Riaz Ahmad & Company

Chartered Accountants

OVERSEAS PAKISTANIS FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020, 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 2020 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

- The Foundation has a policy to pay financial aid to the legal heirs of destitute families of Overseas Pakistanis. During the year, the Foundation received death claims amounting to Rupees 541.600 million. However, in contravention of the requirements of accounting and financial reporting standards as applicable in Pakistan, the Foundation recognized financial aid expense amounting to Rupees 271.892 million (note 33). Had the financial aid expense been charged as per the requirements of accounting and financial reporting standards as applicable in Pakistan the financial aid expense, related liability and deficit after taxation would have increased by Rupees 269.708 million.

- As at the reporting date, the Foundation has balances of Rupees 1,499.402 million (note 8) and 1,119.431 million (note 20). These represent advances from customers against housing schemes and receivables against sale of plots, respectively. Management of the Foundation has incorporated prior year adjustment with respect to advances from customers against housing schemes disclosed in note 2.26(i). However, in the absence of a reconciliation between balance as per accounting records and subsidiary records / files as at 30 June 2020 to identify and properly account for the differences, we are unable to verify prior year adjustment disclosed in note 2.26(i) and to determine adjustment, if any, to the carrying amount of "advances from customers against housing schemes and receivables against sale of plots" 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 7.2 to the financial statements which more fully explains the status of claims related to United Nations Compensation Commission Funds.
- Note 22 to the financial statements which states that the recoverability of taxation receivable amounting to Rupees 135.400 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.

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).

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

RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

Date: 10 FEB 2022

OVERSEAS PAKISTANIS FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	NOTE	2020 Rupees	2019 Restated Rupees	2018 Restated Rupees
FUND AND LIABILITIES				
FUND AND RESERVE				
Welfare fund	3	6,247,551,668	6,039,067,119	6,538,946,465
Capital reserve	4	156,250	156,250	156,250
		6,247,707,918	6,039,223,369	6,539,102,715
LIABILITIES				
NON-CURRENT LIABILITIES				
Lease liabilities	5	70,917,012	-	-
Staff retirement benefits	6	1,760,382,753	1,713,646,963	1,581,845,232
		1,831,299,765	1,713,646,963	1,581,845,232
CURRENT LIABILITIES				
Claims payable	7	1,293,118,878	1,152,584,718	1,052,199,784
Contract liabilities	8	1,510,515,299	1,079,674,997	2,647,238,385
Creditors, accrued and other liabilities	9	1,167,929,005	1,000,557,755	1,022,203,905
Current portion of lease liabilities	5	23,631,945	-	-
		3,995,195,127	3,232,817,470	4,721,642,074
TOTAL LIABILITIES		5,826,494,892	4,946,464,433	6,303,487,306
CONTINGENCIES AND COMMITMENTS	10	-	-	-
TOTAL FUND AND LIABILITIES		12,074,202,810	10,985,687,802	12,842,590,021

	NOTE	2020 Rupees	2019 Restated Rupees	2018 Restated Rupees
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	11	1,930,333,488	1,679,913,971	1,481,220,137
Right-of-use assets	12	87,840,635	-	-
Intangibles	13	3,305,433	2,966,886	3,207,547
Investment properties	14	68,492,122	70,248,331	63,340,669
Long term investments	15	-	-	-
Long term advances	16	209,866,418	213,443,562	198,125,906
Long term deposits	17	4,108,516	3,825,695	4,022,036
Deferred income tax asset	13	-	-	-
		2,303,946,612	1,970,398,445	1,749,916,295
CURRENT ASSETS				
Development properties - housing schemes	19	2,158,752,388	1,658,343,552	5,032,128,259
Contract receivables	20	1,194,210,448	1,232,635,569	71,626,518
Advances, prepayments and other receivables	21	172,489,529	167,362,362	294,402,287
Taxation recoverable - net	22	135,399,544	138,698,293	219,956,932
Short term investments	23	4,790,567,549	4,644,191,764	4,064,547,365
Cash and bank balances	24	1,318,836,740	1,174,057,817	1,410,012,365
		9,770,256,198	9,015,289,357	11,092,673,726
TOTAL ASSETS		12,074,202,810	10,985,687,802	12,842,590,021

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 2020

	NOTE	2020 Rupees	2019 Restated Rupees
INCOME			
Return on deposit accounts and investments	25	598,459,326	384,498,443
Housing division	26	413,841,392	1,580,292,130
Welfare division	27	2,791,899	2,280,310
Education division	28	925,306,828	964,558,076
Training division	29	487,360	695,891
Publicity and marketing cell	30	-	226,002
Other income	31	61,368,664	75,452,554
		2,002,255,469	3,008,003,406
EXPENDITURE			
Housing division	32	450,934,956	1,838,237,948
Welfare division	33	451,009,792	334,774,429
Education division	34	1,348,197,996	1,175,230,617
Publicity and marketing cell	35	15,048,917	11,777,681
Administrative and other expenses	36	736,282,870	670,369,474
		3,001,474,531	4,030,390,149
Deficit before taxation		(999,219,062)	(1,022,386,743)
Taxation	37	(30,033,832)	(36,367,251)
Deficit after taxation		(1,029,252,894)	(1,058,753,994)

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 2020

	2020 Rupees	2019 Restated Rupees
DEFICIT AFTER TAXATION	(1,029,252,894)	(1,058,753,994)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to income and expenditure account		
Remeasurement gain on employees' retirement benefit plan	150,168,394	57,996,647
Items that may be reclassified subsequently to income and expenditure account	-	-
Other comprehensive income for the year	150,168,394	57,996,647
Total comprehensive loss for the year	(879,084,500)	(1,000,757,347)

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 2020

	Welfare fund	Capital reserve	Total
	----------	Rupees	----------
Balance as at 30 June 2018 - as previously reported	6,443,709,097	156,250	6,443,865,347
Impact of restatement (note 2.26)	95,237,368	-	95,237,368
Balance as at 30 June 2018 - restated	6,538,946,465	156,250	6,539,102,715
Adjustment on adoption of IFRS 15	(451,599,472)	-	(451,599,472)
Receipts directly credited to welfare fund	952,477,473	-	952,477,473
Deficit for the year	(1,058,753,994)	-	(1,058,753,994)
Other comprehensive income for the year	57,996,647	-	57,996,647
Total comprehensive loss for the year	(1,000,757,347)	-	(1,000,757,347)
Balance as at 30 June 2019 - restated	6,039,067,119	156,250	6,039,223,369
Receipts directly credited to welfare fund	1,087,569,049	-	1,087,569,049
Deficit for the year	(1,029,252,894)	-	(1,029,252,894)
Other comprehensive income for the year	150,168,394	-	150,168,394
Total comprehensive loss for the year	(879,084,500)	-	(879,084,500)
Balance as at 30 June 2020	6,247,551,668	156,250	6,247,707,918

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 2020

	2020 Rupees	2019 Restated Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before taxation	(999,219,062)	(1,022,386,743)
Adjustments for non-cash charges and other items:		
Depreciation - property and equipment	52,254,562	50,435,727
Depreciation - right-of-use assets	20,214,079	-
Amortization	1,588,235	1,289,161
Depreciation - investment properties	1,756,209	1,801,239
Provision for staff retirement benefits	335,867,485	246,928,125
Advance to supplier written off	1,152,380	-
Provision against staff advances	-	1,028,740
Reversal of provision against doubtful mobilization advances	-	(10,012,500)
Accrued interest on short term investments written off	-	46,433
Staff advances written off	2,270,551	781,229
Capital expenditure written off	1,359,721	-
Gain on disposal of operating fixed assets	-	(4,654,903)
Finance cost	18,703,777	6,167,263
Liabilities written off	(5,469,879)	-
Return on deposit accounts and investments	(598,459,326)	(384,498,443)
Operating loss before working capital changes	(1,167,981,268)	(1,113,074,672)
Working capital changes:		
(Increase) / decrease in current assets:		
Development properties - housing schemes	(500,408,836)	2,922,185,235
Contract receivables	38,425,121	(1,161,009,051)
Advances, prepayments and other receivables	(14,568,589)	135,242,456
	(476,552,304)	1,896,418,640
Increase /(decrease) in current liabilities:		
Claims payable	140,534,160	100,384,934
Contract liabilities	430,840,302	(1,567,563,388)
Creditors, accrued and other liabilities	166,788,765	(21,646,150)
	738,163,227	(1,488,824,604)
Cash used in operations	(906,370,345)	(705,480,636)
Long term advances - net	3,577,144	(15,317,656)
Income tax paid / refund	(26,735,083)	44,891,388
Employee benefits paid	(138,963,301)	(57,129,747)
Finance cost paid	(812,783)	(6,167,263)
	(162,934,023)	(33,723,278)
Net cash used in operating activities	(1,069,304,368)	(739,203,914)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(11,693,036)	(25,430,952)
Capital expenditure on intangibles	(1,926,782)	(1,048,500)
Capital expenditure on capital work in progress	(292,340,764)	(232,888,050)
Proceeds from disposal of operating fixed assets	-	5,135,443
Short term investments encashed / (made) - net	220,404,570	(579,644,399)
Interest received	233,192,313	383,091,139
(Increase) / decrease in long term deposits	(282,821)	196,341
Net cash from / (used in) investing activities	147,353,480	(450,588,978)
CASH FLOWS FROM FINANCING ACTIVITIES		
Welfare fund receipts	1,087,569,049	952,477,473
Payments against lease liabilities	(20,839,238)	-
Net cash from financing activities	1,066,729,811	952,477,473
Net increase /(decrease) in cash and cash equivalents	144,778,923	(237,315,419)
Cash and cash equivalents at beginning of the year	1,174,057,817	1,410,012,365
Effect of exchange rate changes	-	1,360,871
Cash and cash equivalents at end of the year	1,318,836,740	1,174,057,817

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 2020

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, Gullberg-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 and 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 2020 is as follows:

Particulars	2020	2019
	Rupees	Rupees
Total assets	1,441,525	1,441,525
Total liabilities (mainly include payable to the Foundation)	86,209,456	86,179,456
Net equity	(84,767,931)	(84,737,931)
Total liabilities and equity	1,441,525	1,441,525

Since the Foundation has fully provided for its investment in KBWL (see note 15.2) 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 as otherwise stated in respective accounting policies.

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 and intangibles, with a corresponding effect on the depreciation / amortization charge and impairment.

Income tax

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. The Foundation has elected to measure loss allowance for contract receivables using IFRS 9 'Financial Instruments' simplified approach 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.

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.

Contingencies

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

Impairment of investment in subsidiary company

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

Employees' retirement benefit

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

Revenue from contracts with customers

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

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

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

Leases

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

Development properties

The Foundation reviews the net realisable value of development properties to assess any diminution in the respective carrying values. Net realizable value (NRV) for completed development property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Foundation, based on comparable transactions identified by the Foundation for property in the same geographical market serving the same real estate segment. NRV in respect of development property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

Investment properties (note 2.17 & 2.19)

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

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

- IFRS 16 'Leases'
- IFRS 9 (Amendments) 'Financial Instruments'
- Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement
- IAS 28 (Amendments) 'Investments in Associates and Joint Ventures'
- IFRIC 23 'Uncertainty over Income Tax Treatments'
- IASB's Annual Improvements to IFRSs: 2015 - 2017 Cycle

The Foundation had to change its accounting policies and make certain adjustments without restating prior year results following the adoption of IFRS 16. These are disclosed in note 2.2 to the financial statements. 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 and amendments to published approved accounting standards that are effective in current year but not relevant to the Foundation

There are other standards and amendments to published approved accounting 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.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Foundation

Following amendments to existing standards have been published and are mandatory for the Foundation's accounting periods beginning on or after 01 July 2020 or later periods:

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 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.

Amendments to IFRS 3 'Business Combinations' (effective for annual periods beginning on or after 01 January 2020). The International Accounting Standards Board (IASB) has issued 'Definition of Business' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore, would not have an impact on past financial statements.

Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term interest rate benchmark reform refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A foundation shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform.

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 1 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

The above amendments and improvements do not have a material impact on the financial statements.

g) 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 2020 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 IFRS 16 "Leases"

The Foundation has adopted IFRS 16 from 01 July 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the income and expenditure statement. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

IFRS 16 has been adopted using the modified retrospective approach as allowed under Para C5(b) of Appendix C of IFRS 16 "Leases" and as such the comparatives have not been restated. The impacts of adoption as at 01 July 2019 are as follows:

Particulars	Rupees
Right-of-use assets increased by	106,779,147
Prepayments decreased by	4,505,149
Lease liabilities increased by	102,273,998

a) Foundation as a lessee

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

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

Lease liabilities

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

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

b) Foundation as a lessor

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

2.3 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.

2.4 Taxation

Current

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

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the income and expenditure statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.5 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.

2.6 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.

2.7 Property and equipment and depreciation

Operating fixed assets

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

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

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 11.1, over the useful lives. Leased assets are amortized over the shorter of the leased term and their useful lives unless it is reasonably certain that the Foundation will obtain ownership by the end of the lease term. Depreciation / amortization is recognized in the income and expenditure statement. Depreciation / amortization on additions is charged from the month the assets are available for use while no depreciation / amortization is charged in the month in which the assets are derecognized / disposed off. Depreciation / amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

De-recognition

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

Capital work-in-progress

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

2.8 **Intangible assets**

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

Amortization

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

2.9 **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.

2.10 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.

2.11 Investments and other financial assets

a) Classification

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

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

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

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

b) Measurement

At initial recognition, the Foundation measures a financial asset at its fair value plus, 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 (FVTPL)

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 (FVTPL)

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

2.12 Financial liabilities - Classification and measurement

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

2.13 Impairment of financial assets

The Foundation recognizes loss allowances for ECLs on:

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

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

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

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

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

The Foundation assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Foundation is exposed to credit risk.

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

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

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

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

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

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

2.14 De-recognition of financial assets and financial liabilities

a) Financial assets

The Foundation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Foundation is recognized as a separate asset or liability.

b) Financial liabilities

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

Offsetting of financial instruments

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

2.15 **Investment in subsidiaries**

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

2.16 **Revenue from contracts with customers**

i) **Revenue recognition**

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 right to receive is established.

Interest

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

Dividend

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

Fees

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

- Admission and application processing fees are recognised as revenue when due.

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 assets**

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

iii) **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.

iv) **Refund liabilities**

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

2.17 Impairment of non-financial assets

The carrying amounts of the Foundation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.18 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.

2.19 Investment properties

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

2.20 Provisions

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

2.21 Trade and other receivables

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

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

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

2.22 Cash and cash equivalents

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

2.23 Creditors, accrued and other liabilities

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

2.24 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.

2.25 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.

2.26 Prior Period Errors

i. In previous years, the Foundation performed its obligation (i.e. plots were developed and ready for possession to the customers) but did not recognize its revenue and amounts received from customers were included in contract liabilities - advances from customers against housing schemes. This error had understated welfare fund and overstated contract liabilities - advances from customers against housing schemes of the Foundation.

ii. In previous years, the Foundation recognised tuition fee on receipt basis instead of accrual basis. Now the Foundation has corrected its error and changed its policy accordingly. This error had understated welfare fund, advance fee and tuition fee receivable of the Foundation.

Now the above errors have been rectified and effect of these restatements have 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.

	2019			2018		
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
	---------- (Rupees) ----------					
i- Effect on statement of financial position						
Contract liabilities – advances from customers against housing schemes	1,168,155,612	(111,297,424)	1,056,858,188	2,657,764,634	(44,140,545)	2,613,624,089
Welfare fund	5,845,206,460	193,860,659	6,039,067,119	6,443,709,097	95,237,368	6,538,946,465
Contract receivables against sale of plot	1,135,420,103	25,877,402	1,161,297,505	-	1,594,375	1,594,375
Contract receivables against tuition fee	-	71,338,064	71,338,064	-	70,032,143	70,032,143
Contract liabilities – advance tuition fee	-	14,652,231	14,652,231	-	20,529,695	20,529,695
ii- Effect on income and expenditure statement						
Housing division (income)	1,488,852,224	91,439,906	1,580,292,130			
Education division (income)	957,374,691	7,183,385	964,558,076			

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 also 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.

5 LEASE LIABILITIES

	NOTE	2020 Rupees	2019 Rupees
Total lease liabilites		94,548,957	-
Less: Current portion shown under current liabilities		(23,631,945)	-
		70,917,012	-

5.1 Reconciliation of lease liabilities

	NOTE	2020 Rupees	2019 Rupees
Opening balance		-	-
Adjustment on adoption of IFRS 16 on 01 July 2019		102,273,998	-
Additions during the year		1,275,567	-
Interest accrued on lease liability	5.3	11,838,630	-
Payments during the year		(20,839,238)	-
Closing balance	5.2	94,548,957	-
Current portion shown under current liabilities		(23,631,945)	-
Non-current portion		70,917,012	-

5.2 Maturity analysis of lease liability is as follows:

		2020 Rupees	2019 Rupees
Overdue		1,894,011	-
Up to 6 months		9,345,511	-
6-12 months		12,392,423	-
1-2 year		25,244,260	-
More than 2 years		76,253,395	-
		125,129,600	-
Less: Future finance cost		(30,580,643)	-
Present value of finance lease liability		94,548,957	-

5.3 Interest accrued for the year has been allocated as follows in the income and expenditure statement:

	NOTE	2020 Rupees	2019 Rupees
Education division:			
- OPF Public Schools - Pakistan	34.3	9,549,385	-
- OPF Public Schools - Azad Jammu and Kashmir	34.3	1,460,490	-
		11,009,875	-
Regional office:			
- Multan, Pakistan	36.3	723,857	-
- Mirpur, Azad Jammu and Kashmir	36	104,898	-
		828,755	-
		11,838,630	-

5.4 Total cash outflow for leases is Rupees 20,839,238 (2019: Rupees Nil).

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

6 STAFF RETIREMENT BENEFITS

	NOTE	2020 Rupees	2019 Rupees
Employees' compensated absences	6.1	344,720,542	332,036,596
Gratuity	6.2.1	1,415,662,211	1,381,610,367
		1,760,382,753	1,713,646,963

6.1 Employees' compensated absences

The actuarial valuation of employees' compensated absences was conducted on 30 June 2020, using projected unit credit method. Detail of obligation for employees' compensated absences is as follows.

	NOTE	2020 Rupees	2019 Rupees
Present value of defined benefit obligation	6.1.1	344,720,542	332,036,596

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

		2020 Rupees	2019 Rupees
Defined benefit obligation at beginning of the year		332,036,596	335,019,589
Current service cost		6,060,997	6,236,226
Experience adjustment		(488,864)	5,575,712
Benefits paid		(37,626,507)	(43,369,147)
Interest cost		44,738,320	28,574,216
Defined benefit obligation at the end of the year		344,720,542	332,036,596

6.1.2 Charge for the year recognized in the income and expenditure statement:

	NOTE	2020 Rupees	2019 Rupees
Current service cost		6,060,997	6,236,226
Interest cost for the year		44,738,320	28,574,216
Actuarial losses on present value of defined benefit obligation		(488,864)	5,575,712
	6.1.3	50,310,453	40,386,154

6.1.3 Allocation of charge for the year is as follows:

	NOTE	2020 Rupees	2019 Rupees
Housing division	32.1	3,664,609	3,485,330
Welfare division:			
- OPF Eye Hospital, Mirpur	33.1	101,921	65,448
- OPF Eye Hospital, Dera Ghazi Khan	33.1	298,992	217,063
- Administrative activities	33.1	4,086,478	3,603,251
Education division:			
- OPF Public Schools, Pakistan	34.1	19,811,484	14,864,622
- OPF Public Schools, Azad Jammu and Kashmir	34.1	2,012,745	1,619,640
- Administrative activities	34.1	2,725,526	2,141,704
Publicity and marketing cell	35.1	455,890	348,125
Administrative and other expenses	36.1	16,627,914	13,473,093
Regional Office Mirpur Azad Jammu and Kashmir	36.1	524,894	567,878
		50,310,453	40,386,154

6.1.4 Estimated expenses to be charged in income and expenditure statement in financial year 2021

Current service cost	6,595,672
Interest cost on defined benefit obligation	29,665,058
	36,260,730

6.1.5 **Actuarial assumptions**

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

Assumptions to determine defined benefit obligation:	**2020**	**2019**
Discount rate	8.50% - 9.25%	14.25% - 14.50%
Rate of salary increase	8.50% - 9.25%	14.25% - 14.50%
Assumptions to determine defined benefit cost:		
Discount rate	14.25% - 14.50%	9.00% - 10.00%
Rate of salary increase	14.25% - 14.50%	9.00% - 10.00%
Expected mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
Effective Duration	9 Years	9 Years
Duration of Obligation	Setback 1 Year	Setback 1 Year
Retirement assumptions	60 Years	60 Years
Withdrawal rate	Moderate	Moderate

6.1.6 **Sensitivity analysis**

The sensitivity analysis is prepared using in same computation model and assumptions as used to determined defined benefit obligation based on projected credit unit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. If the significant actuarial assumptions used to estimate the defined benefit obligations at the reporting date, had fluctuated by +1 bps with all other variables held constant, the present value of the defined benefit obligations as at 30 June 2020 would have been as follows:

	Impact on present value of defined benefit obligation	
	Increase	**Decrease**
	------------ Rupees ------------	
Discount rate + 1 %	315,011,935	379,175,914
Future salary increase + 1 %	379.076.897	314.549,761

6.1.7 **Risks associated with defined benefit plan**

Discount rate risk

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

6.2 **Gratuity**

The latest actuarial valuation was carried out as at 30 June 2020, using the projected unit credit method. Detail of obligation for defined benefit plan is as follows:

6.2.1 **The amounts recognized in the statement of financial position are as follows:**	**Un-funded Girls College**	**Funded Head Office and all divisions**	**Total 2020**	**Total 2019**
	Rupees	Rupees	Rupees	Rupees
Present value of defined benefit obligation	333,038,480	1,356,258,739	1,689,297,219	1,645,221,621
Less: Fair value of plan assets	-	(277,042,643)	(277,042,643)	(267,018,889)
Receipts on behalf of the fund	-	3,407,635	3,407,635	3,407,635
Net defined benefit liability	333,038,480	1,082,623,731	1,415,662,211	1,381,610,367
Net liability at beginning of the year	309,726,392	1,071,883,975	1,381,610,367	1,246,825,643
Charge to income and expenditure statement	62,697,835	222,859,197	285,557,032	206,541,971
Charge to statement of comprehensive income for the year	(31,315,338)	(118,853,056)	(150,168,394)	(57,996,647)
Contributions made during the year	(8,070,409)	(101,336,794)	(109,407,203)	(13,760,600)
Payment to OPF Girls College	-	8,070,409	8,070,409	-
Net liability at end of the year	333,038,480	1,082,623,731	1,415,662,211	1,381,610,367
6.2.2 **Movement in the present value of defined benefit obligations is as follows:**				
Present value of defined benefit obligations at beginning of the year	309,726,392	1,335,495,229	1,645,221,621	1,655,377,656
Current service cost for the year	18,372,613	77,821,565	96,194,178	95,526,386
Interest cost for the year	44,325,222	181,946,656	226,271,878	140,433,249
Actuarial gain on present value of defined benefit obligations	(31,315,338)	(121,651,535)	(152,966,873)	(56,099,227)
Payments	(8,070,409)	(117,353,176)	(125,423,585)	(190,016,443)
Present value of defined benefit obligations at end of the year	333,038,480	1,356,258,739	1,689,297,219	1,645,221,621
6.2.3 **Movement in fair value of plan assets**				
Fair value of plan assets at beginning of the year	-	267,018,889	267,018,889	411,959,648
Contributions made during the year	-	101,336,794	101,336,794	13,760,600
Expected return on plan assets for the year	-	36,909,024	36,909,024	2[illegible]417,664
Actuarial (loss) / gain	-	(2,798,479)	(2,798,479)	1,897,420
Benefits paid during the year	-	(125,423,585)	(125,423,585)	(190,016,443)
Fair value of plan assets at end of the year	-	277,042,643	277,042,643	267,018,889

	NOTE	**2020** Rupees	**2019** Rupees
Plan assets comprise of:			
Investments in equity securities		1,520,022	1,520,022
Treasury bills		233,145,193	232,589,557
Balances in bank accounts		42,377,428	32,909,310
		277,042,643	267,018,889
6.2.4 **Charge for the year recognized in the income and expenditure statement comprise of:**			
Current service cost		96,194,178	95,526,386
Interest cost		226,271,878	140,433,249
Expected return on plan assets		(36,909,024)	(29,417,664)
	6.2.5	285,557,032	206,541,971
Charge for the year recognized in the the statement of comprehensive income comprise of:			
Actuarial gain on present value of defined benefit obligations		152,966,873	56,099,227
Actuarial (loss) / gain on plan assets		(2,798,479)	1,897,420
		150,168,394	57,996,647

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

	NOTE	2020 Rupees	2019 Rupees
Housing division	32.1	15,176,732	13,280,266
Welfare division:			
- OPF Eye Hospital, Mirpur	33.1	469,871	312,187
- OPF Eye Hospital, Dera Ghazi Khan	33.1	2,098,867	1,404,637
- Administrative activities	33.1	21,312,261	17,428,499
Education division:			
- OPF Public Schools, Pakistan	34.1	129,708,552	90,372,965
- OPF Public Schools, Azad Jammu and Kashmir	34.1	11,177,924	7,806,010
- Administrative activities	34.1	15,133,338	10,528,093
Publicity and marketing cell	35.1	2,040,572	1,367,811
Administrative and other expenses	36.1	86,103,350	61,848,468
Regional Office Mirpur Azad Jammu and Kashmir	36.1	2,335,565	2,193,035
		285,557,032	206,541,971

Estimated expenses to be charged in income and expenditure statement in financial year 2021

	Girls College	Head Office and all divisions	Total
	(Rupees)		
Current service cost	20,072,080	84,436,398	104,508,478
Interest cost on defined benefit obligation	30,806,059	115,281,993	146,088,052
Interest income on plan assets	-	(27,855,438)	(27,855,438)
	50,878,139	171,862,953	222,741,092

6.2.6 **Actuarial assumptions**

The following were the principal actuarial assumptions at 30 June:

	2020	2019
Discount rate used for year end obligations		
Discount rate used for interest cost	8.5% - 14.50%	14.25% - 14.50%
Salary increase rate (per annum)	8.5% - 14.50%	14.25% - 14.50%
Expected mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
	Setback 1 Year	Setback 1 Year
Duration of obligation	8 Years	8 Years
Retirement assumptions	60 Years	60 Years
Withdrawal rate	Moderate	Moderate

6.2.7 **Sensitivity analysis**

The sensitivity analysis is prepared using in same computation model and assumptions as used to determined defined benefit obligation based on projected credit unit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. If the significant actuarial assumptions used to estimate the defined benefit obligations at the reporting date, had fluctuated by +1 bps with all other variables held constant, the present value of the defined benefit obligations as at 30 June 2020 would have been as follows:

	Increase	Decrease
	Rupees	
Discount rate (1% movement)	1,560,893,417	1,836,293,578
Salary increase rate (1% movement)	1,834,854,322	1,559,782,418
Future withdrawal (10% movement)	128,403,800	(146,996,361)
Mortality rate (1 year movement)	(145,557,105)	129,514,799

Expected maturity profile

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

	2020 Rupees	2019 Rupees
Year 1	135,389,696	203,084,544
Year 2	75,074,133	112,611,199
Year 3	74,169,668	111,254,502
Year 4	66,905,583	100,358,374
Year 5	68,006,863	102,010,294
Year 6 to Year 10	428,925,470	643,388,205
Year 11 and above	1,263,434,801	1,895,152,202

6.2.8 **Risks associated with defined benefit plan**

Discount rate risk

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

Mortality risk

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

Salary increase / inflation risk

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

Withdrawal risk

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

6.2.9 **Amounts for the current and previous four years:**

	2020	2019	2018	2017	2016
			Rupees		
Present value of defined benefit obligation	1,689,297,219	1,645,221,621	1,655,377,656	1,430,035,947	1,177,709,993
Fair value of plan assets	(277,042,643)	(267,018,889)	(411,959,648)	(454,985,417)	(516,475,041)
Receipts on behalf of the fund	3,407,635	3,407,635	3,407,635	3,407,635	3,407,635
Deficit	1,415,662,211	1,381,610,367	1,246,825,643	978,458,165	664,642,587
Remeasurement loss / (gain) on obligation	(152,966,873)	(56,099,227)	134,255,520	(166,871,228)	(225,326,717)
Remeasurement gain / (loss) on plan assets	(2,798,479)	1,897,420	(4,999,603)	(21,654,683)	864,877

7 CLAIMS PAYABLE

	Social security claims Libya (Note 7.1)		Claims related to United Nations Compensation Commission Funds (Note 7.2)		Total	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Balance as on 01 July	5,365,401	3,998,381	1,147,219,317	1,048,201,403	1,152,584,718	1,052,199,784
Add:						
Return on:						
Saving accounts	5,139	6,990	64,635,512	54,635,476	64,640,651	54,642,466
Short term investments	-	-	76,232,445	45,091,326	76,232,445	45,091,326
Other income	-	-	8,000	-	8,000	-
Exchange gain	-	1,360,871	-	-	-	1,360,871
	5,139	1,367,861	140,875,957	99,726,802	140,881,096	101,094,663
Less:						
Bank charges and taxes	(515)	(841)	(3,057)	(4,490)	(3,572)	(5,331)
Payment to claimants	-	-	(339,864)	(606,101)	(339,864)	(606,101)
Legal and professional fee	-	-	(3,500)	(90,000)	(3,500)	(90,000)
Other expenses	-	-	-	(8,297)	-	(8,297)
	(515)	(841)	(346,421)	(708,888)	(346,936)	(709,729)
Balance as on 30 June	5,370,025	5,365,401	1,287,748,853	1,147,219,317	1,293,118,878	1,152,584,718

7.1 The matter of social security claims of Pakistani workers in Libya was discussed in the meeting of Pak-Libyan Joint Technical Committee held on 24 August 1999. Pakistani workers claimed payment of social security deducted from salaries during their service. During the years 2004-2006 the Foundation received from Libya, social security claims of these Pakistani workers amounting to USD 96,572 and disbursements were made from time to time. The balance represents pending claims and accrued mark-up there on. As at 30 June, the balance represents USD 32,946 (2019: USD 32,917).

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

In an inter-ministerial meeting held on 1st October 1991, it was decided that Overseas Pakistanis Foundation (the Foundation) would be the focal point for distribution and collection of compensation forms required by the Commission. The Foundation received and disbursed USD 337,504,063 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 unallocated claimants. As a result, any claimants located subsequent to this date were no longer entitled to receive their award.

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

	NOTE	2020 Rupees	2019 Restated Rupees
8 CONTRACT LIABILITIES			
Unsecured			
Advances from customers against housing schemes	8.1	1,499,402,166	1,056,858,188
Advance rent against investment properties		10,082,616	8,164,578
Advance tuition fee		1,030,517	14,652,231
		1,510,515,299	1,079,674,997

8.1 Advances from customers against housing schemes

	2020 Rupees	2019 Restated Rupees
Raiwind Road Colony, Lahore	1,485,802,573	1,045,475,147
Chittarpari Mirpur, Azad Jammu and Kashmir	933,684	-
Rawat, Rawalpindi	1,147,025	1,147,025
Dadu	10,018,884	9,736,016
Farm houses / KBWL cluster houses, Islamabad	500,000	500,000
Gujrat	1,000,000	-
	1,499,402,166	1,056,858,188

		NOTE	2020 Rupees	2019 Restated Rupees
9	**CREDITORS, ACCRUED AND OTHER LIABILITIES**			
	Accrued liabilities		77,192,241	62,153,353
	Financial aid	9.1	416,992,262	294,300,000
	Retention money		7,530,725	8,150,311
	Security deposits	9.2	399,633,421	391,380,342
	Advances refundable against abandoned scheme - Faisalabad		1,969,993	2,109,493
	Interest payable against abandoned scheme - Faisalabad	9.3	5,189,554	5,395,408
	Payable against purchase of land	9.4	1,298,875	1,298,875
	Application money for housing schemes		2,793,101	12,793,101
	Compensation payable to Joint Management (Private) Limited	9.5	41,278,620	-
	Federal excise duty payable	9.6	16,550,984	16,550,984
	Payable to employees against contribution to provident fund	9.7	75,933,606	77,890,009
	Payable to contractors and consultants	9.8	50,623,331	50,623,331
	Withholding income tax payable		21,175,051	17,088,965
	Contributory pension payable	9.9	3,012,353	3,861,160
	Bank charges payable		6,052,364	-
	Others		40,702,524	56,962,423
			1,167,929,005	1,000,557,755
9.1	**Financial aid**			
	As at 1 July		294,300,000	192,800,000
	Provision for the year	33	271,892,262	197,900,000
	Paid during the year		(149,200,000)	(96,400,000)
	As at 30 June		416,992,262	294,300,000
9.2	**Security deposits**			
	These represent security deposits received from:			
	- Suppliers		203,844,536	198,165,099
	- Students		189,778,399	188,144,719
	- Teachers		6,010,486	5,070,524
			399,633,421	391,380,342

9.3 It represents interest accrued till 2017 as per the Board of Governors decision to compensate allottees of abandoned housing scheme Faisalabad.

9.4 It represents payable to Mirpur Development Authority for purchase of land in Chittarpatti Phase 1.

9.5 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 2016. 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 but the appeal was dismissed by IHC, Islamabad vide order dated 15 June 2021. Being aggrieved, the Foundation filed petition in under article 185 (3) Supreme Court of Pakistan for leave to appeal against judgement dated 15 June 2021 passed by IHC, Islamabad. 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 Civil Court decided the case against the Foundation vide order dated 12 October 2021, as a result of which provision of Rupees 41.27 million recognized in these financial statements.

9.6 This represents federal excise duty received from allottees / customers. However, the Foundation is under litigation as explained in note 10 (a) (iv).

9.7 Pursuant to the decision of the Board of Governors dated 10 December 2015, Contributory Provident Fund (CPF) was discontinued with immediate effect. The Board decided that portion of CPF related to employees along with the profit will be refunded. Later on the Board in its meeting held on 01 April 2017, further directed to pay employer's portion of CPF along with interest withheld by the Foundation. Movement of the Contributory Provident payable is as follows:

	2020 Rupees	2019 Rupees
Opening balance	77,890,009	83,355,489
Payment during the year	(1,956,403)	(5,465,480)
	75,933,606	77,890,009

9.8 This represents an amount payable to NESPAK for planning, design and construction work carried out for Islamabad housing scheme.

9.9 Pursuant to the decision of the Board of Governors dated 04 March 2015, the Overseas Pakistanis Pension Trust (OPPT) was dissolved and its assets and liabilities were transferred to the Foundation on 31 December 2015 and the Board decided to pay the contributory pension payable to the relevant members of OPPT. Movement of the Contributory pension to the relevant members of OPPT is as follows:

	2020 Rupees	2019 Rupees
Opening balance	3,861,160	5,800,389
Payment during the year	(848,807)	(1,939,229)
	3,012,353	3,861,160

10 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 which 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) 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 was dismissed vide order dated 4 June 2021. The Foundation filed regular first appeal dated 21 June 2021 before the Honorable Islamabad High Court against order passed by the Civil Court. Management is hopeful of a favorable outcome of the dispute. Accordingly, no provision has been made in these financial statements.

(iv) 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.

(v) 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.

(vi) There are certain other cases outstanding as on 30 June 2020. Adverse impact, if any, of these cases is not considered material to these financial statements and management assesses favorable outcome of these cases.

(vii) The Foundation has provided bank guarantees amounting to Rupees 1.58 million (2019: Rupees 1.58 million). These guarantees have been secured against lien on bank balance of the Foundation amounting to Rupees 1.58 million (2019: Rupees 1.58 million).

b) Commitments

(i) Contractual commitments against the development expenditure on housing schemes were Rupees 527.269 million (2019: Rupees 181.144 million).

(ii) Capital commitments against the construction works of school and college buildings were Rupees 97.135 million (2019: Rupees 240.813 million).

11 PROPERTY AND EQUIPMENT

	NOTE	2020 Rupees	2019 Rupees
Operating fixed assets	11.1	1,498,485,816	1,249,833,515
Capital work in progress	11.2	431,847,672	430,080,456
		1,930,333,488	1,679,913,971

11.1 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 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 11.2)	-	-	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 14)										
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	-	(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
Year ended 30 June 2020										
Opening 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
Additions	-	-	-	-	-	5,267,990	-	2,000,716	434,610	7,703,316
Transferred from capital work in progress (note 11.2)	-	-	213,689,576	75,524,251	-	-	-	-	-	289,213,827
Transferred building from freehold land to leasehold land	-	-	(2,384,324)	2,384,324	-	-	-	-	-	-
Amortization / depreciation charge for the year	-	(840,989)	(17,648,993)	(10,402,748)	(51,883)	(4,652,974)	(2,770,224)	(5,643,136)	(237,214)	(42,248,161)
Closing net book value	20,575,014	8,210,769	883,084,206	468,801,067	293,997	43,637,953	11,080,897	32,928,903	1,670,910	1,470,283,716
At 30 June 2020										
Cost	20,575,014	38,672,936	978,614,419	599,517,812	5,914,652	111,217,318	101,167,513	137,340,299	17,351,029	2,010,370,992
Accumulated amortization / depreciation	-	(30,462,167)	(95,530,213)	(130,716,745)	(5,620,655)	(67,579,365)	(90,086,616)	(104,411,396)	(15,680,119)	(540,087,276)
Net book value	20,575,014	8,210,769	883,084,206	468,801,067	293,997	43,637,953	11,080,897	32,928,903	1,670,910	1,470,283,716
Annual rate of depreciation	-	30 & 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 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 11.2)	12,434,440	-	-	-	-	-	-	-	-	12,434,440
Disposals:										
Cost	(8,441,928)	(3,402,699)	-	-	-	(15,000)	-	-	-	(11,859,627)
Accumulated 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 14)										
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
Year ended 30 June 2020										
Opening 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
Additions	7,703,316	3,688,605	-	44,800	-	22,815	138,000	95,500	-	11,693,036
Transferred from capital work in progress (note 11.2)	289,213,827	-	-	-	-	-	-	-	-	289,213,827
Amortization / depreciation charge for the year	(42,248,161)	(8,591,904)	(453,760)	(365,041)	(140,050)	(180,765)	(80,342)	(194,444)	(95)	(52,254,562)
Closing net book value	1,470,283,716	19,847,203	2,571,302	2,260,554	793,616	1,035,759	558,775	1,134,033	858	1,498,485,816
At 30 June 2020										
Cost	2,010,370,992	90,976,214	11,460,644	15,667,011	2,121,139	3,784,354	757,632	2,011,656	9,425	2,137,159,067
Accumulated amortization / depreciation	(540,087,276)	(71,129,011)	(8,889,342)	(13,406,457)	(1,327,523)	(2,748,595)	(198,857)	(877,623)	(8,567)	(638,673,251)
Net book value	1,470,283,716	19,847,203	2,571,302	2,260,554	793,616	1,035,759	558,775	1,134,033	858	1,498,485,816
Annual rate of depreciation		33%	15%	15%	15%	15%	15%	15%	10%	

	NOTE	2020 Rupees	2019 Rupees

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

	NOTE	2020 Rupees	2019 Rupees
Housing division	32	1,010,386	1,081,260
Welfare division:			
- Eye hospitals	33	764,623	864,632
- Administrative activities	33	960,083	466,651
Education division:			
- OPF Public Schools Pakistan	34	36,841,612	38,031,969
- OPF Public Schools - Azad Jammu and Kashmir	34	930,527	1,046,690
- Administrative activities	34	1,142,648	1,035,398
Publicity and marketing cell	35	154,649	149,925
Administrative and other expenses	36	10,247,812	7,692,931
Regional Office Azad Jammu and Kashmir	36	202,222	66,271
		52,254,562	50,435,727

11.2 Capital work in progress - civil works

	NOTE	2020 Rupees	2019 Rupees
Balance at beginning of the year		430,080,456	209,626,846
Additions during the year		292,340,764	232,888,050
		722,421,220	442,514,896
Transfers to operating fixed assets:			
- Buildings on freehold land		(213,689,576)	(5,135,083)
- Buildings on leasehold land		(75,524,251)	(7,299,357)
	11.1	(289,213,827)	(12,434,440)
Written off during the year	34	(1,359,721)	-
Balance at the end of the year	11.2.1	431,847,672	430,080,456

11.2.1 Capital work in progress - civil works

	2020 Rupees	2019 Rupees
OPF College, Hangu and Turbat	-	133,216,859
OPF Public School, Noudero	569,967	569,967
OPF School Multan, Quetta, Mirpur and Bhalwal	4,313,816	44,079,610
OPF Public School, Dadu	221,295	221,295
OPF Public School, Peshawar	-	50,861,670
OPF Building F-11, Islamabad	-	170,264,089
OPF Building, Quetta	5,026,958	18,797,939
OPF Hospital, Dera Ghazi Khan	4,631,290	4,631,290
OPF Boys College, H-8/4, Islamabad	13,853,523	545,000
OPF Girls College, F-8/2, Islamabad	233,268,133	-
OPF Building, Karachi	15,964,956	-
OPF Head Office building, Islamabad	846,316	-
Housing scheme site office, Lahore	6,892,737	6,892,737
Water storage dam, Islamabad	146,258,681	
	431,847,672	430,080,456

		NOTE	Buildings 2020 Rupees	Buildings 2019 Rupees
12	**RIGHT-OF-USE ASSETS**			
	Net carrying amount as on 01 July		-	-
	Right-of-use-asset recognized on adoption of IFRS 16 on 01 July 2019		106,779,147	-
	Additions during the year		1,275,567	-
	Depreciation	12.1.2	(20,214,079)	-
	Net carrying amount as at 30 June		87,840,635	-
	As at 30 June			
	Cost		108,054,714	-
	Accumulated depreciation		(20,214,079)	-
			87,840,635	-

12.1 The Foundation obtained buildings on lease for its regional offices and educational institution. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a period of 5 to 10 years.

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

		NOTE	2020 Rupees	2019 Rupees
12.1.2	Depreciation charge for the year has been allocated as follows:			
	Education division:			
	- OPF Public Schools - Pakistan	34	13,545,495	-
	- OPF Public Schools - Azad Jammu and Kashmir	34	5,043,682	-
			18,589,177	-
	Administrative and other expenses:			
	- Regional Office Multan, Pakistan	36	1,191,417	-
	- Regional Office Mirpur, Azad Jammu and Kashmir	36	433,485	
			1,624,902	-
			20,214,079	-

13 **INTANGIBLES**

	Accounting software	Customers Management System	Total
	----------	Rupees	----------
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
Year ended 30 June 2020			
Opening net book value	734,313	2,232,573	2,966,886
Additions	-	1,926,782	1,926,782
Amortization charge for the year	(242,323)	(1,345,912)	(1,588,235)
Closing net book value	491,990	2,813,443	3,305,433
At 30 June 2020			
Cost	2,183,278	7,941,719	10,124,997
Accumulated amortization	(1,691,288)	(5,128,276)	(6,819,564)
	491,990	2,813,443	3,305,433
Annual rate of amortization	33%	33%	

	NOTE	2020 Rupees	2019 Rupees

13.1 Amortization charge for the year has been allocated as follows:

	NOTE	2020 Rupees	2019 Rupees
Housing division	32	234,779	350,416
Welfare division	33	281,380	126,500
Administrative and other expenses	36	1,072,076	812,245
		1,588,235	1,289,161

14 INVESTMENT PROPERTIES

	NOTE	Buildings Rupees
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:		
Cost		14,887,308
Accumulated depreciation		(6,178,407)
	11.1	8,708,901
Depreciation charge for the year	36	(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
Year ended 30 June 2020		
Opening net book value		70,248,331
Depreciation charge for the year	36	(1,756,209)
Closing net book value		68,492,122
At 30 June 2020		
Cost		87,801,722
Accumulated depreciation		(19,309,600)
		68,492,122
Annual rate of depreciation		2.5%

14.1 **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

14.2 **Rental income**

The rental income in respect of these properties amounting to Rupees 46.43 million (2019: Rupees 50.56 million) has been recognized in the income and expenditure statement and included in 'other income'. The direct operating expenses pertaining to these properties comprising maintenance and utility costs amounting to Rupees 20.85 million (2019: Rupees 19.11 million) has been recognized in the income and expenditure statement and included in 'administrative and other expenses'.

Depreciation

Depreciation on these properties is calculated using reducing balance method to allocate the cost less its residual value over its estimated useful life of years. The depreciation on investment properties measured at cost is charged to administrative and other expenses.

14.3 **Leasing arrangement**

The Foundation as a lessor has entered into operating leases on its investment property portfolio consisting of certain office buildings. These leases have terms of between 3 to 5 years. All lease arrangements include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	NOTE	2020 Rupees	2019 Rupees
Up to one year		44,089,010	46,434,826
After one year but not more than five years		71,225,110	112,118,608
More than five years		-	3,195,512
		115,314,120	161,748,946

15 LONG TERM INVESTMENTS

	NOTE	2020 Rupees	2019 Rupees
Debt instruments	15.1	-	-
Equity instruments	15.2	-	-
		-	-

15.1 **Debt instruments**

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)
	-	-

15.1.1 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 (2019: Rupees Nil) during the year.

	2020 Rupees	2019 Rupees
15.2 **Equity instruments**		
Subsidiary company		
Kaghan Brick Works Limited - unquoted		
650,000 ordinary shares (2019: 650,000 ordinary shares) of Rupees 10 each Percentage of holding - 100% (2019: 100%)	269,891	269,891
Equity instruments		
Fair value through profit or loss		
Others - Duty Free Shops Limited - unquoted		
35,801 ordinary shares (2019: 35,801 ordinary shares) of Rupees 100 each Percentage of holding - 2.39% (2019: 2.39%)	110,200	110,200
	380,091	380,091
Less: Provision for impairment	(380,091)	(380,091)
	-	-

		NOTE	2020 Rupees	2019 Rupees
16	**LONG TERM ADVANCES**			
	Considered good			
	Advances to staff - secured	16.1	245,292,466	241,234,398
	Less: Current portion shown under current assets	21	(35,426,048)	(27,790,836)
			209,866,418	213,443,562
	Considered doubtful			
	Receivable from Kaghan Brick Works Limited - subsidiary company	16.2	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
			298,568,173	302,145,317
	Less: Provision against doubtful advances		(88,701,755)	(88,701,755)
			209,866,418	213,443,562

16.1 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% (2019: 4% to 4.5%) per annum on the outstanding balance. Interest free advances to employees have not been carried at amortized cost as required by IFRS 9 "Financial Instruments" as its effect is immaterial.

These advances include Nil (2019: Nil) given to key management personnel of the Foundation.

		NOTE	2020 Rupees	2019 Rupees
16.2	Age analysis of receivable from Kaghan Brick Works Limited is:			
	More than 2 years		-	44,000
	More than 3 years		83,701,755	83,657,755
			83,701,755	83,701,755

17 **LONG TERM DEPOSITS**

Long term deposits include security deposits placed with utility companies.

18 **DEFERRED INCOME TAX ASSET**

This comprises of following:

	NOTE	2020 Rupees	2019 Rupees
Taxable temporary differences			
Accelerated tax depreciation		300,113,953	(285,348,628)
Deductible temporary differences			
Right-of-use assets net of lease liabilities		(1,945,414)	-
Staff retirement benefits		(510,510,998)	496,957,619
Turnover tax		92,683,126	62,649,294
Unused tax losses		1,523,740,969	1,322,395,413
		1,103,967,683	1,882,002,326
Provision for impairment:			
Debt instruments		1,989,113	1,989,113
Equity instruments		110,226	110,226
		2,099,339	2,099,339
Provision against doubtful advances and other receivables		(2,347,735)	2,398,312
Provision against doubtful mobilization advance		(386,303)	492,878
		(2,734,038)	2,891,190
		1,403,446,937	1,601,644,227
Deferred income tax asset not recognized	18.1	(1,403,446,937)	(1,601,644,227)
		-	-

18.1 The net deferred income tax asset of Rupees 1,403.447 million (2019: Rupees 1,601.644 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.

	NOTE	2020 Rupees	2019 Rupees
19 DEVELOPMENT PROPERTIES - HOUSING SCHEMES			
Mobilization advance	19.1	21,792,142	59,065,074
Development expenditure on housing schemes	19.2	2,136,960,246	1,599,278,478
		2,158,752,388	1,658,343,552

19.1 Mobilization advance

	NOTE	2020 Rupees	2019 Rupees
Islamabad		15,745,630	35,820,830
Raiwind Road Lahore		7,378,592	14,563,824
Peshawar		-	367,500
Rawat		-	10,012,500
		23,124,222	60,764,654
Less: Provision against doubtful mobilization advances	19.1.1	(1,332,080)	(1,699,580)
		21,792,142	59,065,074

19.1.1 Movement in provision against doubtful mobilization advances

	NOTE	2020 Rupees	2019 Rupees
Balance at the beginning of the year		1,699,580	11,712,080
Reversal for the year	31	-	(10,012,500)
Written off during the year		(367,500)	-
Balance at the end of the year		1,332,080	1,699,580

19.2 Development expenditure on housing schemes

Reconciliation of carrying amount is as follows:

	NOTE	2020 Rupees	2019 Rupees
Balance at the beginning of the year		1,599,278,478	4,997,639,509
Adjustment on adoption of IFRS 15		-	(1,956,225,521)
Adjusted balance at the beginning of the year		1,599,278,478	3,041,413,988
Cost incurred during the year		854,725,264	309,606,061
Cost transferred to cost of revenue during the year	32	(317,043,496)	(1,751,741,571)
Balance at the end of the year	19.2.1	2,136,960,246	1,599,278,478

19.2.1 **Breakup of development expenditure:**

	Land	Development cost	Supervision cost	2020	2019
	-------	-------	Rupees	-------	-------
Islamabad	93,589,285	850,477,987	24,624,849	968,692,121	736,564,759
Raiwind Road colony, Lahore	198,459,327	606,259,252	69,273,876	873,992,455	718,071,556
Peshawar	8,874,113	-	-	8,874,113	8,874,113
Chittarpari Mirpur, Azad Jammu and Kashmir	2,058,455	189,634,647	7,538,116	199,231,218	65,949,867
Gujrat	93,928	-	-	93,928	93,928
Dadu	1,730,776	11,160,257	10,730,945	23,621,978	20,203,205
Rawat, Rawalpindi	17,438,702	37,429,641	7,586,090	62,454,433	49,521,050
	322,244,586	1,694,961,784	119,753,876	2,136,960,246	1,599,278,478

	NOTE	2020 Rupees	2019 Restated Rupees
20 CONTRACT RECEIVABLES			
Considered good			
Receivables against:			
- sale of plots, secured	20.1	1,119,431,236	1,161,297,505
- tuition fee, unsecured	20.2	74,779,212	71,338,064
		1,194,210,448	1,232,635,569

20.1 Receivables against sale of plots

	2020	2019
Islamabad	1,045,885,178	1,135,420,103
Peshawar	30,233	25,877,402
Chittarpari Mirpur, Azad Jammu and Kashmir	11,714,450	-
Raiwind Road Colony, Lahore	61,801,375	-
	1,119,431,236	1,161,297,505

20.1.1 Contract receivables against sale of plots are secured against respective plots. As at 30 June 2020, the balance of Rupees 1,107.78 million (2019: Rupees 1,161.30 million) was past due but not impaired. This relates to a number of independent parties from whom there is no recent history of default. The aging analysis of these contract receivables is as follows:

	2020 Rupees	2019 Rupees
Not yet due	11,651,630	-
Past due up to 30 days	61,852,575	553,069,307
Past due 30 days up to 60 days	11,620	-
Past due 60 days up to 365 days	-	608,228,198
Past due more than 365 days	1,045,915,411	-
	1,119,431,236	1,161,297,505

20.2 As at 30 June 2020, contract receivables against tuition fee amounting to Rupees 74.779 million (2019: Rupees 71.338 million) were past due but not impaired. These relate to a number of independent students from whom there is no recent history of default. The aging analysis of these contract receivables is as follows:

	NOTE	2020 Rupees	2019 Rupees
Past due up to 30 days		32,807,173	38,610,571
Past due 30 to 60 days		5,002,743	6,065,204
Past due 60 to 90 days		19,813,058	22,664,442
Past due 90 to 365 days		15,991,762	3,997,847
Past due more than 365 days		1,164,476	-
		74,779,212	71,338,064

21 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	NOTE	2020 Rupees	2019 Rupees
Considered good			
Advances to staff:	21.1		
- against expenses		9,551,619	22,467,956
- against salaries		111,744,126	94,179,526
- current portion of long term advances	16	35,426,048	27,790,836
		156,721,793	144,438,318
Advances to suppliers		10,750	382,148
Prepayments		615,305	8,077,231
Accrued interest	21.2	1,439,650	2,952,992
Receivable from State Bank of Pakistan	21.3	5,370,025	-
Rent receivable		4,073,370	5,346,439
Other receivables		4,258,636	6,165,234
		15,767,736	22,924,044
		172,489,529	167,362,362
Considered doubtful			
Receivable against allotments		331,718	331,718
Advances to staff		2,528,740	2,528,740
Other receivables		5,235,180	5,409,584
		8,095,638	8,270,042
		180,585,167	175,632,404
Less: Provision for doubtful advances and receivables	21.4	(8,095,638)	(8,270,042)
		172,489,529	167,362,362

21.1 This includes Rupees Nil (2019: Rupees Nil) given to key management personnel of the Foundation.

21.2 This includes accrued interest of Rupees Nil (2019: Rupees 19,199) on bank account earmarked for claims related to United Nations Compensation Commission Funds.

21.3 It represents amount transferred to State Bank of Pakistan (SBP) from Habib Bank Limited account number 56470611, earmarked for social security claims, Libya due to non - operative bank account, which was subsequently received in aforesaid bank account on 08 April 2021. The balance represents USD 32,946 (2019: USD 32,917).

21.4 **Movement in provision for doubtful advances and receivables is as follows:**

	NOTE	2020 Rupees	2019 Rupees
Balance at the beginning of the year		8,270,042	7,241,302
Provision for the year	36	-	1,028,740
Written off during the year		(174,404)	-
Balance at the end of the year		8,095,638	8,270,042

22 TAXATION RECOVERABLE - NET

	NOTE	2020 Rupees	2019 Rupees
Opening balance		152,102,813	233,361,452
Income tax deducted at source		26,735,083	19,022,062
Income tax refund received during the year		-	(63,913,450)
Provision for the year	37	(30,033,832)	(36,367,251)
		148,804,064	152,102,813
Provision against doubtful taxation recoverable		(13,404,520)	(13,404,520)
Closing balance	22.1	135,399,544	138,698,293

22.1 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. It includes an amount of Rupees 22.913 million (2019: Rupees 12.434 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	2020 Rupees	2019 Rupees
23	**SHORT TERM INVESTMENTS**			
	Amortized cost			
	Welfare fund			
	Treasury bills	23.1	3,704,453,730	4,047,424,300
	Accrued interest		358,391,353	55,126,342
			4,062,845,083	4,102,550,642
	Claims related to United Nations Compensation Commission Funds			
	Treasury bills	23.1	659,450,900	536,884,900
	Accrued interest		68,271,566	4,756,222
			727,722,466	541,641,122
			4,790,567,549	4,644,191,764

23.1 These represent treasury bills issued by the State Bank of Pakistan. Maturity period of these bills ranges from 3 to 12 months and earn interest ranging from 11.90% to 14.06% (2019: 5.60% to 11.35%) per annum.

			2020 Rupees	2019 Rupees
24	**CASH AND BANK BALANCES**			
	Cash in hand		2,670,064	3,412,378
	Cash at banks on:			
	- current accounts		48,260,159	26,218,660
	- deposit accounts	24.1, 24.2, 24.3, 24.4 & 24.5	1,267,906,517	1,144,426,779
			1,316,166,676	1,170,645,439
			1,318,836,740	1,174,057,817

24.1 Interest rate on deposit accounts ranges from 6.00% to 12.35% (2019: 5.60% to 11.35%) per annum.

24.2 These include Rupees 35.531 million (2019: Rupees 66.703 million) placed with financial institutions owned by Government of Pakistan.

24.3 These include balance of Rupees 537.114 million and Rupees Nil (2019: Rupees 593.124 million and Rupees 5.365 million) for claims related to United Nations Compensation Commission Funds and social security claims Libya, respectively.

24.4 The balances in deposit accounts include USD Nil (2019: USD 32,916.56).

24.5 These include an amount of Rupees 8.75 million (2019: Rupees 10.66 million) kept in separate bank accounts relating to students security deposits.

		NOTE	2020 Rupees	2019 Rupees
25	**RETURN ON DEPOSIT ACCOUNTS AND INVESTMENTS**			
	Profit on:			
	Deposit accounts		55,076,185	48,887,076
	Short term investments		543,383,141	335,611,367
		25.1 & 25.2	598,459,326	384,498,443

25.1 This includes Rupees 557.228 million (2019: Rupees 348.95 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.

25.2 Profit is recognized over the time using effective interest rate method.

		NOTE	2020 Rupees	2019 Restated Rupees
26	**HOUSING DIVISION**			
	Profit on deposit accounts		7,887,895	3,978,166
	Income recognized on fulfilling performance obligation	26.1 & 26.2	321,871,897	1,489,048,859
	Transfer fee, surcharge and other charges		84,081,600	87,265,105
			413,841,392	1,580,292,130

26.1 Revenue is recognized at point in time when performance obligation is fulfilled (i.e. when the plot is developed).

26.2 The amount of Rupees 248.356 million included in contract liabilities (Note 8) as at 30 June 2019 has been recognised as revenue in 2020 (2019: Rupees 935.979 million).

	NOTE	2020 Rupees	2019 Restated Rupees
27 WELFARE DIVISION			
OPF Eye Hospital, Dera Ghazi Khan, Pakistan	27.1	761,708	800,895
OPF Eye Hospital, Mirpur, Azad Jammu and Kashmir		-	1,260
Profit on deposit accounts		2,030,191	1,478,155
		2,791,899	2,280,310

27.1 Revenue is recognized at point in time when token is issued to the patients.

	NOTE	2020 Rupees	2019 Restated Rupees
28 EDUCATION DIVISION			
Pakistani Schools:			
- school fees recognized during the year	28.1 & 28.2	859,455,403	907,801,854
- canteen rent		5,471,769	5,894,706
- others		1,082,190	1,740,788
		866,009,362	915,437,348
Azad Jammu and Kashmir Schools:			
- school fees recognized during the year	28.1 & 28.3	40,074,659	41,967,891
- canteen rent		303,100	375,300
		40,377,759	42,343,191
		906,387,121	957,780,539
Profit on deposit accounts		18,861,950	6,765,537
Miscellaneous		57,757	12,000
		925,306,828	964,558,076

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

28.2 The amount of Rupees 14.562 million included in contract liabilities (Note 8) as at 30 June 2019 has been recognised as revenue in 2020 (2019: Rupees 20.499 million).

28.3 The amount of Rupees 0.089 million included in contract liabilities (Note 8) as at 30 June 2019 has been recognised as revenue in 2020 (2019: Rupees 0.030 million).

29 TRAINING DIVISION

It represents fee received against different types of vocational training programmes.

	NOTE	2020 Rupees	2019 Rupees
30 PUBLICITY AND MARKETING CELL			
Advertisement		-	226,002
31 OTHER INCOME			
Income from financial assets:			
Interest on loan to employees		8,988,629	9,032,653
		8,988,629	9,032,653
Income from non - financial assets:			
Rental income from investment properties	31.1	46,434,826	50,557,443
Gain on disposal of operating fixed assets		-	4,654,903
Reversal of provision against doubtful mobilization advances	19.1.1	-	10,012,500
Other liabilities written off during the year		5,469,879	-
Miscellaneous		475,330	1,195,055
		52,380,035	66,419,901
		61,368,664	75,452,554

31.1 The amount of Rupees 8.16 million included in contract liabilities (Note 8) as at 30 June 2019 has been recognised as revenue in 2020 (2019: Rupees 13.08 million).

	NOTE	2020 Rupees	2019 Rupees
32 HOUSING DIVISION			
Salaries and benefits	32.1	81,761,791	80,302,742
Travelling and conveyance		2,773,860	1,848,120
Repairs and maintenance		149,305	321,171
Vehicles running and maintenance		35,534	69,061
Postage, telephone and telegram		260,072	346,117
Printing, stationery and periodicals		630,187	267,056
Depreciation	11.1.1	1,010,386	1,081,260
Amortization	13.1	234,779	350,416
Supervision and development of housing schemes	19.2	317,043,496	1,751,741,571
Late payment charges	9.5	41,278,620	-
Advertisement		4,379,015	5,700
Finance cost - bank charges		15,164	26,209
Miscellaneous		1,362,747	1,878,525
		450,934,956	1,838,237,948

32.1 Salaries and benefits include gratuity and compensated absences charge of Rupees 15.18 million and Rupees 3.66 million (2019: Rupees 13.28 million and Rupees 3.49 million) respectively.

	NOTE	2020 Rupees	2019 Rupees
33 WELFARE DIVISION			
Welfare activities			
Financial aid	9.1	271,892,262	197,900,000
Salaries and benefits OPF Eye Hospital - Mirpur	33.1	2,530,943	2,018,495
Salaries and benefits OPF Eye Hospital - Dera Ghazi Khan	33.1	10,235,761	8,314,386
Depreciation - OPF eye hospitals	11.1.1	764,623	864,632
Service cell		3,376,241	2,326,824
Foreign exchange remittance card		434,882	1,367,148
Welfare activities - eye camp		-	3,206,763
Welfare activities - travelling and conveyance		9,905,389	-
Donation	33.2	20,000,000	-
Finance cost - bank charges		660	348
Miscellaneous		1,889,159	1,502,654
		321,029,920	217,501,250
Administrative activities			
Salaries and benefits	33.1	120,248,403	108,950,633
Travelling and conveyance		405,390	370,042
Repairs and maintenance		183,738	167,344
Vehicle running and maintenance		2,600	-
Postage, telephone and telegram		913,405	978,276
Printing, stationery and periodicals		259,112	170,674
Depreciation	11.1.1	960,083	466,651
Amortization	13.1	281,380	126,500
Airport administrative expenses		6,242,202	5,832,267
Finance cost - bank charges		12,580	1,280
Miscellaneous		470,979	209,512
		129,979,872	117,273,179
		451,009,792	334,774,429

33.1 Salaries and benefits for OPF Eye Hospital, Mirpur include gratuity and compensated absences charge of Rupees 0.47 million and Rupees 0.1 million (2019: Rupees 0.31 million and Rupees 0.65 million) respectively. Salaries and benefits for OPF Eye Hospital, Dera Ghazi Khan include gratuity and compensated absences charge of Rupees 2.1 million and Rupees 0.3 million (2019: Rupees 1.4 million and Rupees 0.22 million) respectively. Salaries and benefits for welfare division administrative expenses include gratuity and compensated absences charge of Rupees 21.31 million and Rupees 4.1 million (2019: Rupees 17.4 million and Rupees 3.6 million) respectively.

33.2 It represents donation amounting to Rupees 20 million (2019: Rupees Nil) to National Disaster Management Fund (NDMF) for delivering food items to the Pakistani students in Wuhan province, China during COVID-19. None of the members and their spouses have any interest in the donee's fund.

	NOTE	2020 Rupees	2019 Rupees
34 EDUCATION DIVISION			
Education			
OPF Public Schools - Pakistan			
Salaries and benefits	34.1	991,270,493	868,542,956
Depreciation	11.1.1	36,841,612	38,031,969
Depreciation on right-of-use assets	12.1.2	13,545,495	-
Rent expense	12.1.1	1,763,654	17,118,780
Repairs and maintenance		31,052,465	12,306,836
Vehicle running and maintenance		10,424,999	11,263,372
Light and heat		20,160,600	18,274,366
Rent, rate and taxes		2,581,610	5,692,728
Donation	34.2	799,922	-
Security services		24,314,752	17,131,937
Printing, stationary and periodicals		3,671,945	5,109,357
Activity expenses		6,410,824	7,993,460
Scholarships to OP's children		1,410,950	3,120,976
Printing and stationary against exam fee		3,987,190	3,666,650
Finance cost	34.3	9,830,597	190,900
Other expenses		2,127,771	3,530,492
		1,160,194,879	1,011,974,779
OPF Public Schools - Azad Jammu and Kashmir			
Salaries and benefits	34.1	73,324,540	64,648,177
Depreciation	11.1.1	930,527	1,046,690
Depreciation on right-of-use assets	12.1.2	5,043,682	-
Security services		2,646,850	2,584,597
Other expenses		3,382,655	7,817,400
		85,328,254	76,096,864
Finance cost	34.3	1,508,814	55,381
Scholarships and awards		11,719,937	434,976
		1,258,751,884	1,088,562,000
Administrative activities			
Salaries and benefits	34.1	82,090,364	80,652,485
Travelling and conveyance		559,767	660,860
Capital work in progress written off during the year	11.2	1,359,721	-
Repairs and maintenance		187,058	500,216
Vehicle running and maintenance		44,624	28,244
Postage, telephone and telegram		314,443	432,637
Printing, stationery and periodicals		83,850	123,398
Advertisement		1,827,698	1,512,808
Depreciation	11.1.1	1,142,648	1,035,398
Security services		1,530,774	848,846
Miscellaneous		305,165	873,725
		89,446,112	86,668,617
		1,348,197,996	1,175,230,617

34.1 Salaries and benefits for OPF Public Schools, Pakistan include gratuity and compensated absences charge of Rupees 129.71 million and Rupees 19.81 million (2019: Rupees 90.37 million and Rupees 14.86 million) respectively. Salaries and benefits for OPF Public Schools - Azad Jammu and Kashmir include gratuity and compensated absences charge of Rupees 11.18 million and Rupees 2.01 million (2019: Rupees 7.81 million and Rupees 1.62 million) respectively. Salaries and benefits for education administrative expenses include gratuity and compensated absences charge of Rupees 15.13 million and Rupees 2.72 million (2019: Rupees 10.53 million and Rupees 2.14 million) respectively.

34.2 It represents donation to Pakistan International school, Riyadh amounting to Rupees 0.8 million (2019: Rupees Nil) for the installation of E-Learning equipment. None of the members and their spouses have any interest in the donee's fund.

	NOTE	2020 Rupees	2019 Rupees
34.3 Finance cost			
OPF Public Schools - Pakistan			-
- Interest on lease liabilities	5.3	9,549,385	-
- Bank charges		281,212	190,900
		9,830,597	190,900
- OPF Public Schools - Azad Jammu and Kashmir			
- Interest on lease liabilities	5.3	1,460,490	-
- Bank charges		48,324	55,381
		1,508,814	55,381

		2020 Rupees	2019 Rupees
35	**PUBLICITY AND MARKETING CELL**		
	Magazine Yaran-e-watan	69,500	34,975
	Administrative activities		
	Salaries and benefits	14,025,445	10,868,104
	Postage, telephone and telegram	159,722	25,143
	Printing, stationery and periodicals	307,032	91,004
	Depreciation	154,649	149,925
	Miscellaneous	332,569	608,530
		14,979,417	11,742,706
		15,048,917	11,777,681

Salaries and benefits include gratuity and compensated absences charge of Rupees 2.04 million and Rupees 0.46 million (2019: Rupees 1.37 million and Rupees 0.35 million) respectively.

		NOTE	2020 Rupees	2019 Rupees
36	**ADMINISTRATIVE AND OTHER EXPENSES**			
	Salaries and benefits	36.1	602,994,682	555,016,068
	Travelling and conveyance		4,514,965	4,528,039
	Foreign tours		140,845	-
	Repairs and maintenance		14,874,379	5,934,745
	Vehicle running and maintenance		12,360,735	11,710,027
	Postage, telephone and telegram		7,103,807	6,227,004
	Light and heat		23,111,581	20,882,047
	Printing, stationery and periodicals		2,769,562	4,931,427
	Office rent		-	1,350,000
	Entertainment		14,210	762,817
	Professional fee		4,175,836	2,636,557
	Auditor's remuneration	36.2	1,467,400	1,365,000
	Advertisement		3,752,770	1,246,944
	Depreciation	11.1.1	10,247,812	7,692,931
	Depreciation on right-of-use asset	12.1.2	1,191,417	-
	Depreciation - investment properties	14	1,756,209	1,801,239
	Amortization	13.1	1,072,076	812,245
	Staff advances written off		2,270,551	781,229
	Provision against staff advances	21.4	-	1,028,740
	Advance to supplier written off		1,152,380	-
	Accrued interest on short term investments written off		-	46,433
	Hajj expense		3,670,479	3,464,177
	Rent, rates and taxes		842,731	925,814
	Security services		187,200	-
	BOG expenses		4,691,361	4,601,465
	Hardware and software maintenance		1,848,145	1,145,293
	Finance cost	36.3	7,231,064	5,893,145
	Miscellaneous		3,413,760	5,365,175
			716,855,957	650,148,561
	Regional Office Mirpur Azad Jammu and Kashmir			
	Salaries and benefits	36.1	15,747,905	17,320,287
	Travelling and conveyance		766,383	522,736
	Repairs and maintenance		1,052,908	929,652
	Vehicle running and maintenance		213,714	360,557
	Postage, telephone and telegram		182,801	117,537
	Printing, stationery and periodicals		167,300	128,521
	Depreciation	11.1.1	202,222	66,271
	Depreciation on right-of-use asset	12.1.2	433,485	-
	Finance cost - interest on lease liability	5.3	104,898	-
	Miscellaneous		555,297	775,352
			19,426,913	20,220,913
			736,282,870	670,369,474

36.1 Salaries and benefits include gratuity and compensated absences charge of Rupees 86.10 million and Rupees 16.63 million (2019: Rupees 61.85 million and Rupees 13.47 million) respectively. Salaries and benefits for regional office, Mirpur include gratuity and compensated absences charge of Rupees 2.34 million and Rupees 0.52 million (2019: Rupees 2.19 million and Rupees 0.57 million) respectively.

	NOTE	2020 Rupees	2019 Rupees
36.2 Auditor's remuneration			
Statutory audit fee		1,257,400	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
		1,467,400	1,365,000
36.3 Finance cost			
Interest on lease liability	5.3	723,857	-
Bank charges		6,507,207	5,893,145
		7,231,064	5,893,145
37 TAXATION			
Current - current year	22	30,033,832	36,367,251
Deferred tax		-	-
		30,033,832	36,367,251

37.1 Provision for current tax represents minimum tax only because of gross loss for the year and in view of available tax losses of Rupees 5,300.71 million (2019: Rupees 4,559.98 million). Consequently, tax expense reconciliation is not being presented.

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

	Welfare fund		Lease liability	
	2020	2019 Restated	2020	2019
	Rupees			
Balance as at 01 July	6,039,067,119	6,538,946,465	-	-
Adjustment on adoption of IFRS 15/IFRS 16	-	(451,599,472)	102,273,998	-
Receipts in welfare fund during the year	1,087,569,049	952,477,473	-	-
Total comprehensive loss for the year	(879,084,500)	(1,000,757,347)	-	-
Lease liabilities recognized during the year	-	-	1,275,567	-
Interest accrued on lease liability	-	-	11,838,630	-
Repayment of lease liabilities	-	-	(20,839,238)	-
Balance as at 30 June	6,247,551,668	6,039,067,119	94,548,957	-

39 NUMBER OF EMPLOYEES

	2020	2019
Number of employees as at 30 June	1,937	1,231
Average number of employees during the year	1,584	1,468

40 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.

	2020 Rupees	2019 Rupees
Interest earned on Government securities	552,691,898	380,702,693
Government owned entities		
National Bank of Pakistan		
Closing balance	799,320	12,572,931
Interest earned	1,604,850	148,230
The Bank of Punjab		
Closing balance	34,731,456	54,130,075
Interest earned	2,931,319	13,239,979
Other than Government of Pakistan		
Kaghan Brick Works Limited - subsidiary		
Payments on behalf of Kaghan Brick Works Limited	-	-
Staff retirement benefits		
Contribution to gratuity fund	109,407,203	13,760,600

41 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			
	2020	2019	2020	2019	2020	2019	2020	2019
	Rupees							
Managerial remuneration	1,675,640	1,615,640	8,910,000	12,278,392	29,618,380	35,247,141	40,204,020	49,141,173
Leave encashment	-	-	-	-	9,904,220	6,780,822	9,904,220	6,780,822
Housing and utilities	5,735,364	4,224,172	-	-	35,143,495	40,486,113	40,878,859	44,710,285
Medical expenses	420,780	133,713	-	-	3,470,402	3,361,193	3,891,182	3,494,906
	7,831,784	5,973,525	8,910,000	12,278,392	78,136,497	85,875,269	94,878,281	104,127,186
Number of persons	1	1	3	3	22	26		

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

The aggregate amount charged in these financial statements in respect of board of governor's meeting fee, travelling expense and entertainment expense paid on behalf of 13 (2019: 11) non-executive directors was Rupees 4.70 million (2019: Rupees 4.60 million).

42 FINANCIAL RISK MANAGEMENT

42.1 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:

	2020	2019
Cash at banks - USD	-	32,917
Receivable from State Bank of Pakistan	32,946	-
Social security claims Libya	(32,946)	-
Net exposure	-	32,917
Rupees per US Dollar		
Average rate	158.23	136.09
Reporting date rate	168.05	163.00

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 Nil (2019: Rupees 268,270) 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:

	2020 Rupees	2019 Rupees
Fixed rate instruments		
Financial assets		
Advances	245,292,466	241,234,398
Short term investments - amortized cost	4,790,567,549	4,644,191,764
Floating rate instruments		
Financial assets		
Cash at bank - deposit accounts	1,267,906,517	1,144,426,779

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 12.68 million (2019: Rupees 11.44 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:

	2020 Rupees	2019 Rupees
Long term advances	209,866,418	213,443,562
Deposits	4,108,516	3,825,695
Contract receivables	1,194,210,448	1,232,635,569
Advances and other receivables	162,311,855	136,435,027
Short term investments	4,790,567,549	4,644,191,764
Bank balances	1,316,166,676	1,170,645,439
	7,677,231,462	7,401,177,056

The Foundation applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all financial assets. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the receivables and the economic environment to determine expected credit loss allowance.

The Foundation's contract receivables against sale of plots and advances to employees are fully secured against respective plots and termination benefits of employees respectively and the Foundation has deposited the security deposit with utility companies against services. Therefore, the management does not expect to incur material losses on such receivables, advances and deposits. However, the identified impairment loss was immaterial in respect of receivable against tuition fee and other receivables.

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			2020	2019
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AAA	PACRA	509,520	459,721
Askari Bank Limited	A1+	AA+	PACRA	923,611,554	742,935,695
Bank Alfalah Limited	A1+	AA+	PACRA	106,066,229	27,326,399
First Women Bank Limited	A2	A-	PACRA	279,704	253,941
Habib Bank Limited	A-1+	AAA	JCR-VIS	218,353,522	325,843,595
National Bank of Pakistan	A1+	AAA	PACRA	799,320	12,533,713
The Bank of Punjab	A1+	AA	PACRA	34,731,456	54,130,043
United Bank Limited	A-1+	AAA	JCR-VIS	7,825,542	7,162,332
MCB Bank Limited	A-1	A	PACRA	23,989,829	-
				1,316,166,676	1,170,645,439
Investment					
Treasury bills	N/A	N/A	N/A	4,790,567,549	4,644,191,764
				6,106,734,225	5,814,837,203

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 2020, the Foundation had Rupees 1,318.837 million (2019: Rupees 1,174.058 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 2020

	Carrying amount	Contractual cash flows	Overdue	6 month or less	6-12 months	1-2 year	More than 2 years
			----------------------	-Rupees ----------------------			
Non-derivative financial liabilities:							
Lease liabilities	94,548,957	125,129,600	1,894,011	9,345,511	12,392,423	25,244,260	76,253,395
Claims payable to claimants	1,293,118,878	1,293,118,878	-	1,293,118,878	-	-	-
Creditors, accrued and other liabilities	1,051,257,011	1,051,257,011	-	1,051,257,011	-	-	-
	2,438,924,846	2,469,505,489	1,894,011	2,353,721,400	12,392,423	25,244,260	76,253,395

Contractual maturities of financial liabilities as at 30 June 2019

	Carrying amount	Contractual cash flows	Overdue	6 month or less	6-12 months	1-2 year	More than 2 years
			----------------------	-Rupees ----------------------			
Non-derivative financial liabilities:							
Claims payable to claimants	1,152,584,718	1,152,584,718	-	1,152,584,718	-	-	-
Creditors, accrued and other liabilities	885,166,637	885,166,637	-	885,166,637	-	-	-
	2,037,751,355	2,037,751,355	-	2,037,751,355	-	-	-

42.2 Financial instruments by categories

	Amortized cost	
	2020	2019
	Rupees	Rupees
As at 30 June 2020		
Assets as per statement of financial position		
Long term advances	209,866,418	213,443,562
Deposits	4,108,516	3,825,695
Contract receivables	1,194,210,448	1,232,635,569
Advances and other receivables	162,311,855	136,435,027
Short term investments	4,790,567,549	4,644,191,764
Cash and bank balances	1,318,836,740	1,174,057,817
	7,679,901,526	7,404,589,434
Liabilities as per statement of financial position		
Lease liabilities	94,548,957	-
Claims payable to claimants	1,293,118,878	1,152,584,718
Creditors, accrued and other liabilities	1,051,257,011	885,166,637
	2,438,924,846	2,037,751,355

42.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2020			2019		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	----------- Rupees -----------			----------- Rupees -----------		
Assets as per statement of financial position						
Long term advances	209,866,418	-	209,866,418	213,443,562	-	213,443,562
Long term deposits	4,108,516	-	4,108,516	3,825,695	-	3,825,695
Contract receivables	1,194,210,448	-	1,194,210,448	1,232,635,569	-	1,232,635,569
Advances and other receivables	162,311,855	10,177,674	172,489,529	136,435,027	30,927,335	167,362,362
Short term investments	4,790,567,549	-	4,790,567,549	4,644,191,764	-	4,644,191,764
Cash and bank balances	1,318,836,740	-	1,318,836,740	1,174,057,817	-	1,174,057,817
	7,679,901,526	10,177,674	7,690,079,200	7,404,589,434	30,927,335	7,435,516,769

	2020			2019		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	----------- Rupees -----------			----------- Rupees -----------		
Liabilities as per statement of financial position						
Lease liabilities	94,548,957	-	94,548,957	-	-	-
Claims payable to claimants	1,293,118,878	-	1,293,118,878	1,152,584,718	-	1,152,584,718
Creditors, accrued and other liabilities	1,051,257,011	116,671,994	1,167,929,005	885,166,637	115,391,118	1,000,557,755
	2.438,924,846	116.671,994	2,555,596,840	2,037,751,355	115,391,118	-

42.4 **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.

42.5 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 to external capital requirement.

43 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.

44 IMPACT OF COVID-19 (CORONA VIRUS - 19)

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.

45 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation. Restatement due to rectification of prior period errors described in note 2.26. No other significant reclassification / rearrangements of corresponding figures have been made except the following:

Particulars	From	To	Rupees
Advance rent against investment propertie:	Accrued liabilities	Contract liabilities - advance rent	8,164,578
Provision for compensated absences and gratuity	Administrative and other expenses	Expenditure:	
		Housing division	16,765,555
		Welfare division	23,031,085
		Education division	127,333,034
		Publicity and marketing cell	1,715,936

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 10 FEB 2022 by the Board of Governors of the Foundation.

47 **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 2020

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 2020.

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 2020.

RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

Date:

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

Name of Company: Overseas Pakistanis Foundation (the Foundation)
Name of the line Ministry: Ministry of Overseas Pakistanis and Human Resource Development
For the year ended: 30 June 2020

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 Foundation has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule No.	Y (Tick the relevant box)	N	Remarks
1.	The independent directors meet the criteria of independence, as defined under the Rules	2(d)	✓		
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes:	3(2)	✓		

Category	Names	Date of Appointment
Independent Directors	1. Mr. Khalid Mahmood Raja 2. Mr. Majid Ali Choudhry 3. Ms. Nyla Qureshi 4. Mr. Irfan Mustafa 5. Mr. Zulqiurnain Ali Khan	11 June 2018 11 June 2018 11 June 2018 06 January 2020 06 January 2020
Executive Directors	1. Dr. Amer Sheikh	08 May 2018
Non-Executive Directors	1. Dr. Muhammad Hashim Popalzai 2. Dr. Arshad Mahmood 3. Mr. Moazzam Ahmad Khan 4. Mr. Abdul Aziz Uqaili 5. Muhammad Khashih Ur Rehman	18 June 2020 09 August 2018 25 June 2019 28 January 2019 11 June 2018

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks
3.	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.	3(5)	✓		
4.	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.	3(7)	N/A		All the nominations on the Board Government of Pakistan.
5.	The chairman of the Board is working separately from the chief executive of the Foundation.	4(1)	✓		
6.	The chairman has been elected by the Board of Governors except where Chairman of the Board has been appointed by the Government.	4(4)	✓		

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks
			Tick the relevant box		
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		The chief executive has been appointed by the Government of Pakistan.
8.	a) The Foundation 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 Foundation along with its supporting policies and procedures, including posting the same on the Foundation'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.		✓ ✓ ✓		
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 Foundation.	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 Foundation'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 Foundation.	5(6)	✓		
15.	The Board has developed significant policies of the Foundation. 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 Foundation 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)	✓		

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks
			Tick the relevant box		
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 working papers, were circulated at least seven days before the meetings.	6(2)	✓		
	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓		
19.	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.	8(2)		✓	
20.	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.	9	✓		
21	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.	10		✓	
	b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.			N/A	
	c) The Board has placed the annual financial statements on the Foundation's website.		✓		
22.	All the Board members underwent an orientation course arranged by the Foundation to apprise them of the material developments and information as specified in the Rules.	11	✓		
23	a) The Board has formed the requisite committees, as specified in the Rules.	12	✓		
	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:		✓		

Committee	No. of Members	Name of Chair
Audit Committee	05	Ms. Nyla Qureshi
Risk Management Committee	04	Mr. Khalid Mahmood Raja
Human Resource Committee	06	Mr. Abdul Aziz Uqaili
Procurement Committee	05	Mr. Haaris M. Chaudhry
Nomination Committee	07	Muhammad Khashih ur Rehman
Finance and Welfare Committee	05	Mr. Irfan Mustafa

<table>
<tr><th>Sr. No.</th><th>Provision of the Rules</th><th>Rule No.</th><th>Y</th><th>N</th><th>Remarks</th></tr>
<tr><th></th><th></th><th></th><th colspan="2">Tick the relevant box</th><th></th></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><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><td></td></tr>
<tr><td>26.</td><td>The Foundation 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><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><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 Foundation except those disclosed to the Foundation.</td><td>18</td><td>✓</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 Foundation contains criteria and details of remuneration of each director</td><td>19</td><td>✓

✓</td><td></td><td></td></tr>
<tr><td>30.</td><td>The financial statements of the Foundation 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><td></td></tr>
<tr><td>31.</td><td>a) 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. Majid Ali Chaudhry</td><td>Independent</td><td>Overseas Pakistani Businessman</td></tr>
<tr><td>Mr. Haaris M. Chaudhry</td><td>Independent</td><td>Business Management Professional</td></tr>
<tr><td>Dr. Arshad Mahmood</td><td>Non-Executive</td><td>Government Service</td></tr>
</table>
b) 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><td></td></tr>
</table>

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks
			Tick the relevant box		
32	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.	21(3)	✓		
	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.	21(3)	✓		
	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.	21(3)	✓		
33.	a) The board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	✓		
	b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.		✓		
	c) The internal audit reports have been provided to the external auditors for their review.		✓		
34.	The external auditors of the Foundation have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓		
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓		

Chief Executive Officer

Independent Director

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 Foundation 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.	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.
2.	6(1)	The Board meeting scheduled in last quarter was delayed and held in the next quarter due to some unforeseen circumstances.	The Foundation is committed with the compliance to hold one Board meeting in each quarter.
3.	8(2)	During the year under report, the Rules for contractual employees working against statutory positions were framed, however, assessment of the performance of senior management was not undertaken the taken by the Board	Efforts will be made to ensure compliance in this regard.
4.	10	Due to delay in finalization of annual audited accounts for 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 financial statements for the respective quarters may be considered and approved by the Board.

Chief Executive Officer

Independent Director