

Riaz Ahmad & Company

Chartered Accountants

OVERSEAS PAKISTANIS FOUNDATION

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2023**

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 2023, 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 2023 and of the deficit, other comprehensive loss, the changes in fund and reserve 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 57.322 million is subject to acceptance of refund claims by taxation authorities.

Our opinion is not modified in respect of these matters.

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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.

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- 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: 29 December 2023

UDIN: AR202310187L6qsu3aZH

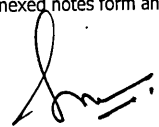
OVERSEAS PAKISTANIS FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTE	2023 Rupees	2022 Rupees		NOTE	2023 Rupees	2022 Rupees
FUND AND LIABILITIES				ASSETS			
FUND AND RESERVE				NON-CURRENT ASSETS			
Welfare fund	3	6,774,973,421	7,224,845,962	Property and equipment	12	2,450,878,613	2,384,655,391
Capital reserve	4	156,250	156,250	Right-of-use assets	13	54,090,961	53,903,094
		<u>6,775,129,671</u>	<u>7,225,002,212</u>	Intangibles	14	5,075,064	5,925,954
				Investment properties	15	58,643,805	45,900,750
				Long term investments	16	-	-
				Long term advances	17	240,472,276	230,623,732
				Long term deposits	18	5,810,604	4,872,829
				Deferred income tax asset	19	-	-
						<u>2,814,971,323</u>	<u>2,725,881,750</u>
LIABILITIES							
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Deferred grant	5	4,446,468	31,629,561	Development properties - housing schemes	20	5,093,134,957	3,430,538,918
Lease liabilities	6	47,483,720	44,731,438	Contract receivables	21	1,366,975,191	1,586,153,068
Staff retirement benefits	7	2,626,104,473	1,798,028,080	Advances, prepayments and other receivables	22	164,838,519	120,995,097
		<u>2,678,034,661</u>	<u>1,874,389,079</u>	Taxation recoverable - net	23	57,322,482	74,230,177
				Short term investments	24	4,813,369,230	4,698,467,240
CURRENT LIABILITIES				Cash and bank balances	25	1,085,307,383	1,455,982,774
Claims payable	8	1,737,428,995	1,503,670,710			<u>12,580,947,762</u>	<u>11,366,367,274</u>
Contract liabilities	9	2,498,983,463	1,620,428,981				
Creditors, accrued and other liabilities	10	1,685,069,572	1,846,412,206				
Current portion of lease liabilities	6	21,272,723	22,345,836				
		<u>5,942,754,753</u>	<u>4,992,857,733</u>				
TOTAL LIABILITIES		<u>8,620,789,414</u>	<u>6,867,246,812</u>				
				TOTAL ASSETS		<u>15,395,919,085</u>	<u>14,092,249,024</u>
CONTINGENCIES AND COMMITMENTS	11						
TOTAL FUND AND LIABILITIES		<u>15,395,919,085</u>	<u>14,092,249,024</u>				

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


MANAGING DIRECTOR


CHIEF FINANCIAL OFFICER


MEMBER BOARD OF GOVERNORS

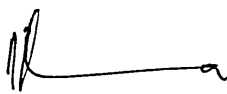
OVERSEAS PAKISTANIS FOUNDATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Rupees	2022 Rupees
INCOME			
Return on deposit accounts and investments	26	568,667,563	323,369,482
Housing division	27	833,832,836	3,411,999,094
Welfare division	28	16,266,446	3,358,487
Education division	29	1,298,399,123	1,093,405,665
Training division	30	155,500	192,000
Amortization of deferred grant	5	35,941,162	-
Other income	31	68,205,204	86,661,762
		<u>2,821,467,834</u>	<u>4,918,986,490</u>
EXPENDITURE			
Housing division	32	979,911,800	1,937,593,301
Welfare division	33	428,720,424	535,587,277
Education division	34	1,794,300,328	1,456,458,195
Publicity and marketing cell	35	20,325,721	16,401,577
Program expenses - GIZ	36	35,941,162	-
Administrative and other expenses - Head Office	37	928,661,777	728,102,057
		<u>4,187,861,212</u>	<u>4,674,142,407</u>
(Deficit) / surplus before taxation		<u>(1,366,393,378)</u>	<u>244,844,083</u>
Taxation	38	(243,452,318)	(41,021,532)
(Deficit) / surplus after taxation		<u><u>(1,609,845,696)</u></u>	<u><u>203,822,551</u></u>

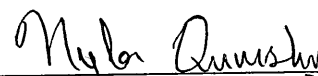
The annexed notes form an integral part of these financial statements. *Raw*



MANAGING DIRECTOR



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**OVERSEAS PAKISTANIS FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 Rupees	2022 Rupees
(DEFICIT) / SURPLUS AFTER TAXATION	(1,609,845,696)	203,822,551
OTHER COMPREHENSIVE (LOSS) / INCOME		
Items that will not be reclassified to income and expenditure statement		
Remeasurement (loss) / gain on employees' retirement benefit plan	(653,015,738)	89,719,127
Related deferred income tax	189,374,564	(26,018,547)
	(463,641,174)	63,700,580
	-	-
Items that may be reclassified subsequently to income and expenditure statement		
Other comprehensive (loss) / income for the year - net of tax	(463,641,174)	63,700,580
Total comprehensive (loss) / income for the year	(2,073,486,870)	267,523,131

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



MANAGING DIRECTOR



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OVERSEAS PAKISTANIS FOUNDATION
STATEMENT OF CHANGES IN FUND AND RESERVE
FOR THE YEAR ENDED 30 JUNE 2023

	Welfare fund	Capital reserve	Total
	----- Rupees -----		
Balance as at 30 June 2021	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
Receipts directly credited to welfare fund	1,623,614,329	-	1,623,614,329
Deficit for the year	(1,609,845,696)	-	(1,609,845,696)
Other comprehensive loss for the year - net of tax	(463,641,174)	-	(463,641,174)
Total comprehensive loss for the year	(2,073,486,870)	-	(2,073,486,870)
Balance as at 30 June 2023	<u>6,774,973,421</u>	<u>156,250</u>	<u>6,775,129,671</u>

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


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OVERSEAS PAKISTANIS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus before taxation		(1,366,393,378)	244,844,083
Adjustments for non-cash charges and other items:			
Depreciation - property and equipment	12.1	74,325,924	70,130,071
Depreciation - right-of-use assets	13	23,655,283	22,879,798
Amortization	14	850,890	1,269,986
Amortization of deferred grant	5	(35,941,162)	-
Depreciation - investment properties	15	1,472,618	1,176,942
Provision for staff retirement benefits		502,728,297	292,469,142
Long outstanding receivables written off	34	-	12,065,989
Students' security deposits written off	29	56,095,091	-
Provision for doubtful advances and other receivables	22.1	-	1,233,085
Provision for doubtful long term advances	17.3	139,200	-
(Reversal) / allowance for expected credit losses	21.3	(25,259,035)	25,259,035
Capital work in progress written off	12.2	-	1,263,391
Finance cost		8,383,159	16,385,305
Gain on disposal of property and equipment	31	(614,536)	-
Long outstanding liabilities written back	31	-	(27,824,764)
Return on deposit accounts and investments		(650,134,612)	(353,523,736)
		(1,410,692,261)	307,628,327
Working capital changes:			
(Increase) / decrease in current assets:			
Development properties - housing schemes		(1,662,596,039)	(62,736,567)
Contract receivables		244,436,912	(439,184,659)
Advances, prepayments and other receivables		(40,765,031)	(6,835,704)
		(1,458,924,158)	(508,756,930)
Increase /(decrease) in current liabilities:			
Claims payable		233,758,285	120,345,447
Contract liabilities		878,554,482	(454,014,074)
Creditors, accrued and other liabilities		(217,437,725)	79,650,869
		894,875,042	(254,017,758)
		(1,974,741,377)	(455,146,361)
Cash used in operations			
Long term advances - net		(9,987,744)	(5,156,854)
Income tax paid	23	(37,170,059)	(27,632,080)
Employee benefits paid		(327,667,642)	(151,481,213)
Deferred grant received - net	5	7,173,953	30,172,500
Finance cost paid		(466,604)	(7,434,387)
		(368,118,096)	(161,532,034)
		(2,342,859,473)	(616,678,395)
Net cash used in operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(154,917,782)	(234,459,140)
Capital expenditure on intangibles	14	-	(1,910,000)
Proceeds from disposal of property and equipment		767,499	-
Short term investments - net		(114,901,990)	(2,555,960,467)
Interest received		648,640,337	352,272,425
Increase in long term deposits		(937,775)	(301,388)
Net cash from / (used in) investing activities		378,650,289	(2,440,358,570)
CASH FLOWS FROM FINANCING ACTIVITIES			
Welfare fund receipts		1,623,614,329	1,163,421,669
Payments against lease liabilities	6.1	(30,080,536)	(30,035,100)
Net cash from financing activities		1,593,533,793	1,133,386,569
Net decrease in cash and cash equivalents		(370,675,391)	(1,923,650,396)
Cash and cash equivalents at beginning of the year		1,455,982,774	3,379,633,170
Cash and cash equivalents at end of the year	25	1,085,307,383	1,455,982,774

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 2023

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, Nishtar 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 2023 is as follows:

Particulars	2023	2022
	Rupees	Rupees
Total assets	1,440,990	1,441,525
Total liabilities (mainly include payable to the Foundation)	86,365,116	86,320,456
Net equity	(84,924,126)	(84,878,931)
Total liabilities and equity	1,440,990	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 of property and equipment and intangible assets

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

Income tax

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

Allowance for expected credit losses

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

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

The assessment of the correlation between historically observed default rates and the forecast economic conditions and ECL are significant estimates. The amount of ECL is sensitive to changes in circumstances and forecasts of economic conditions. The Foundation's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Provisions

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

Impairment

The carrying amounts of the Foundation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the income and expenditure statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that

would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income and expenditure statement.

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.

Financial instruments – fair value

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

Revenue from contracts with customers

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

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

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

Leases

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

Development Properties (note 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 2022:

- Amendments to IAS 16 'Property, Plant and Equipment - Proceeds before Intended Use'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract amends IAS 1 'Presentation of Financial Statements'.
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest rate benchmark reform –Phase 2
- 'Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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 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.

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

Following amendments to existing standards have been published and are mandatory for the Foundation's accounting periods beginning on or after 01 July 2023 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'.

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.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 1 January 2024.

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 2023 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 Staff retirement benefits

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

other comprehensive income in the periods in which they occur. Past-service costs are recognized immediately in income and expenditure statement.

Other long-term benefits

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

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

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.

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, apartments and country homes

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

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

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

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

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

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.

Deferred grant

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

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 in a year are credited directly to Welfare Fund.

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

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.

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). 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.

	NOTE	2023 Rupees	2022 Rupees
5 DEFERRED GRANT			
Balance as on 01 July		31,629,561	-
Received during the year		7,173,953	30,172,500
Profit on bank deposits		1,584,116	1,457,061
Amortization during the year	36	(35,941,162)	-
Balance as at 30 June		4,446,468	31,629,561

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

	NOTE	2023 Rupees	2022 Rupees
6 LEASE LIABILITIES			
Total lease liabilities		68,756,443	67,077,274
Less: Current portion shown under current liabilities		(21,272,723)	(22,345,836)
		47,483,720	44,731,438

6.1 Reconciliation of lease liabilities

Opening balance		67,077,274	83,250,979
Additions during the year	13	23,843,150	4,910,477
Interest accrued on lease liabilities	6.2	7,916,555	8,950,918
Payments made during the year		(30,080,536)	(30,035,100)
Closing balance	6.3	68,756,443	67,077,274
Current portion shown under current liabilities		(21,272,723)	(22,345,836)
Non-current portion		47,483,720	44,731,438

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

	NOTE	2023 Rupees	2022 Rupees
Welfare division	33	475,677	277,216
Education division:			
- OPF Public Schools - Pakistan	34.2	6,173,034	7,466,510
- OPF Public Schools - Azad Jammu and Kashmir	34.2	957,191	739,279
		7,130,225	8,205,789
Regional office - Multan, Pakistan	37.3	310,653	467,913
		7,916,555	8,950,918

6.3 Maturity analysis of lease liabilities is as follows:

Overdue		4,152,446	5,686,218
Up to 6 months		21,450,973	15,170,798
6-12 months		11,284,485	12,625,281
1-2 year		20,127,450	23,391,134
More than 2 years		22,249,672	23,713,575
		79,265,026	80,587,006
Less: Future finance cost		(10,508,583)	(13,509,732)
Present value of finance lease liability		68,756,443	67,077,274

- 6.4 Total cash outflow for leases is Rupees 30,080,536 (2022: Rupees 30,035,100).

- 6.5 Implicit rate against lease liabilities ranges from 7.33% to 21.03% (2022: 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 revert to the lessor in the event of default.

	NOTE	2023 Rupees	2022 Rupees
7 STAFF RETIREMENT BENEFITS			
Employees' compensated absences	7.1	544,883,894	362,416,344
Gratuity	7.2.1	2,081,220,579	1,435,611,736
		<u>2,626,104,473</u>	<u>1,798,028,080</u>

7.1 Employees' compensated absences

The actuarial valuation of employees' compensated absences was conducted on 30 June 2023, using projected unit credit method. Detail of obligation for employees' compensated absences is as follows.

	NOTE	2023 Rupees	2022 Rupees
Present value of defined benefit obligation	7.1.1	544,883,894	362,416,344
7.1.1 Movement in the present value of obligation is as follows:			
Defined benefit obligation at beginning of the year		362,416,344	341,767,202
Current service cost		5,577,100	6,565,955
Experience adjustment		187,978,538	16,846,740
Benefits paid		(55,435,642)	(35,181,213)
Interest cost		44,347,554	32,417,660
Defined benefit obligation at the end of the year		<u>544,883,894</u>	<u>362,416,344</u>

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

Current service cost		5,577,100	6,565,955
Interest cost for the year		44,347,554	32,417,660
Actuarial loss on present value of defined benefit obligation		187,978,538	16,846,740
	7.1.3	<u>237,903,192</u>	<u>55,830,355</u>

7.1.3 Allocation of charge for the year is as follows:

Housing division	32.1	17,962,238	3,571,076
Welfare division:			
- OPF Eye Hospital, Mirpur	33.1	-	106,570
- OPF Eye Hospital, Dera Ghazi Khan	33.1	882,646	255,726
- Administrative activities	33.1	19,058,441	3,735,166
		19,941,087	4,097,462
Education division:			
- OPF Public Schools, Pakistan	34.1	96,867,852	24,650,247
- OPF Public Schools, Azad Jammu and Kashmir	34.1	9,466,922	2,166,950
- Administrative activities	34.1	10,583,084	2,974,395
		116,917,858	29,791,592
Publicity and marketing cell	35.1	2,110,261	535,930
Administrative and other expenses - Head office	37.1	79,837,363	17,621,906
Regional Office Mirpur Azad Jammu and Kashmir	37.1	1,134,385	212,389
		<u>237,903,192</u>	<u>55,830,355</u>

7.1.4 Estimated expenses to be charged in income and expenditure statement in financial year 2024

	Rupees
Current service cost	7,942,551
Interest cost on defined benefit obligation	88,543,632
	<u>96,486,183</u>

7.1.5 Actuarial assumptions

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

Assumptions to determine defined benefit obligation:

	2023	2022
Discount rate	16.25%	13.25%
Rate of salary increase	16.25%	13.25%

	2023	2022
Assumptions to determine defined benefit cost:		
Discount rate	13.25%	10.00%
Rate of salary increase	13.25%	10.00%
Expected mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
Effective duration	8 Years	8 Years
Duration of obligation	Setback 1 Year	Setback 1 Year
Retirement assumptions	60 Years	60 Years
Withdrawal rate	Moderate	Moderate

7.1.6 Sensitivity analysis

The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on projected credit unit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. If the significant actuarial assumptions used to estimate the defined benefit obligations at the reporting date, had fluctuated by +1 bps with all other variables held constant, the present value of the defined benefit obligations as at 30 June 2023 would have been as follows:

	Impact on present value of defined benefit obligation	
	Increase	Decrease
	----- Rupees -----	
Discount rate + 1 %	503,700,455	592,006,152
Future salary increase + 1 %	591,912,557	503,069,989
Future withdrawal (10% movement)	544,720,428	545,047,358
Mortality rate (1 year movement)	545,319,800	544,393,497

Expected maturity profile

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

	2023	2022
	Rupees	Rupees
Year 1	64,903,658	34,177,771
Year 2	72,466,009	38,160,046
Year 3	84,452,949	44,472,278
Year 4	87,422,751	46,036,152
Year 5	92,372,303	48,642,550
Year 6 to Year 10	404,500,473	213,068,380

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 2023, using the projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	NOTE	2023	2022
		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	2,528,973,060	1,726,525,513
Less: Fair value of plan assets	7.2.3	(447,752,481)	(290,913,777)
Net defined benefit liability	7.2.4	<u>2,081,220,579</u>	<u>1,435,611,736</u>
7.2.2 Changes in the present value of defined benefit obligations:			
Present value of defined benefit obligations at beginning of the year		1,726,525,513	1,689,733,532
Current service cost for the year		93,414,991	103,455,142
Interest cost for the year		217,806,961	162,151,164
Actuarial loss / (gain) on present value of defined benefit obligations		656,624,371	(92,370,534)
Payments made during the year		(165,398,776)	(136,443,791)
Present value of defined benefit obligations at end of the year		<u>2,528,973,060</u>	<u>1,726,525,513</u>

	NOTE	2023 Rupees	2022 Rupees
7.2.3 Changes in the fair value of plan assets:			
Fair value of plan assets at beginning of the year		290,913,777	284,741,456
Contributions made during the year		272,232,000	116,300,000
Expected return on plan assets for the year		46,396,847	28,967,519
Actuarial gain / (loss)		3,608,633	(2,651,407)
Benefits paid during the year		(165,398,776)	(136,443,791)
Fair value of plan assets at end of the year	7.2.5	447,752,481	290,913,777
7.2.4 Movement in net defined benefit liability			
Net liability at beginning of the year		1,435,611,736	1,404,992,076
Charge to income and expenditure statement	7.2.6	264,825,105	236,638,787
Charge to statement of comprehensive income for the year	7.2.7	653,015,738	(89,719,127)
Contributions made during the year		(272,232,000)	(116,300,000)
Net liability at end of the year		2,081,220,579	1,435,611,736
7.2.5 Plan assets comprise of:			
Investments in equity securities		760,044	760,044
Treasury bills		417,256,572	274,040,160
Balances in bank accounts		29,735,865	16,113,573
		447,752,481	290,913,777
7.2.6 Charge for the year recognized in the income and expenditure statement comprise of:			
Current service cost		93,414,991	103,455,142
Interest cost		217,806,961	162,151,164
Expected return on plan assets		(46,396,847)	(28,967,519)
	7.2.8	264,825,105	236,638,787
7.2.7 Charge for the year recognized in the statement of comprehensive income comprise of:			
Actuarial (loss) / gain on present value of defined benefit obligations		(656,624,371)	92,370,534
Actuarial gain / (loss) on plan assets		3,608,633	(2,651,407)
		(653,015,738)	89,719,127
7.2.8 Allocation of charge for the year is as follows:			
Housing division	32.1	13,916,587	11,075,108
Welfare division:			
- OPF Eye Hospital, Mirpur	33.1	-	465,228
- OPF Eye Hospital, Dera Ghazi Khan	33.1	2,212,784	1,901,712
- Administrative activities	33.1	20,691,640	16,025,791
		22,904,424	18,392,731
Education division:			
- OPF Public Schools, Pakistan	34.1	125,803,668	109,745,539
- OPF Public Schools, Azad Jammu and Kashmir	34.1	10,006,524	9,596,792
- Administrative activities	34.1	10,334,405	12,142,463
		146,144,597	131,484,794
Publicity and marketing cell	35.1	1,948,350	2,040,698
Administrative and other expenses	37.1	78,624,335	72,659,074
Regional Office Mirpur Azad Jammu and Kashmir	37.1	1,286,812	986,382
		264,825,105	236,638,787
7.2.9 Estimated expenses to be charged in income and expenditure statement in financial year 2024			
			Rupees
Current service cost			132,102,878
Interest cost on defined benefit obligation			410,958,122
Interest income on plan assets			(94,878,628)
			448,182,372

7.2.10 Actuarial assumptions

The following were the principal actuarial assumptions at 30 June:

	2023	2022
Discount rate used for year end obligations	16.25%	13.25%
Discount rate used for interest cost	13.25%	10%
Salary increase rate (per annum)	13.25%	13.25%
Expected mortality rate	Setback 1 Year	Setback 1 Year
Duration of obligation	7 Years	7 Years
Retirement assumptions	60 Years	60 Years
Withdrawal rate	Moderate	Moderate

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 2023 would have been as follows:

	Increase	Decrease
	----- Rupees -----	
Discount rate (1% movement)	2,361,998,904	2,717,731,980
Salary increase rate (1% movement)	2,716,019,563	2,360,634,945
Future withdrawal (10% movement)	2,528,214,365	(2,529,731,749)
Mortality rate (1 year movement)	2,526,696,981	(2,530,996,236)

7.2.12 Expected maturity profile

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

	2023 Rupees	2022 Rupees
Year 1	222,201,957	133,737,651
Year 2	248,092,163	149,320,301
Year 3	289,130,242	174,020,067
Year 4	299,297,555	180,139,512
Year 5	316,242,675	190,338,344
Year 6 to Year 10	1,464,564,387	881,483,690

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:

	2023	2022	2021	2020	2019
	----- Rupees -----				
Present value of defined benefit obligation	2,528,973,060	1,726,525,513	1,689,733,532	1,689,297,219	1,645,221,621
Fair value of plan assets	(447,752,481)	(290,913,777)	(284,741,456)	(277,042,643)	(267,018,889)
Receipts on behalf of the fund	-	-	-	3,407,635	3,407,635
Deficit	2,081,220,579	1,435,611,736	1,404,992,076	1,415,662,211	1,381,610,367
Remeasurement (loss) / gain on obligation	(656,624,371)	92,370,534	129,246,910	152,966,873	56,099,227
Remeasurement gain / (loss) on plan assets	3,608,633	(2,651,407)	4,806,475	(2,798,479)	1,897,420

8 CLAIMS PAYABLE

	Social security claims Libya (note 8.1)		Claims related to United Nations Compensation Commission Funds (note 8.2)		Total	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Balance as on 01 July	6,739,460	5,190,874	1,496,931,250	1,378,134,389	1,503,670,710	1,383,325,263
Add:						
Return on:						
Saving accounts	79,544	13,629	93,978,493	53,534,945	94,058,037	53,548,574
Short term investments	-	-	137,152,794	65,830,101	137,152,794	65,830,101
Exchange gain	2,710,686	1,536,974	-	-	2,710,686	1,536,974
Other income	-	-	-	60,393	-	60,393
	2,790,230	1,550,603	231,131,287	119,425,439	233,921,517	120,976,042
Less:						
Bank charges and taxes	(11,930)	(2,017)	(3,634)	(11,476)	(15,564)	(13,493)
Payment to claimants	-	-	(132,668)	(197,102)	(132,668)	(197,102)
Legal and professional fee	-	-	-	(420,000)	-	(420,000)
Exchange loss	-	-	-	-	-	-
Other expense	-	-	(15,000)	-	(15,000)	-
	(11,930)	(2,017)	(151,302)	(628,578)	(163,232)	(630,595)
Balance as on 30 June	9,517,760	6,739,460	1,727,911,235	1,496,931,250	1,737,428,995	1,503,670,710

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 33,257.66 (2022: USD 33,007.83).

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	2023 Rupees	2022 Rupees
9 CONTRACT LIABILITIES			
Unsecured			
Advances from customers against housing schemes	9.1	2,491,034,126	1,613,492,542
Advance rent against investment properties	22.1	5,702,308	4,926,955
Advance tuition fee		2,247,029	2,009,484
		<u>2,498,983,463</u>	<u>1,620,428,981</u>

9.1 Advances from customers against housing schemes

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

	NOTE	2023 Rupees	2022 Rupees
Islamabad		737,382,706	397,456,646
Raiwind Road Colony, Lahore		1,742,752,388	1,205,144,864
Peshawar Scheme		1,000,864	1,000,864
Chittarpur Mirpur, Azad Jammu and Kashmir		673,384	665,384
Rawat, Rawalpindi		1,147,025	1,147,025
Faisalabad - refundable against abandoned scheme	9.1.1	7,077,759	7,077,759
Gujrat		1,000,000	1,000,000
		<u>2,491,034,126</u>	<u>1,613,492,542</u>

- 9.1.1 It includes interest amounting to Rupees 5.145 million (2022: Rupees 5.145 million) accrued till 2017 as per the Board of Governors decision to compensate allottees of abandoned housing scheme, Faisalabad.

	NOTE	2023 Rupees	2022 Rupees
10 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Accrued liabilities		32,856,227	29,765,339
Financial aid	10.1	1,039,300,000	1,106,600,000
Retention money		5,597,955	5,872,994
Security deposits	10.2	454,575,416	543,700,890
Payable against purchase of land	10.3	1,298,875	1,298,875
Application money for housing schemes		2,793,101	2,793,101
Federal excise duty payable	10.4	16,550,984	16,550,984
Payable to employees against discontinued provident fund	10.5	39,906,774	39,906,774
Payable to contractors and consultants		56,314,131	54,499,131
Withholding income tax payable		13,210,689	17,337,693
Contributory pension payable	10.6	1,984,784	1,984,784
Others		20,680,636	26,101,641
		<u>1,685,069,572</u>	<u>1,846,412,206</u>
10.1 Financial aid			
As at 1 July		1,106,600,000	970,800,000
Provision for the year	33	247,400,000	392,200,000
Paid during the year		(314,700,000)	(256,400,000)
As at 30 June		<u>1,039,300,000</u>	<u>1,106,600,000</u>
10.2 Security deposits			
These represent security deposits received from:			
- Suppliers		244,515,267	311,291,993
- Students		195,097,749	222,839,552
- Teachers		14,962,400	9,569,345
		<u>454,575,416</u>	<u>543,700,890</u>
10.2.1 During the year, the Foundation utilized Rupees 32.26 million (2022: Rupees 40.4 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 454.58 million (2022: Rupees 543.70 million), security deposit of Rupees 56.87 million (2022: Rupees 11.93 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 Chittarpur 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.			
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.			

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 2023. 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 (2022: Rupees 1.58 million). These guarantees have been secured against lien on bank balance of the Foundation amounting to Rupees 1.58 million (2022: Rupees 1.58 million).
- ### b) Commitments
- (i) Contractual commitments against the development expenditure on housing schemes were Rupees 9,606.59 million (2022: Rupees 749.91 million).
- (ii) Capital commitments against the construction works of school and college buildings were Rupees 40.21 million (2022: Rupees 37.48 million).

12 PROPERTY AND EQUIPMENT

NOTE	2023 Rupees	2022 Rupees
12.1 Operating fixed assets	2,430,457,182	2,272,262,292
12.2 Capital work in progress	20,421,431	112,393,099
	<u>2,450,878,613</u>	<u>2,384,655,391</u>

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 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	<u>67,150,377</u>	<u>11,731,577</u>	<u>939,746,994</u>	<u>517,427,154</u>	<u>-</u>	<u>249,897</u>	<u>50,450,170</u>	<u>9,458,300</u>	<u>25,792,693</u>	<u>13,861,858</u>	<u>1,635,869,020</u>
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)	-	-	-	-	-	-	-
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)
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	<u>67,150,377</u>	<u>20,207,104</u>	<u>991,576,880</u>	<u>961,257,104</u>	<u>122,421,220</u>	<u>212,412</u>	<u>47,789,126</u>	<u>7,566,643</u>	<u>22,447,671</u>	<u>11,819,414</u>	<u>2,252,447,951</u>
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	<u>67,150,377</u>	<u>20,207,104</u>	<u>991,576,880</u>	<u>961,257,104</u>	<u>122,421,220</u>	<u>212,412</u>	<u>47,789,126</u>	<u>7,566,643</u>	<u>22,447,671</u>	<u>11,819,414</u>	<u>2,252,447,951</u>
Year ended 30 June 2023											
Opening 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
Additions	-	-	-	-	-	-	6,587,145	-	2,665,968	33,100	9,286,213
Transferred from capital work in progress (note 12.2)	-	-	50,016,790	185,479,937	-	-	-	-	-	-	235,496,727
Disposals:											
Cost	-	-	-	-	-	-	(205,945)	(10,944)	(171,052)	(8,216)	(396,157)
Accumulated depreciation	-	-	-	-	-	-	109,534	5,807	149,261	5,337	269,939
Transferred to investment properties (note 15):											
Cost	-	-	(17,396,638)	-	-	-	-	-	-	-	(17,396,638)
Accumulated depreciation	-	-	3,180,965	-	-	-	-	-	-	-	3,180,965
Amortization / depreciation charge for the year	-	(1,471,749)	(25,149,746)	(27,188,785)	(3,060,531)	(31,862)	(4,951,185)	(1,513,794)	(3,537,805)	(1,773,200)	(68,678,657)
Closing net book value	<u>67,150,377</u>	<u>18,735,355</u>	<u>1,002,228,251</u>	<u>1,119,548,256</u>	<u>119,360,689</u>	<u>180,550</u>	<u>49,328,675</u>	<u>6,047,712</u>	<u>21,554,043</u>	<u>10,076,435</u>	<u>2,414,210,343</u>
At 30 June 2023											
Cost	67,150,377	53,008,348	1,172,924,500	1,315,056,036	124,760,479	5,914,652	129,858,789	115,873,212	134,192,205	46,192,983	3,164,931,581
Accumulated amortization / depreciation	-	(34,272,993)	(170,696,249)	(195,507,780)	(5,399,790)	(5,734,102)	(80,530,114)	(109,825,500)	(112,638,162)	(36,116,548)	(750,721,238)
Net book value	<u>67,150,377</u>	<u>18,735,355</u>	<u>1,002,228,251</u>	<u>1,119,548,256</u>	<u>119,360,689</u>	<u>180,550</u>	<u>49,328,675</u>	<u>6,047,712</u>	<u>21,554,043</u>	<u>10,076,435</u>	<u>2,414,210,343</u>
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 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
Year ended 30 June 2023										
Opening 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
Additions	9,286,213	1,666,770	-	-	-	-	-	439,740	-	11,392,723
Transferred from capital work in progress (note 12.2)	235,496,727	-	-	-	-	-	-	-	-	235,496,727
Disposals										
Cost	(396,157)	(796,180)	-	-	-	-	-	-	-	(1,192,337)
Accumulated depreciation	269,939	769,435	-	-	-	-	-	-	-	1,039,374
	(126,218)	(26,745)	-	-	-	-	-	-	-	(152,963)
Transferred to investment properties (note 15):										
Cost	(17,396,638)	-	-	-	-	-	-	-	-	(17,396,638)
Accumulated depreciation	3,180,965	-	-	-	-	-	-	-	-	3,180,965
	(14,215,673)	-	-	-	-	-	-	-	-	(14,215,673)
Amortization / depreciation charge for the year	(68,678,657)	(4,393,811)	(247,697)	(181,649)	(43,201)	(177,056)	(63,476)	(540,268)	(109)	(74,325,924)
Closing net book value	2,414,210,343	9,080,425	1,403,624	1,029,340	244,803	1,003,320	359,701	3,125,006	620	2,430,457,182
At 30 June 2023										
Cost	3,164,931,581	65,429,146	7,431,462	13,639,874	592,809	10,707,055	601,864	8,715,859	9,425	3,272,059,075
Accumulated amortization / depreciation	(750,721,238)	(56,348,721)	(6,027,838)	(12,610,534)	(348,006)	(9,703,735)	(242,163)	(5,590,853)	(8,805)	(841,601,893)
Net book value	2,414,210,343	9,080,425	1,403,624	1,029,340	244,803	1,003,320	359,701	3,125,006	620	2,430,457,182
Annual rate of depreciation		33%	15%	15%	15%	15%	15%	15%	15%	

	NOTE	2023 Rupees	2022 Rupees
12.1.1 Depreciation charge for the year has been allocated as follows:			
Housing division			
- Cost of revenue	32	5,757,943	4,342,365
- Administrative activities	32	148,304	194,467
		5,906,247	4,536,832
Welfare division:			
- Eye hospitals	33	676,926	746,154
- Administrative activities	33	725,121	1,086,124
		1,402,047	1,832,278
Education division:			
- OPF Public Schools Pakistan	34	58,811,144	54,704,159
- OPF Public Schools - Azad Jammu and Kashmir	34	475,018	560,808
- Administrative activities	34	727,317	608,254
		60,013,479	55,873,221
Publicity and marketing cell	35	105,103	103,633
Administrative and other expenses - Head Office	37	6,726,557	7,568,307
Regional Office Azad Jammu and Kashmir	37	172,491	215,800
		6,899,048	7,784,107
		<u>74,325,924</u>	<u>70,130,071</u>
12.2 Capital work in progress - civil works			
Balance at beginning of the year		112,393,099	545,735,666
Additions during the year		143,525,059	216,071,982
		255,918,158	761,807,648
Transfers to operating fixed assets:			
- Buildings on freehold land		(50,016,790)	(71,971,832)
- Buildings on leasehold land		(185,479,937)	(451,418,847)
- Water storage dam		-	(124,760,479)
	12.1	(235,496,727)	(648,151,158)
Written off during the year - Education division	34	-	(1,263,391)
Balance at the end of the year	12.2.1	<u>20,421,431</u>	<u>112,393,099</u>
12.2.1 Capital work in progress - civil works			
OPF Public School, Hangu		-	11,280,935
OPF College F-11, Islamabad		-	18,684,266
OPF Boys College, H-8/4, Islamabad		-	82,427,898
OPF Public School, Quetta		20,421,431	-
		<u>20,421,431</u>	<u>112,393,099</u>

	NOTE	Buildings	
		2023 Rupees	2022 Rupees
13 RIGHT-OF-USE ASSETS			
Net carrying amount as on 01 July		53,903,094	71,872,415
Additions during the year	6.1	23,843,150	4,910,477
Depreciation	13.2	(23,655,283)	(22,879,798)
Net carrying amount as at 30 June		<u>54,090,961</u>	<u>53,903,094</u>
As at 30 June			
Cost		143,384,826	119,541,676
Accumulated depreciation		<u>(89,293,865)</u>	<u>(65,638,582)</u>
		<u>54,090,961</u>	<u>53,903,094</u>

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 3 to 11 years.

	NOTE	2023 Rupees	2022 Rupees
13.2			
Depreciation charge for the year has been allocated as follows:			
Welfare division - administrative activities	33	2,002,112	2,011,735
Education division:			
- OPF Public Schools - Pakistan	34	15,925,080	14,487,229
- OPF Public Schools - Azad Jammu and Kashmir	34	4,536,674	4,828,180
		<u>20,461,754</u>	<u>19,315,409</u>
		22,463,866	21,327,144
Administrative and other expenses:			
- Regional Office Multan, Pakistan	37	1,191,417	1,191,417
- Regional Office Mirpur, Azad Jammu and Kashmir	37	-	361,237
		<u>1,191,417</u>	<u>1,552,654</u>
		<u>23,655,283</u>	<u>22,879,798</u>

14 INTANGIBLES

	NOTE	Accounting software under implementation	Accounting software	Customers Management System	Total
		----- Rupees -----			
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)
		<u>1,437,500</u>	<u>329,633</u>	<u>3,518,807</u>	<u>5,285,940</u>
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		<u>3,347,500</u>	<u>220,854</u>	<u>2,357,600</u>	<u>5,925,954</u>
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)
		<u>3,347,500</u>	<u>220,854</u>	<u>2,357,600</u>	<u>5,925,954</u>
Year ended 30 June 2023					
Opening net book value		3,347,500	220,854	2,357,600	5,925,954
Amortization charge for the year	14.1	-	(72,882)	(778,008)	(850,890)
Closing net book value		<u>3,347,500</u>	<u>147,972</u>	<u>1,579,592</u>	<u>5,075,064</u>
At 30 June 2023					
Cost		3,347,500	2,183,278	9,621,719	15,152,497
Accumulated amortization		-	(2,035,306)	(8,042,127)	(10,077,433)
		<u>3,347,500</u>	<u>147,972</u>	<u>1,579,592</u>	<u>5,075,064</u>
Annual rate of amortization			33%	33%	33%

	NOTE	2023 Rupees	2022 Rupees
14.1			
Amortization charge for the year has been allocated as follows:			
Housing division	32	60,398	90,146
Welfare division	33	96,603	144,184
Administrative and other expenses	37	693,889	1,035,656
		<u>850,890</u>	<u>1,269,986</u>

			2023 Rupees	2022 Rupees
15	INVESTMENT PROPERTIES - BUILDINGS	NOTE		
	Net carrying amount as on 1 July		45,900,750	66,779,819
	Transferred from / (to) operating fixed assets:			
	Cost		17,396,638	(26,644,112)
	Accumulated depreciation		(3,180,965)	6,941,985
		12.1	14,215,673	(19,702,127)
	Depreciation charge for the year	37	(1,472,618)	(1,176,942)
	Net carrying amount as at 30 June		58,643,805	45,900,750
	At 30 June			
	Cost		78,554,248	61,157,610
	Accumulated depreciation		(19,910,443)	(15,256,860)
			58,643,805	45,900,750
	Annual rate of depreciation		2.5%	2.5%
15.1	Rental income			
	The rental income in respect of these properties amounting to Rupees 56.157 million (2022: Rupees 49.218 million) has been recognized in the income and expenditure statement and included in 'other income' (note 31). 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.			
15.2	Leasing arrangement			
	The Foundation as a lessor has entered into operating leases on its investment property portfolio consisting of certain office buildings. These leases have terms between 6 months to 3 years. All lease arrangements include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:			
		NOTE	2023 Rupees	2022 Rupees
	Overdue		24,439,273	2,492,500
	Up to one year		53,870,519	19,679,598
	After one year but not more than five years		70,096,644	11,202,443
			148,406,436	33,374,541
16	LONG TERM INVESTMENTS			
	Debt instruments	16.1	-	-
	Equity instruments	16.2	-	-
16.1	Debt instruments			
	Amortized cost			
	Deposits with Banker's Equity Limited (under liquidation)		3,429,474	3,429,474
	Less: Recovered during the year		-	-
			3,429,474	3,429,474
	Less: Provision for impairment		(3,429,474)	(3,429,474)
			-	-
16.2	Equity instruments			
	Subsidiary company			
	Kaghan Brick Works Limited - unquoted			
	650,000 ordinary shares (2022: 650,000 ordinary shares) of Rupees 10 each		269,891	269,891
	Percentage of holding - 100% (2022: 100%)			
	Equity instruments			
	Fair value through profit or loss			
	Others - Duty Free Shops Limited - unquoted			
	35,801 ordinary shares (2022: 35,801 ordinary shares) of Rupees 100 each		110,200	110,200
	Percentage of holding - 2.39% (2022: 2.39%)		380,091	380,091
			(380,091)	(380,091)
	Less: Fair value loss		-	-

			2023 Rupees	2022 Rupees
17	LONG TERM ADVANCES	NOTE		
	Considered good			
	Advances to staff - secured			
	- Executives		77,775,438	6,407,535
	- Other employees		208,878,924	273,422,825
		17.1	286,649,362	279,890,360
	Less: Current portion shown under current assets	22	(46,177,086)	(49,266,628)
			240,472,276	230,623,732
	Considered doubtful			
	Receivable from Kaghan Brick Works Limited - subsidiary company	17.2	83,945,355	83,806,155
	Receivable from Center of Excellence and Management Sciences		5,000,000	5,000,000
			88,945,355	88,806,155
			329,417,631	319,429,387
	Less: Provision against doubtful advances	17.3	(88,945,355)	(88,806,155)
			240,472,276	230,623,732
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% (2022: 4% to 4.5%) per annum on the outstanding balance. No amount is due from Directors and Chief Executive Officer as at 30 June 2023 (2022: Nil). 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	2023 Rupees	2022 Rupees
	Opening balance as at 01 July		279,890,360	266,954,406
	Addition during the year		48,687,615	49,912,583
	Interest accrued during the year	31	11,112,759	9,508,170
	Receipt during the year		(53,040,772)	(46,494,799)
	Closing balance as at 30 June		286,649,362	279,890,360
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 83.945 million (2022: 83.806 million). Age analysis of receivable from Kaghan Brick Works Limited is as follows:			
		NOTE	2023 Rupees	2022 Rupees
	Upto 1 year		139,200	-
	More than 1 year		83,806,155	83,806,155
			83,945,355	83,806,155
17.3	Movement in provision for doubtful advances is as follows:			
	Opening balance as at 01 July		(88,806,155)	(88,806,155)
	Provision recognized during the year	37	(139,200)	-
	Closing balance as at 30 June		(88,945,355)	(88,806,155)
18	LONG TERM DEPOSITS			
	Utility companies		1,544,918	1,528,918
	Landlords - against right-of-use assets		1,633,981	877,206
	Others		2,631,705	2,466,705
			5,810,604	4,872,829
18.1	These are interest free deposits and are not carried at amortized cost as required by IFRS 9 as the impact was considered immaterial.			

	As at 01 July 2021	Recognized in		As at 30 June 2022	Recognized in		As at 30 June 2023
		Profit or loss (note 38)	Other comprehensive income		Profit or loss (note 38)	Other comprehensive income	
----- Rupees -----							
This comprises of following:							
Taxable temporary differences							
Accelerated tax depreciation	340,842,770	63,629,694	-	404,472,464	10,706,812	-	415,179,276
Right-of-use assets	20,843,000	(5,211,103)	-	15,631,897	54,482	-	15,686,379
	361,685,770	58,418,591	-	420,104,361	10,761,294	-	430,865,655
Deductible temporary differences							
Staff retirement benefits	(357,411,197)	(76,890,312)	26,018,547	(408,282,962)	(211,957,257)	189,374,564	(430,865,655)
Provision for impairment:							
Debt instruments	(994,547)	-	-	(994,547)	994,547	-	-
Equity instruments	(110,226)	-	-	(110,226)	110,226	-	-
	(1,104,773)	-	-	(1,104,773)	1,104,773	-	-
Provision against doubtful advances and other receivables	(2,783,497)	(279,706)	-	(3,063,203)	3,063,203	-	-
Provision against doubtful mobilization advance	(386,303)	58,000	-	(328,303)	328,303	-	-
Allowance for expected credit losses	-	(7,325,120)	-	(7,325,120)	7,325,120	-	-
	(3,169,800)	(7,546,826)	-	(10,716,626)	10,716,626	-	-
	(361,685,770)	(84,437,138)	26,018,547	(420,104,361)	(200,135,858)	189,374,564	(430,865,655)
	-	(26,018,547)	26,018,547	-	(189,374,564)	189,374,564	-

19.1 As at 30 June, the Foundation has aggregated deferred income tax asset amounting to Rupees 2,460.67 million (2022: Rupees 2,228.7 million) out of which deferred income tax asset amounting to Rupees 430.87 million (2022: Rupees 420.1 million) has been recognised and remaining balance of Rupees 2,029.80 million (2022: Rupees 1,808.6 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 2023 are of Rupees 6,741.86 million (2022: Rupees 5,297.890 million). These include unabsorbed tax depreciation amounting to Rupees 681.69 million (2022: Rupees 557.03 million) which is available for indefinite period. Minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2023 is of Rupees 166.75 million (2022: Rupees 139.61 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	
2018	(1,628,794,635)	2024	-	-
2019	(1,046,959,353)	2025	-	-
2020	(743,034,352)	2026	30,033,832	2023
2021	(685,159,933)	2027	41,515,371	2024
2022	-	-	68,062,902	2025
2023	(1,319,301,656)	2029	27,133,021	2026
	(5,423,249,929)		166,745,126	

20 DEVELOPMENT PROPERTIES - HOUSING SCHEMES

		NOTE	Rupees	Rupees
Mobilization advance		20.1	369,979,999	38,029,000
Development expenditure on housing schemes		20.2	4,723,154,958	3,392,509,918
			5,093,134,957	3,430,538,918
20.1 Mobilization advance				
Islamabad			1,132,080	39,161,080
Raiwind Road, Lahore			369,979,999	-
			371,112,079	39,161,080
Less: Provision against doubtful mobilization advance		20.1.1	(1,132,080)	(1,132,080)
			369,979,999	38,029,000
20.1.1 Movement in provision against doubtful mobilization advance				
Balance at the beginning of the year			1,132,080	1,332,080
Reversal during the year		27	-	(200,000)
Balance at the end of the year			1,132,080	1,132,080

20.2 Development expenditure on housing schemes

2023					2022
Land	Development cost	Supervision cost	Total	Total	
NOTE					
Rupees					
Balance at the beginning of the year	183,932,798	3,154,229,112	54,348,008	3,392,509,918	3,290,199,932
Cost incurred during the year	119,105,701	1,447,323,874	12,356,064	1,578,785,639	1,756,124,581
Cost transferred to cost of revenue during the year	32 (972,696)	(237,599,056)	(9,568,847)	(248,140,599)	(1,653,814,595)
Balance at the end of the year	20.2.1 302,065,803	4,363,953,930	57,135,225	4,723,154,958	3,392,509,918

20.2.1 Breakup of development expenditure as at 30 June 2023:

	Land	Development cost				Supervision cost	2023
		Plot	Apartments	Country homes	Total		
Rupees							
Islamabad	37,259,100	1,628,449,562	545,667,750	708,090,851	2,882,208,163	-	2,919,467,263
Raiwind Road Colony, Lahore	74,339,400	852,245,958	-	-	852,245,958	47,440,164	974,025,522
Peshawar	125,418,259	-	-	-	-	-	125,418,259
Chittarpur Mirpur, Azad Jammu and Kashmir	944,617	571,898,311	-	-	571,898,311	-	572,842,928
Dadu	32,093	206,938	-	-	206,938	-	239,031
Rawat, Rawalpindi	63,978,406	57,394,560	-	-	57,394,560	9,695,061	131,068,027
	302,065,803	3,110,195,329	545,667,750	708,090,851	4,363,953,930	57,135,225	4,723,154,958

20.2.2 Breakup of development expenditure as at 30 June 2022:

	Land	Development cost				Supervision cost	2022
		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
Raiwind Road Cobny, Lahore	75,060,110	401,895,698	-	-	401,895,698	44,793,991	521,749,799
Peshawar	6,312,558	-	-	-	-	-	6,312,558
Chittarpari Mirpur, Azad Jammu and Kashmir	1,196,602	468,728,326	-	-	468,728,326	-	469,924,928
Gujrat	93,928	-	-	-	-	-	93,928
Dadu	32,093	206,938	-	-	206,938	-	239,031
Rawat, Rawalpindi	63,978,406	37,429,641	-	-	37,429,641	9,554,017	110,962,064
	183,932,798	2,177,555,679	399,172,983	577,500,450	3,154,229,112	54,348,008	3,392,509,918

21 CONTRACT RECEIVABLES

Considered good

Receivables against:

- sale of plots, secured
- tuition fee, secured
- Less: Allowance for expected credit losses

NOTE

2023
Rupees

2022
Rupees

21.1	1,322,644,093	1,575,978,404
21.2	44,331,098	35,433,699
21.3	-	(25,259,035)
	44,331,098	10,174,664
	1,366,975,191	1,586,153,068

21.1 Receivables against sale of plots

Islamabad	953,721,602	987,976,336
Peshawar	164,018,575	172,906,475
Chittarpur Mirpur, Azad Jammu and Kashmir	42,823,530	43,705,478
Raiwind Road Colony, Lahore	162,080,386	371,390,115
	1,322,644,093	1,575,978,404

21.1.1 Contract receivables against sale of plots are secured against respective plots. As at 30 June, the balance of Rupees 1,183.47 million (2022: Rupees 1094.78 million) was past due but not impaired. These relate 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:

	2023 Rupees	2022 Rupees
Not yet due	139,169,920	481,197,335
Past due 61 to 365 days	-	40,144,410
Past due more than 365 days	1,183,474,173	1,054,636,659
	1,183,474,173	1,094,781,069
	1,322,644,093	1,575,978,404

21.2 As at 30 June, the balance of Rupees 44.33 million (2022: Rupees 35.43 million) were past due but not impaired. These relate to a number of independent students from whom there is no recent history of default. The aging analysis of these contract receivables is as follows:

	NOTE	2023 Rupees	2022 Rupees
Up to 30 days		23,650,936	5,996,367
31 to 60 days		5,810,691	2,218,922
61 to 90 days		10,236,337	1,957,375
91 to 365 days		4,633,134	25,243,842
More than 365 days		-	15,193
		<u>44,331,098</u>	<u>35,433,659</u>

21.3 Movement in allowance for expected credit losses

Balance at the beginning of the year		25,259,035	-
Recognized during the year	34	-	25,259,035
Reversed during the year	29	(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		6,836,382	7,727,022
- against salaries			
- Executives		22,324,763	2,731,092
- Other employees		47,199,165	46,099,797
		69,523,928	48,830,889
- current portion of long term advances	17	46,177,086	49,266,628
		122,537,396	105,824,539

Advances to suppliers

Prepayments

Accrued interest - deposit accounts

Rent receivable

Other receivables

429,959	429,959
6,545,438	6,141,965
6,333,366	3,254,977
24,439,273	2,492,500
4,553,085	2,851,157
42,301,123	15,170,558
164,838,519	120,995,097

Considered doubtful

Receivable against allotments

Advances to staff

Other receivables

331,718	331,718
2,429,621	2,651,658
3,174,183	7,579,392
5,935,522	10,562,768
170,774,041	131,557,865

Less: Provision for doubtful advances and receivables

22.2

170,774,041	131,337,803
(5,935,522)	(10,562,768)
<u>164,838,519</u>	<u>120,995,097</u>

22.1 Party wise breakup of rent receivable and advance rent is as follows:

	2023							2022
	Provincial Ombudsman	Askari Bank Limited	DXN International Pakistan (Private) Limited	Genco Holding Company Limited	Overseas Employment Corporation	Alternative Energy Development Board	Pakhtunkhwa Energy Development Organization	Total
	-	(1,949,640)	(2,977,315)	-	-	2,492,500	-	(2,434,455)
At the beginning of the year	-	(1,949,640)	(2,977,315)	-	-	2,492,500	-	(2,434,455)
Income for the year	9,663,030	2,126,880	5,371,859	10,206,121	226,930	26,276,652	2,266,495	56,137,957
Receipts during the year	9,663,030	2,126,880	5,323,032	4,536,000	226,930	10,000,000	3,090,675	31,966,547
At the end of the year	-	(1,949,640)	(2,928,488)	5,670,121	-	18,769,152	(824,180)	18,736,965
Rent receivable	-	-	-	5,670,121	-	18,769,152	-	24,439,273
Advance rent (Note 9)	-	(1,949,640)	(2,928,488)	-	-	-	(824,180)	(5,702,308)
	-	(1,949,640)	(2,928,488)	5,670,121	-	18,769,152	(824,180)	18,736,965

	NOTE	2023 Rupees	2022 Rupees
22.1.1	Maximum aggregate balance of receivable from the parties at the end of any month during the year is as follows:		
	GENCO Holding Company Limited	5,670,121	7,182,000
	Alternate Energy Development Board	18,769,152	13,138,125
22.2	Movement in provision for doubtful advances and receivables is as follows:		
	Balance at the beginning of the year	10,562,768	9,598,265
	Provision for the year	32	1,233,085
	Written off during the year	(4,627,246)	(266,582)
	Balance at the end of the year	5,935,522	10,562,768
22.3	No amount is due from Directors and Chief Executive Officer as at 30 June 2023 (2022: Nil).		
23	TAXATION RECOVERABLE - NET		
	Opening balance	87,634,697	127,942,696
	Income tax deducted at source	37,170,059	27,632,080
	Provision for the year	38	(54,077,754)
		70,727,002	87,634,697
	Provision against doubtful taxation recoverable	(13,404,520)	(13,404,520)
	Closing balance	23.1	57,322,482
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 13.11 million (2022: Rupees 40.21 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.		
24	SHORT TERM INVESTMENTS		
	At amortized cost		
	Welfare fund		
	Treasury bills	24.1	3,547,392,661
	Accrued interest		97,527,691
			3,644,920,352
	Claims related to United Nations Compensation Commission Funds		
	Treasury bills	24.1	1,149,036,682
	Accrued interest		19,412,196
			1,168,448,878
			4,813,369,230
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 15.98% to 21.99% (2022: 7.44% to 15.36%) per annum.		

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			2023 Rupees	2022 Rupees
25	CASH AND BANK BALANCES	NOTE		
	Cash in hand		2,822,960	4,238,959
	Cash at banks in:			
	- current accounts		50,193,882	88,779,871
	- deposit accounts	25.1, 25.2 & 25.3	1,032,290,841	1,362,963,944
			1,082,484,723	1,451,743,815
			1,085,307,883	1,455,982,774
25.1	Interest rate on deposit accounts ranges from 12.25% to 19.50% (2022: 5.50% to 13%) per annum.			
25.2	These include Rupees 68.04 million (2022: Rupees 156.64 million) placed with financial institutions owned by Government of Pakistan, Rupees 506.147 million and Rupees 9.517 million (2022: Rupees 583.693 million and Rupees 6.739 million) for claims related to United Nations Compensation Commission Funds and social security claims Libya, respectively and Rupees 56.87 million and Rupees 4.45 million (2022: Rupees 11.928 million and Rupees 31.630 million) kept in separate bank accounts relating to students security deposits and deferred grant, respectively.			
25.3	The balances in deposit accounts include USD 33,257.66 (2022: USD 33,007.83).			
26	RETURN ON DEPOSIT ACCOUNTS AND INVESTMENTS	NOTE	2023 Rupees	2022 Rupees
	Profit on:			
	- Deposit accounts		53,120,666	40,136,230
	- Short term investments		515,546,897	283,233,252
		26.1 & 26.2	568,667,563	323,369,482
26.1	This includes Rupees 531.605 million (2022: Rupees 290.913 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	2023 Rupees	2022 Rupees
27	HOUSING DIVISION			
	Profit on deposit accounts		30,016,134	11,079,233
	Income recognized on fulfilling performance obligation	27.1 & 27.2	666,112,463	3,197,947,745
	Transfer fee, surcharge and other charges		137,704,239	202,772,116
	Reversal of provision against doubtful mobilization advance	20.1.1	-	200,000
			833,832,836	3,411,999,094
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 Nil included in contract liabilities (note 9) as at 30 June 2022 has been recognized as revenue in 2023 (2022: Rupees 1,289.15 million).			

	NOTE	2023 Rupees	2022 Rupees
28 WELFARE DIVISION			
OPF Eye Hospital, Dera Ghazi Khan, Pakistan	28.1	650,333	646,801
Profit on deposit accounts	26.2	15,616,113	2,711,686
		<u>16,266,446</u>	<u>3,358,487</u>

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

29 EDUCATION DIVISION

Pakistani Schools:

- school fees recognized during the year	29.1, 29.2 & 29.4	1,119,169,078	1,030,934,663
- canteen rent		8,837,113	2,448,058
- reversal of allowance for expected credit losses	21.3	25,259,035	-
- students' security deposits written back		56,095,091	-
- others		1,779,663	1,637,500
		<u>1,211,139,980</u>	<u>1,035,020,221</u>

Azad Jammu and Kashmir Schools:

- school fees recognized during the year	29.1, 29.3 & 29.4	46,824,883	41,825,609
- students' security deposits written back		3,331,048	-
- canteen rent		429,500	196,500
		<u>50,585,431</u>	<u>42,022,109</u>

Profit on short term investments

Profit on deposit accounts

Miscellaneous

	1,261,725,411	1,077,042,330
	16,057,895	8,223,944
	19,776,907	8,139,391
	838,910	-
	<u>1,298,399,123</u>	<u>1,093,405,665</u>

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

29.2 The amount of Rupees 1.967 million included in contract liabilities (note 9) as at 30 June 2022 has been recognised as revenue in 2023 (2022: Rupees 1.03 million).

29.3 The amount of Rupees 0.042 million included in contract liabilities (note 9) as at 30 June 2022 has been recognized as revenue in 2023 (2022: Rupees Nil).

29.4 Tuition fee is exclusive of discount of Rupees 247.84 million (2022: Rupees 409.18 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	2023 Rupees	2022 Rupees
31 OTHER INCOME			
Income from financial assets:			
Interest on loan to employees	17.1	11,112,759	9,508,170
Income from non-financial assets:			
Rental income from investment properties	31.1	56,156,878	49,217,618
Gain on disposal of operating fixed assets		614,536	-
Miscellaneous		321,031	111,210
		<u>57,092,445</u>	<u>49,328,828</u>
Others - long outstanding liabilities written back		-	27,824,764
		<u>68,205,204</u>	<u>86,661,762</u>

31.1 The amount of Rupees 4.93 million included in contract liabilities (note 9) as at 30 June 2022 has been recognised as other income in 2023 (2022: Rupees 10.08 million).

	NOTE	2023 Rupees	2022 Rupees
32 HOUSING DIVISION			
Housing activities			
Development of housing schemes	20.2	248,140,599	1,653,814,595
Salaries and benefits	32.1	40,906,731	62,235,914
Travelling and conveyance		97,491	439,677
Rent, rates and taxes		102,000	2,679,707
Repairs and maintenance		460,996,516	5,569,302
Light and heat		77,916,235	67,958,387
Postage, telephone and telegram		266,766	229,367
Printing, stationery and periodicals		316,100	1,230,622
Depreciation	12.1.1	5,757,943	4,342,365
Professional charges		804,000	7,634,884
Advertisement		2,628,340	16,019,422
Fine and penalties		-	1,000,000
Security expense		29,949,293	33,775,833
Miscellaneous		8,144,664	3,440,883
		<u>876,026,678</u>	<u>1,860,370,958</u>
Administrative activities			
Salaries and benefits		97,225,382	67,877,372
Travelling and conveyance		1,355,193	3,067,069
Repairs and maintenance		472,835	666,735
Vehicles running and maintenance		3,480	34,300
Postage, telephone and telegram		349,717	217,229
Printing, stationery and periodicals		1,408,487	1,312,427
Depreciation	12.1.1	148,304	194,467
Amortization	14.1	60,398	90,146
Provision for doubtful advances and receivables	22.2	-	1,233,085
Professional charges		1,828,800	245,000
Advertisement		234,055	981,229
Bank charges		28,691	303,309
Miscellaneous		769,780	999,975
		<u>103,885,122</u>	<u>77,222,343</u>
		<u>979,911,800</u>	<u>1,937,593,301</u>

32.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 7.1.3 and 7.2.8 respectively.

	NOTE	2023 Rupees	2022 Rupees
33 WELFARE DIVISION			
Welfare activities			
Financial aid	10.1	247,400,000	392,200,000
Salaries and benefits OPF Eye Hospital - Mirpur	33.1	10,316	2,747,699
Salaries and benefits OPF Eye Hospital - Dera Ghazi Khan	33.1	12,834,807	10,170,568
Depreciation - OPF eye hospitals	12.1.1	676,926	746,154
Service cell		3,311,506	3,054,285
Foreign exchange remittance card		-	285,350
Emergency relief fund		6,907,217	3,604,215
Repairs and maintenance		2,707,522	1,940,568
Light and heat		357,274	197,629
Postage, telephone and telegram		27,164	13,439
Printing, stationery and periodicals		58,881	-
Bank charges		1,218	2,436
Miscellaneous		795,057	398,813
		<u>275,087,888</u>	<u>415,361,156</u>
Administrative activities			
Salaries and benefits	33.1	145,867,293	111,750,986
Travelling and conveyance		64,580	430,239
Repairs and maintenance		54,212	181,435
Postage, telephone and telegram		740,684	1,283,153
Printing, stationery and periodicals		53,918	144,397
Professional charges		-	117,000
Depreciation	12.1.1	725,121	1,086,124
Depreciation on right-of-use assets	13.2	2,002,112	2,011,735
Amortization	14.1	96,603	144,184
Airport administrative expenses		3,354,147	2,427,734
Bank charges		24,654	92,808
Interest on lease liabilities	6.2	475,677	277,216
Miscellaneous		173,535	279,110
		<u>153,632,536</u>	<u>120,226,121</u>
		<u>428,720,424</u>	<u>535,587,277</u>

33.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 7.1.3 and 7.2.8 respectively.

	NOTE	2023 Rupees	2022 Rupees
34 EDUCATION DIVISION			
Education			
OPF Public Schools - Pakistan			
Salaries and benefits	34.1	1,198,296,605	1,022,035,126
Depreciation	12.1.1	58,811,144	54,704,159
Depreciation on right-of-use assets	13.2	15,925,080	14,487,229
Rent expenses		-	8,181,873
Rate and taxes		4,779,361	1,214,143
Repairs and maintenance		159,321,252	33,668,486
Vehicle running and maintenance		25,260,429	15,030,264
Light and heat		34,425,635	25,398,848
Security services		34,749,686	31,889,810
Printing, stationary and periodicals		11,195,545	8,056,431
Scholarships to OP's children		-	5,695,403
Functions and celebrations		2,178,431	1,859,024
Postage, telephone and telegram		2,348,072	2,236,280
Travelling and conveyance		193,187	115,745
Finance cost	34.2	6,321,602	7,587,665
Other expenses		9,035,966	3,763,394
		<u>1,562,841,995</u>	<u>1,235,923,880</u>
OPF Public Schools - Azad Jammu and Kashmir			
Salaries and benefits	34.1	90,144,871	75,572,015
Depreciation	12.1.1	475,018	560,808
Depreciation on right-of-use assets	13.2	4,536,674	4,828,180
Repair and maintenance		12,420,972	605,660
Vehicle running and maintenance		253,266	68,380
Light and heat		1,376,666	1,098,437
Printing, stationary and periodicals		338,480	362,296
Security services		2,773,154	2,810,593
Other expenses		1,189,314	897,900
		<u>113,508,415</u>	<u>86,804,269</u>
Finance cost	34.2	963,491	753,541
Scholarships and awards		<u>14,923,020</u>	<u>8,288,033</u>
		<u>1,692,236,921</u>	<u>1,331,769,723</u>
Administrative activities			
Salaries and benefits	34.1	96,802,583	80,450,070
Travelling and conveyance		595,739	1,356,061
Capital work in progress written off	12.2	-	1,263,391
Long outstanding receivables written off		-	12,065,989
Allowance for expected credit losses	21.3	-	25,259,035
Repairs and maintenance		300,724	367,915
Vehicle running and maintenance		265,060	-
Postage, telephone and telegram		253,327	288,632
Printing, stationery and periodicals		79,010	230,075
Professional charges		375,000	270,000
Advertisement		474,939	793,528
Depreciation	12.1.1	727,317	608,254
Finance cost - bank charges	34.2	23,871	55,952
Miscellaneous		2,165,837	1,679,570
		<u>102,063,407</u>	<u>124,688,472</u>
		<u>1,794,300,328</u>	<u>1,456,458,195</u>

34.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 7.1.3 and 7.2.8 respectively.

	NOTE	2023 Rupees	2022 Rupees
34.2 Finance cost			
OPF Public Schools - Pakistan			
- Interest on lease liabilities	6.2	6,173,034	7,466,510
- Bank charges		<u>148,568</u>	<u>121,155</u>
		<u>6,321,602</u>	<u>7,587,665</u>
OPF Public Schools - Azad Jammu and Kashmir			
- Interest on lease liabilities	6.2	957,191	739,279
- Bank charges		<u>6,300</u>	<u>14,262</u>
		<u>963,491</u>	<u>753,541</u>
- Administrative activities - bank charges		<u>23,871</u>	<u>55,952</u>
		<u>7,308,964</u>	<u>8,397,158</u>

	NOTE	2023 Rupees	2022 Rupees
35 PUBLICITY AND MARKETING CELL			
Magazine Yaran-e-watan		-	48,000
Administrative activities			
Salaries and benefits	35.1	19,595,867	15,856,207
Postage, telephone and telegram		83,551	62,106
Printing, stationery and periodicals		366,655	189,607
Depreciation	12.1.1	105,103	103,633
Miscellaneous		174,545	142,024
		<u>20,325,721</u>	<u>16,353,577</u>
		<u>20,325,721</u>	<u>16,401,577</u>
35.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 7.1.3 and 7.2.8 respectively.			
36 PROGRAM EXPENSES - GIZ	NOTE	2023 Rupees	2022 Rupees
Staff salaries		3,249,880	-
External expert / consultant		931,332	-
Transportation / travel costs		493,022	-
Programme / training costs		678,098	-
Toolkits, equipments and vehicles cost		28,238,000	-
Other costs		1,054,566	-
Administration costs	36.1	<u>1,296,264</u>	<u>-</u>
		<u>35,941,162</u>	<u>-</u>
36.1 Administration costs			
Repair and maintenance		40,500	-
Postage, telephone and telegram		470,000	-
Printing, stationery and periodicals		300,000	-
Vehicle running and maintenance		250,000	-
Miscellaneous		<u>235,764</u>	<u>-</u>
		<u>1,296,264</u>	<u>-</u>
37 ADMINISTRATIVE AND OTHER EXPENSES - HEAD OFFICE			
Salaries and benefits	37.1	763,335,803	581,139,743
Travelling and conveyance		3,495,833	5,486,939
Foreign tours		65,785	137,124
Repairs and maintenance		25,969,519	17,618,264
Vehicle running and maintenance		19,767,430	10,897,530
Postage, telephone and telegram		7,004,358	7,270,424
Light and heat		33,210,426	33,860,774
Printing, stationery and periodicals		4,204,635	5,799,993
Professional fee		2,421,073	4,288,069
Auditor's remuneration	37.2	1,758,715	6,405,650
Advertisement		2,364,604	2,411,983
Depreciation	12.1.1	6,726,557	7,568,307
Depreciation on right-of-use assets	13.2	1,191,417	1,191,417
Depreciation - investment properties	15	1,472,618	1,176,942
Amortization	14.1	693,889	1,035,656
Provision against doubtful advances	17.3	139,200	-
Hajj expense		9,480,000	3,360,033
Staff welfare expense		920,000	-
Security services		10,319,083	7,952,325
BOG expenses		4,558,836	4,159,509
Hardware and software maintenance		499,678	976,371
Finance cost	37.3	9,770,785	7,613,887
Miscellaneous		<u>5,364,731</u>	<u>5,995,503</u>
		<u>914,734,975</u>	<u>716,346,443</u>
Regional Office Mirpur Azad Jammu and Kashmir			
Salaries and benefits	37.1	10,116,979	8,071,021
Travelling and conveyance		393,314	570,571
Repairs and maintenance		796,656	1,444,148
Vehicle running and maintenance		921,041	549,136
Postage, telephone and telegram		141,882	172,517
Printing, stationery and periodicals		205,797	167,320
Depreciation	12.1.1	172,491	215,800
Depreciation on right-of-use assets	13.2	-	361,237
Finance cost	37.3	2,800	1,800
Miscellaneous		<u>1,175,842</u>	<u>202,064</u>
		<u>13,926,802</u>	<u>11,755,614</u>
		<u>928,661,777</u>	<u>728,102,057</u>
37.1 Salaries and benefits include compensated absences and gratuity charge as disclosed in note 7.1.3 and 7.2.8 respectively.			

	NOTE	2023 Rupees	2022 Rupees
37.2 Auditor's remuneration			
Statutory audit fee		1,543,960	1,403,600
Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013		139,755	127,050
Out of pocket expenses		82,500	75,000
Other assurance services		-	4,800,000
		<u>1,766,215</u>	<u>6,405,650</u>
37.3 Finance cost			
Interest on lease liability - Regional Office Multan - Pakistan	6.2	310,653	467,913
Bank charges		9,460,132	7,145,974
	37	<u>9,770,785</u>	<u>7,613,887</u>
RO Mirpur, Azad Jammu and Kashmir - Bank charges	37	2,800	1,800
		<u>9,773,585</u>	<u>7,615,687</u>
38 TAXATION			
Current tax:			
- Current year		27,133,021	68,062,902
- Prior year		26,944,733	(1,022,823)
	23	<u>54,077,754</u>	<u>67,040,079</u>
Deferred tax	19	189,374,564	(26,018,547)
		<u>243,452,318</u>	<u>41,021,532</u>

- 38.1 Provision for current tax represents minimum tax only in view of available tax losses of Rupees 6,741.86 million (2022: Rupees 5,297.89 million). Consequently, tax expense reconciliation is not being presented.

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

	Welfare fund		Lease liabilities	
	2023	2022	2023	2022
	Rupees			
Balance as at 01 July	7,224,845,962	5,793,901,162	67,077,274	83,250,979
Receipts in welfare fund during the year	1,623,614,329	1,163,421,669	-	-
Total comprehensive (loss) / income for the year	(2,073,486,870)	267,523,131	-	-
Lease liabilities recognized during the year	-	-	23,843,150	4,910,477
Interest accrued on lease liabilities	-	-	7,916,555	8,950,918
Repayment of lease liabilities	-	-	(30,080,536)	(30,035,100)
Balance as at 30 June	6,774,973,421	7,224,845,962	68,756,443	67,077,274

40 NUMBER OF EMPLOYEES

	2023	2022
Number of employees as at 30 June	1,934	1,880
Average number of employees during the year	1,907	1,911

41 TRANSACTIONS WITH RELATED PARTIES

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

42 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		Directors		Executives			
	2023	2022	2023	2022	Key management personnel		Other executives	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees							
Meeting Fee	430,000	530,000	2,540,000	2,690,000	-	-	-	-
Managerial remuneration	2,696,976	1,795,640	-	-	14,240,000	12,970,230	181,796,973	30,724,905
Leave encashment	-	-	-	-	216,260	-	46,734,557	3,731,561
Gratuity charge	-	-	-	-	-	-	71,717,192	18,383,764
Housing and utilities	7,492,896	6,347,471	-	-	-	-	106,464,488	37,837,572
Medical expenses	364,304	191,719	-	-	23,715	479,770	16,130,612	2,148,181
Travelling and entertainment expenses	-	-	1,578,836	939,505	-	-	-	-
	10,984,176	8,864,830	4,118,836	3,629,505	14,479,975	13,450,000	422,843,822	92,825,983
Number of persons	1	1	10	10	3	3	106	23

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

43 FINANCIAL RISK MANAGEMENT

43.1 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:

	2023	2022
Cash at banks - USD	33,258	33,008
Social security claims Libya	(33,258)	(33,008)
Net exposure	-	-
Rupees per US Dollar		
Average rate	252.57	177.45
Reporting date rate	286.18	204.17

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 (2022: 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:

	2023 Rupees	2022 Rupees
Fixed rate instruments		
Financial assets		
Advances	279,076,752	272,715,225
Short term investments - amortized cost	4,813,369,230	4,698,467,240
Floating rate instruments		
Financial assets		
Cash at bank - deposit accounts	1,032,290,841	1,362,963,944

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 10.32 million (2022: Rupees 13.63 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:

	2023 Rupees	2022 Rupees
Advances	240,472,276	230,623,732
Deposits	5,810,604	4,872,829
Contract receivables	1,366,975,191	1,586,153,068
Advances and other receivables	151,026,740	106,690,151
Short term investments	4,813,369,230	4,598,467,240
Bank balances	1,082,484,423	1,451,743,815
	<u>7,660,133,464</u>	<u>8,073,556,835</u>

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 2023 was determined as follows:

	2023			2022		
	Expected loss rate	Contract receivables	Loss allowance	Expected loss rate	Contract receivables	Loss allowance
	%	Rupees		%	Rupees	
Up to 30 days	0%	-	-	0%	5,998,367	-
31 to 60 days	0%	-	-	0%	2,218,922	-
61 to 90 days	0%	-	-	0%	1,957,375	-
91 to 365 days	100%	-	-	100%	25,243,842	25,243,842
More than 365 days	100%	-	-	100%	15,193	15,193
		-	-		35,433,699	25,259,035
Contract receivables which are not subject to risk of default		1,366,975,191	-		1,575,978,404	-
		<u>1,366,975,191</u>	<u>-</u>		<u>1,611,412,103</u>	<u>25,259,035</u>

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.

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 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			2023	2022
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Askari Bank Limited	A1+	AA+	PACRA	655,064,353	1,106,241,581
Bank Alfalah Limited	A1+	AA+	PACRA	69,663,481	8,329,253
First Women Bank Limited	A2	A-	PACRA	355,768	318,449
Habib Bank Limited	A-1+	AAA	JCR-VIS	232,368,535	137,725,053
National Bank of Pakistan	A1+	AAA	PACRA	37,270,183	102,601,949
The Bank of Punjab	A1+	AA+	PACRA	30,769,389	54,037,583
United Bank Limited	A-1+	AAA	JCR-VIS	14,456,494	8,712,164
MCB Bank Limited	A1+	AAA	PACRA	42,536,220	33,777,783
				<u>1,082,484,423</u>	<u>1,451,743,815</u>
Investments					
Treasury bills	N/A	N/A	N/A	4,813,369,230	4,698,467,240
				<u>5,895,853,653</u>	<u>6,150,211,055</u>

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 2023, the Foundation had Rupees 1,085.31 million (2022: Rupees 1,455.98 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 2023

	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	68,756,443	79,265,026	4,152,446	21,450,973	11,284,485	20,127,450	22,249,672
Claims payable	1,737,428,995	1,737,428,995	-	1,737,428,995	-	-	-
Creditors, accrued and other liabilities	1,613,416,341	1,613,416,341	-	1,613,416,341	-	-	-
	<u>3,419,601,779</u>	<u>3,430,110,362</u>	<u>4,152,446</u>	<u>3,372,296,309</u>	<u>11,284,485</u>	<u>20,127,450</u>	<u>22,249,672</u>

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	-	-	-
	<u>3,341,379,955</u>	<u>3,354,889,687</u>	<u>5,686,218</u>	<u>3,289,473,479</u>	<u>12,625,281</u>	<u>23,391,134</u>	<u>23,713,575</u>

43.2 Financial instruments by categories
As at 30 June
Assets as per statement of financial position

	Amortized cost	
	2023 Rupees	2022 Rupees
Long term advances	240,472,276	230,623,732
Deposits	5,810,604	4,872,829
Contract receivables	1,366,975,191	1,586,153,068
Advances and other receivables	151,026,740	106,696,151
Short term investments	4,813,369,230	4,698,467,240
Cash and bank balances	1,085,307,383	1,455,982,774
	<u>7,662,961,424</u>	<u>8,082,795,794</u>

Liabilities as per statement of financial position

Lease liabilities	68,756,443	67,077,274
Claims payable	1,737,428,995	1,503,670,710
Creditors, accrued and other liabilities	1,613,416,341	1,770,631,971
	<u>3,419,601,779</u>	<u>3,341,379,955</u>

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

	2023			2022		
	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						
Assets as per statement of financial position						
Long term advances	240,472,276	-	240,472,276	230,623,732	-	230,623,732
Long term deposits	5,810,604	-	5,810,604	4,872,829	-	4,872,829
Contract receivables	1,366,975,191	-	1,366,975,191	1,586,153,068	-	1,586,153,068
Advances, prepayments and other receivables	151,026,740	13,811,779	164,838,519	106,696,151	14,298,946	120,995,097
Short term investments	4,813,369,230	-	4,813,369,230	4,698,467,240	-	4,698,467,240
Cash and bank balances	1,085,307,383	-	1,085,307,383	1,455,982,774	-	1,455,982,774
	<u>7,662,961,424</u>	<u>13,811,779</u>	<u>7,676,773,203</u>	<u>8,082,795,794</u>	<u>14,298,946</u>	<u>8,097,094,740</u>

	2023			2022		
	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						
Liabilities as per statement of financial position						
Lease liabilities	68,756,443	-	68,756,443	67,077,274	-	67,077,274
	<u>3,419,601,779</u>	<u>71,653,231</u>	<u>3,491,255,010</u>	<u>3,341,379,955</u>	<u>75,780,235</u>	<u>3,417,160,190</u>

43.4 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.

43.5 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.

44 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.

45 CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures have been made.

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 20 DEC 2023 by the Board of Governors of the Foundation.

47 GENERAL

Figures have been rounded off to the nearest Rupee.



MANAGING DIRECTOR



CHIEF FINANCIAL OFFICER



MEMBER OF BOARD OF GOVERNORS

Riaz Ahmad & Company

Chartered Accountants

OVERSEAS PAKISTANIS FOUNDATION

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

30 JUNE 2023

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

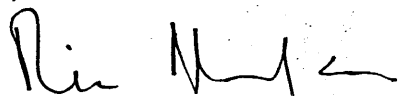
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Governors of Overseas Pakistanis Foundation (the Foundation) for the year ended 30 June 2023.

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 2023.



RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

Date: 29 December 2023

UDIN: CR202310187FUXKEY82Z

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 2023

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:

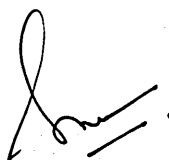
Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks																												
			Tick the relevant box																														
1.	The independent directors meet the criteria of independence, as defined under the Rules	2(d)	✓																														
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes: <table><tr><th>Category</th><th>Name</th><th>Date of appointment</th></tr><tr><td rowspan="5">Independent Directors</td><td>1. Mr. Khalid Mahmood Raja</td><td>11 June 2018</td></tr><tr><td>2. Mr. Majid Ali Choudhry</td><td>11 June 2018</td></tr><tr><td>3. Ms. Nyla Qureshi</td><td>11 June 2018</td></tr><tr><td>4. Mr. Irfan Mustafa</td><td>6 January 2020</td></tr><tr><td>5. Mr. Zulqiurnain Ali Khan</td><td>6 January 2020</td></tr><tr><td>Executive Directors</td><td>1. Dr. Amer irshad Sheikh</td><td>8 May 2018</td></tr><tr><td rowspan="5">Non-Executive Directors*</td><td>1. Zulfiquar Haider Khan</td><td>15 June 2022</td></tr><tr><td>2. Muhammad Ayub Chaudhary</td><td>7 July 2021</td></tr><tr><td>3. Muhammad Israr</td><td>8 July 2021</td></tr><tr><td>4. Muhammad Syrus Sajjad Qazi</td><td>20 October 2022</td></tr><tr><td>5. Mr. Aamer Mahmood Hussain</td><td>28 April 2022</td></tr></table>	Category	Name	Date of appointment	Independent Directors	1. Mr. Khalid Mahmood Raja	11 June 2018	2. Mr. Majid Ali Choudhry	11 June 2018	3. Ms. Nyla Qureshi	11 June 2018	4. Mr. Irfan Mustafa	6 January 2020	5. Mr. Zulqiurnain Ali Khan	6 January 2020	Executive Directors	1. Dr. Amer irshad Sheikh	8 May 2018	Non-Executive Directors*	1. Zulfiquar Haider Khan	15 June 2022	2. Muhammad Ayub Chaudhary	7 July 2021	3. Muhammad Israr	8 July 2021	4. Muhammad Syrus Sajjad Qazi	20 October 2022	5. Mr. Aamer Mahmood Hussain	28 April 2022	3(2)	✓		
Category	Name	Date of appointment																															
Independent Directors	1. Mr. Khalid Mahmood Raja	11 June 2018																															
	2. Mr. Majid Ali Choudhry	11 June 2018																															
	3. Ms. Nyla Qureshi	11 June 2018																															
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Executive Directors	1. Dr. Amer irshad Sheikh	8 May 2018																															
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	3. Muhammad Israr	8 July 2021																															
	4. Muhammad Syrus Sajjad Qazi	20 October 2022																															
	5. Mr. Aamer Mahmood Hussain	28 April 2022																															
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.	Tick the relevant box		Remarks
			Y	N	
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)	✓		


Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks																			
			Tick the relevant box																					
18	a) The Board has met at least four times during the year.	6(1)	✓																					
	b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓																					
	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓																					
19.	The Board has monitored and assessed the performance of senior management on annual / half-yearly / quarterly basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓																					
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓																					
21	a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.	10	✓	N/A																				
	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.																							
22.	All the Board members underwent an orientation course arranged by the Foundation to apprise them of the material developments and information as specified in the Rules.	11	✓																					
23	a) The Board has formed the requisite committees, as specified in the Rules.	12	✓																					
	b) The committees were provided with written term of reference defining their duties, authority and composition.		✓																					
	c) The minutes of the meetings of the committees were circulated to all the Board members.		✓																					
	d) The committees were chaired by the following non-executive directors:		✓																					
	<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>		Committee			No. of Members	Name of Chair	Audit Committee	05	Ms. Nyla Qureshi	Human Resource Committee	05	Muhammad Ayub Chaudhary	Procurement Committee	06	Mr. Khalid Mahmood Raja	Nomination Committee	06	Muhammad Israr	Finance, Welfare and Risk Management Committee	05	Mr. Irfan Mustafa		
	Committee		No. of Members			Name of Chair																		
	Audit Committee		05			Ms. Nyla Qureshi																		
	Human Resource Committee		05			Muhammad Ayub Chaudhary																		
	Procurement Committee		06			Mr. Khalid Mahmood Raja																		
	Nomination Committee		06			Muhammad Israr																		
Finance, Welfare and Risk Management Committee	05	Mr. Irfan Mustafa																						
24.	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.	13	✓																					

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks															
			Tick the relevant box																	
25.	The chief financial officer and the company secretary have requisite qualification prescribed in the Rules.	14	✓																	
26.	The Foundation has adopted International Financial Reporting Standards notified by the Commission in terms of sub- section (1) of section 225 of the Act.	16	✓																	
27.	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.	17	✓																	
28.	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.	18	✓																	
29.	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	19	✓																	
			✓																	
30.	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.	20	✓																	
31.	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.	Name of member	Category	Professional Background	Ms. Nyla Qureshi	Independent	Retired Civil Servant	Mr. Majid Ali Chaudhry	Independent	Overseas Pakistani Businessman	Mr. Zulqiurnain Ali Khan	Independent	Overseas Pakistani Businessman	Mr. Aamer Mahmood Hussain	Non-Executive	Government Service	21(1)	✓		
Name of member	Category	Professional Background																		
Ms. Nyla Qureshi	Independent	Retired Civil Servant																		
Mr. Majid Ali Chaudhry	Independent	Overseas Pakistani Businessman																		
Mr. Zulqiurnain Ali Khan	Independent	Overseas Pakistani Businessman																		
Mr. Aamer Mahmood Hussain	Non-Executive	Government Service																		
32	a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed. 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.	21(2)	✓																	
		21(3)	✓																	
		21(3)	✓																	

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.	22	✓		
	b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.		✓		
	c) The internal audit reports have been provided to the external auditors for their review.		✓		
34.	The external auditors of the Foundation have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓		
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓		

Chief Executive Officer



Independent Director