Riaz Ahmad & Company
Chartered Accountants

OVERSEAS PAKISTANIS FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

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 2022, 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, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the 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 Company's affairs as at 30 June 2022 and of the surplus, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matters

We draw attention to the following matters:

- As stated in note 1.4 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 8.2 to the financial statements which more fully explains the status of claims related to United Nations Compensation Commission Funds.
- Note 23 to the financial statements which states that the recoverability of taxation receivable amounting to Rupees 74.230 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 have nothing to report in this regard.

Responsibilities of Management and Board of Governors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

We communicate with the board of governors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

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: 11 April 2023

UDIN: AR2022101878RCksKH7B

OVERSEAS PAKISTANIS FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	NOTE	2022 Rupees	2021 Restated Rupees	2020 Restated Rupees
FUND AND LIABILITIES				
FUND AND RESERVE				
Welfare fund	3	7,224,845,962	5,793,901,162	6,131,018,502
Capital reserve	4	156,250	156,250	156,250
		7,225,002,212	5,794,057,412	6,131,174,752
LIABILITIES				
NON-CURRENT LIABILITIES				
Deferred grant	5	31,629,561	-	-
Lease liabilities	6	44,731,438	62,724,310	70,917,012
Staff retirement benefits	7	1,798,028,080	1,746,759,278	1,760,382,753
		1,874,389,079	1,809,483,588	1,831,299,765
CURRENT LIABILITIES				
Claims payable	8	1,503,670,710	1,383,325,263	1,293,118,878
Contract liabilities	9	1,620,428,981	2,074,443,055	1,507,655,962
Creditors, accrued and other liabilities	10	1,846,412,206	1,794,586,101	1,433,777,196
Current portion of lease liabilities	6	22,345,836	20,526,669	23,631,945
		4,992,857,733	5,272,881,088	4,258,183,981
TOTAL LIABILITIES		6,867,246,812	7,082,364,676	6,089,483,746
CONTINGENCIES AND COMMITMENTS	11			
TOTAL FUND AND LIABILITIES		14,092,249,024	12,876,422,088	12,220,658,498

	NOTE	2022 Rupees	2021 Restated Rupees	2020 Restated Rupees
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	12	2,384,655,391	2,201,887,586	1,947,001,693
Right-of-use assets	13	53,903,094	71,872,415	87,840,635
Intangibles	14	5,925,954	5,285,940	3,305,433
Investment properties	15	45,900,750	66,779,819	68,492,122
Long term investments	16	-	-	-
Long term advances	17	230,623,732	225,466,878	209,866,418
Long term deposits	18	4,872,829	4,571,441	4,108,516
Deferred income tax asset	19	-	-	-
		2,725,881,750	2,575,864,079	2,320,614,817
CURRENT ASSETS				
Development properties - housing schemes	20	3,430,538,918	3,367,802,351	2,153,636,929
Contract receivables	21	1,586,153,068	1,184,293,433	1,329,113,390
Advances, prepayments and other receivables	22	119,410,097	112,684,106	172,489,529
Taxation recoverable - net	23	74,230,177	113,638,176	135,399,544
Short term investments	24	4,698,467,240	2,142,506,773	4,790,567,549
Cash and bank balances	25	1,457,567,774	3,379,633,170	1,318,836,740
		11,366,367,274	10,300,558,009	9,900,043,681
TOTAL ASSETS		14,092,249,024	12,876,422,088	12,220,658,498

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 2022

	NOTE	2022 Rupees	2021 Restated Rupees
INCOME			
Return on deposit accounts and investments	26	323,369,482	308,782,816
Housing division	27	3,411,999,094	1,544,808,872
Welfare division	28	3,358,487	1,758,208
Education division	29	1,093,405,665	906,443,531
Training division	30	192,000	46,500
Other income	31	86,661,762	72,036,761
		4,918,986,490	2,833,876,688
EXPENDITURE			
Housing division	32	1,937,593,301	1,090,031,907
Welfare division	33	535,587,277	546,720,918
Education division	34	1,456,458,195	1,292,281,472
Publicity and marketing cell	35	16,401,577	14,165,863
Administrative and other expenses	36	728,102,057	686,927,026
		4,674,142,407	3,630,127,186
Surplus / (deficit) before taxation		244,844,083	(796,250,498)
Taxation	37	(41,021,532)	(41,515,371)
Surplus / (deficit) after taxation		203,822,551	(837,765,869)

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 2022

	2022 Rupees	2021 Restated Rupees
SURPLUS / (DEFICIT) AFTER TAXATION	203,822,551	(837,765,869)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to income and expenditure statement		
Remeasurement gain on employees' retirement benefit plan	89,719,127	134,053,385
Related deferred income tax	(26,018,547)	-
	63,700,580	134,053,385
Items that may be reclassified subsequently to income and expenditure statement	-	-
Other comprehensive income for the year - net of tax	63,700,580	134,053,385
Total comprehensive income / (loss) for the year	267,523,131	(703,712,484)

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 2022

	Welfare fund	Capital reserve	Total
	---- Rupees ----		
Balance as at 30 June 2020 - as previously reported	6,282,487,361	156,250	6,282,643,611
Impact of restatement (note 2.28)	(151,468,859)	-	(151,468,859)
Balance as at 30 June 2020 - restated	6,131,018,502	156,250	6,131,174,752
Receipts directly credited to welfare fund	366,595,144	-	366,595,144
Deficit for the year	(837,765,869)	-	(837,765,869)
Other comprehensive income for the year	134,053,385	-	134,053,385
Total comprehensive loss for the year	(703,712,484)	-	(703,712,484)
Balance as at 30 June 2021 - restated	5,793,901,162	156,250	5,794,057,412
Receipts directly credited to welfare fund	1,163,421,669	-	1,163,421,669
Surplus for the year	203,822,551	-	203,822,551
Other comprehensive income for the year - net of tax	63,700,580	-	63,700,580
Total comprehensive income for the year	267,523,131	-	267,523,131
Balance as at 30 June 2022	7,224,845,962	156,250	7,225,002,212

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 2022

	2022 Rupees	2021 Restated Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) before taxation	244,844,083	(796,250,498)
Adjustments for non-cash charges and other items:		
Depreciation - property and equipment	70,130,071	55,000,461
Depreciation - right-of-use assets	22,879,798	22,544,705
Amortization	1,269,986	1,136,993
Depreciation - investment properties	1,176,942	1,712,303
Gratuity payable written off	-	(3,407,635)
Provision for staff retirement benefits	292,469,142	241,351,450
Long outstanding receivables written off	12,065,989	-
Provision for doubtful advances and receivables	1,233,085	1,502,627
Staff advances written off	-	2,736,718
Allowance for expected credit losses	25,259,035	-
Capital work in progress written off	1,263,391	15,286,791
Finance cost	16,688,614	12,821,067
Gain on disposal of operating fixed assets	-	(157,106)
Long outstanding liabilities written back	(27,824,764)	(7,019,417)
Return on deposit accounts and investments	(353,523,736)	(330,863,500)
	307,931,636	(783,605,041)
Working capital changes:		
(Increase) / decrease in current assets:		
Development properties - housing schemes	(62,736,567)	(1,224,160,785)
Contract receivables	(439,184,659)	144,819,957
Advances, prepayments and other receivables	(5,250,704)	54,673,033
	(507,171,930)	(1,024,667,795)
Increase /(decrease) in current liabilities:		
Claims payable	120,345,447	90,206,385
Contract liabilities	(454,014,074)	566,787,093
Creditors, accrued and other liabilities	79,650,869	367,828,322
	(254,017,758)	1,024,821,800
Cash used in operations	(453,258,052)	(783,451,036)
Long term advances - net	(5,156,854)	(15,600,460)
Income tax paid	(27,632,080)	(19,754,003)
Employee benefits paid	(151,481,213)	(117,513,905)
Deferred grant received	30,172,500	-
Finance cost paid	(7,737,696)	(2,902,967)
	(161,835,343)	(155,771,335)
Net cash used in operating activities	(615,093,395)	(939,222,371)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(18,387,158)	(28,607,862)
Capital expenditure on intangibles	(1,910,000)	(3,117,500)
Capital expenditure on capital work in progress	(216,071,982)	(286,592,814)
Proceeds from disposal of operating fixed assets	-	180,000
Short term investments - net	(2,555,960,467)	2,648,060,776
Interest received	352,272,425	331,756,545
Increase in long term deposits	(301,388)	(462,925)
Net cash (used in) / from investing activities	(2,440,358,570)	2,661,216,220
CASH FLOWS FROM FINANCING ACTIVITIES		
Welfare fund receipts	1,163,421,669	366,595,144
Payments against lease liabilities	(30,035,100)	(27,792,563)
Net cash from financing activities	1,133,386,569	338,802,581
Net (decrease) / increase in cash and cash equivalents	(1,922,065,396)	2,060,796,430
Cash and cash equivalents at beginning of the year	3,379,633,170	1,318,836,740
Cash and cash equivalents at end of the year	1,457,567,774	3,379,633,170

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 2022

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.

1.2 The welfare fund established under Rule 26 of the Emigration Rules, 1979 vests in and is controlled by the Foundation and the amounts received in the designated bank accounts of the Foundation are reflected in the books of account of the Foundation.

1.3 The geographical location and addresses of the Foundation's operating units are as under:

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

Sr. No.	Operating unit	Address
14.	OPF Public School	House No. 1, Wilayatabad, Oppt. Naz Cinema, Vehari Road, Multan
15.	OPF Public School	Government Colony Okara Road, Depalpur, Okara
16.	OPF Public School	OPF Housing Scheme, Bhimber Road, Gujrat
17.	OPF Public School	House No. 4 and 5, Sector S, Green Town Opposite District Complex, Pakpattan
18.	OPF Public School	Red Crescent Building, Malkani Petrol Pump, Larkana Road, Dadu
19.	OPF Public School	Red Crescent Building, Kiyani Road, Sanghar
20.	OPF Public School	OPF Housing Colony, Noudero Road, Larkana
21.	OPF Public School	Near Civil Hospital Road, Badin
22.	OPF Public School	Nishter Road Near K.M.C Workshop, Karachi
23.	OPF Public School	Samungli Road, Near Kidney Hospital, Quetta
24.	OPF Public School	Badhani Road, Dawranpur, OPF Housing Colony, Peshawar
25.	OPF Public School	B and R Colony, Turbat
26.	OPF Public School	Housing Scheme, Kotli, 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

1.4 The Foundation has a wholly-owned subsidiary 'Kaghan Brick Works Limited' (KBWL). The financial position of KBWL based on its un-audited financial statements as at 30 June 2022 is as follows:

Particulars	2022 Rupees	2021 Rupees
Total assets	1,441,525	1,441,525
Total liabilities (mainly include payable to the Foundation)	86,320,456	86,279,856
Net equity	(84,878,931)	(84,838,331)
Total liabilities and equity	1,441,525	1,441,525

Since the Foundation has fully provided for its investment in KBWL (see note 16.2) 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 are 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 recognizing revenue.

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

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

Leases

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

Development Properties (note 2.9)

Investment properties (note 2.16 & 2.19)

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Foundation

Following amendments to published approved accounting standards are mandatory for the Foundation's accounting periods beginning on or after 01 July 2021:

- Amendments to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond 30 June 2021;

- Interest Rate Benchmark Reform- Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases'.

The above-mentioned amendments to approved accounting standards 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) 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 2021 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 accounting periods beginning on or after 01 July 2022 or later periods:

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 01 January 2023. 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 01 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 01 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 percent' 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.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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 2022 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"

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-8/2, 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 12.1, over the useful lives. Leased assets are amortized over the shorter of the leased term and their useful lives unless it is reasonably certain that the Foundation will obtain ownership by the end of the lease term. Depreciation / amortization is recognized in the income and expenditure statement. Depreciation / amortization on additions is charged from the month the assets are available for use while no depreciation / amortization is charged in the month in which the assets are derecognized / disposed off. Depreciation / amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

De-recognition

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

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

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

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

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

2.10 Investments and other financial assets

a) Classification

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

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

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

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

b) Measurement

At initial recognition, the Foundation measures a financial asset at its fair value plus transaction cost, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged to 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. Any gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in income and expenditure statement and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

Where the Foundation's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to income and expenditure statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

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

2.11 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.

2.12 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.

2.13 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.

2.14 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'.

2.15 Revenue from contracts with customers

i) Revenue recognition

Sale of plots

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

- the customer simultaneously receives and consumes the benefits provided by the Foundation's performance as the Foundation performs; or

- the Foundation's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- the Foundation's performance does not create an asset with an alternative use to the Foundation and the Foundation has an enforceable right to payment for performance obligation completed to date.

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

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 on receipt basis.

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

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.

2.16 Impairment of non-financial assets

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

2.17 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.

2.18 Deferred grants

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

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 Foreign currency transactions and translation

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

2.21 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.

2.22 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.

2.23 **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.

2.24 **Creditors, accrued and other liabilities**

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

2.25 **Financial aid**

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

2.26 **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.

2.27 **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.

2.28 **Restatement of prior year financial statements**

i. During the year, a comprehensive work has been performed by an independent firm of chartered accountants on contract receivables against sale of plots and advances from customers against housing schemes. Accordingly, the management reconciled its financial record with relevant subsidiary record / customer files.

ii. Previously, the Foundation used to account for financial aid payable on estimated basis i.e. 25% of the welfare fund's receipts. Now the Foundation accounts for financial aid liability on receipt of claim.

Effect of the aforementioned restatements have been accounted for retrospectively in accordance with the requirement of IAS 8 'Accounting Policies, Changes in Accounting Estimated and Errors' and comparative figures have been restated as follows:

As at 30 June	2021			2020		
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
	Rupees					
i- Effect on statement of financial position						
Welfare fund	(6,193,996,154)	400,094,992	(5,793,901,162)	(6,282,487,361)	151,468,859	(6,131,018,502)
Contract liabilities	(2,084,839,044)	10,395,989	(2,074,443,055)	(1,517,674,846)	10,018,884	(1,507,655,962)
Creditors, accrued and other liabilities	(1,209,527,149)	(585,058,952)	(1,794,586,101)	(1,160,769,458)	(273,007,738)	(1,433,777,196)
Contract receivables	983,582,287	200,711,146	1,184,293,433	1,194,210,448	134,902,942	1,329,113,390
Development properties - housing schemes	3,393,945,526	(26,143,175)	3,367,802,351	2,177,019,876	(23,382,947)	2,153,636,929
For the year ended 30 June 2021						
ii- Effect on income and expenditure statement						
Income:						
Housing division	1,478,623,563	66,185,309	1,544,808,872			
Expenditure:						
Housing division	1,087,271,679	2,760,228	1,090,031,907			
Welfare division	234,669,704	312,051,214	546,720,918			
iii- Effect on statement of cash flows						
Cash flows from operating activities						
(Increase) / decrease in current assets:						
Development properties - housing schemes	(1,226,921,013)	2,760,228	(1,224,160,785)			
Increase /(decrease) in current liabilities:						
Contract liabilities	567,164,198	(377,105)	566,787,093			
Creditors, accrued and other liabilities	55,777,108	312,051,214	367,828,322			

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.

	2022 Rupees	2021 Rupees
5 DEFERRED GRANT		
Balance as on 01 July	-	-
Received during the year	30,172,500	-
Profit on bank deposits	1,457,061	-
Balance as at 30 June	31,629,561	-

5.1 It represents grant received from Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) GmbH to facilitate the returning overseas Pakistanis in term of their skill and development in Pakistan's social and economic fabric for gainful employment. For this purpose, Memorandum of Understanding (MoU) was signed between the GIZ and Ministry of Overseas Pakistanis and Human Resource Development (M/o OP&HRD) on 29 July 2020. As per MoU the Foundation is implementing partner on behalf of M/o OP&HRD.

	NOTE	2022 Rupees	2021 Rupees
6 LEASE LIABILITIES			
Total lease liabilities		67,077,274	83,250,979
Less: Current portion shown under current liabilities		(22,345,836)	(20,526,669)
		44,731,438	62,724,310
6.1 Reconciliation of lease liabilities			
Opening balance		83,250,979	94,548,957
Additions during the year	13	4,910,477	6,576,485
Interest accrued on lease liabilities	6.2	8,950,918	9,918,100
Payments made during the year		(30,035,100)	(27,792,563)
Closing balance	6.3	67,077,274	83,250,979
Current portion shown under current liabilities		(22,345,836)	(20,526,669)
Non-current portion		44,731,438	62,724,310
6.2 Interest accrued for the year has been allocated in the income and expenditure statement as follows:			
Education division:			
- OPF Public Schools - Pakistan	34.3	7,466,510	7,854,189
- OPF Public Schools - Azad Jammu and Kashmir	34.3	739,279	1,006,309
Welfare division	33	277,216	403,042
		8,483,005	9,263,540
Regional office:			
- Multan, Pakistan	36.3	467,913	606,285
- Mirpur, Azad Jammu and Kashmir	36.3	-	48,275
		467,913	654,560
		8,950,918	9,918,100
6.3 Maturity analysis of lease liabilities is as follows:			
Overdue		5,686,218	1,352,465
Up to 6 months		15,170,798	10,482,578
6-12 months		12,625,281	13,473,441
1-2 year		23,391,134	23,350,849
More than 2 years		23,713,575	56,144,774
		80,587,006	104,804,107
Less: Future finance cost		(13,509,732)	(21,553,128)
Present value of finance lease liability		67,077,274	83,250,979

6.4 Total cash outflow for leases is Rupees 30,035,100 (2021: Rupees 27,792,563).

6.5 Implicit rate against lease liabilities ranges from 7.33% to 13.65% (2021: 7.33% to 13.65%) per annum.

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

	NOTE	2022 Rupees	2021 Rupees
7 STAFF RETIREMENT BENEFITS			
Employees' compensated absences	7.1	362,416,344	341,767,202
Gratuity	7.2.1	1,435,611,736	1,404,992,076
		1,798,028,080	1,746,759,278

7.1 Employees' compensated absences

The actuarial valuation of employees' compensated absences was conducted on 30 June 2022, using projected unit credit method. Detail of obligation for employees' compensated absences is as follows.

	NOTE	2022 Rupees	2021 Rupees
Present value of defined benefit obligation	7.1.1	362,416,344	341,767,202

	NOTE	2022 Rupees	2021 Rupees
7.1.1 Movement in the present value of obligation is as follows:			
Defined benefit obligation at beginning of the year		341,767,202	344,720,542
Current service cost		6,565,955	5,862,382
Experience adjustment		16,846,740	(5,222,608)
Benefits paid		(35,181,213)	(31,897,850)
Interest cost		32,417,660	28,304,736
Defined benefit obligation at the end of the year		362,416,344	341,767,202
7.1.2 Charge for the year recognized in the income and expenditure statement:			
Current service cost		6,565,955	5,862,382
Interest cost for the year		32,417,660	28,304,736
Actuarial loss / (gain) on present value of defined benefit obligation		16,846,740	(5,222,608)
	7.1.3	55,830,355	28,944,510
7.1.3 Allocation of charge for the year is as follows:			
Housing division	32.1	3,571,076	2,406,498
Welfare division:			
- OPF Eye Hospital, Mirpur	33.1	106,570	-
- OPF Eye Hospital, Dera Ghazi Khan	33.1	255,726	282,064
- Administrative activities	33.1	3,735,166	2,817,714
Education division:			
- OPF Public Schools, Pakistan	34.1	24,650,247	7,922,989
- OPF Public Schools, Azad Jammu and Kashmir	34.1	2,166,950	1,318,393
- Administrative activities	34.1	2,974,395	1,836,823
Publicity and marketing cell	35.1	535,930	325,321
Administrative and other expenses	36.1	17,621,906	11,827,454
Regional Office Mirpur Azad Jammu and Kashmir	36.1	212,389	207,254
		55,830,355	28,944,510

	Rupees
7.1.4 Estimated expenses to be charged in income and expenditure statement in financial year 2023	
Current service cost	5,577,100
Interest cost on defined benefit obligation	48,020,165
	53,597,265

7.1.5 Actuarial assumptions

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

	2022	2021
Assumptions to determine defined benefit obligation:		
Discount rate	13.25%	10.00%
Rate of salary increase	13.25%	10.00%
Assumptions to determine defined benefit cost:		
Discount rate	10.00%	8.50% - 9.25%
Rate of salary increase	10.00%	8.50% - 9.25%
Expected mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
Effective duration	8 -10 Years	9 -11 Years
Duration of obligation	Setback 1 Year	Setback 1 Year
Retirement assumptions	60 Years	60 Years
Withdrawal rate	Moderate	Moderate

7.1.6 Sensitivity analysis

The sensitivity analysis is prepared using same computation model and assumptions as used to determined defined benefit obligation based on projected credit unit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. If the significant actuarial assumptions used to estimate the defined benefit obligations at the reporting date, had fluctuated by +1 bps with all other variables held constant, the present value of the defined benefit obligations as at 30 June 2022 would have been as follows:

	Impact on present value of defined benefit obligation	
	Increase	Decrease
	------------ Rupees ------------	
Discount rate + 1 %	333,258,153	395,958,550
Future salary increase + 1 %	395,880,559	332,809,390

Expected maturity profile

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

	2022 Rupees
Year 1	34,177,771
Year 2	38,160,046
Year 3	44,472,278
Year 4	46,036,152
Year 5	48,642,550
Year 6 to Year 10	213,608,380

7.1.7 **Risks associated with defined benefit plan**

Discount rate risk

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

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 experience may differ from the assumed in the calculation.

7.2 **Gratuity**

The latest actuarial valuation was carried out as at 30 June 2022, using the projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	NOTE	2022			2021
		Un-funded Girls College	Funded Head Office and all divisions	Total	Total
		Rupees	Rupees	Rupees	Rupees
7.2.1 The amounts recognized in the statement of financial position are as follows:					
Present value of defined benefit obligation	7.2.2	346,235,744	1,380,289,769	1,726,525,513	1,689,733,532
Less: Fair value of plan assets	7.2.3	-	(290,913,777)	(290,913,777)	(284,741,456)
Net defined benefit liability	7.2.4	346,235,744	1,089,375,992	1,435,611,736	1,404,992,076
7.2.2 Changes in the present value of defined benefit obligations:					
Present value of defined benefit obligations at beginning of the year		335,975,271	1,353,758,261	1,689,733,532	1,689,297,219
Current service cost for the year		19,631,206	83,823,936	103,455,142	94,050,129
Interest cost for the year		32,096,964	130,054,200	162,151,164	141,542,788
Actuarial gain on present value of defined benefit obligations		(11,456,436)	(80,914,098)	(92,370,534)	(129,246,910)
Payments made during the year		(30,011,261)	(106,432,530)	(136,443,791)	(105,909,694)
Present value of defined benefit obligations at end of the year		346,235,744	1,380,289,769	1,726,525,513	1,689,733,532
7.2.3 Changes in the fair value of plan assets:					
Fair value of plan assets at beginning of the year		-	284,741,456	284,741,456	277,042,643
Contributions made during the year		-	116,300,000	116,300,000	85,616,055
Expected return on plan assets for the year		-	28,967,519	28,967,519	23,185,977
Actuarial (loss) / gain		-	(2,651,407)	(2,651,407)	4,806,475
Benefits paid during the year		-	(136,443,791)	(136,443,791)	(105,909,694)
Fair value of plan assets at end of the year	7.2.5	-	290,913,777	290,913,777	284,741,456
7.2.4 Movement in net defined benefit liability					
Net liability at beginning of the year		335,975,271	1,069,016,805	1,404,992,076	1,415,662,211
Charge to income and expenditure statement		51,728,170	184,910,617	236,638,787	212,406,940
Charge to statement of comprehensive income for the year		(11,456,436)	(78,262,691)	(89,719,127)	(134,053,385)
Contributions made during the year		(30,011,261)	(116,300,000)	(146,311,261)	(97,376,807)
Payables		-	-	-	(3,407,635)
Payment to OPF Girls College		-	30,011,261	30,011,261	11,760,752
Net liability at end of the year		346,235,744	1,089,375,992	1,435,611,736	1,404,992,076

	NOTE	2022	2021
		Rupees	Rupees
7.2.5 Plan assets comprise of:			
Investments in equity securities		760,044	760,044
Treasury bills		274,040,160	268,489,494
Balances in bank accounts		16,113,573	15,491,918
		290,913,777	284,741,456
7.2.6 Charge for the year recognized in the income and expenditure statement comprise of:			
Current service cost		103,455,142	94,050,129
Interest cost		162,151,164	141,542,788
Expected return on plan assets		(28,967,519)	(23,185,977)
	7.2.8	236,638,787	212,406,940
7.2.7 Charge for the year recognized in the statement of comprehensive income comprise of:			
Actuarial gain on present value of defined benefit obligations		92,370,534	129,246,910
Actuarial (loss) / gain on plan assets		(2,651,407)	4,806,475
		89,719,127	134,053,385

	NOTE	2022 Rupees	2021 Rupees
7.2.8 Allocation of charge for the year is as follows:			
Housing division	32.1	11,075,108	11,148,451
Welfare division:			
- OPF Eye Hospital, Mirpur	33.1	465,228	-
- OPF Eye Hospital, Dera Ghazi Khan	33.1	1,901,712	2,081,380
- Administrative activities	33.1	16,025,791	16,726,742
		18,392,731	18,808,122
Education division:			
- OPF Public Schools, Pakistan	34.1	109,745,539	97,795,668
- OPF Public Schools, Azad Jammu and Kashmir	34.1	9,596,792	8,066,365
- Administrative activities	34.1	12,142,463	7,293,711
		131,484,794	113,155,744
Publicity and marketing cell	35.1	2,040,698	1,657,607
Administrative and other expenses	36.1	72,659,074	66,487,186
Regional Office Mirpur Azad Jammu and Kashmir	36.1	986,382	1,149,830
		236,638,787	212,406,940

7.2.9 Estimated expenses to be charged in income and expenditure statement in financial year 2023

	Girls College	Head Office and all divisions	Head Office and all divisions
	Rupees		
Current service cost	17,689,035	75,725,956	93,414,991
Interest cost on defined benefit obligation	45,876,236	182,888,394	228,764,630
Interest income on plan assets	-	(46,250,950)	(46,250,950)
	63,565,271	212,363,400	275,928,671

7.2.10 Actuarial assumptions

The following were the principal actuarial assumptions at 30 June:

	2022	2021
Discount rate used for year end obligations	13.25%	10.00%
Discount rate used for interest cost	10%	8.5% - 9.25%
Salary increase rate (per annum)	SLIC 2001 - 2005	SLIC 2001 - 2005
Expected mortality rate	Setback 1 Year	Setback 1 Year
Duration of obligation	7 - 9 Years	8 - 9 Years
Retirement assumptions	60 Years	60 Years
Withdrawal rate	Moderate	Moderate

7.2.11 Sensitivity analysis

The sensitivity analysis is prepared using same computation model and assumptions as used to determined defined benefit obligation based on projected credit unit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. If the significant actuarial assumptions used to estimate the defined benefit obligations at the reporting date, had fluctuated by +1 bps with all other variables held constant, the present value of the defined benefit obligations as at 30 June 2022 would have been as follows:

	Increase	Decrease
	Rupees	
Discount rate (1% movement)	1,604,636,834	1,864,974,938
Salary increase rate (1% movement)	1,863,685,814	1,603,619,796
Future withdrawal (10% movement)	121,888,679	(138,449,425)
Mortality rate (1 year movement)	(137,160,301)	122,905,717

7.2.12 Expected maturity profile

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

	2022 Rupees	2021 Rupees
Year 1	133,737,651	145,390,937
Year 2	149,320,301	95,600,634
Year 3	174,020,067	94,063,995
Year 4	180,139,512	86,191,647
Year 5	190,338,344	86,462,255
Year 6 to Year 10	881,483,690	543,036,684
Year 11 and above	-	1,594,895,970

7.2.13 Risks associated with defined benefit plan

Discount rate risk

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

Mortality risk

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

Salary increase / inflation risk

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

Withdrawal risk

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

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

	2022	2021	2020	2019	2018
	Rupees				
Present value of defined benefit obligation	1,726,525,513	1,689,733,532	1,689,297,219	1,645,221,621	1,655,377,656
Fair value of plan assets	(290,913,777)	(284,741,456)	(277,042,643)	(267,018,889)	(411,959,648)
Receipts on behalf of the fund	-	-	3,407,635	3,407,635	3,407,635
Deficit	1,435,611,736	1,404,992,076	1,415,662,211	1,381,610,367	1,246,825,643
Remeasurement gain / (loss) on obligation	92,370,534	129,246,910	152,966,873	56,099,227	(134,255,520)
Remeasurement (loss) / gain on plan assets	(2,651,407)	4,806,475	(2,798,479)	1,897,420	(4,999,603)

8 CLAIMS PAYABLE

	Social security claims Libya (note 8.1)		Claims related to United Nations Compensation Commission Funds (note 8.2)		Total	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Balance as on 01 July	5,190,874	5,370,025	1,378,134,389	1,287,748,853	1,383,325,263	1,293,118,878
Add:						
Return on:						
Saving accounts	13,629	520	53,534,945	42,127,180	53,548,574	42,127,700
Short term investments	-	-	65,830,101	52,150,296	65,830,101	52,150,296
Exchange gain	1,536,974	-	-	-	1,536,974	-
Other income	-	-	60,393	-	60,393	-
	1,550,603	520	119,425,439	94,277,476	120,976,042	94,277,996
Less:						
Bank charges and taxes	(2,017)	(122)	(11,476)	(6,102)	(13,493)	(6,224)
Payment to claimants	-	-	(197,102)	(3,765,838)	(197,102)	(3,765,838)
Legal and professional fee	-	-	(420,000)	(120,000)	(420,000)	(120,000)
Exchange loss	-	(179,549)	-	-	-	(179,549)
	(2,017)	(179,671)	(628,578)	(3,891,940)	(630,595)	(4,071,611)
Balance as on 30 June	6,739,460	5,190,874	1,496,931,250	1,378,134,389	1,503,670,710	1,383,325,263

8.1 The matter of social security claims of Pakistani workers in Libya was discussed in the meeting of Pak-Libyan Joint Technical Committee held on 24 August 1999. Pakistani workers claimed payment of social security deducted from salaries during their service. During the years 2004-2006, the Foundation received from Libya, social security claims of these Pakistani workers amounting to USD 96,572 and disbursements were made from time to time. The balance represents pending claims and accrued mark-up there on. As at 30 June, the balance represents USD 33,007.83 (2021: USD 32,948.79).

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

In an inter-ministerial meeting held on 1st October 1991, it was decided that Overseas Pakistanis Foundation (the Foundation) would be the focal point for distribution and collection of compensation forms required by the Commission. The Foundation received and disbursed USD 337,604,063 equivalent to 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	2022 Rupees	2021 Restated Rupees
9 CONTRACT LIABILITIES			
Unsecured			
Advances from customers against housing schemes	9.1	1,613,492,542	2,062,594,125
Advance rent against investment properties		4,926,955	9,902,816
Advance tuition fee		2,009,484	1,946,114
		1,620,428,981	2,074,443,055

9.1 Advances from customers against housing schemes

Islamabad		397,456,646	140,043,502
Raiwind Road Colony, Lahore		1,205,144,864	1,911,159,945
Peshawar Scheme		1,000,864	1,000,510
Chittarpari Mirpur, Azad Jammu and Kashmir		665,384	665,384
Rawat, Rawalpindi		1,147,025	1,147,025
Farm houses / KBWL cluster houses, Islamabad		-	500,000
Faisalabad - refundable against abandoned scheme	9.1.1	7,077,759	7,077,759
Gujrat		1,000,000	1,000,000
		1,613,492,542	2,062,594,125

9.1.1 It includes interest amounting to Rupees 5.145 million (2021: Rupees 5.145 million) accrued till 2017 as per the Board of Governors decision to compensate allottees of abandoned housing scheme, Faisalabad.

	NOTE	2022 Rupees	2021 Restated Rupees
10 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Accrued liabilities		29,765,339	73,511,038
Financial aid	10.1	1,106,600,000	970,800,000
Retention money		5,872,994	6,935,439
Security deposits	10.2	543,700,890	491,369,540
Payable against purchase of land	10.3	1,298,875	1,298,875
Application money for housing schemes		2,793,101	2,793,101
Compensation payable to Joint Management (Private) Limited		-	41,278,620
Federal excise duty payable	10.4	16,550,984	16,550,984
Payable to employees against contribution to provident fund	10.5	39,906,774	39,887,816
Payable to contractors and consultants		54,499,131	86,346,168
Withholding income tax payable		17,337,693	22,279,195
Contributory pension payable	10.6	1,984,784	2,288,748
Others		26,101,641	39,246,577
		1,846,412,206	1,794,586,101

10.1 Financial aid			
As at 1 July		970,800,000	690,000,000
Provision for the year	33	392,200,000	403,700,000
Paid during the year		(256,400,000)	(122,900,000)
As at 30 June		1,106,600,000	970,800,000

10.2 **Security deposits**

These represent security deposits received from:

- Suppliers	311,291,993	279,341,810
- Students	222,839,552	204,830,471
- Teachers	9,569,345	7,197,259
	543,700,890	491,369,540

10.2.1 During the year, the Foundation utilized Rupees 40.4 million (2021: Rupees 79.66 million) for the purpose of the business from the security deposits without written agreements as required by section 217 of the Companies Act, 2017. Out of Rupees 543.70 million (2021: Rupees 491.37 million), security deposit of Rupees 11.93 million (2021: Rupees 12.08 million) has been kept in separate bank account as required under section 217 (2) of the Companies Act, 2017.

10.3 It represents payable to Mirpur Development Authority for purchase of land in Chittarpari Phase 1.

10.4 This represents federal excise duty received from allottees / customers. However, the Foundation is under litigation as explained in note 11 (a) (iv).

10.5 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 CPF payable is as follows:

	2022 Rupees	2021 Rupees
Opening balance	39,887,816	75,933,606
Addition	18,958	773,457
Payment during the year	-	(36,819,247)
	39,906,774	39,887,816

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

	2022 Rupees	2021 Rupees
Opening balance	2,288,748	3,012,353
Payment during the year	(303,964)	(723,605)
	1,984,784	2,288,748

11 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, which was dismissed by the Supreme Court of Pakistan vide order dated 01 April 2022. The Foundation has filed a civil review petition dated 07 May 2022 against the judgement of Supreme Court of Pakistan. The matter is still pending before the Supreme Court of Pakistan. The management is hopeful of a favourable outcome of the case. Accordingly, no provision has been made in these financial statements.

(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 by the Civil Court 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 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 2022. 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 (2021: Rupees 1.58 million). These guarantees have been secured against lien on bank balance of the Foundation amounting to Rupees 1.58 million (2021: Rupees 1.58 million).

b) Commitments

(i) Contractual commitments against the development expenditure on housing schemes were Rupees 749.91 million (2021: Rupees 1,111.83 million).

(ii) Capital commitments against the construction works of school and college buildings and accounting software under implementation were Rupees 37.48 million (2021: Rupees 88.34 million).

12 PROPERTY AND EQUIPMENT

	NOTE	2022 Rupees	2021 Rupees
Operating fixed assets	12.1	2,272,262,292	1,656,151,920
Capital work in progress	12.2	112,393,099	545,735,666
		2,384,655,391	2,201,887,586

12.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Water storage dam	Library books	Furniture and fixtures	Vehicles	Electrical equipment	Office equipment	Sub total - carried forward
	Rupees										
At 30 June 2020											
Cost	20,575,014	38,672,936	1,046,019,590	599,517,812	-	5,914,652	111,217,318	101,167,513	137,340,299	17,351,029	2,077,776,163
Accumulated amortization / depreciation	-	(30,462,167)	(97,027,792)	(130,716,745)	-	(5,620,655)	(67,579,365)	(90,086,616)	(104,411,396)	(15,680,119)	(541,584,855)
Net book value	20,575,014	8,210,769	948,991,798	468,801,067	-	293,997	43,637,953	11,080,897	32,928,903	1,670,910	1,536,191,308
Year ended 30 June 2021											
Opening net book value	20,575,014	8,210,769	948,991,798	468,801,067	-	293,997	43,637,953	11,080,897	32,928,903	1,670,910	1,536,191,308
Additions	-	4,413,192	-	2,709,612	-	-	13,297,937	-	2,236,299	192,512	22,849,552
Transferred from capital work in progress (note 12.2)	36,580,000	-	13,658,627	57,940,015	-	-	-	-	-	-	108,178,642
Transferred from development properties (note 20.2)	9,995,363	-	-	-	-	-	-	-	-	-	9,995,363
Disposals:											
Cost	-	-	-	-	-	-	(324,293)	-	(10,600)	(15,150)	(350,043)
Accumulated amortization / depreciation	-	-	-	-	-	-	313,677	-	7,372	15,132	336,181
	-	-	-	-	-	-	(10,616)	-	(3,228)	(18)	(13,862)
Interhead reclassification:											
Cost	-	-	-	-	-	-	(3,213,489)	14,716,643	(8,436,920)	28,597,508	31,663,742
Accumulated depreciation	-	-	-	-	-	-	1,369,859	(13,974,665)	3,392,184	(14,170,626)	(23,383,248)
	-	-	-	-	-	-	(1,843,630)	741,978	(5,044,736)	14,426,882	8,280,494
Amortization / depreciation charge for the year	-	(892,384)	(22,903,431)	(12,023,540)	-	(44,100)	(4,631,474)	(2,364,575)	(4,324,545)	(2,428,428)	(49,612,477)
Closing net book value	67,150,377	11,731,577	939,746,994	517,427,154	-	249,897	50,450,170	9,458,300	25,792,693	13,861,858	1,635,869,020
At 30 June 2021											
Cost	67,150,377	43,086,128	1,059,678,217	660,167,439	-	5,914,652	120,977,473	115,884,156	131,129,078	46,125,899	2,250,113,419
Accumulated amortization / depreciation	-	(31,354,551)	(119,931,223)	(142,740,285)	-	(5,664,755)	(70,527,303)	(106,425,856)	(105,336,385)	(32,264,041)	(614,244,399)
Net book value	67,150,377	11,731,577	939,746,994	517,427,154	-	249,897	50,450,170	9,458,300	25,792,693	13,861,858	1,635,869,020
Year ended 30 June 2022											
Opening net book value	67,150,377	11,731,577	939,746,994	517,427,154	-	249,897	50,450,170	9,458,300	25,792,693	13,861,858	1,635,869,020
Additions	-	9,922,220	-	-	-	-	2,500,116	-	568,211	42,200	13,032,747
Transferred from capital work in progress (note 12.2)	-	-	71,971,832	451,418,847	124,760,479	-	-	-	-	-	648,151,158
Interhead reclassification:											
Cost	-	-	(13,658,627)	13,658,627	-	-	-	-	-	-	-
Accumulated depreciation	-	-	313,010	(313,010)	-	-	-	-	-	-	-
	-	-	(13,345,617)	13,345,617	-	-	-	-	-	-	-
Transferred from investment properties (note 15):											
Cost	-	-	22,312,926	4,331,186	-	-	-	-	-	-	26,644,112
Accumulated depreciation	-	-	(4,861,831)	(2,080,154)	-	-	-	-	-	-	(6,941,985)
	-	-	17,451,095	2,251,032	-	-	-	-	-	-	19,702,127
Amortization / depreciation charge for the year	-	(1,446,693)	(24,247,424)	(23,185,546)	(2,339,259)	(37,485)	(5,161,160)	(1,891,657)	(3,913,233)	(2,084,644)	(64,307,101)
Closing net book value	67,150,377	20,207,104	991,576,880	961,257,104	122,421,220	212,412	47,789,126	7,566,643	22,447,671	11,819,414	2,252,447,951
At 30 June 2022											
Cost	67,150,377	53,008,348	1,140,304,348	1,129,576,099	124,760,479	5,914,652	123,477,589	115,884,156	131,697,289	46,168,099	2,937,941,436
Accumulated amortization / depreciation	-	(32,801,244)	(148,727,468)	(168,318,995)	(2,339,259)	(5,702,240)	(75,688,463)	(108,317,513)	(109,249,618)	(34,348,685)	(685,493,485)
Net book value	67,150,377	20,207,104	991,576,880	961,257,104	122,421,220	212,412	47,789,126	7,566,643	22,447,671	11,819,414	2,252,447,951
Annual rate of depreciation	-	30 & 33 years	2.5%	2.5%	2.5%	15%	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 2020										
Cost	2,077,776,163	90,976,214	11,460,644	15,667,011	2,121,139	3,784,354	757,632	2,011,656	9,425	2,204,564,238
Accumulated amortization / depreciation	(541,584,855)	(71,129,011)	(8,889,342)	(13,406,457)	(1,327,523)	(2,748,595)	(198,857)	(877,623)	(8,567)	(640,170,830)
Net book value	1,536,191,308	19,847,203	2,571,302	2,260,554	793,616	1,035,759	558,775	1,134,033	858	1,564,393,408
Year ended 30 June 2021										
Opening net book value	1,536,191,308	19,847,203	2,571,302	2,260,554	793,616	1,035,759	558,775	1,134,033	858	1,564,393,408
Additions	22,849,552	4,865,463	-	-	-	-	-	892,847	-	28,607,862
Transferred from capital work in progress (note 12.2)	108,178,642	-	-	-	-	-	-	-	-	108,178,642
Transferred from development properties (note 20.2)	9,995,363	-	-	-	-	-	-	-	-	9,995,363
Disposals:										
Cost	(350,043)	(419,890)	-	-	-	-	-	-	-	(769,933)
Accumulated amortization / depreciation	336,181	410,858	-	-	-	-	-	-	-	747,039
	(13,862)	(9,032)	-	-	-	-	-	-	-	(22,894)
Interhead reclassification:										
Cost	31,663,742	(35,429,062)	(4,029,182)	(2,027,137)	(1,528,330)	6,922,701	(569,948)	4,997,216	-	-
Accumulated depreciation	(23,383,248)	26,496,885	3,743,438	1,442,693	1,133,344	(6,324,721)	30,791	(3,139,182)	-	-
	8,280,494	(8,932,177)	(285,744)	(584,444)	(394,986)	597,980	(539,157)	1,858,034	-	-
Amortization / depreciation charge for the year	(49,612,477)	(3,985,410)	(342,834)	(251,414)	(59,795)	(245,060)	(2,943)	(500,528)	-	(55,000,461)
Closing net book value	1,635,869,020	11,786,047	1,942,724	1,424,696	338,835	1,388,679	16,675	3,384,386	858	1,656,151,920
At 30 June 2021										
Cost	2,250,113,419	59,992,725	7,431,462	13,639,874	592,809	10,707,055	187,684	7,901,719	9,425	2,350,576,172
Accumulated amortization / depreciation	(614,244,399)	(48,206,678)	(5,488,738)	(12,215,178)	(253,974)	(9,318,376)	(171,009)	(4,517,333)	(8,567)	(694,424,252)
Net book value	1,635,869,020	11,786,047	1,942,724	1,424,696	338,835	1,388,679	16,675	3,384,386	858	1,656,151,920
Year ended 30 June 2022										
Opening net book value	1,635,869,020	11,786,047	1,942,724	1,424,696	338,835	1,388,679	16,675	3,384,386	858	1,656,151,920
Additions	13,032,747	4,565,831	-	-	-	-	414,180	374,400	-	18,387,158
Transferred from capital work in progress (note 12.2)	648,151,158	-	-	-	-	-	-	-	-	648,151,158
Interhead reclassification:										
Cost	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Transferred from investment properties (note 15):										
Cost	26,644,112	-	-	-	-	-	-	-	-	26,644,112
Accumulated depreciation	(6,941,985)	-	-	-	-	-	-	-	-	(6,941,985)
	19,702,127	-	-	-	-	-	-	-	-	19,702,127
Amortization / depreciation charge for the year	(64,307,101)	(4,517,667)	(291,403)	(213,707)	(50,831)	(208,303)	(7,678)	(533,252)	(129)	(70,130,071)
Closing net book value	2,252,447,951	11,834,211	1,651,321	1,210,989	288,004	1,180,376	423,177	3,225,534	729	2,272,262,292
At 30 June 2022										
Cost	2,937,941,436	64,558,556	7,431,462	13,639,874	592,809	10,707,055	601,864	8,276,119	9,425	3,043,758,600
Accumulated amortization / depreciation	(685,493,485)	(52,724,345)	(5,780,141)	(12,428,885)	(304,805)	(9,526,679)	(178,687)	(5,050,585)	(8,696)	(771,496,308)
Net book value	2,252,447,951	11,834,211	1,651,321	1,210,989	288,004	1,180,376	423,177	3,225,534	729	2,272,262,292
Annual rate of depreciation		33%	15%	15%	15%	15%	15%	15%	10%	

	NOTE	2022 Rupees	2021 Rupees

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

	NOTE	2022 Rupees	2021 Rupees
Housing division	32	4,536,832	2,012,020
Welfare division:			
- Eye hospitals	33	746,154	825,232
- Administrative activities	33	1,086,124	1,146,370
		1,832,278	1,971,602
Education division:			
- OPF Public Schools Pakistan	34	54,704,159	43,251,331
- OPF Public Schools - Azad Jammu and Kashmir	34	560,808	671,854
- Administrative activities	34	608,254	303,773
		55,873,221	44,226,958
Publicity and marketing cell	35	103,633	85,971
Administrative and other expenses	36	7,568,307	6,406,698
Regional Office Azad Jammu and Kashmir	36	215,800	297,212
		7,784,107	6,703,910
		70,130,071	55,000,461

12.2 Capital work in progress - civil works

	NOTE	2022 Rupees	2021 Rupees
Balance at beginning of the year		545,735,666	382,608,285
Additions during the year		216,071,982	286,592,814
		761,807,648	669,201,099
Transfers to operating fixed assets:			
- Freehold land		-	(36,580,000)
- Buildings on freehold land		(71,971,832)	(13,658,627)
- Buildings on leasehold land		(451,418,847)	-
- Water storage dam		(124,760,479)	(57,940,015)
	12.1	(648,151,158)	(108,178,642)
Written off during the year	12.2.1	(1,263,391)	(15,286,791)
Balance at the end of the year	12.2.2	112,393,099	545,735,666

12.2.1 Written off during the year has been allocated as follows:

	NOTE	2022 Rupees	2021 Rupees
Education division	34	1,263,391	1,131,952
Administrative and other expenses	36	-	14,154,839
		1,263,391	15,286,791

12.2.2 Capital work in progress - civil works

	NOTE	2022 Rupees	2021 Rupees
OPF Public School, Hangu		11,280,935	-
OPF College F-11, Islamabad		18,684,266	336,378,688
Housing scheme site office, Mirpur		-	36,812,798
OPF Boys College, H-8/4, Islamabad		82,427,898	66,992,468
Water storage dam, Islamabad		-	105,551,712
		112,393,099	545,735,666

	NOTE	Buildings 2022 Rupees	Buildings 2021 Rupees
13 RIGHT-OF-USE ASSETS			
Net carrying amount as on 01 July		71,872,415	87,840,635
Additions during the year	6.1	4,910,477	6,576,485
Depreciation	13.1.2	(22,879,798)	(22,544,705)
Net carrying amount as at 30 June		53,903,094	71,872,415
As at 30 June			
Cost		119,541,676	114,631,199
Accumulated depreciation		(65,638,582)	(42,758,784)
		53,903,094	71,872,415

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

13.1.1 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 and is disclosed in note 34 to the financial statements.

	NOTE	2022 Rupees	2021 Rupees
13.1.2 Depreciation charge for the year has been allocated as follows:			
Welfare division	33	2,011,735	2,011,735
Education division:			
- OPF Public Schools - Pakistan	34	14,487,229	13,545,494
- OPF Public Schools - Azad Jammu and Kashmir	34	4,828,180	5,362,574
		19,315,409	18,908,068
		21,327,144	20,919,803
Administrative and other expenses:			
- Regional Office Multan, Pakistan	36	1,191,417	1,191,417
- Regional Office Mirpur, Azad Jammu and Kashmir	36	361,237	433,485
		1,552,654	1,624,902
		22,879,798	22,544,705

14 INTANGIBLES

	NOTE	Accounting software under implementation	Accounting software	Customers Management System	Total
		Rupees			
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
Year ended 30 June 2021					
Opening net book value		-	491,990	2,813,443	3,305,433
Additions		1,437,500	-	1,680,000	3,117,500
Amortization charge for the year	14.1	-	(162,357)	(974,636)	(1,136,993)
Closing net book value		1,437,500	329,633	3,518,807	5,285,940
At 30 June 2021					
Cost		1,437,500	2,183,278	9,621,719	13,242,497
Accumulated amortization		-	(1,853,645)	(6,102,912)	(7,956,557)
		1,437,500	329,633	3,518,807	5,285,940
Year ended 30 June 2022					
Opening net book value		1,437,500	329,633	3,518,807	5,285,940
Additions		1,910,000	-	-	1,910,000
Amortization charge for the year	14.1	-	(108,779)	(1,161,207)	(1,269,986)
Closing net book value		3,347,500	220,854	2,357,600	5,925,954
At 30 June 2022					
Cost		3,347,500	2,183,278	9,621,719	15,152,497
Accumulated amortization		-	(1,962,424)	(7,264,119)	(9,226,543)
		3,347,500	220,854	2,357,600	5,925,954
Annual rate of amortization			33%	33%	33%

	NOTE	2022 Rupees	2021 Rupees
14.1 Amortization charge for the year has been allocated as follows:			
Housing division	32	90,146	203,501
Welfare division	33	144,184	215,200
Administrative and other expenses	36	1,035,656	718,292
		1,269,986	1,136,993

15 INVESTMENT PROPERTIES - BUILDINGS

	NOTE	2022 Rupees	2021 Rupees
Net carrying amount as on 1 July		66,779,819	68,492,122
Transferred to operating fixed assets (note: 12.1):			
Cost		(26,644,112)	-
Accumulated depreciation		6,941,985	-
		(19,702,127)	-
Depreciation charge for the year	36	(1,176,942)	(1,712,303)
Net carrying amount as at 30 June		45,900,750	66,779,819
At 30 June			
Cost		61,157,610	87,801,722
Accumulated depreciation		(15,256,860)	(21,021,903)
		45,900,750	66,779,819
Annual rate of depreciation		2.5%	2.5%

15.1 The fair value of investment properties comprise buildings situated at Hayatabad, Karachi and Islamabad were determined by an independent valuer, Asrem (Private) Limited on 16 July 2020.

15.2 Forced sale value of these properties as at 30 June 2022 was Rupees 561.15 million (2021: Rupees 548.38 million).

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

Description	Address	Total area (Sq. Ft)
Building	Hayatabad Phase - V, Peshawar	16,518
Building	Plot No. 20-A/II, Block-06, P.E.C.H.S, Off Shahrah-e-Faisal, Karachi	5,107
Building	Head office building, Shahrah -e- Jamhuriat, G-5/2, Islamabad	14,642

15.4 **Rental income**

The rental income in respect of these properties amounting to Rupees 49.218 million (2021: Rupees 43.94 million) has been recognized in the income and expenditure statement and included in 'other income'. The direct operating expenses pertaining to these properties are borne by the tenant.

Depreciation

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

15.5 **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 6 months to 3 years. All lease arrangements include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2022 Rupees	2021 Rupees
Overdue	2,492,500	1,814,400
Up to one year	19,679,598	26,382,228
After one year but not more than five years	11,202,443	13,700,304
	33,374,541	41,896,932

	NOTE	2022 Rupees	2021 Rupees
16 LONG TERM INVESTMENTS			
Debt instruments	16.1	-	-
Equity instruments	16.2	-	-
		-	-

	NOTE	2022 Rupees	2021 Rupees
16.1 Debt instruments			
Amortized cost			
Deposits with Banker's Equity Limited (under liquidation)		3,429,474	6,859,012
Less: Recovered during the year		-	(3,429,538)
		3,429,474	3,429,474
Less: Provision for impairment	16.1.1	(3,429,474)	(3,429,474)
		-	-

	NOTE	2022 Rupees	2021 Rupees
16.1.1 Movement in provision for impairment is as follows:			
Opening balance		(3,429,474)	(6,859,012)
Recovered during the year	31	-	3,429,538
Closing balance		(3,429,474)	(3,429,474)

16.1.2 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 (2021: Rupees 3.40 million) during the year.

	2022 Rupees	2021 Rupees
16.2 Equity instruments		
Subsidiary company		
Kaghan Brick Works Limited - unquoted		
650,000 ordinary shares (2021: 650,000 ordinary shares) of Rupees 10 each	269,891	269,891
Percentage of holding - 100% (2021: 100%)		
Equity instruments		
Fair value through profit or loss		
Others - Duty Free Shops Limited - unquoted		
35,801 ordinary shares (2021: 35,801 ordinary shares) of Rupees 100 each	110,200	110,200
Percentage of holding - 2.39% (2021: 2.39%)		
	380,091	380,091
Less: Fair value loss	(380,091)	(380,091)
	-	-

		NOTE	2022 Rupees	2021 Rupees
17	**LONG TERM ADVANCES**			
	Considered good			
	Advances to staff - secured			
	- Executives		6,467,535	7,986,644
	- Other employees		273,422,825	258,977,762
		17.1	279,890,360	266,964,406
	Less: Current portion shown under current assets	22	(49,266,628)	(41,497,528)
			230,623,732	225,466,878
	Considered doubtful			
	Receivable from Kaghan Brick Works Limited - subsidiary company	17.2	83,806,155	83,806,155
	Receivable from Center of Excellence and Management Sciences		5,000,000	5,000,000
			88,806,155	88,806,155
			319,429,887	314,273,033
	Less: Provision against doubtful advances	17.3	(88,806,155)	(88,806,155)
			230,623,732	225,466,878

17.1 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% (2021: 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. Movement in these balances is as follows:

	NOTE	2022 Rupees	2021 Rupees
Opening balance as at 01 July		266,964,406	245,292,466
Addition during the year		49,912,583	55,165,894
Interest accrued during the year	31	9,508,170	9,715,192
Receipt during the year		(46,494,799)	(43,209,146)
Closing balance as at 30 June		279,890,360	266,964,406

17.2 It represents expenses incurred on behalf of Kaghan Bricks Works Limited by the Foundation. The maximum aggregate amount outstanding at the end of any month during the year was Rupees 83.806 million (2021: 83.806 million). Age analysis of receivable from Kaghan Brick Works Limited is as follows:

	NOTE	2022 Rupees	2021 Rupees
Upto 1 year		-	104,400
More than 2 years		83,806,155	83,701,755
		83,806,155	83,806,155

17.3 Movement in provision for doubtful advances is as follows:

	NOTE	2022	2021
Opening balance as at 01 July		(88,806,155)	(88,701,755)
Provision recognized during the year	36	-	(104,400)
Closing balance as at 30 June		(88,806,155)	(88,806,155)

18 LONG TERM DEPOSITS

Utility companies	1,528,918	1,363,918
Landlords - against right-of-use assets	877,206	740,818
Others	2,466,705	2,466,705
	4,872,829	4,571,441

18.1 These are interest free deposits and are not being carried at amortized cost as required by IFRS 9 as it will have immaterial impact and thus carried at historical cost.

19 DEFERRED INCOME TAX ASSET

	As at 01 July 2020	Recognized in		As at 30 June 2021	Recognized in		As at 30 June 2022
		Profit or loss (note 37)	Other comprehensive income		Profit or loss (note 37)	Other comprehensive income	
	Rupees						
This comprises of following:							
Taxable temporary differences							
Accelerated tax depreciation	300,113,953	40,728,817	-	340,842,770	63,629,694	-	404,472,464
Right-of-use assets	25,473,784	(4,630,784)	-	20,843,000	(5,211,103)	-	15,631,897
	325,587,737	36,098,033	-	361,685,770	58,418,591	-	420,104,361
Deductible temporary differences							
Staff retirement benefits	(320,754,360)	(36,656,837)	-	(357,411,197)	(76,890,312)	26,018,547	(408,282,962)
Provision for impairment:							
Debt instruments	(1,989,113)	994,566	-	(994,547)	-	-	(994,547)
Equity instruments	(110,226)	-	-	(110,226)	-	-	(110,226)
	(2,099,339)	994,566	-	(1,104,773)	-	-	(1,104,773)
Provision against doubtful advances and other receivables	(2,347,735)	(435,762)	-	(2,783,497)	(279,706)	-	(3,063,203)
Provision against doubtful mobilization advance	(386,303)	-	-	(386,303)	58,000	-	(328,303)
Allowance for expected credit losses	-	-	-	-	(7,325,120)	-	(7,325,120)
	(2,734,038)	(435,762)	-	(3,169,800)	(7,546,826)	-	(10,716,626)
	(325,587,737)	(36,098,033)	-	(361,685,770)	(84,437,138)	26,018,547	(420,104,361)
	-	-	-	-	(26,018,547)	26,018,547	-

19.1 As at 30 June 2022, the Foundation has aggregated deferred income tax asset amounting to Rupees 2,228.7 million (2021: Rupees 2,227.40 million) out of which deferred income tax asset amounting to Rupees 420.10 million (2021: Rupees 361.69 million) has been recognised and remaining balance of Rupees 1,808.60 million (2021: Rupees 1,865.72 million) remains unrecognised in these financial statements due to uncertainty in availability of sufficient future taxable profits.

19.2 The tax losses available for carry forward as at 30 June 2022 are of Rupees 5,297.89 million (2021: Rupees 5,692.80 million). These include unabsorbed tax depreciation amounting to Rupees 557.03 million (2021: Rupees 557.03 million). Minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2022 is of Rupees 139.61 million (2021: Rupees 107.92 million). Minimum tax and unused tax losses excluding unabsorbed tax depreciation would expire as follows:

Account year	Amount of unused tax losses excluding unabsorbed tax depreciation	Accounting year in which tax losses will expire	Amount of minimum tax	Accounting year in which minimum tax will expire
	Rupees		Rupees	
2017	(636,918,314)	2023	-	-
2018	(1,628,794,635)	2024	-	-
2019	(1,046,959,353)	2025	-	-
2020	(743,034,352)	2026	30,033,832	2024
2021	(685,159,933)	2027	41,515,371	2025
2022	-	-	68,062,902	2026
	(4,740,866,587)		139,612,105	

		NOTE	2022 Rupees	2021 Restated Rupees
20	**DEVELOPMENT PROPERTIES - HOUSING SCHEMES**			
	Mobilization advance	20.1	38,029,000	77,602,419
	Development expenditure on housing schemes	20.2	3,392,509,918	3,290,199,932
			3,430,538,918	3,367,802,351
20.1	**Mobilization advance**			
	Islamabad		39,161,080	76,096,580
	Raiwind Road, Lahore		-	2,837,919
			39,161,080	78,934,499
	Less: Provision against doubtful mobilization advance	20.1.1	(1,132,080)	(1,332,080)
			38,029,000	77,602,419
20.1.1	Movement in provision against doubtful mobilization advance			
	Balance at the beginning of the year		1,332,080	1,332,080
	Reversal during the year	27	(200,000)	-
	Balance at the end of the year		1,132,080	1,332,080

20.2 **Development expenditure on housing schemes**

	NOTE	2022				2021
		Land	Development cost	Supervision cost	Total	Total
		Rupees				
Balance at the beginning of the year - restated		308,122,185	2,866,296,479	115,781,268	3,290,199,932	2,131,844,787
Cost incurred during the year		-	1,807,699,221	144,432,312	1,952,131,533	2,176,054,911
Transfer to freehold land	12.1	-	-	-	-	(9,995,363)
Cost transferred to cost of revenue during the year	32	(124,189,387)	(1,519,766,588)	(205,865,572)	(1,849,821,547)	(1,007,704,403)
Balance at the end of the year	20.2.1	183,932,798	3,154,229,112	54,348,008	3,392,509,918	3,290,199,932

20.2.1 **Breakup of development expenditure:**

	Land	Development cost				Supervision cost	2022	2021
		Plot	Apartments	Country homes	Total			
	Rupees							
Islamabad	37,259,101	1,269,295,076	399,172,983	577,500,450	2,245,968,509	-	2,283,227,610	1,613,575,225
Raiwind Road Colony, Lahore	75,060,110	401,895,698	-	-	401,895,698	44,793,991	521,749,799	1,006,796,499
Peshawar	6,312,558	-	-	-	-	-	6,312,558	7,904,072
Chittarpari Mirpur, Azad Jammu and Kashmir	1,196,602	468,728,326	-	-	468,728,326	-	469,924,928	550,670,880
Gujrat	93,928	-	-	-	-	-	93,928	93,928
Dadu	32,093	206,938	-	-	206,938	-	239,031	239,031
Rawat, Rawalpindi	63,978,406	37,429,641	-	-	37,429,641	9,554,017	110,962,064	110,920,297
	183,932,798	2,177,555,679	399,172,983	577,500,450	3,154,229,112	54,348,008	3,392,509,918	3,290,199,932

		NOTE	2022 Rupees	2021 Restated Rupees
21	**CONTRACT RECEIVABLES**			
	Considered good			
	Receivables against:			
	- sale of plots, secured	21.1	1,575,978,404	1,139,257,888
	- tuition fee	21.2	35,433,699	45,035,545
	- Less: Allowance for expected credit losses	21.3	(25,259,035)	-
			10,174,664	45,035,545
			1,586,153,068	1,184,293,433
21.1	**Receivables against sale of plots**			
	Islamabad		987,976,336	1,094,804,334
	Peshawar		172,906,475	13,260,656
	Chittarpari Mirpur, Azad Jammu and Kashmir		43,705,478	17,836,573
	Raiwind Road Colony, Lahore		371,390,115	13,356,325
			1,575,978,404	1,139,257,888

21.1.1 Contract receivables against sale of plots are secured against respective plots. As at 30 June, the balance of Rupees 1,094.78 million (2021: Rupees 893.04 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:

	2022 Rupees	2021 Restated Rupees
Not yet due	481,197,335	246,221,541
Past due 61 to 365 days	40,144,410	72,333,654
Past due more than 365 days	1,054,636,659	820,702,693
	1,094,781,069	893,036,347
	1,575,978,404	1,139,257,888

21.2 As at 30 June, the balance of Rupees 35.43 million (2021: Rupees 45.04 million) were past due or 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	2022 Rupees	2021 Rupees
	Past due up to 30 days		5,998,367	12,499,165
	Past due 31 to 60 days		2,218,922	10,954,335
	Past due 61 to 90 days		1,957,375	3,198,070
	Past due 91 to 365 days		25,243,842	14,954,450
	Past due more than 365 days		15,193	3,429,525
			35,433,699	45,035,545
21.3	Movement in allowance for expected credit losses			
	Balance at the beginning of the year		-	-
	Recognized during the year	34	25,259,035	-
	Balance at the end of the year		25,259,035	-
22	**ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**			
	Considered good			
	Advances to staff:			
	- against expenses		7,727,022	11,567,896
	- against salaries			
	- Executives		2,731,092	2,051,565
	- Other employees		46,099,797	42,297,770
			48,830,889	44,349,335
	- current portion of long term advances	17	49,266,628	41,497,528
			105,824,539	97,414,759
	Advances to suppliers		429,959	1,389,959
	Prepayments		6,141,965	8,714,742
	Accrued interest		3,254,977	546,605
	Rent receivable		2,492,500	1,814,400
	Other receivables		1,266,157	2,803,641
			13,585,558	15,269,347
			119,410,097	112,684,106
	Considered doubtful			
	Receivable against allotments		331,718	331,718
	Advances to staff		2,651,658	2,920,240
	Other receivables		7,579,392	6,346,307
			10,562,768	9,598,265
			129,972,865	122,282,371
	Less: Provision for doubtful advances and receivables	22.1	(10,562,768)	(9,598,265)
			119,410,097	112,684,106
22.1	**Movement in provision for doubtful advances and receivables is as follows:**			
	Balance at the beginning of the year		9,598,265	8,095,638
	Provision for the year	32	1,233,085	1,502,627
	Written off during the year		(268,582)	-
	Balance at the end of the year		10,562,768	9,598,265

	NOTE	2022 Rupees	2021 Rupees
23 TAXATION RECOVERABLE - NET			
Opening balance		127,042,696	148,804,064
Income tax deducted at source		27,632,080	19,754,003
Provision for the year	37	(67,040,079)	(41,515,371)
		87,634,697	127,042,696
Provision against doubtful taxation recoverable		(13,404,520)	(13,404,520)
Closing balance	23.1	74,230,177	113,638,176

23.1 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 40.21 million (2021: Rupees 32.19 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	2022 Rupees	2021 Rupees
24 SHORT TERM INVESTMENTS			
Amortized cost			
Welfare fund			
Treasury bills	24.1	3,784,764,770	1,414,223,400
Accrued interest		40,688,417	13,314,386
		3,825,453,187	1,427,537,786
Claims related to United Nations Compensation Commission Funds			
Treasury bills	24.1	866,731,516	708,158,750
Accrued interest		6,282,537	6,810,237
		873,014,053	714,968,987
		4,698,467,240	2,142,506,773

24.1 These represent treasury bills issued by the State Bank of Pakistan. Maturity period of these bills ranges from 3 to 12 months and earn interest ranging from 7.44% to 15.36% (2021: 7.00% to 7.4418%) per annum.

	NOTE	2022 Rupees	2021 Rupees
25 CASH AND BANK BALANCES			
Cash in hand		4,238,959	3,755,002
Cash at banks in:			
- current accounts		88,779,871	102,386,713
- deposit accounts	25.1, 25.2, 25.3, 25.4 & 25.5	1,364,548,944	3,273,491,455
		1,453,328,815	3,375,878,168
		1,457,567,774	3,379,633,170

25.1 Interest rate on deposit accounts ranges from 5.50% to 13% (2021: 5.50 to 6.60%) per annum.

25.2 These include Rupees 156.64 million (2021: Rupees 143.16 million) placed with financial institutions owned by Government of Pakistan.

25.3 These include balance of Rupees 583.693 million and Rupees 6.739 million (2021: Rupees 630.98 million and Rupees 5.19) for claims related to United Nations Compensation Commission Funds and social security claims Libya, respectively.

25.4 The balances in deposit accounts include USD 33,007.83 (2021: USD 32,948.79).

25.5 These include balance of Rupees 11.928 million and Rupees 31.630 million (2021: Rupees 12.08 million and Rupees Nil) kept in separate bank accounts relating to students security deposits and deferred grant, respectively.

	NOTE	2022 Rupees	2021 Rupees
26 RETURN ON DEPOSIT ACCOUNTS AND INVESTMENTS			
Profit on:			
- Deposit accounts		40,136,230	23,776,441
- Short term investments		283,233,252	285,006,375
	26.1 & 26.2	323,369,482	308,782,816

26.1 This includes Rupees 290.913 million (2021: Rupees 305.86 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.

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

	NOTE	2022 Rupees	2021 Restated Rupees
27 HOUSING DIVISION			
Profit on deposit accounts		11,079,233	8,425,554
Income recognized on fulfilling performance obligation	27.1 & 27.2	3,197,947,745	1,293,560,921
Transfer fee, surcharge and other charges		202,772,116	242,822,397
Reversal of provision against doubtful mobilization advance	20.1.1	200,000	-
		3,411,999,094	1,544,808,872

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

27.2 The amount of Rupees 1,289.15 million included in contract liabilities (note 9) as at 30 June 2021 has been recognized as revenue in 2022 (2021: Rupees Nil).

	NOTE	2022 Rupees	2021 Rupees
28 WELFARE DIVISION			
OPF Eye Hospital, Dera Ghazi Khan, Pakistan	28.1	646,801	832,394
Profit on deposit accounts	26.2	2,711,686	920,956
Miscellaneous		-	4,858
		3,358,487	1,758,208

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

	NOTE	2022 Rupees	2021 Rupees
29 EDUCATION DIVISION			
Pakistani Schools:			
- school fees recognized during the year	29.1, 29.2 & 29.4	1,030,934,663	857,610,054
- canteen rent		2,448,058	595,011
- others		1,637,500	843,966
		1,035,020,221	859,049,031
Azad Jammu and Kashmir Schools:			
- school fees recognized during the year	29.1, 29.3 & 29.4	41,825,609	34,645,326
- canteen rent		196,500	4,000
		42,022,109	34,649,326
		1,077,042,330	893,698,357
Profit on short term investments		8,223,944	7,195,768
Profit on deposit accounts		8,139,391	5,538,406
Miscellaneous		-	11,000
		1,093,405,665	906,443,531

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

29.2 The amount of Rupees 1.95 million included in contract liabilities (note 9) as at 30 June 2021 has been recognised as revenue in 2022 (2021: Rupees 1.03 million).

29.3 The amount of Rupees Nil included in contract liabilities (note 9) as at 30 June 2021 has been recognized as revenue in 2022 (2021: Rupees Nil).

29.4 Tuition fee is exclusive of discount of Rupees 87.755 million.

30 TRAINING DIVISION

It represents fee received against different types of vocational training programmes and revenue is recognized over the period of time when training services are rendered.

	NOTE	2022 Rupees	2021 Rupees
31 OTHER INCOME			
Income from financial assets:			
Interest on loan to employees	17.1	9,508,170	9,715,192
Income from non-financial assets:			
Rental income from investment properties	31.1	49,217,618	43,936,723
Gain on disposal of operating fixed assets		-	157,106
Reversal of provision for impairment	16.1.1	-	3,429,538
Long outstanding liabilities written back		27,824,764	7,019,417
Refund received / recovery against hajj expense		-	4,247,710
Miscellaneous		111,210	3,531,075
		86,661,762	72,036,761

31.1 The amount of Rupees 9.90 million included in contract liabilities (note 9) as at 30 June 2021 has been recognised as revenue in 2022 (2021: Rupees 10.08 million).

32 HOUSING DIVISION

	NOTE	2022 Rupees	2021 Rupees
Salaries and benefits	32.1	72,904,418	72,304,319
Travelling and conveyance		3,067,069	2,354,164
Repairs and maintenance		666,735	338,042
Vehicles running and maintenance		34,300	48,302
Postage, telephone and telegram		217,229	510,629
Printing, stationery and periodicals		1,312,427	312,910
Depreciation	12.1.1	4,536,832	2,012,020
Amortization	14.1	90,146	203,501
Supervision and development of housing schemes	20.2	1,849,821,547	1,007,704,403
Provision for doubtful advances and receivables	22.1	1,233,085	-
Professional charges		245,000	3,430,919
Advertisement		981,229	10,114
Fine and penalties		1,000,000	-
Bank charges		303,309	15,473
Miscellaneous		1,179,975	787,111
		1,937,593,301	1,090,031,907

32.1 Salaries and benefits include gratuity and compensated absences charge of Rupees 11.08 million and Rupees 3.57 million (2021: Rupees 11.15 million and Rupees 2.41 million) respectively.

33 WELFARE DIVISION

	NOTE	2022 Rupees	2021 Restated Rupees
Welfare activities			
Financial aid	10.1	392,200,000	403,700,000
Salaries and benefits OPF Eye Hospital - Mirpur	33.1	2,747,699	2,016,398
Salaries and benefits OPF Eye Hospital - Dera Ghazi Khan	33.1	10,170,568	10,423,182
Depreciation - OPF eye hospitals	12.1.1	746,154	825,232
Service cell		3,054,285	3,226,766
Foreign exchange remittance card		285,350	83,156
Emergency relief fund		3,604,215	-
Repairs and maintenance		1,940,568	154,823
Light and heat		197,629	229,893
Postage, telephone and telegram		13,439	21,390
Bank charges		2,436	-
Travelling cost		-	10,000,000
Miscellaneous		398,813	1,109,755
		415,361,156	431,790,595
Administrative activities			
Salaries and benefits	33.1	111,750,986	105,396,904
Travelling and conveyance		430,239	26,162
Repairs and maintenance		181,435	141,219
Postage, telephone and telegram		1,283,153	1,359,795
Printing, stationery and periodicals		144,397	170,779
Professional charges		117,000	-
Depreciation	12.1.1	1,086,124	1,146,370
Depreciation on right-of-use assets	13.1.2	2,011,735	2,011,735
Amortization	14.1	144,184	215,200
Airport administrative expenses		2,427,734	3,222,663
Bank charges		92,808	563,842
Interest on lease liabilities	6.2	277,216	403,042
Miscellaneous		279,110	272,612
		120,226,121	114,930,323
		535,587,277	546,720,918

33.1 Salaries and benefits for OPF Eye Hospital, Mirpur include gratuity and compensated absences charge of Rupees 0.47 million and Rupees 0.11 million (2021: Rupees Nil and Rupees Nil) respectively. Salaries and benefits for OPF Eye Hospital, Dera Ghazi Khan include gratuity and compensated absences charge of Rupees 1.9 million and Rupees 0.26 million (2021: Rupees 2.08 million and Rupees 0.28 million) respectively. Salaries and benefits for welfare division administrative expenses include gratuity and compensated absences charge of Rupees 16.03 million and Rupees 3.74 million (2021: Rupees 16.73 million and Rupees 2.82 million) respectively.

34 EDUCATION DIVISION

	NOTE	2022 Rupees	2021 Rupees
Education			
OPF Public Schools - Pakistan			
Salaries and benefits	34.1	1,022,035,126	959,429,254
Depreciation	12.1.1	54,704,159	43,251,331
Depreciation on right-of-use assets	13.1.2	14,487,229	13,545,494
Rent expenses	13.1.1	8,181,873	1,266,366
Rate and taxes		1,214,143	2,068,100
Repairs and maintenance		33,668,486	19,946,520
Vehicle running and maintenance		15,030,264	7,504,754
Light and heat		25,398,848	20,831,003
Donation	34.2	-	410,136
Security services		31,889,810	28,387,946
Printing, stationary and periodicals		8,056,431	4,721,431
Scholarships to OP's children		5,695,403	-
Functions and celebrations		1,859,024	395,516
Postage, telephone and telegram		2,236,280	2,256,143
Travelling and conveyance		115,745	62,586
Finance cost	34.3	7,587,665	8,048,402
Other expenses		3,763,394	1,969,691
		1,235,923,880	1,114,094,673
OPF Public Schools - Azad Jammu and Kashmir			
Salaries and benefits	34.1	75,572,015	70,666,855
Depreciation	12.1.1	560,808	671,854
Depreciation on right-of-use assets	13.1.2	4,828,180	5,362,574
Repair and maintenance		605,660	472,740
Vehicle running and maintenance		68,380	69,836
Light and heat		1,098,437	664,450
Staff advances written off		-	1,534,000
Printing, stationary and periodicals		362,296	279,104
Security services		2,810,593	2,790,840
Other expenses		897,900	544,649
		86,804,269	83,056,902
Finance cost	34.3	753,541	1,012,768
Scholarships and awards		8,288,033	18,300
		1,331,769,723	1,198,182,643
Administrative activities			
Salaries and benefits	34.1	80,450,070	88,608,459
Travelling and conveyance		1,356,061	324,532
Capital work in progress written off	12.2.1	1,263,391	1,131,952
Long outstanding receivables written off		12,065,989	-
Allowance for expected credit losses	21.3	25,259,035	-
Repairs and maintenance		367,915	199,081
Postage, telephone and telegram		288,632	367,218
Printing, stationery and periodicals		230,075	75,163
Professional charges		270,000	-
Advertisement		793,528	798,241
Depreciation	12.1.1	608,254	303,773
Security services		-	1,596,171
Finance cost - bank charges	34.3	55,952	17,692
Miscellaneous		1,679,570	676,547
		124,688,472	94,098,829
		1,456,458,195	1,292,281,472

34.1 Salaries and benefits for OPF Public Schools, Pakistan include gratuity and compensated absences charge of Rupees 109.75 million and Rupees 24.65 million (2021: Rupees 97.8 million and Rupees 7.92 million) respectively. Salaries and benefits for OPF Public Schools - Azad Jammu and Kashmir include gratuity and compensated absences charge of Rupees 9.6 million and Rupees 2.17 million (2021: Rupees 8.07 million and Rupees 1.32 million) respectively. Salaries and benefits for education administrative expenses include gratuity and compensated absences charge of Rupees 12.14 million and Rupees 2.97 million (2021: Rupees 7.23 million and Rupees 1.84 million) respectively.

34.2 It represents donation to Pakistan International school, Riyadh amounting to Rupees Nil (2021: Rupees 0.41 million) for the installation of E-Learning equipment. None of the members and their spouses have any interest in the donee's fund.

	NOTE	2022 Rupees	2021 Rupees
34.3 Finance cost			
OPF Public Schools - Pakistan			
- Interest on lease liabilities	6.2	7,466,510	7,854,189
- Bank charges		121,155	194,213
		7,587,665	8,048,402
- OPF Public Schools - Azad Jammu and Kashmir			
- Interest on lease liabilities	6.2	739,279	1,006,309
- Bank charges		14,262	6,459
		753,541	1,012,768
- Administrative activities		55,952	17,692
		8,397,158	9,078,862

35 PUBLICITY AND MARKETING CELL

	NOTE	2022 Rupees	2021 Rupees
Magazine Yaran-e-watan		48,000	60,800
Administrative activities			
Salaries and benefits	35.1	15,856,207	13,591,126
Postage, telephone and telegram		62,106	94,754
Printing, stationery and periodicals		189,607	321,987
Depreciation	12.1.1	103,633	85,971
Miscellaneous		142,024	11,225
		16,353,577	14,105,063
		16,401,577	14,165,863

35.1 Salaries and benefits include gratuity and compensated absences charge of Rupees 2.04 million and Rupees 0.54 million (2021: Rupees 1.66 million and Rupees 0.33 million) respectively.

	NOTE	2022 Rupees	2021 Rupees
36 ADMINISTRATIVE AND OTHER EXPENSES			
Salaries and benefits	36.1	581,139,743	559,580,750
Travelling and conveyance		5,486,939	3,767,682
Foreign tours		137,124	178,550
Repairs and maintenance		17,618,264	10,413,347
Vehicle running and maintenance		10,897,530	10,944,660
Postage, telephone and telegram		7,270,424	6,808,745
Light and heat		33,860,774	22,423,036
Printing, stationery and periodicals		5,799,993	2,780,119
Professional fee		4,288,069	4,069,063
Auditor's remuneration	36.2	6,405,650	1,614,140
Advertisement		2,411,983	2,795,038
Depreciation	12.1.1	7,568,307	6,406,698
Depreciation on right-of-use assets	13.1.2	1,191,417	1,191,417
Depreciation - investment properties	15	1,176,942	1,712,303
Amortization	14.1	1,035,656	718,292
Capital work in progress written off	12.2.1	-	14,154,839
Staff advances written off		-	2,736,718
Provision against doubtful advances	17.3	-	104,400
Hajj expense		3,360,033	277,231
Security services		7,952,325	8,025,487
BOG expenses		4,159,509	2,236,206
Hardware and software maintenance		976,371	248,928
Finance cost	36.3	7,613,887	2,710,973
Miscellaneous		5,995,503	7,260,839
		716,346,443	673,159,461
Regional Office Mirpur Azad Jammu and Kashmir			
Salaries and benefits	36.1	8,071,021	10,865,836
Travelling and conveyance		570,571	393,524
Repairs and maintenance		1,444,148	748,599
Vehicle running and maintenance		549,136	367,179
Postage, telephone and telegram		172,517	148,057
Printing, stationery and periodicals		167,320	90,395
Depreciation	12.1.1	215,800	297,212
Depreciation on right-of-use assets	13.1.2	361,237	433,485
Finance cost	36.3	1,800	48,875
Miscellaneous		202,064	374,403
		11,755,614	13,767,565
		728,102,057	686,927,026

36.1 Salaries and benefits include gratuity and compensated absences charge of Rupees 72.66 million and Rupees 17.62 million (2021: Rupees 66.49 million and Rupees 11.83 million) respectively. Salaries and benefits for regional office, Mirpur include gratuity and compensated absences charge of Rupees 0.99 million and Rupees 0.21 million (2021: Rupees 1.15 million and Rupees 0.21 million) respectively.

	NOTE	2022 Rupees	2021 Rupees

36.2 Auditor's remuneration

	NOTE	2022 Rupees	2021 Rupees
Statutory audit fee		1,403,600	1,383,140
Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013		127,050	115,500
Out of pocket expenses		75,000	115,500
Other assurance services		4,800,000	-
		6,405,650	1,614,140

36.3 Finance cost

	NOTE	2022 Rupees	2021 Rupees
RO Multan - Interest on lease liability	6.2	467,913	606,285
Bank charges		7,145,974	2,104,688
	36	7,613,887	2,710,973
RO Mirpur, Azad Jammu and Kashmir:			
- Interest on lease liability	6.2	-	48,275
- Bank charges		1,800	600
		1,800	48,875
		7,615,687	2,759,848

37 TAXATION

	NOTE	2022 Rupees	2021 Rupees
Current:			
- Current year		68,062,902	41,515,371
- Prior year		(1,022,823)	-
	23	67,040,079	41,515,371
Deferred tax	19	(26,018,547)	-
		41,021,532	41,515,371

37.1 Provision for current tax represents minimum tax only in view of available tax losses of Rupees 5,297.89 million (2021: Rupees 5,692.80 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 liabilities	
	2022	Restated 2021	2022	2021
	Rupees			
Balance as at 01 July	5,793,901,162	6,131,018,502	83,250,979	94,548,957
Receipts in welfare fund during the year	1,163,421,669	366,595,144	-	-
Total comprehensive income / (loss) for the year	267,523,131	(703,712,484)	-	-
Lease liabilities recognized during the year	-	-	4,910,477	6,576,485
Interest accrued on lease liabilities	-	-	8,950,918	9,918,100
Repayment of lease liabilities	-	-	(30,035,100)	(27,792,563)
Balance as at 30 June	7,224,845,962	5,793,901,162	67,077,274	83,250,979

39 NUMBER OF EMPLOYEES

	2022	2021
Number of employees as at 30 June	1,880	1,941
Average number of employees during the year	1,911	1,937

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 Foundation 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 Foundation considers are significant.

	2022 Rupees	2021 Rupees
Interest earned on Government securities	290,913,121	299,988,752
Government owned entities		
National Bank of Pakistan		
Closing balance	102,601,949	12,847,468
Interest earned	4,073,396	782,937
The Bank of Punjab		
Closing balance	54,037,583	130,313,547
Interest earned	5,522,739	5,083,643
Other than Government of Pakistan		
Kaghan Brick Works Limited - subsidiary		
Payments on behalf of Kaghan Brick Works Limited	-	104,400
Staff retirement benefits		
Contribution to gratuity fund	146,311,261	97,376,807

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			
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees							
Managerial remuneration	1,795,640	1,735,640	12,970,230	6,863,700	26,793,255	26,757,426	41,559,125	35,356,766
Leave encashment	-	-	-	-	4,780,941	3,792,532	4,780,941	3,792,532
Housing and utilities	6,347,471	5,815,389	-	-	34,668,348	31,702,937	41,015,819	37,518,326
Medical expenses	191,719	338,510	479,770	37,587	2,148,181	3,171,440	2,819,670	3,547,537
	8,334,830	7,889,539	13,450,000	6,901,287	68,390,725	65,424,335	90,175,555	80,215,161
Number of persons	1	1	3	3	18	20		

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 (2021: 13) non-executive directors was Rupees 4.16 million (2021: Rupees 2.24 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 Foundation's foreign exchange risk exposure is restricted to bank balance. The Company's exposure to currency risk was as follows:

	2022	2021
Cash at banks - USD	33,008	32,949
Social security claims Libya	(33,008)	(32,949)
Net exposure	-	-
Rupees per US Dollar		
Average rate	177.45	157.17
Reporting date rate	204.17	160.26

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 (2021: Rupees Nil) 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:

	2022 Rupees	2021 Rupees
Fixed rate instruments		
Financial assets		
Advances	272,378,491	259,789,271
Short term investments - amortized cost	4,698,467,240	2,142,506,773
Floating rate instruments		
Financial assets		
Cash at bank - deposit accounts	1,364,548,944	3,273,491,455

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, surplus before tax for the year would have been Rupees 13.65 million (2021: Rupees 32.73 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:

	2022 Rupees	2021 Rupees
Long term advances	230,623,732	225,466,878
Deposits	4,872,829	4,571,441
Contract receivables	1,586,153,068	1,184,293,433
Advances and other receivables	105,111,151	91,011,509
Short term investments	4,698,467,240	2,142,506,773
Bank balances	1,453,328,815	3,375,878,168
	8,078,556,835	7,023,728,202

The Foundation's exposure to credit risk and allowance for expected credit losses related to contract receivables against tuition fee is disclosed in Note 21.3.

The Foundation applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all financial assets. To measure the expected credit losses, contract receivable against tuition fee have been grouped based on shared credit risk characteristic and the days past due.

On that basis, the loss allowance as at 30 June 2022 was determined as follows:

	2022		
	Expected loss rate	Contract receivables	Loss allowance
	%	-------- Rupees --------	
Past due up to 30 days	0%	5,998,367	-
Past due 31 to 60 days	0%	2,218,922	-
Past due 61 to 90 days	0%	1,957,375	-
Past due 91 to 365 days	100%	25,243,842	25,243,842
Past due more than 365 days	100%	15,193	15,193
		35,433,699	25,259,035

Contract receivables against tuition fee are secured against student security deposits. Student security deposits cover fee ranging from 1.5 to 2.5 months.

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 security deposits 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 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			2022	2021
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Askari Bank Limited	A-1+	AA+	PACRA	1,106,241,581	1,603,869,511
Bank Alfalah Limited	A1+	AA+	PACRA	8,329,253	66,208,993
First Women Bank Limited	A2	A-	PACRA	318,449	301,074
Habib Bank Limited	A1+	AAA	JCR-VIS	139,310,053	1,468,070,655
National Bank of Pakistan	A1+	AAA	PACRA	102,601,949	12,847,468
The Bank of Punjab	A1+	AA+	PACRA	54,037,583	130,313,547
United Bank Limited	A1+	AAA	JCR-VIS	8,712,164	8,188,019
MCB Bank Limited	A-1+	AAA	PACRA	33,777,783	86,078,901
				1,453,328,815	3,375,878,168
Investment					
Treasury bills	N/A	N/A	N/A	4,698,467,240	2,142,506,773
				6,151,796,055	5,518,384,941

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 2022, the Foundation had Rupees 1,457.57 million (2021: Rupees 3,379.63 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 2022

	Carrying amount	Contractual cash flows	Overdue	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees						
Non derivative financial liabilities:							
Lease liabilities	67,077,274	80,587,006	5,686,218	15,170,798	12,625,281	23,391,134	23,713,575
Claims payable	1,503,670,710	1,503,670,710	-	1,503,670,710	-	-	-
Creditors, accrued and other liabilities	1,770,631,971	1,770,631,971	-	1,770,631,971	-	-	-
	3,341,379,955	3,354,889,687	5,686,218	3,289,473,479	12,625,281	23,391,134	23,713,575

Contractual maturities of financial liabilities as at 30 June 2021

	Carrying amount	Contractual cash flows	Overdue	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees						
Non derivative financial liabilities:							
Lease liabilities	83,250,979	104,804,107	1,352,465	10,482,578	13,473,441	23,350,849	56,144,774
Claims payable	1,383,325,263	1,383,325,263	-	1,383,325,263	-	-	-
Creditors, accrued and other liabilities	1,713,579,358	1,713,579,358	-	1,713,579,358	-	-	-
	3,180,155,600	3,201,708,728	1,352,465	3,107,387,199	13,473,441	23,350,849	56,144,774

42.2 **Financial instruments by categories**

	Amortized cost	
	2022 Rupees	2021 Rupees
As at 30 June		
Assets as per statement of financial position		
Long term advances	230,623,732	225,466,878
Deposits	4,872,829	4,571,441
Contract receivables	1,586,153,068	1,184,293,433
Advances and other receivables	105,111,151	91,011,509
Short term investments	4,698,467,240	2,142,506,773
Cash and bank balances	1,457,567,774	3,379,633,170
	8,082,795,794	7,027,483,204
Liabilities as per statement of financial position		
Lease liabilities	67,077,274	83,250,979
Claims payable	1,503,670,710	1,383,325,263
Creditors, accrued and other liabilities	1,770,631,971	1,713,579,358
	3,341,379,955	3,180,155,600

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

	2022			2021		
	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	230,623,732	-	230,623,732	225,466,878	-	225,466,878
Long term deposits	4,872,829	-	4,872,829	4,571,441	-	4,571,441
Contract receivables	1,586,153,068	-	1,586,153,068	1,184,293,433	-	1,184,293,433
Advances, prepayments and other receivables	105,111,151	14,298,946	119,410,097	91,011,509	21,672,597	112,684,106
Short term investments	4,698,467,240	-	4,698,467,240	2,142,506,773	-	2,142,506,773
Cash and bank balances	1,457,567,774	-	1,457,567,774	3,379,633,170	-	3,379,633,170
	8,082,795,794	14,298,946	8,097,094,740	7,027,483,204	21,672,597	7,049,155,801

	2022			2021		
	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	67,077,274	-	67,077,274	83,250,979	-	83,250,979
Claims payable	1,503,670,710	-	1,503,670,710	1,383,325,263	-	1,383,325,263
Creditors, accrued and other liabilities	1,770,631,971	75,780,235	1,846,412,206	1,713,579,358	81,006,743	1,794,586,101
	3,341,379,955	75,780,235	3,417,160,190	3,180,155,600	81,006,743	3,261,162,343

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 Foundation 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 CORRESPONDING FIGURES

Apart from the restatement described in note 2.28, No significant reclassification / rearrangement of corresponding figures have been made except following:

Particulars	Reclassification		Rupees
	From	To	
Faisalabad - refundable against abandoned scheme	Creditors, accrued and other liabilities	Contract liabilities	7,077,759
Advance against purchase of intangibles	Advances, prepayments and other receivables	Intangibles	1,437,500

45 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 15 MAR 2023 by the Board of Governors of the Foundation.

46 **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 2022

A member of
Nexia
International

Riaz Ahmad & Company
Chartered Accountants

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racoisd@racopk.com
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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 2022.

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 2022.

RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

Date: 11 April 2023

UDIN: CR20221018749gytOLpU

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 2022

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 (Tick the relevant box)	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	Name	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 6 January 2020 6 January 2020
Executive Directors	1. Dr. Amer irshad Sheikh	8 May 2018
Non-Executive Directors*	1. Zulfiquar Haider Khan 2. Muhammad Ayub Chaudhary 3. Muhammad Israr 4. Muhammad Syrus Sajjad Qazi 5. Mr. Aamer Mahmood Hussain	15 June 2022 7 July 2021 8 July 2021 20 October 2022 28 April 2022

* Following Non-Executive Directors were retired

Name	Date of retirement
1. Mr. Ishrat Ali 2. Mr. Khalid Hussain Memon	14 June 2022 5 July 2022

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 made by 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 (Tick the relevant box)	N	Remarks
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.	5(4)	✓ ✓ ✓		
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓		
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓		
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the 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)	✓		

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule No.</th><th>Y</th><th>N</th><th rowspan="2">Remarks</th></tr>
<tr><th colspan="2">Tick the relevant box</th></tr>
<tr><td rowspan="3">18</td><td>a) The Board has met at least four times during the year.</td><td>6(1)</td><td>✓</td><td></td><td></td></tr>
<tr><td>b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.</td><td>6(2)</td><td>✓</td><td></td><td></td></tr>
<tr><td>c) The minutes of the meetings were appropriately recorded and circulated.</td><td>6(3)</td><td>✓</td><td></td><td></td></tr>
<tr><td>19.</td><td>The Board has monitored and assessed the performance of senior management on annual / half-yearly / quarterly basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.</td><td>8(2)</td><td></td><td>✓</td><td></td></tr>
<tr><td>20.</td><td>The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.</td><td>9</td><td>✓</td><td></td><td></td></tr>
<tr><td>21</td><td>a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.
b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.
c) The Board has placed the annual financial statements on the Foundation's website.</td><td>10</td><td>a) ✓

c) ✓</td><td>b) N/A</td><td></td></tr>
<tr><td>22.</td><td>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.</td><td>11</td><td>✓</td><td></td><td></td></tr>
<tr><td>23</td><td>a) The Board has formed the requisite committees, as specified in the Rules.
b) The committees were provided with written term of reference defining their duties, authority and composition.
c) The minutes of the meetings of the committees were circulated to all the Board members.
d) The committees were chaired by the following non-executive directors:
<table>
<tr><th>Committee</th><th>No. of Members</th><th>Name of Chair</th></tr>
<tr><td>Audit Committee</td><td>05</td><td>Ms. Nyla Qureshi</td></tr>
<tr><td>Human Resource Committee</td><td>05</td><td>Muhammad Ayub Chaudhary</td></tr>
<tr><td>Procurement Committee</td><td>06</td><td>Mr. Khalid Mahmood Raja</td></tr>
<tr><td>Nomination Committee</td><td>06</td><td>Muhammad Israr</td></tr>
<tr><td>Finance, Welfare and Risk Management Committee</td><td>05</td><td>Mr. Irfan Mustafa</td></tr>
</table></td><td>12</td><td>a) ✓
b) ✓
c) ✓
d) ✓</td><td></td><td></td></tr>
<tr><td>24.</td><td>The Board has approved appointment of chief financial officer, company secretary and chief internal auditor, by whatever name called, with their remuneration and terms and conditions of employment.</td><td>13</td><td>✓</td><td></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule No.</th><th>Y</th><th>N</th><th rowspan="2">Remarks</th></tr>
<tr><th colspan="2">Tick the relevant box</th></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 at present:
<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. Zulqiurnain Ali Khan</td><td>Independent</td><td>Overseas Pakistani Businessman</td></tr>
<tr><td>Mr. Aamer Mahmood Hussain</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>
<tr><td>32</td><td>a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.
b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.
c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</td><td>21(3)
21(3)
21(3)</td><td>✓
✓
✓</td><td></td><td></td></tr>
</table>

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks
			Tick the relevant box		
33.	a) The board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. 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.	22	✓ ✓ ✓		
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

Nyla Qureshi

Independent Director