendments), 'Revenue from Contracts with Customers'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements to IFRSs: 2014 – 2016 Cycle

The Foundation had to change its accounting policies and make certain adjustments without restating prior year results following the adoption of IFRS 9 and IFRS 15. These are disclosed in note 2.11 and note 2.12. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

e) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Foundation

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Foundation's accounting periods beginning on or after 01 July 2019 or later periods:

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Foundation is in the process of evaluating the impacts of the aforesaid standard on the Foundation's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Foundation's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Foundation's financial statements.

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing general purpose financial statements in accordance with IFRS.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 – 2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Foundation's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: re-introduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 01 January 2020 for preparers that develop an accounting policy based on the Framework.

f) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Foundation

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Foundation's financial statements and are therefore, not detailed in these financial statements.

2.2 Employee benefits

Gratuity

The Foundation operates an approved funded gratuity scheme for all of its employees excluding Girls College, F-8/3, Islamabad for which the Foundation operates un-funded gratuity scheme, 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. 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 income and expenditure statement.

Employees' compensated absences

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

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.

2.3 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.

2.4 Functional and presentation currency

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the Foundation operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Foundation's functional and presentation currency.

2.5 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 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.

2.6 Property, equipment and depreciation

Items of property and equipment except freehold land and capital work in progress are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land and capital work in progress are 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 income and expenditure statement.

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 income and expenditure statement during the period in which they are incurred.

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 10.1, 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 of. Depreciation / amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.7 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. 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.

2.8 Development properties – housing schemes

Costs incurred on land acquisition, development and supervision are initially included in 'Development properties – housing schemes' presented under current assets.

Subsequent to initial recognition, work in progress of development properties is valued at lower of cost and net realizable value. Cost comprises land purchase cost and development and supervision costs of development properties. Net realizable value, in case of allotted plots, represents the allotted price of plot less estimated cost of completion to development work, and estimated cost necessary to be incurred for such sale. In case of un-allotted plots, net realizable value represents estimated selling price of plot (not necessarily based on independent valuation) less estimated cost of completion of development work and estimated cost necessary to be incurred for such sale.

On fulfilling the revenue recognition criteria, the related cost of the plot included in 'Development properties – housing schemes' is charged to income and expenditure statement.

2.9 Advances from customers

Funds received against allotments of plots are recognized as advances from customers and transferred to income and expenditure statement when conditions necessary to recognize the revenue from sale of plots are met.

2.10 Investments

Investments in subsidiary and associates are stated at cost less provision for impairment, if any.

2.11 IFRS 9 "Financial instruments"

The Foundation has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Foundation makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Foundation's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Foundation. New impairment requirements use an 'expected credit loss' ('ECL') model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Foundation has adopted IFRS 9 without restating the prior year results. Key changes in accounting policies resulting from application of IFRS 9 are as follows:

i. Recognition of financial instruments

The Foundation initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii. Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, 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, 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 income and expenditure statement.

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 income and expenditure statement.

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 income and expenditure statement.

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A 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

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

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

Financial liabilities

a) 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 income and expenditure statement. Any gain or loss on de-recognition is also included in income and expenditure statement.

iii. Impairment of financial assets

From 01 July 2018, the Foundation assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For advances and other receivables, the Foundation applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv. De-recognition

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.

v. 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.

vi. Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Foundation during the year ended 30 June 2019.

vii. Impacts of adoption of IFRS 9 on these financial statements as on 01 July 2018

On 01 July 2018, the Foundation's management has assessed which business models apply to the financial assets held by the Foundation at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. However, this change in classification and measurement of financial instruments has no financial impact on the financial statements of the Foundation.

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Foundation were as follows:

	Measurement category		Carrying amounts		
	Original (IAS 39)	New (IFRS 9)	Original	New	Difference
			Rupees		
Non-current financial assets					
Long term advances	Loans and receivables	Amortized cost	226,214,009	226,214,009	-
Long term deposits	Loans and receivables	Amortized cost	4,022,036	4,022,036	-
Current financial assets					
Advances and other receivables	Loans and Receivables	Amortized cost	228,173,683	228,173,683	-
Short term investments	Held to maturity	Amortized cost	3,536,830,580	3,536,830,580	-
Cash and bank balances	Loans and receivables	Amortized cost	892,500,510	892,500,510	-
Current financial liabilities					
Claims payable	Amortized cost	Amortized cost	1,052,199,784	1,052,199,784	-
Creditors, accrued and other liabilities	Amortized cost	Amortized cost	898,970,958	898,970,958	-

2.12 Revenue from contracts with customers

The Foundation has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in Foundation's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Foundation's performance and the customer's payment. Customer acquisition costs and costs to fulfill a contract can, subject to certain criteria, be capitalized as an asset and amortized over the contract period.

The Foundation has adopted IFRS 15 by applying the modified retrospective approach according to which the Foundation is not required to restate the prior year results. Key changes in accounting policies resulting from application of IFRS 15 are as follows:

i) Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Foundation is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Foundation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

Sale of plots

Revenue from the sale of plots is recognized at a point in time 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.

Fee, surcharge and other non-refundable charges on housing schemes are recognized when received.

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 right to receive the dividend is established.

Tuition fee

Tuition fee of the Foundation's schools and colleges are recognized on receipts basis as management believes it is to be more prudent given the cyclic nature of operations.

Rent

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.

Other revenue

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

ii) Contract liabilities

Contract liability is the obligation of the Foundation to transfer goods to a customer for which the Foundation has received consideration from the customer. If a customer pays consideration before the Foundation transfers goods, 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.

iii) Impacts of adoption of IFRS 15 on these financial statements as on 01 July 2018

The following adjustments were made to the amounts recognized in the financial statements at 01 July 2018:

Statement of financial position	30 June 2018	Adjustment	01 July 2018 Restated
	------------- Rupees -------------		
Current assets			
Development properties - housing schemes	5,032,128,259	(1,956,225,521)	3,075,902,738
Trade receivables	-	608,228,198	608,228,198
Current liabilities			
Advances from customers - housing schemes	(2,657,764,634)	896,397,851	(1,761,366,783)
Fund			
Welfare fund	(6,443,709,097)	451,599,472	(5,992,109,625)

2.13 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 are credited directly to Welfare Fund in the year in which amounts are received by the Foundation.

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

2.14 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. When the use of a property changes, it is reclassified as property and equipment.

2.15 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 is recognized in the income and expenditure statement unless the provision was originally recognized as part of cost of an asset.

2.16 Operating leases

Rentals payable under operating leases are charged to income and expenditure statement on a straight line basis over the term of the relevant lease.

2.17 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.

2.18 Creditors, accrued and other liabilities

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

2.19 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.

2.20 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.

2.21 Prior period errors

i. In previous years the Foundation issued 'No Objection Certificates' to its customers against allotment of plots but did not recognize revenue, and amounts received from customers were included in advances from customers. This error had understated welfare fund and overstated advances from customers and development properties - housing schemes of the Foundation.

Now this error has been rectified and the effect of this restatement has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

	2018			2017		
	As previously reported	**Adjustment**	**Restated**	**As previously reported**	**Adjustment**	**Restated**
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Effect on statement of financial position						
Advances from customers - housing schemes	(3,025,236,790)	367,472,156	(2,657,[illegible]64,634)	(2,940,332,334)	348,498,535	(2,591,833,799)
Welfare fund	(6,527,106,839)	(109,402,258)	(6,636,[illegible]09,097)	(7,672,134,519)	(90,665,807)	(7,762,800,326)
Development properties - housing schemes	5,289,960,987	(257,832,728)	5,032,128,259	5,295,264,334	(257,832,728)	5,037,431,606
Taxation recoverable - net	213,222,958	(237,170)	212,985,788	-	-	-

	30 June 2018		
	As previously reported	Adjustment	Restated
	Rupees	Rupees	Rupees
Effect on income and expenditure statement			
Housing division income	(115,073,814)	(18,973,621)	(134,047,435)
Taxation	15,572,018	237,170	15,809,188

ii. In previous years financial aid expense was recognized on payment basis in contravention of accrual basis of accounting, which resulted in understatement of creditors, accrued and other liabilities and over statement of welfare fund.

Now this error has been rectified and the effect of this restatement has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

	2018			2017		
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Effect on statement of financial position						
Welfare fund	(6,527,106,839)	192,800,000	(6,334,306,339)	(7,672,134,519)	210,200,000	(7,461,934,519)
Creditors, accrued and other liabilities	(842,488,506)	(192,800,000)	(1,035,288,506)	(786,084,590)	(210,200,000)	(996,284,590)

	30 June 2018		
	As previously reported	Adjustment	Restated
Effect on income and expenditure statement			
Welfare division expenses	821,344,162	(17,400,000)	803,944,162

There was no cash flow impact as a result of rectification of prior period errors.

iii. In previous years the Foundation did not recognize claims related to United Nations Compensation Commission Funds and related assets in its books of account. Now this error has been rectified and the effect of this restatement has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

Effect on statement of financial position

	30 June 2018			30 June 2017		
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Claims related to United Nations Compensation Commission Funds	-	(1,048,201,403)	(1,048,201,403)	-	(991,288,226)	(991,288,226)
Taxation recoverable – net	213,222,958	6,971,144	220,194,102	207,803,568	4,246,545	212,050,113
Cash and bank balances	892,500,510	513,513,474	1,406,013,984	614,218,903	477,753,170	1,091,972,073
Short term investments	3,536,830,580	527,716,785	4,064,547,365	4,726,273,559	509,288,511	5,235,562,070

Effect on statement of cash flows for the year ended 30 June 2018

	As previously reported	Adjustment	Restated
	Rupees	Rupees	Rupees
Cash flows from operating activities			
Income tax paid	20,991,408	2,724,599	23,716,007
Cash flows from investing activities			
Short term investments encashed - net	1,189,442,980	(18,973,250)	1,170,469,730
Cash and cash equivalents at beginning of the year	614,218,903	477,753,170	1,091,972,073
Cash and cash equivalents at end of the year	892,500,510	513,513,474	1,406,013,984

iv. In previous years the Foundation did not recognize social security claims Libya and related bank account in its books of account. Now this error has been rectified and the effect of this restatement has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

Effect on statement of financial position

	30 June 2018			30 June 2017		
	As previously reported	**Adjustment**	**Restated**	**As previously reported**	**Adjustment**	**Restated**
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Social Security Claims Libya	-	(3,998,381)	(3,998,381)	-	(3,781,220)	(3,781,220)
Cash and bank balances	892,500,510	3,998,381	896,498,891	614,218,903	3,781,220	618,000,123

Effect on statement of cash flows for the year ended 30 June 2018

	As previously reported	**Adjustment**	**Restated**
	Rupees	**Rupees**	**Rupees**
Cash and cash equivalents at beginning of the year	614,218,903	3,781,220	618,000,123
Cash and cash equivalents at end of the year	892,500,510	3,998,381	896,498,891

3 WELFARE FUND

Welfare fund represents compulsory and voluntary contribution by emigrants and interest on promoters' security as transferred to the Foundation by the Bureau of Emigration and Overseas Employment (BEOE) which is recorded by the Foundation on receipts basis. Surplus or deficit for the year is transferred to the welfare fund.

4 CAPITAL RESERVE

This represents cost of land donated by the Government of Khyber Pakhtunkhwa to the Foundation for Poly Trade School, Peshawar.

	NOTE	2019 Rupees	2018 Rupees
5 STAFF RETIREMENT BENEFITS			
Employees' compensated absences	5.1	332,036,596	335,019,589
Gratuity	5.2	1,381,610,367	1,246,825,643
		1,713,646,963	1,581,845,232

5.1 Employees' compensated absences

The actuarial valuation of employees' compensated absences was conducted on 30 June 2019, using projected unit credit method. Detail of obligation for employees' compensated absences is as follows.

	2019 Rupees	2018 Rupees
Present value of defined benefit obligation	332,036,596	335,019,589

5.1.1 Movement in the present value of obligation is as follows:

	2019 Rupees	2018 Rupees
Defined benefit obligation at beginning of the year	335,019,589	278,529,269
Current service cost	6,236,226	14,376,308
Experience adjustment	5,575,712	58,521,693
Benefits paid	(43,369,147)	(37,024,270)
Interest cost	28,574,216	20,616,589
Defined benefit obligation at the end of the year	332,036,596	335,019,589

5.1.2 Charge for the year

Income and expenditure statement:

	2019	2018
Current service cost	6,236,226	14,376,308
Interest cost for the year	28,574,216	20,616,589
Actuarial losses on present value of defined benefit obligation	5,575,712	58,521,693
	40,386,154	93,514,590

5.1.3 Actuarial assumptions

The following were the principal actuarial assumptions as at 30 June 2019:

	2019	2018
Assumptions to determine defined benefit obligation:		
Discount rate	14.25% - 14.50%	9.00%
Rate of salary increase	14.25% - 14.50%	9.00%
Assumptions to determine defined benefit cost:		
Discount rate	9.00% - 10.00%	7.75% - 9.25%
Rate of salary increase	9.00% - 10.00%	7.75% - 9.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	

5.1.4 Estimated expenses to be charged in income and expenditure statement in financial year 2020

	30 June 2020 Rupees
Current service cost	7,121,300
Interest cost on defined benefit obligation	47,420,848
	54,542,148

5.1.5 Sensitivity analysis

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 2019 would have been as follows:

	Impact on present value of defined benefit obligation	
	Increase	Decrease
	Rupees	
Discount rate + 1 %	304,409,073	363,903,830
Future salary increase + 1 %	363,831,375	303,985,781

5.1.6 Risks associated with defined benefit plan

Discount rate risk

Since discount rate is based on corporate / government bonds, any decrease in bond yields will increase plan liabilities.

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.

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.

Withdrawal risk

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

5.2 Gratuity

The latest actuarial valuation was carried out as at 30 June 2019, using the projected unit credit method. Detail of obligation for defined benefit plan is as follows:

		Un-funded	Funded	Total	Total
5.2.1	**The amounts recognized in the statement of financial position are as follows:**	**Girls College**	**Head Office and all divisions**	**2019**	**2018**
		Rupees	**Rupees**	**Rupees**	**Rupees**
	Present value of defined benefit obligation	309,726,392	1,335,495,229	1,645,221,621	1,655,377,656
	Less: Fair value of plan assets	-	(267,018,889)	(267,018,889)	(411,959,648)
	Receipts on behalf of the fund	-	3,407,635	3,407,635	3,407,635
	Net defined benefit liability	309,726,392	1,071,883,975	1,381,610,367	1,246,825,643
	Net liability at beginning of the year	287,977,206	958,848,437	1,246,825,643	978,458,164
	Charge to income and expenditure statement	43,587,444	162,954,527	206,541,971	174,211,246
	Charge to statement of comprehensive income for the year	(15,775,833)	(42,220,814)	(57,996,647)	139,255,123
	Contributions made during the year	-	(13,760,600)	(13,760,600)	(45,098,890)
	Net liability at end of the year	315,788,817	1,065,821,550	1,381,610,367	1,246,825,643
5.2.2	**Movement in the present value of defined benefit obligations is as follows:**				
	Present value of defined benefit obligations at beginning of the year	287,977,206	1,367,400,450	1,655,377,656	1,430,035,947
	Current service cost for the year	17,942,305	77,584,081	95,526,386	97,519,188
	Interest cost for the year	25,645,139	114,788,110	140,433,249	109,597,930
	Actuarial (gain) / loss on present value of defined benefit obligations	(15,775,833)	(40,323,394)	(56,099,227)	134,255,520
	Payments	(6,062,425)	(183,954,018)	(190,016,443)	(116,030,929)
	Present value of defined benefit obligations at end of the year	309,726,392	1,335,495,229	1,645,221,621	1,655,377,656
5.2.3	**Movement in fair value of plan assets**				
	Fair value of plan assets at beginning of the year	-	411,959,648	411,959,648	454,985,417
	Contributions made during the year	-	13,760,600	13,760,600	45,098,891
	Expected return on plan assets for the year	-	29,417,664	29,417,664	32,905,872
	Actuarial gain / (loss)	-	1,897,420	1,897,420	(4,999,603)
	Benefits paid during the year	-	(190,016,443)	(190,016,443)	(116,030,929)
	Fair value of plan assets at end of the year	-	267,018,889	267,018,889	411,959,648

		NOTE	2019	2018
			Rupees	**Rupees**
	Plan assets comprise of:			
	Investments in equity securities		1,520,022	1,520,022
	Pakistan Investment Bonds		-	55,366,008
	Treasury bills		232,589,557	306,007,193
	Balances in bank accounts		32,909,310	49,066,425
			267,018,889	411,959,648
5.2.4	**Charge for the year:**			
	Income and expenditure statement			
	Current service cost		95,526,386	97,519,188
	Interest cost		140,433,249	109,597,930
	Expected return on plan assets		(29,417,664)	(32,905,872)
		32	206,541,971	174,211,246

Estimated expenses to be charged in income and expenditure statement in financial year 2020

	Girls College	Head Office and all divisions	30 June 2020
			Rupees
Current service cost	20,543,939	88,639,813	109,183,752
Interest cost on defined benefit obligation	44,910,327	190,308,070	235,218,397
Interest income on plan assets	-	(39,030,634)	(39,030,634)
	65,454,266	239,917,249	305,371,515

5.2.5 Actuarial assumptions

The following were the principal actuarial assumptions at 30 June 2019:

	2019	2018
Discount rate used for year end obligations		
Discount rate used for interest cost	14.25% - 14.50%	9%
Salary increase rate (per annum)	14.25% - 14.50%	7.75 % - 9.25 %
Expected mortality rate	SLIC 2001 - 2005	
	Setback 1 Year	
Retirement assumptions	60 Years	

5.2.6 Sensitivity analysis

Reasonably possible changes at the reporting date at one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined benefit obligations by the amounts shown below.

	Increase	Decrease
	Rupees	
Discount rate (1% movement)	121,173,631	(138,032,288)
Salary increase rate (1% movement)	(136,754,228)	122,176,064
Future withdrawal (10% movement)	227,249	(206,380)
Mortality rate (1 year movement)	(3,138,178)	3,116,648

	2019 Rupees	2018 Rupees
Expected maturity profile		
Following are the expected distribution and timing of benefit payments at year end.		
Year 1	203,084,544	107,699,815
Year 2	112,611,199	119,643,071
Year 3	111,254,502	116,662,143
Year 4	100,358,374	110,597,048
Year 5	102,010,294	107,825,000
Year 6 to Year 10	643,388,205	670,907,592
Year 11 and above	1,895,152,202	1,957,562,075

5.2.7 Risks associated with defined benefit plan

Investment risks

The risk arises when the actual performance of the investments is lower than expectations and thus creating a shortfall in the funding objective.

Longitivity risks

The risk arises when the actual lifetime of retiree is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly. The risk arises when the actual lifetime of retiree is longer than expectation. This risk is measured at the plan level over the entire retiree population.

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.

5.2.8 Amounts for the current and previous four years:

	2019	2018	2017	2016	2015
			Rupees		
Present value of defined benefit obligation	1,645,221,621	1,655,377,656	1,430,035,947	1,177,709,993	781,609,792
Fair value of plan assets	(267,018,889)	(411,959,648)	(454,985,417)	(516,475,041)	(249,456,607)
Receipts on behalf of the fund	3,407,635	3,407,635	3,407,635	3,407,635	3,407,635
Deficit	1,381,610,367	1,246,825,643	978,458,165	664,642,587	535,560,820
Remeasurement loss / (gain) on obligation	(56,099,227)	134,255,520	(166,871,228)	(225,326,717)	(30,497,761)
Remeasurement gain / (loss) on plan assets	1,897,420	(4,999,603)	(21,654,683)	864,877	25,274,746

6 CLAIMS PAYABLE

	Social security claims Libya (Note 6.1)		Claims related to United Nations Compensation Commission Funds (Note 6.2)		Total	
	2019	2018 Restated	2019	2018 Restated	2019	2018 Restated
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as on 01 July	3,998,381	3,781,220	1,048,201,403	991,288,226	1,052,199,784	995,069,446
Add:						
Return on:						
Saving accounts	6,990	5,957	54,635,476	27,246,186	54,642,466	27,252,143
Short term investments	-	-	45,091,326	30,577,524	45,091,326	30,577,524
Exchange gain	1,360,871	586,482	-	-	1,360,871	586,482
	1,367,861	592,439	99,726,802	57,823,710	101,094,663	58,416,149
Less:						
Bank charges and taxes	(841)	(2,332)	(4,490)	(2,910)	(5,331)	(5,242)
Payment to claimants	-	(371,895)	(606,101)	(832,268)	(606,101)	(1,204,163)
Legal and professional fee	-	-	(90,000)	(72,890)	(90,000)	(72,890)
Other expenses	-	(1,051)	(8,297)	(2,465)	(8,297)	(3,516)
	(841)	(375,278)	(708,888)	(910,533)	(709,729)	(1,285,811)
Balance as on 30 June	5,365,401	3,998,381	1,147,219,317	1,048,201,403	1,152,584,718	1,052,199,784

6.1 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. Pakistanis workers claimed payment of social security deducted from salaries during their service. During the year 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.

6.2 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 687 of 1991, to process claims and pay compensation for losses and damage 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 Rupees 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 unlocated 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 and for amount accrued thereon as income / interest.

	2019	2018 Restated
	Rupees	Rupees
7 ADVANCES FROM CUSTOMERS - HOUSING SCHEMES		
Islamabad	-	1,672,786,800
Raiwind Road Colony, Lahore	1,061,415,782	941,962,236
Chittarpari Mirpur, Azad Jammu and Kashmir	2,522,124	-
Peshawar	92,834,665	31,838,743
Rawat, Rawalpindi	1,147,025	1,147,025
Dadu	9,736,016	9,529,830
Farm houses / KBWL cluster houses, Islamabad	500,000	500,000
	1,168,155,612	2,657,764,634

		NOTE	2019 Rupees	2018 Restated Rupees
8	**CREDITORS, ACCRUED AND OTHER LIABILITIES**			
	Accrued liabilities		344,011,345	267,972,855
	Retention money		8,150,311	6,271,532
	Security deposits	8.1	198,165,099	195,000,000
	Students security deposits	8.1	188,144,719	170,074,332
	Advance rent		8,164,578	13,315,665
	Advances refundable against abandoned scheme - Faisalabad		2,109,493	2,126,193
	Interest payable against abandoned scheme - Faisalabad		5,395,408	5,456,704
	Payable against purchase of land		1,298,875	1,298,875
	Application money for housing schemes		12,793,101	2,793,101
	Compensation payable to Joint Management (Private) Limited		-	120,000,000
	Withholding income tax payable		11,986,677	23,095,410
	Federal excise duty payable		16,550,984	16,550,984
	Payable to employees against contribution to provident fund	8.2	77,890,009	83,355,489
	Payable to contractors and consultants		50,623,331	71,352,269
	Others		83,438,403	56,625,097
			1,008,722,333	1,035,288,506

8.1 These represent security deposits received from students in Foundation's school and colleges and suppliers / consultants. These security deposits have not been kept in separate bank account.

8.2 In pursuance of decision of the Board of Governors in its meeting held on 10 December 2015, 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.

9 CONTINGENCIES AND COMMITMENTS

a) Contingencies

(i) 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 Rupees 13.740 million. The total consideration was paid to Mr. Muhammad Nawaz who transferred Rupees 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 23 May 1995 (new number 826/ 26 November 2005) in the Civil Court at Islamabad, the same was dismissed vide order dated 27 March 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 20 July 2011. Being aggrieved, the Foundation filed civil revision petition in Islamabad High Court, Islamabad which was dismissed through judgement dated 24 January 2011 and Islamabad High Court directed Mir Fazal to repay the amount of Rupees 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. 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.

(ii) M/s Tariq & Siraj Associates was the contractor for supply of land measuring 3,000 kanals @ Rupees 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 Rupees 185.4 million along with markup from 1 August 1997 till actual realization of amount. The case was referred in Islamabad High Court, Islamabad where the Foundation claimed an amount of Rupees 175.335 million as counter claim from plaintiff. On 8 July 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 that is still pending. The management is hopeful of a favourable outcome of the case. Accordingly, no provision has been made in these financial statements.

(iii) On 27 June 1994, an agreement was signed between the Foundation and M/S Joint Management (Private) Limited ("JML") for purchase of land for housing scheme Zone - V Islamabad. JML failed to provide compact and contagious shape land in accordance with the terms of the agreement. The Foundation withheld payment of land measuring 174 kanals amounting to Rupees 11.55 million on account of violation of the agreement. JML filed suit for resolution in Islamabad High Court (IHC), Islamabad. IHC appointed arbitrator for resolution of the dispute. The arbitrator decided the matter in favor of JML and ordered the Foundation for payment at the gold rate prevailing in 1997. The decision of the arbitrator was submitted before IHC and IHC vide order dated 19 November 2018, directed furnishing pay order amounting to Rupees 120 million representing Rupees 11.55 million as cost of land acquired and Rupees 108.45 million as late payment penalty in favor of IHC, which was submitted by the Foundation. On 26 November 2018 the Foundation filed civil review petition against the decision of High Court in the Supreme Court of Pakistan.

On 26 March 2019 the Supreme Court of Pakistan decided the matter in favour of JML. The Foundation filed a review petition before the Supreme Court of Pakistan, which was dismissed on 29 April 2019, as a result a provision of Rupees 120 million was recognized in financial statements for the year ended 30 June 2018. On 9 May 2019, JML filed an application before Senior Civil Judge, Islamabad that the Foundation paid Rupees 120 million as per gold rate of 2016, while gold rate in May 2019 is Rupees 5,987 per gram and amount payable is Rupees 174.156 million instead of Rupees 120 million and requested the court for directions to pay the remaining amount of Rupees 54.156 million. Civil Judge (West) Islamabad vide order dated 08 November 2019 transferred the case in the court of Civil Judge. The Civil Judge vide order dated 18 November 2019 accepted the application of JML in terms that the Foundation is liable to pay the amount as per gold rate on 15 May 2019 and appointed a lawyer as local commission to ascertain what was the gold rate in the year 1997 and 15 May 2019. The Foundation filed an appeal before IHC, Islamabad against order dated 18 November 2019. IHC through order dated 18 December 2019 declared that let the local commission proceed in accordance with the direction of the Civil Court and submit a report before the Civil Court. However, restrained Civil Court from passing a final order, till the date of next hearing. The management is hopeful of a favourable outcome of the case. Accordingly, no provision has been made in these financial statments.

(iv) 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 Rupees 185.35 million including cost of land and surcharges. The case is pending in Civil Court. Management is hopeful of a favorable outcome of the dispute. Accordingly, no provision has been made in these financial statements.

(v) On 12 August 2014, the Inland Revenue Audit Officer raised a demand of Rupees 864.02 million on account of federal excise duty (FED) along with penalty and default surcharge payable by the Foundation in the status of property developer and promoter as per the provision of serial 12(a), Table II of the Second Schedule to the Federal Excise Duty Act, 2005 (the Act). The Foundation filed an appeal under section 33 of the Act with the Commissioner Inland Revenue (Appeals-II) (CIR(A)) against the said order on the grounds that the Foundation's housing schemes subject to excise duty were completed during the period from 1995 to 2005 and its scheme in Islamabad is expected to be completed in the year 2018 whereas the said duty was effective for the period from July 2008 to June 2011. The CIR(A) vide order dated 12 November 2014 remanded back the case to the department with the directions to reframe the order after verification and scrutiny of the records and determination of the final duty payable, if any, by the Foundation. The Foundation filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A) on the grounds that the remand back of the case by the CIR(A) is prohibited within the meaning of section 33(3) of the Act and the order passed for recovery of the duty is barred by limitation. Further, after the 18th amendment in the Constitution, the taxation of property does not fall within the jurisdiction of the Federal Government as the same has now become the domain of the provinces. The ATIR in its order dated 10 September 2015, remanded back the case to the Assessing Officer with direction to bring concrete evidence on record that the housing schemes were completed during the tax years under appeal. The Foundation being aggrieved, in March 2016 filed an appeal against the order of the ATIR with IHC on legal grounds which is pending adjudication. The management is confident of a favorable outcome of the case and believes that the Foundation will not be liable to pay the duty. Accordingly, no provision for the demand raised has been made in these financial statements.

(vi) Commissioner Inland Revenue issued orders under Section 221 for tax year 2004, and under Section 124/122(5A) of the Income Tax Ordinance, 2001 for tax years 2007, 2009 and 2011, charged tax on income of welfare fund and disallowed certain expenses. Being aggrieved, on 13 August 2013 the Foundation filed an appeal before CIR(A), who vide order dated 23 December 2013, declared the matter in favour of the Foundation. Being aggrieved, the CIR(A) filed an appeal dated 25 February 2014 before ATIR. The matter is still pending and the Foundation is hopeful for a favourable outcome, accordingly no provision has been made in these financial statements.

(vii) The Deputy Commissioner Inland Revenue, Large Taxpayer Unit, Islamabad vide DCR No. 01 / 001 dated 22 January 2020 raised a tax demand of Rupees 415.34 million under section 122(1) of the Income Tax Ordinance, 2001 for tax year 2014. The Assistant Commissioner Inland Revenue issued recovery notice u/s 137(2) of the Income Tax Ordinance, 2001 to pay overdue tax payable for tax year 2014. On 28 February 2020, the Foundation filed an appeal before CIR(A), Islamabad which is pending adjudication. Further the Foundation filed an appeal before ATIR for stay order. ATIR vide order dated 6 March 2020 directed CIR(A) to hear and decide the appeal within 60 days and granted stay order till the decision of the appeal by learned CIR(A), and restrained the department from recovery of impugned tax demand. The management is confident of favourable outcome of the case. Accordingly, no provision for demand raised has been made in these financial statements.

(viii) There are certain other cases outstanding as on 30 June 2019. Adverse impact, if any, of these cases is not considered material to these financial statements and management assesses favorable outcome of these cases.

(ix) As at 30 June 2019, the Foundation has provided bank guarantees amounting to Rupees 1.58 million (2018: Rupees 1.58 million). These guarantees have been secured against lien on bank balance of the Foundation amounting to Rupees1.58 million (2018: Rupees 1.58 million).

b) **Commitments**

(i) Contractual commitments outstanding as at 30 June 2019 against the development expenditure on housing schemes were Rupees 181.144 million (2018: Rupees 290.3 million).

(ii) Capital commitments at 30 June 2019 against the construction works of school and college buildings were Rupees 240.813 million (2018: Rupees 370 million).

	NOTE	2019 Rupees	2018 Rupees
10 PROPERTY AND EQUIPMENT			
Operating fixed assets	10.1	1,249,833,515	1,271,593,291
Capital work in progress	10.2	430,080,456	209,626,846
		1,679,913,971	1,481,220,137

10.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Library books	Furniture and fixtures	Vehicles	Electrical equipment	Office equipment	Sub total - carried forward
	------	------	------	------	------ Rupees	------	------	------	------	
At 30 June 2017										
Cost	20,575,014	38,672,936	366,429,777	492,336,985	5,914,652	99,199,245	109,905,509	126,868,279	17,138,219	1,277,040,616
Accumulated amortization / depreciation	-	(27,269,787)	(51,205,777)	(106,053,136)	(5,487,640)	(54,270,785)	(90,071,957)	(86,798,462)	(15,635,663)	(436,793,207)
Net book value	20,575,014	11,403,149	315,224,000	386,283,849	427,012	44,928,460	19,833,552	40,069,817	1,502,556	840,247,409
Year ended 30 June 2018										
Opening net book value	20,575,014	11,403,149	315,224,000	386,283,849	427,012	44,928,460	19,833,552	40,069,817	1,502,556	840,247,409
Additions	-	-	-	500,682	-	2,936,172	2,420,980	3,801,868	524,304	10,184,006
Transferred from capital work in progress (Note 10.2)	-	-	395,744,307	36,359,521	-	-	-	-	-	432,103,828
Disposals:										
Cost	-	-	-	-	-	(62,400)	(4,081,109)	-	-	(4,143,509)
Accumulated depreciation	-	-	-	-	-	47,384	3,846,545	-	-	3,893,929
	-	-	-	-	-	(15,016)	(234,564)	-	-	(249,580)
Amortization / depreciation charge for the year	-	(1,179,483)	(9,061,623)	(10,165,489)	(42,701)	(4,626,959)	(4,248,557)	(6,092,129)	(283,146)	(35,700,087)
Closing net book value	20,575,014	10,223,666	701,906,684	412,978,563	384,311	43,222,657	17,771,411	37,779,556	1,743,714	1,246,585,576
At 30 June 2018										
Cost	20,575,014	38,672,936	762,174,084	529,197,188	5,914,652	102,073,017	108,245,380	130,670,147	17,662,523	1,715,184,941
Accumulated amortization / depreciation	-	(28,449,270)	(60,267,400)	(116,218,625)	(5,530,341)	(58,850,360)	(90,473,969)	(92,890,591)	(15,918,809)	(468,599,365)
Net book value	20,575,014	10,223,666	701,906,684	412,978,563	384,311	43,222,657	17,771,411	37,779,556	1,743,714	1,246,585,576
Year ended 30 June 2019										
Opening net book value	20,575,014	10,223,666	701,906,684	412,978,563	384,311	43,222,657	17,771,411	37,779,556	1,743,714	1,246,585,576
Additions	-	-	-	-	-	4,408,479	-	4,723,436	31,789	9,163,704
Transferred from capital work in progress (Note 10.2)	-	-	5,135,083	7,299,357	-	-	-	-	-	12,434,440
Disposals:										
Cost	-	-	-	-	-	(532,168)	(7,077,867)	(54,000)	(777,893)	(8,441,928)
Accumulated depreciation	-	-	-	-	-	500,842	6,689,157	48,100	742,624	7,980,723
	-	-	-	-	-	(31,326)	(388,710)	(5,900)	(35,269)	(461,205)
Transferred to investment properties: (Note 11)										
Cost	-	-	-	(14,887,308)	-	-	-	-	-	(14,887,308)
Accumulated amortization	-	-	-	6,178,407	-	-	-	-	-	6,178,407
	-	-	-	(8,708,901)	-	-	-	-	-	(8,708,901)
Amortization / depreciation charge for the year	-	(1,171,908)	(17,613,820)	(10,273,779)	(38,431)	(4,576,873)	(3,531,580)	(5,925,769)	(266,720)	(43,398,880)
Closing net book value	20,575,014	9,051,758	689,427,947	401,295,240	345,880	43,022,937	13,851,121	36,571,323	1,473,514	1,215,614,734
At 30 June 2019										
Cost	20,575,014	38,672,936	767,309,167	521,609,237	5,914,652	105,949,328	101,167,513	135,339,583	16,916,419	1,713,453,849
Accumulated amortization / depreciation	-	(29,621,178)	(77,881,220)	(120,313,997)	(5,568,772)	(62,926,391)	(87,316,392)	(98,768,260)	(15,442,905)	(497,839,115)
Net book value	20,575,014	9,051,758	689,427,947	401,295,240	345,880	43,022,937	13,851,121	36,571,323	1,473,514	1,215,614,734
Annual rate of depreciation	-	33 years	2.5%	2.5%	10%	10%	20%	15%	15%	

	Sub total - brought forward	Computer equipment	Medical equipment	Laboratory equipment	Tools and equipment	Play equipment	Photography equipment	Security equipment	Arms and ammunition	Grand total
	Rupees									
At 30 June 2017										
Cost	1,277,040,616	72,111,398	11,460,644	15,502,697	2,121,139	3,302,774	619,632	989,885	9,425	1,383,158,210
Accumulated amortization / depreciation	(436,793,207)	(54,523,810)	(7,273,706)	(12,137,755)	(828,867)	(2,211,395)	(29,624)	(136,589)	(8,248)	(513,943,201)
Net book value	840,247,409	17,587,588	4,186,938	3,364,942	1,292,272	1,091,379	590,008	853,296	1,177	869,215,009
Year ended 30 June 2018										
Opening net book value	840,247,409	17,587,588	4,186,938	3,364,942	1,292,272	1,091,379	590,008	853,296	1,177	869,215,009
Additions	10,184,006	3,221,147	-	39,800	-	159,885	-	531,880	-	14,136,718
Transferred from capital work in progress (Note 10.2)	432,103,828	-	-	-	-	-	-	-	-	432,103,828
Disposals:										
Cost	(4,143,509)	(121,500)	-	-	-	-	-	-	-	(4,265,009)
Accumulated depreciation	3,893,929	101,245	-	-	-	-	-	-	-	3,995,174
	(249,580)	(20,255)	-	-	-	-	-	-	-	(269,835)
Amortization / depreciation charge for the year	(35,700,087)	(6,092,048)	(628,041)	(462,541)	(193,841)	(171,347)	(458)	(343,948)	(118)	(43,592,429)
Closing net book value	1,246,585,576	14,696,432	3,558,897	2,942,201	1,098,431	1,079,917	589,550	1,041,228	1,059	1,271,593,291
At 30 June 2018										
Cost	1,715,184,941	75,211,045	11,460,644	15,542,497	2,121,139	3,462,659	619,632	1,521,765	9,425	1,825,133,747
Accumulated amortization / depreciation	(468,599,365)	(60,514,613)	(7,901,747)	(12,600,296)	(1,022,708)	(2,382,742)	(30,082)	(480,537)	(8,366)	(553,540,456)
Net book value	1,246,585,576	14,696,432	3,558,897	2,942,201	1,098,431	1,079,917	589,550	1,041,228	1,059	1,271,593,291
Year ended 30 June 2019										
Opening net book value	1,246,585,576	14,696,432	3,558,897	2,942,201	1,098,431	1,079,917	589,550	1,041,228	1,059	1,271,593,291
Additions	9,163,704	15,479,263	-	79,714	-	313,880	-	394,391	-	25,430,952
Transferred from capital work in progress (Note 10.2)	12,434,440	-	-	-	-	-	-	-	-	12,434,440
Disposals:										
Cost	(8,441,928)	(3,402,699)	-	-	-	(15,000)	-	-	-	(11,859,627)
Accumulated amortization / depreciation	7,980,723	3,386,314	-	-	-	12,050	-	-		11,379,087
	(461,205)	(16,385)	-	-	-	(2,950)	-	-	-	(480,540)
Transferred to investment properties: (Note 11)										
Cost	(14,887,308)	-	-	-	-	-	-	-	-	(14,887,308)
Accumulated depreciation	6,178,407	-	-	-	-	-	-	-	-	6,178,407
	(8,708,901)	-	-	-	-	-	-	-	-	(8,708,901)
Amortization / depreciation charge for the year	(43,398,880)	(5,408,808)	(533,835)	(441,120)	(164,765)	(197,138)	(88,433)	(202,642)	(106)	(50,435,727)
Closing net book value	1,215,614,734	24,750,502	3,025,062	2,580,795	933,666	1,193,709	501,117	1,232,977	953	1,249,833,515
At 30 June 2019										
Cost	1,713,453,849	87,287,609	11,460,644	15,622,211	2,121,139	3,761,539	619,632	1,916,156	9,425	1,836,252,204
Accumulated amortization / depreciation	(497,839,115)	(62,537,107)	(8,435,582)	(13,041,416)	(1,187,473)	(2,567,830)	(118,515)	(683,179)	(8,472)	(586,418,689)
Net book value	1,215,614,734	24,750,502	3,025,062	2,580,795	933,666	1,193,709	501,117	1,232,977	953	1,249,833,515
Annual rate of depreciation		33%	15%	15%	15%	15%	15%	15%	10%	

	NOTE	2019 Rupees	2018 Rupees

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

	NOTE	2019 Rupees	2018 Rupees
Housing division	28	1,081,260	1,092,302
Welfare division	29	466,651	498,317
Eye hospitals	29	864,632	982,122
Education division:	30		
- OPF Public Schools Pakistan		38,031,969	29,736,645
- Administration depreciation		1,035,398	1,108,724
- OPF Public Schools - Azad Jammu and Kashmir		1,046,690	1,148,794
Publicity and marketing cell	31	149,925	77,345
Administrative and other expenses	32	7,692,931	8,867,867
Regional Office Azad Jammu and Kashmir	32	66,271	80,313
		50,435,727	43,592,429

10.2 Capital work in progress - civil works

	NOTE	2019 Rupees	2018 Rupees
Balance at beginning of the year		209,626,846	511,731,429
Additions during the year		232,888,050	129,999,245
		442,514,896	641,730,674
Transfers to operating fixed assets:			
- Buildings on freehold land		(5,135,083)	(395,744,307)
- Buildings on leasehold land		(7,299,357)	(36,359,521)
	10.1	(12,434,440)	(432,103,828)
Balance at the end of the year	10.2.1	430,080,456	209,626,846

10.2.1 Capital work in progress - civil works

	2019 Rupees	2018 Rupees
OPF Girls College, Rawalpindi	-	2,602,235
OPF College, Hangu and Turbat	133,216,859	115,886,794
OPF Public School, Noudero	569,967	569,967
OPF School Multan, Quetta, Mirpur and Bhalwal	44,079,610	27,250,280
OPF Public School, Dadu	221,295	221,295
OPF Public School, Peshawar	50,861,670	37,282,722
OPF Building F-11, Islamabad	170,264,089	-
OPF Building, Quetta	18,797,939	21,182,263
OPF Hospital, Dera Ghazi Khan	4,631,290	4,631,290
OPF Boys College, H-8/4	545,000	-
Housing scheme site office, Lahore	6,892,737	-
	430,080,456	209,626,846

11 INTANGIBLES

	Accounting software	Computer softwares	Total
	---------- Rupees ----------		
At 30 June 2017			
Cost	1,080,000	3,084,921	4,164,921
Accumulated amortization	(1,056,835)	(2,122,259)	(3,179,094)
	23,165	962,662	985,827
Year ended 30 June 2018			
Opening net book value	23,165	962,662	985,827
Additions	1,103,278	1,881,516	2,984,794
Amortization charge for the year	(30,453)	(732,621)	(763,074)
Closing net book value	1,095,990	2,111,557	3,207,547
At 30 June 2018			
Cost	2,183,278	4,966,437	7,149,715
Accumulated amortization	(1,087,288)	(2,854,880)	(3,942,168)
	1,095,990	2,111,557	3,207,547
Year ended 30 June 2019			
Opening net book value	1,095,990	2,111,557	3,207,547
Additions	-	1,048,500	1,048,500
Amortization charge for the year	(361,677)	(927,484)	(1,289,161)
Closing net book value	734,313	2,232,573	2,966,886
At 30 June 2019			
Cost	2,183,278	6,014,937	8,198,215
Accumulated amortization	(1,448,965)	(3,782,364)	(5,231,329)
	734,313	2,232,573	2,966,886
Amortization rate	33%	33%	

	NOTE	2019 Rupees	2018 Rupees
11.1 Amortization charge for the year has been allocated as follows:			
Housing division	28	350,416	213,634
Welfare division	29	126,500	-
Administrative and other expenses	32	812,245	549,440
		1,289,161	763,074

12 INVESTMENT PROPERTIES

	NOTE	Buildings Rupees
At 30 June 2017		
Cost		72,914,414
Accumulated depreciation		(7,949,625)
		64,964,789
Year ended 30 June 2018		
Opening net book value		64,964,789
Depreciation charge for the year	32	(1,624,120)
Closing net book value		63,340,669
At 30 June 2018		
Cost		72,914,414
Accumulated depreciation		(9,573,745)
		63,340,669
Year ended 30 June 2019		
Opening net book value		63,340,669
Transferred from operating fixed assets:	10.1	
Cost		14,887,308
Accumulated amortization		(6,178,407)
		8,708,901
Depreciation charge for the year	32	(1,801,239)
Closing net book value		70,248,331
At 30 June 2019		
Cost		87,801,722
Accumulated depreciation		(17,553,391)
		70,248,331
Depreciation rate		2.5%

12.1 **Particulars of investment properties are as follows:**

Description	Address	Total area (Sq. Ft)
Building	Hayatabad Phase - V, Peshawar	22,509
Building	Plot No. 20-A/II, Block-06, P.E.C.H.S, Off Shahrah-e-Faisal, Karachi	5,766
Building	Head office building, Shahrah -e- Jamhuriat, G-5/2, Islamabad	21,142

	NOTE	2019 Rupees	2018 Rupees
13 LONG TERM INVESTMENTS			
Debt instruments	13.1	-	-
Equity instruments	13.2	-	-
		-	-

13.1 **Debt instruments**

	NOTE	2019 Rupees	2018 Rupees
Amortized cost			
Deposits with Banker's Equity Limited (under liquidation)		6,859,012	6,859,012
Less: Provision for impairment		(6,859,012)	(6,859,012)
		-	-
Movement in provision for impairment is as follows:			
Opening balance		6,859,012	10,288,550
Recovered during the year	27	-	(3,429,538)
Closing balance		6,859,012	6,859,012

13.1.1 The State Bank of Pakistan took 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 18 April 2001. The Supreme Court suspended the order of the Sindh High Court and granted interim status quo in November 2001 which was subsequently vacated by the Supreme Court. Consequently, the liquidation proceedings under the order of the Sindh High Court resumed and the Official Liquidator disbursed dividend of Rupees Nil (2018: Rupees 3.429 million) during the year.

	2019 Rupees	2018 Rupees
13.2 Equity instruments		
Subsidiary company		
Kaghan Brick Works Limited - unquoted		
650,000 ordinary shares (2018: 650,000 ordinary shares) of Rupees 10 each Percentage of holding - 100% (2018: 100%)	269,891	269,891
Equity instruments **Fair value through profit or loss** **Others** **Duty Free Shops Limited - unquoted**		
35,801 ordinary shares (2018: 35,801 ordinary shares) of Rupees 100 each Percentage of holding - 2.39% (2018: 2.39%)	110,200	110,200
	380,091	380,091
Less: Provision for impairment	(380,091)	(380,091)
	-	-

	NOTE	2019 Rupees	2018 Rupees

14 LONG TERM ADVANCES

	NOTE	2019 Rupees	2018 Rupees
Considered good			
Advances to staff - secured	14.1	241,234,398	226,214,009
Less: Current maturity shown under current assets	18	(27,790,836)	(28,088,103)
		213,443,562	198,125,906
Considered doubtful			
Receivable from Kaghan Brick Works Limited - subsidiary company	14.2	83,701,755	83,701,755
Receivable from Center of Excellence and Management Sciences		5,000,000	5,000,000
		88,701,755	88,701,755
		302,145,317	286,827,661
Less: Provision against doubtful advances		(88,701,755)	(88,701,755)
		213,443,562	198,125,906

14.1 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% (2018: 4% to 4.5%) per annum on the outstanding balance. Interest free advances to employees have not been discounted as required by IFRS 9 "Financial Instruments" as its effect is immaterial.

These advances include Nil (2018: Nil) given to key management personnel of the Foundation.

	NOTE	2019 Rupees	2018 Rupees
14.2 Age analysis of receivable from Kaghan Brick Works Limited is:			
1 to 2 years		-	44,000
More then 2 years		44,000	24,025
More then 3 years		83,657,755	83,633,730
		83,701,755	83,701,755

15 DEFERRED INCOME TAX ASSET

This comprises of following:

	NOTE	2019 Rupees	2018 Rupees
Taxable temporary differences			
Accelerated tax depreciation		(285,348,628)	(284,041,528)
Deductible temporary differences			
Staff retirement benefits		496,957,619	458,735,117
Turnover tax		62,649,294	26,282,043
Unused tax losses		1,322,395,413	1,189,416,599
		1,882,002,326	1,674,433,759
Provision for impairment:			
Debt instruments		1,989,113	-
Equity instruments		110,226	-
		2,099,339	-
Provision against doubtful advances and other receivables		2,398,312	-
Provision against doubtful mobilization advance		492,878	-
		2,891,190	-
		1,601,644,227	1,390,392,231
Deferred income tax asset not recognized	15.1	(1,601,644,227)	(1,390,392,231)
		-	-

15.1 The net deferred income tax asset of Rupees 1,601.64 million (2018: Rupees 1,390.39 million) has not been recognized in these financial statements as the temporary differences are not expected to reverse in foreseeable future because taxable profits will not be probably available against which the temporary differences can be utilized.

16 DEVELOPMENT PROPERTIES - HOUSING SCHEMES

	NOTE	2019 Rupees	2018 Rupees
Mobilization advance	16.1	59,065,074	34,488,750
Development expenditure on housing schemes	16.2	1,599,278,478	4,997,639,509
		1,658,343,552	5,032,128,259

16.1 Mobilization advance

	NOTE	2019 Rupees	2018 Rupees
Islamabad		35,820,830	35,820,830
Raiwind Road Lahore		14,563,824	-
Peshawar		367,500	367,500
Rawat		10,012,500	10,012,500
		60,764,654	46,200,830
Less: Provision against doubtful mobilization advances	16.1.1	(1,699,580)	(11,712,080)
		59,065,074	34,488,750

	NOTE	2019 Rupees	2018 Rupees

16.1.1 Movement in provision against doubtful mobilization advances

	NOTE	2019 Rupees	2018 Rupees
Balance at the beginning of the year		11,712,080	11,712,080
Reversal for the year	27	(10,012,500)	-
Balance at the end of the year		1,699,580	11,712,080

16.2 Development expenditure on housing schemes

		2019 Rupees	2018 Rupees
Islamabad		736,564,759	4,211,453,462
Raiwind Road colony, Lahore		718,071,556	657,875,992
Peshawar		8,874,113	8,874,113
Chittarpari Mirpur, Azam Jammu and Kashmir		65,949,867	65,791,388
Gujrat		93,928	93,928
Dadu		20,203,205	14,307,921
Rawat, Rawalpindi		49,521,050	39,242,705
		1,599,278,478	4,997,639,509

17 TRADE RECEIVABLES

Unsecured

		2019 Rupees	2018 Rupees
Considered good			
Islamabad housing scheme		1,135,420,103	-

As at 30 June 2019, trade receivables of Rupees 1,135.42 million (2018: Rupees Nil) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	NOTE	2019 Rupees	2018 Rupees
Past due less than 30 days		527,191,905	-
Past due less than 60 days		-	-
Past due less than 90 days		-	-
Past due less than 365 days		608,228,198	-
		1,135,420,103	-

18 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	NOTE	2019 Rupees	2018 Rupees
Considered good			
Advances to staff	18.1		
- against expenses		22,467,956	28,172,936
- against salaries		94,179,526	88,181,479
- current maturity of long term advances	14	27,790,836	28,088,103
		144,438,318	144,442,518
Advances to suppliers		382,148	382,148
Prepayments		8,077,231	9,585,417
Accrued interest	18.2	2,952,992	4,840
Other receivables		11,511,673	139,987,364
		22,924,044	149,959,769
		167,362,362	294,402,287
Considered doubtful			
Receivable against allotments		331,718	331,718
Advances to staff		2,528,740	1,500,000
Other receivables		5,409,584	5,409,584
		8,270,042	7,241,302
		175,632,404	301,643,589
Less: Provision against doubtful advances and receivables	18.3	(8,270,042)	(7,241,302)
		167,362,362	294,402,287

18.1 This includes Nil (2018: Nil) given to key management personnel of the Foundation.

18.2 This includes accrued interest of Rupees 19,199 (2018: Nil) on bank account maintained for claims related to United Nations Compensation Commission Funds.

		NOTE	2019 Rupees	2018 Rupees
18.3	**Movement in provision against doubtful advances and receivables is as follows:**			
	Balance at the beginning of the year		7,241,302	3,399,367
	Provision for the year	32	1,028,740	3,841,935
	Balance at the end of the year		8,270,042	7,241,302

		NOTE	2019 Rupees	2018 Restated Rupees
19	**TAXATION RECOVERABLE - NET**			
	Opening balance		233,361,452	225,454,633
	Income tax deducted at source		19,022,062	23,716,007
	Income tax refund received during the year		(63,913,450)	-
	Provision for the year	33	(36,367,251)	(15,809,188)
			152,102,813	233,361,452
	Provision against doubtful taxation recoverable		(13,404,520)	(13,404,520)
	Closing balance	19.2	138,698,293	219,956,932

19.1 These mainly include income tax deducted on profit on bank accounts and investments of the Foundation. Management believes that pursuant to clause 65A of the part I of the Second Schedule to the Income Tax Ordinance, 2001, the income derived from the Welfare Fund is exempt from tax. Therefore, the amount is recoverable. The recoverability of this amount is subject to acceptance of refund claims by the tax authorities.

19.2 It includes an amount of Rupees 12.434 million (2018: Rupees 6.971 million) deducted from profits arising on saving accounts maintained for claims related to United Nations Compensation Commission Funds. Management believes that the amount is recoverable.

		NOTE	2019 Rupees	2018 Restated Rupees
20	**SHORT TERM INVESTMENTS**			
	Amortized cost			
	Welfare fund			
	Treasury bills	20.1	4,047,424,300	3,480,318,722
	Accrued interest		55,126,342	56,511,858
			4,102,550,642	3,536,830,580
	Claims related to United Nations Compensation Commission Funds			
	Treasury bills	20.1	536,884,900	521,984,000
	Accrued interest		4,756,222	5,732,785
			541,641,122	527,716,785
			4,644,191,764	4,064,547,365

20.1 These represent treasury bills issued by the State Bank of Pakistan. Maturity of these bills ranges from 3 to 12 months and earns interest ranging from 6.03% to 12.75% (2018: 5.99% to 6.35%) per annum.

		NOTE	2019 Rupees	2018 Restated Rupees
21	**CASH AND BANK BALANCES**			
	Cash in hand		3,412,378	14,386,197
	Cash at banks on:			
	- current accounts		26,218,660	34,611,996
	- deposit accounts	21.1, 21.2, 21.3 & 21.4	1,144,426,779	1,361,014,172
			1,170,645,439	1,395,626,168
			1,174,057,817	1,410,012,365

21.1 Interest rate on deposit accounts ranges from 5.60% to 11.35% (2018: 3.75% to 5.60%) per annum.

21.2 These include Rupees 66.703 million (2018: Rupees 90.025 million) placed with financial institutions owned by Government of Pakistan.

21.3 These include balance of Rupees 593.124 million and Rupees 5.365 million (2018: Rupees 513.513 million and Rupees 3.998 million) for claims related to United Nations Compensation Commission Funds and social security claims Libya respectively.

21.4 The balances in deposit accounts include USD 32,916.56 (2018: USD 32,873.31).

22	RETURN ON DEPOSIT ACCOUNTS AND INVESTMENTS	2019 Rupees	2018 Rupees
	Profit on:		
	Deposit accounts	48,887,076	39,714,141
	Short term investments	335,611,367	235,996,050
		384,498,443	275,710,191

22.1 This includes Rupees 348.95 million (2018: Rupees 244.21 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.

		NOTE	2019 Rupees	2018 Restated Rupees
23	**HOUSING DIVISION**			
	Profit on deposit accounts		3,978,166	1,255,952
	Income recognized on NOC issuance		-	57,387,641
	Income recognized on fulfilling performance obligation		1,402,881,537	-
	Transfer fee, surcharge and other charges		81,992,521	75,403,842
			1,488,852,224	134,047,435
24	**WELFARE DIVISION**			
	OPF Eye Hospital, Dera Ghazi Khan		800,895	924,704
	OPF Eye Hospital, Mirpur		1,260	9,870
	Profit on deposit accounts		1,478,155	3,188,900
			2,280,310	4,123,474
25	**EDUCATION DIVISION**			
	School fees			
	-Pakistani Schools		908,097,741	739,228,829
	-Azad Jammu and Kashmir Schools		42,499,413	36,585,531
	Profit on deposit accounts		6,765,537	6,031,556
	Miscellaneous		12,000	316,542
			957,374,691	782,162,458
26	**PUBLICITY AND MARKETING CELL**			
	Profit on deposit accounts		-	93,378
	Advertisement		226,002	-
			226,002	93,378
27	**OTHER INCOME**			
	Income from financial assets:			
	Dividend - Bankers' Equity Limited	13.1	-	3,429,538
	Interest on loan to employees		9,032,653	8,198,309
			9,032,653	11,627,847
	Income from non - financial assets:			
	Rental income from investment properties		50,557,443	52,348,850
	Gain on disposal of operating fixed assets		4,654,903	2,883,918
	Reversal of provision against doubtful mobilization advances	16.1.1	10,012,500	-
	Miscellaneous		1,195,055	1,665,528
			66,419,901	56,898,296
			75,452,554	68,526,143
28	**HOUSING DIVISION**			
	Salaries and benefits		63,537,146	69,741,679
	Travelling and conveyance		1,848,120	1,599,959
	Repairs and maintenance		321,171	206,698
	Vehicles running and maintenance		69,061	63,985
	Postage, telephone and telegram		346,117	408,767
	Printing, stationery and periodicals		267,056	248,806
	Depreciation	10.1.1	1,081,260	1,092,302
	Amortization	11.1	350,416	213,634
	Supervision and development of housing schemes		1,751,741,571	261,479,803
	Provision for late payment charges		-	108,456,399
	Miscellaneous		1,910,434	6,413,618
			1,821,472,352	449,925,650

	NOTE	2019 Rupees	2018 Restated Rupees
29 WELFARE DIVISION			
Welfare Activities			
Financial aid		197,900,000	695,200,000
Salaries and benefits OPF Eye Hospital - Mirpur		1,640,860	1,395,400
Salaries and benefits OPF Eye Hospital - Dera Ghazi Khan		6,692,686	5,462,896
Depreciation - eye hospitals	10.1.1	864,632	982,122
Service cell		2,326,824	2,566,641
Foreign exchange remittance card		1,367,148	1,229,765
Welfare activities - eye camp		3,206,763	-
Miscellaneous		7,336,549	4,587,622
		221,335,462	711,424,446
Administrative			
Salaries and benefits		87,918,883	90,607,035
Travelling and conveyance		370,042	336,114
Repairs and maintenance		167,344	106,631
Postage, telephone and telegram		978,276	738,001
Printing, stationery and periodicals		170,674	78,591
Depreciation	10.1.1	466,651	498,317
Amortization	11.1	126,500	-
Miscellaneous		209,512	155,027
		90,407,882	92,519,716
		311,743,344	803,944,162

	NOTE	2019 Rupees	2018 Restated Rupees
30 EDUCATION DIVISION			
Education			
OPF Public Schools - Pakistan			
Salaries and benefits		763,305,369	725,112,521
Depreciation	10.1.1	38,031,969	29,736,645
Other expenses		105,399,819	99,141,897
		906,737,157	853,991,063
OPF Public Schools - Azad Jammu and Kashmir			
Salaries and benefits		55,222,527	52,309,331
Depreciation	10.1.1	1,046,690	1,148,794
Other expenses		10,410,775	10,567,305
		66,679,992	64,025,430
Scholarships and awards		434,976	1,072,104
		973,852,125	919,088,597
Administrative			
Salaries and benefits		67,982,688	66,511,489
Travelling and conveyance		660,860	456,636
Repairs and maintenance		500,216	240,343
Vehicle running and maintenance		28,244	-
Postage, telephone and telegram		432,637	457,012
Printing, stationery and periodicals		123,398	262,433
Advertisement		1,512,808	1,945,480
Depreciation	10.1.1	1,035,398	1,108,724
Miscellaneous		1,769,209	2,873,735
		74,045,458	73,855,852
		1,047,897,583	992,944,449

	NOTE	2019 Rupees	2018 Restated Rupees
31 PUBLICITY AND MARKETING CELL			
Magazine Yaran-e-watan		34,975	225,752
Administrative			
Salaries and benefits		9,152,168	7,003,415
Postage, telephone and telegram		25,143	8,580
Printing, stationery and periodicals		91,004	12,295
Depreciation	10.1.1	149,925	77,345
Miscellaneous		608,530	42,760
		10,026,770	7,144,395
		10,061,745	7,370,147

32 ADMINISTRATIVE AND OTHER EXPENSES

	NOTE	2019 Rupees	2018 Rupees
Salaries and benefits		482,455,420	468,089,997
Employees compensated absences	5.1.2	40,386,154	93,514,590
Gratuity	5.2.4	206,541,971	174,211,246
Travelling and conveyance		4,528,039	5,538,280
Foreign tours		-	212,025
Repairs and maintenance		5,934,745	5,057,491
Vehicle running and maintenance		11,710,027	11,376,757
Postage, telephone and telegram		6,227,004	6,937,764
Light and heat		20,882,047	17,873,525
Printing, stationery and periodicals		4,931,427	4,943,734
Office rent		1,350,000	945,000
Entertainment		762,817	1,590,382
Professional fee		2,636,557	1,301,274
Auditor's remuneration	32.1	1,365,000	1,365,000
Advertisement		1,246,944	2,518,125
Bank charges		5,892,097	5,060,782
Depreciation	10.1.1	7,692,931	8,867,867
Depreciation - investment properties	12	1,801,239	1,624,120
Amortization	11.1	812,245	549,440
Staff advances written off		781,229	-
Provision against staff advances	18.3	1,028,740	3,841,935
Accrued interest on short term investments written off		46,433	-
Miscellaneous		15,501,924	7,507,330
		824,514,990	822,926,664
Regional Office Mirpur Azad Jammu and Kashmir			
Salaries and benefits		11,798,461	9,328,598
Travelling and conveyance		522,736	401,565
Repairs and maintenance		929,652	79,687
Vehicle running and maintenance		360,557	237,907
Postage, telephone and telegram		117,537	80,084
Printing, stationery and periodicals		128,521	47,113
Depreciation	10.1.1	66,271	80,313
Miscellaneous		776,400	610,976
		14,700,135	10,866,243
		839,215,125	833,792,907

32.1 Auditor's remuneration:

	2019 Rupees	2018 Rupees
Statutory audit fee	1,155,000	1,155,000
Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules	105,000	105,000
Out of pocket expenses	105,000	105,000
	1,365,000	1,365,000

33 TAXATION

	NOTE	2019 Rupees	2018 Rupees
Current - current year	19	36,367,251	15,809,188
Deferred tax		-	-
		36,367,251	15,809,188

33.1 Provision for current tax represents minimum tax only because of gross loss for the year and in view of available tax losses of Rupees 4,559.98 million (2018: Rupees 4,101.44 million). Consequently, tax expense reconciliation is not being presented.

34 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Welfare fund	
	2019 Rupees	2018 Rupees Restated
Balance as at 01 July	6,443,709,097	7,552,600,326
Adjustment on adoption of IFRS 15	(451,599,472)	-
Receipts in welfare fund during the year	952,477,473	869,415,318
Total comprehensive loss for the year	(1,099,380,638)	(1,978,306,547)
Balance as at 30 June	5,845,206,460	6,443,709,097

35 NUMBER OF EMPLOYEES

	2019	2018
Number of employees as at 30 June	1,231	1,872
Average number of employees during the year	1,468	1,430

36 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.

The Company has availed exemption available to it under its reporting framework, and therefore, has not provided detailed disclosures of its transactions with GoP related entities, except for transactions stated below, which the Company considers are significant.

	2019 Rupees	2018 Rupees
Interest earned on Government securities	380,702,693	266,573,574
Government owned entities		
National Bank of Pakistan		
Closing balance	12,572,931	4,235,823
Interest earned	148,230	161,794
The Bank of Punjab		
Closing balance	54,130,075	85,843,726
Interest earned	13,239,979	8,055,883
Other than Government of Pakistan		
Kaghan Brick Works Limited - subsidiary		
Payments on behalf of Kaghan Brick Works Limited	-	44,000
Staff retirement benefits		
Contribution to gratuity fund	13,760,600	45,098,890

Balances payable, receivable and investments and mark-up thereon related disclosures are given in notes 13, 14, 20, 21 and 22.

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to Managing Director, Executive Directors and Executives are as follows:-

	Managing Director		Executives				Total	
			Key management personnel		Other executives			
	2019 (Rupees)	2018 (Rupees)	2019 (Rupees)	2018 (Rupees)	2019 (Rupees)	2018 (Rupees)	2019 (Rupees)	2018 (Rupees)
Managerial remuneration	1,615,640	1,970,277	12,278,392	10,566,667	35,247,141	46,724,213	49,141,173	59,261,157
Leave encashment	-	-	-	-	6,780,822	12,582,212	6,780,822	12,582,212
Housing and utilities	4,224,172	2,137,772	-	-	40,486,113	31,203,523	44,710,285	33,341,295
Medical expenses	133,713	102,914	-	-	3,361,193	4,934,756	3,494,906	5,037,670
Post employment benefits								
	5,973,525	4,210,963	12,278,392	10,566,667	85,875,269	95,444,704	104,127,186	110,222,334
Number of persons	1	2	3	3	26	31	-	-

37.1 The Foundation, in certain cases, also provides individuals with the use of company accommodation, cars and household items, in accordance with their entitlements.

37.2 The aggregate amount charged in these financial statements in respect of board of governor's meeting fee paid to 11 (2018: 13) non-executive directors was Rupees 2,580,000 (2018: Rupees 1,230,000).

38 FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

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

Risk management is carried out by the Foundation's finance department under policies approved by the Board of Governors. The Foundation's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) 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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Foundation is exposed to currency risk arising from United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to bank balance. The Company's exposure to currency risk was as follows:

	2019	2018 Restated
Cash at banks - USD	32,916.56	32,873.31
Rupees per US Dollar		
Average rate	136.09	109.84
Reporting date rate	163	121.63

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on deficit before taxation for the year would have been Rupees 268,270 (2018: Rupees 199,919) respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is not exposed to commodity price risks.

(iii) Interest rate risk

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

The Foundation's interest rate risk arises from long term advances, short term investments and bank balances in saving accounts. Financial instruments at variable rates expose the Foundation to cash flow interest rate risk. Financial instruments at fixed rate expose the Foundation to fair value interest rate risk.

At the reporting date the interest rate profile of the Foundation's interest bearing financial instruments was:

	2019 Rupees	2018 Rupees
Fixed rate instruments		
Financial assets		
Long term advances	241,234,398	226,214,009
Short term investments - amortized cost	4,644,191,764	4,064,547,365
Floating rate instruments		
Financial assets		
Cash at bank - deposit accounts	1,144,426,779	1,361,014,172

Fair value sensitivity analysis for fixed rate instruments

The Foundation does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at reporting date would not affect profit or loss of the Foundation.

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, deficit before tax for the year would have been Rupees 11.44 million (2018: Rupees 13.61 million) lower / higher, mainly as a result of higher / lower interest on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019 Rupees	2018 Rupees
Long term advances	241,234,398	226,214,009
Long term deposits	3,825,695	4,022,036
Trade receivables	1,135,420,103	-
Advances and other receivables	108,644,191	228,173,683
Short term investments	4,644,191,764	4,064,547,365
Bank balances	1,170,645,439	1,395,626,168
	7,303,961,590	5,918,583,261

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2019	2018
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AAA	PACRA	459,721	427,198
Askari Bank Limited	A1+	AA+	PACRA	742,935,695	651,191,962
Bank Alfalah Limited	A1+	AA+	PACRA	27,326,399	778,641
First Women Bank Limited	A2	A-	PACRA	253,941	241,563
Habib Bank Limited	A-1+	AAA	JCR-VIS	325,843,595	634,131,701
National Bank of Pakistan	A1+	AAA	PACRA	12,533,713	3,851,484
The Bank of Punjab	A1+	AA	PACRA	54,130,043	85,843,722
United Bank Limited	A-1+	AAA	JCR-VIS	7,162,332	19,159,897
				1,170,645,439	1,395,626,168
Investment					
Treasury bills	N/A	N/A	N/A	4,644,191,764	4,064,547,365
				5,814,837,203	5,460,173,533

The Foundation's exposure to credit risk related to trade receivables is disclosed in Note 17.

Due to the Foundation's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Foundation. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Foundation manages liquidity risk by maintaining sufficient bank balances. At 30 June 2019, the Foundation had Rupees 1,174.06 million (2018: Rupees 1,410.01 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2019:

	Carrying amount	Contractual cash flows	6 month or less
	Rupees		
Claims payable	1,152,584,718	1,152,584,718	1,152,584,718
Creditors, accrued and other liabilities	894,130,085	894,130,085	894,130,085
	2,046,714,803	2,046,714,803	2,046,714,803

Contractual maturities of financial liabilities as at 30 June 2018

	Carrying amount	Contractual cash flows	6 month or less
	Rupees		
Claims payable	1,052,199,784	1,052,199,784	1,052,199,784
Creditors, accrued and other liabilities	898,970,958	898,970,958	898,970,958
	1,951,170,742	1,951,170,742	1,951,170,742

38.2 Financial instruments by categories

	Amortized cost
	Rupees
As at 30 June 2019	
Assets as per statement of financial position	
Long term advances	241,234,398
Long term deposits	3,825,695
Trade receivables	1,135,420,103
Advances and other receivables	108,644,191
Short term investments	4,644,191,764
Cash and bank balances	1,174,057,817
	7,307,373,968

	Amortized cost
	Rupees
Liabilities as per statement of financial position	
Claims payable to claimants	1,152,584,718
Creditors, accrued and other liabilities	894,130,085
	2,046,714,803

	Loans and receivables	Held to maturity	Total
	Rupees		
As at 30 June 2018			
Assets as per statement of financial position			
Long term advances	226,214,009	-	226,214,009
Long term deposits	4,022,036	-	4,022,036
Advances and other receivables	228,173,683	-	228,173,683
Short term investments	-	4,064,547,365	4,064,547,365
Cash and bank balances	1,410,012,365	-	1,410,012,365
	1,868,422,093	4,064,547,365	5,932,969,458

	Amortized cost
	Rupees
Liabilities as per statement of financial position	
Claims payable to claimants	1,052,199,784
Creditors, accrued and other liabilities	898,970,958
	1,951,170,742

38.3 Offsetting financial assets and liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

38.4 The Foundation's objectives when managing capital are to safeguard the Foundation's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Foundation is not exposed external capital requirement.

39 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Foundation classify its financial instruments into the following three levels. However, as at the reporting date, the Foundation has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

40 IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. Despite the temporary lock down announced by Government of Pakistan, the Foundation continued its operations virtually.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Foundation henceforth shifted to physical operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The management has assessed the accounting implications of COVID-19 on these financial statements, including but not limited to the following areas;

- Expected credit losses under International Financial Reporting Standard 9, 'Financial Instruments;
- The impairment of tangible assets under International Accounting Standard 36, 'Impairment of assets; and
- Going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on ------------30 APR 2021------------ by the Board of Governors of the Foundation.

42 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison and better presentation. Restatement due to rectification of prior period errors described in the note 2.21. No other significant reclassification / rearrangements of corresponding figures have been made except the following:

Particulars	From	To	Rupees
Advances to staff	Current maturity of long-term advances	Long term advances	8,198,309
Current accounts	Cash in hand	Cash at bank - current account	3,895,507
Gratuity	Current liabilities	Non-current liabilities	1,246,825,643
Taxation recoverable - net	Advances, prepayments and other receivables	Taxation recoverable - net	219,956,932

43 GENERAL

Figures have been rounded off to the nearest Rupee.

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	MEMBER OF BOARD OF GOVERNORS

Riaz Ahmad & Company
Chartered Accountants

OVERSEAS PAKISTANIS FOUNDATION

COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

30 JUNE 2019

A member of
Nexia
International

Riaz Ahmad & Company
Chartered Accountants

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Review Report to the Members On the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Governors of Overseas Pakistanis Foundation (the Foundation) for the year ended 30 June 2019.

The responsibility for compliance with the Rules is that of the Board of Governors of the Foundation. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Foundation's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Foundation's personnel and review of various documents prepared by the Foundation to comply with the Rules.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Governors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Foundation's corporate governance procedures and risks.

The Rules requires the Foundation to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Governors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Governors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Foundation's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Foundation for the year ended 30 June 2019.

RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

Date: 31 JUL 2021

Statement of Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013

Name of Company: **Overseas Pakistanis Foundation**
Name of the line Ministry: **Ministry of Overseas Pakistanis and Human Resource Development**
For the year ended: **30 June 2019**

I. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The Company has complied with the provisions of the Rules in the following manner:

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule No.</th><th>Y</th><th>N</th></tr>
<tr><th colspan="2">Tick the relevant box</th></tr>
<tr><td>1.</td><td>The independent directors meet the criteria of independence, as defined under the Rules</td><td>2(d)</td><td>✓</td><td></td></tr>
<tr><td>2.</td><td>The Board has at least one-third of its total members as independent directors. At present the Board includes:
<table>
<tr><th>Category</th><th>Names</th><th>Date of appointment</th></tr>
<tr><td>Independent Directors</td><td>1. Mr. Khalid Mahmood Raja
2. Mr. Majid Ali Choudhry
3. Ms. Nyla Qureshi
4. Mr. Muhammad Idrees Anwar (Resigned)</td><td>11 June 2018
11 June 2018
11 June 2018
11 June 2018</td></tr>
<tr><td>Executive Directors</td><td>1. Dr. Amer Sheikh</td><td>08 May 2018</td></tr>
<tr><td>Non-Executive Directors</td><td>1. Mr. Pervaiz Ahmed Junejo
2. Dr. Arshad Mahmood
3. Mr. Moazzam Ahmad Khan
4. Mr. Javed Akbar Bhatti
5. Mr. Abdul Aziz Auqaili
6. Mr. Khashih Ur Rehman
7. Mr. Aftab Ahmed Khokhar</td><td>19 November 2018
09 August 2018
25 June 2019
13 March 2018
28 January 2019
11 June 2018
30 April 2019</td></tr>
</table></td><td>3(2)</td><td></td><td>✓</td></tr>
<tr><td>3.</td><td>The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.</td><td>3(5)</td><td></td><td>✓</td></tr>
<tr><td>4.</td><td>The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.</td><td>3(7)</td><td></td><td>✓</td></tr>
<tr><td>5.</td><td>The chairman of the Board is working separately from the chief executive of the Company.</td><td>4(1)</td><td>✓</td><td></td></tr>
<tr><td>6.</td><td>The chairman has been elected by the Board of Governors except where Chairman of the Board has been appointed by the Government.</td><td>4(4)</td><td>✓</td><td></td></tr>
</table>

7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the Chief Executive has been nominated by the Government).	5(2)	N/A	
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website (Website address is www.opf.org.pk). (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)		✓
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	✓	
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)		✓
15.	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)		✓
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	
18	(a) The Board has met at least four times during the year.	6(1)	✓	
	(b) Written notices of the Board meetings, along with agenda and	6(2)	✓	

<table>
<tr><td></td><td>working papers, were circulated at least seven days before the meetings.

(c) The minutes of the meetings were appropriately recorded and circulated.</td><td>

6(3)</td><td>

✓</td><td></td></tr>
<tr><td>19.</td><td>The Board has monitored and assessed the performance of senior management on annual / half-yearly / quarterly basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.</td><td>8(2)</td><td></td><td>✓</td></tr>
<tr><td>20.</td><td>The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.</td><td>9</td><td>✓</td><td></td></tr>
<tr><td>21</td><td>(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.

(b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.

(c) The Board has placed the annual financial statements on the Company's website.</td><td>10</td><td>

N/A

✓</td><td>✓</td></tr>
<tr><td>22.</td><td>All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.</td><td>11</td><td>✓</td><td></td></tr>
<tr><td>23</td><td>(a) The Board has formed the requisite committees, as specified in the Rules.

(b) The committees were provided with written term of reference defining their duties, authority and composition.

(c) The minutes of the meetings of the committees were circulated to all the Board members.

(d) The committees were chaired by the following non-executive directors:
<table>
<tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr>
<tr><td>Audit Committee</td><td>05 (Five)</td><td>Ms. Nyla Qureshi</td></tr>
<tr><td>Risk Management Committee</td><td>05 (Five)</td><td>Mr. Aftab Ahmed Khokhar</td></tr>
<tr><td>Human Resources Committee</td><td>06 (Six)</td><td>Mr. Abdul Aziz Auqaili</td></tr>
<tr><td>Procurement Committee</td><td>05 (Five)</td><td>Mr. Khalid Mahmood Raja</td></tr>
<tr><td>Nomination Committee</td><td>06 (Six)</td><td>Mr. Moazzam Ahmad Khan</td></tr>
</table></td><td>12</td><td>✓

✓

✓

✓</td><td></td></tr>
<tr><td>24.</td><td>The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.</td><td>13</td><td>✓</td><td></td></tr>
<tr><td>25.</td><td>The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the rules.</td><td>14</td><td>✓</td><td></td></tr>
</table>

<table>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>26.</td><td>The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub- section (1) of section 225 of the Act.</td><td>16</td><td>✓</td><td></td></tr>
<tr><td>27.</td><td>The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.</td><td>17</td><td>✓</td><td></td></tr>
<tr><td>28.</td><td>The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.</td><td>18</td><td>✓</td><td></td></tr>
<tr><td>29</td><td>(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.

(b) The annual report of the company contains criteria and details of remuneration of each director.</td><td>19</td><td>✓

✓</td><td></td></tr>
<tr><td>30.</td><td>The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.</td><td>20</td><td>✓</td><td></td></tr>
<tr><td>31</td><td>The board has formed an audit committee, with defined and written terms of reference, and having the following members:
<table>
<tr><th>Name of member</th><th>Category</th><th>Professional background</th></tr>
<tr><td>Ms. Nyla Qureshi</td><td>Independent</td><td>Retired Civil Servant</td></tr>
<tr><td>Mr. Muhammad Idrees Anwar</td><td>Independent</td><td>Overseas Pakistani Businessman</td></tr>
<tr><td>Mr. Majid Ali Chaudhry</td><td>Independent</td><td>Overseas Pakistani Businessman</td></tr>
<tr><td>Dr. Arshad Mahmood</td><td>Non-Executive</td><td>Government Service</td></tr>
<tr><td>Mr. Abdul Aziz Auqaili</td><td>Non-Executive</td><td>Government Service</td></tr>
</table>
The chief executive and chairman of the Board are not members of the audit committee.</td><td>21(1)

21(2)</td><td>✓

✓</td><td></td></tr>
<tr><td>32</td><td>a) The Chief Financial Officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.

b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.

c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</td><td>21(3)</td><td></td><td>✓

✓

✓</td></tr>
<tr><td>33.</td><td>(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.</td><td>22</td><td>✓</td><td></td></tr>
</table>

Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with (except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year).

Sr. No.	Rule / Sub-rule No.	Reasons for non-compliance	Future course of action
1.	3(2)	During the course of reconstitution of the Board, five independent members were appointed by the Government vide notification dated 11 June 2018. However, two independent members / directors namely Sahibzada Saeed Ahmed and Mr. Muhammad Idrees Anwar tendered their resignations, which were accepted by the Board.	Soon after the resignation of these members, the proposal for appointment of new members in their place was submitted, however, the said process was accomplished by Federal Cabinet on 11 December 2019 in case No. 1014/46/2019 followed by notification of the Government dated 06 January 2020.
2.	3(5)	Efforts were made to confirm that the directors appointed by the Government on the Board of Governors of the Foundation are not serving as director on more than five public sector companies and listed companies, however, the declaration in this regard was not provided by few members.	Efforts will be made to obtain declaration from all the members on the Board.
3.	3(7)	The Federal Government is competent authority to appoint members on the Board of Governors of the Foundation.	Not applicable in the case of the Foundation.
4.	5(5)	Declaration from the all directors and executives under rule 5(5) [iv] and [v], that they shall not offer or accept any payment, bribe, favour or inducement could not be obtained. Resultantly register of interest was not properly maintained.	Efforts will be made to obtain declaration to this effect from all the members on the Board and executives of the Foundation to ensure compliance in this regard.
5.	5(6)	Corporate strategy was not specifically developed as the Foundation has to undertake the projects as envisaged in its memorandum of association as well as the Emigration Ordinance, 1979.	Efforts are underway to finalize corporate strategy of the Foundation within shortest possible time.
6.	5(7)	All the clauses relevant to the Foundation were complied, except sub-clauses mentioned at 5(7) [(e), (f), (g), (j) and (o)] of the Rules.	Efforts will be made to ensure compliance in this regard.

7.	8(2)	The mechanism to monitor and assess the performance of senior management was under preparation, due to which the compliance in this regard was not undertaken.	Efforts will be made to ensure compliance in this regard.
8.	10	Due to delay in finalization of annual audited accounts of the previous year, the opening balances for inclusion in the quarterly financial statements were not available, resultantly these accounts could not be presented for consideration of the Board.	Efforts will be made that the profit and loss account and balance sheet for the respective quarters may be considered and approved by the Board.
9.	21(3)	Presence of external auditors at audit committee meeting was not complied inadvertently.	Efforts will be made to ensure compliance in this regard.
10.	21(3)	The meeting of the audit committee in the absence of the chief financial officer, the chief internal auditors and other executives, with the external auditors was omitted inadvertently.	Efforts will be made to ensure compliance in this regard.
11.	21(3)	The meeting of the audit committee with the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors was omitted inadvertently.	Efforts will be made to ensure compliance in this regard.

Chief Executive Officer

Independent Director