MOAWIN FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2026

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOAWIN FOUNDATION REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Moawin Foundation** (The Foundation) which comprise the statement of financial position as at June 30, 2026, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2026 and of the surplus, the comprehensive income, the changes in funds 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.

Responsibilities of Management and Those Charged with Governance 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 directors are responsible for overseeing the Foundation's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

We communicate with the board of directors 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.

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Report on Other Legal and Regulatory Requirements

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

a) proper books of accounts have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds 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 accounts and returns;

c) investments made, expenditures 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 Hassaan Riaz.

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman
Chartered Accountants
Islamabad
Date: October 2, 2026
UDIN: AR202610164LAuQ4eMGh

MOAWIN FOUNDATION

(A Company licensed under Section 42 of the Companies Act, 2017)

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	5	**11,183,559**	18,181,077
Intangible asset	6	**-**	-
Security deposits and prepayments	7	**1,525,651**	9,561,001
		12,709,210	27,742,078
CURRENT ASSETS			
Advances, prepayments and other receivable	8	**35,499,582**	27,405,207
Investments	9	**28,686,167**	20,420,695
Cash and bank balances	10	**178,122,695**	129,924,439
Receivable from donor	13	**9,134,543**	-
		251,442,987	177,750,341
TOTAL ASSETS		**264,152,197**	205,492,419
FUNDS AND LIABILITIES			
Endowment fund - revenue reserve		**26,781,578**	10,000,000
General funds - revenue reserve		**17,032,529**	67,262,190
		43,814,107	77,262,190
NON - CURRENT LIABILITIES			
Deferred capital grant	12	**36,347**	1,329,981
Lease liability	15	**-**	7,234,066
		36,347	8,564,047
CURRENT LIABILITIES			
Restricted grants	13	**172,279,653**	78,978,122
Zakat contribution	14	**30,278,924**	22,969,505
Current portion of lease liability	15	**7,892,316**	7,039,201
Accrued and other payables	16	**9,850,851**	10,679,354
		220,301,744	119,666,181
TOTAL FUNDS AND LIABILITIES		**264,152,197**	205,492,419
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The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

MOAWIN FOUNDATION

(A Company licensed under Section 42 of the Companies Act, 2017)

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
INCOME			
Income recognized from restricted grant	13	**737,777,947**	691,799,963
Income recognized from zakat	14	**42,245,073**	9,706,588
Amortization of deferred capital grant	12	**1,293,634**	1,254,277
General donations	18	**6,100,067**	7,567,382
Other income	19	**28,347,375**	39,241,488
		815,764,096	749,569,698
EXPENDITURE			
Program expenses	20	**(833,343,267)**	(711,242,622)
Administrative expenses	21	**(14,689,863)**	(16,341,820)
Finance cost	22	**(1,179,049)**	(328,333)
		(849,212,179)	(727,912,775)
(Deficit)/surplus before taxation		**(33,448,083)**	21,656,923
Taxation	4.13.1	-	-
(Deficit)/surplus after taxation	13.2	**(33,448,083)**	21,656,923

The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

MOAWIN FOUNDATION

(A Company licensed under Section 42 of the Companies Act, 2017)

STATEMENT OF COMPREHNESIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
(Deficit)/surplus before taxation	**(33,448,083)**	21,656,923
Other comprehensive income	-	-
Total comprehensive income	**(33,448,083)**	21,656,923

The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

MOAWIN FOUNDATION

(A Company licensed under Section 42 of the Companies Act, 2017)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/surplus before taxation		**(33,448,083)**	21,656,923
Adjustments for non cash items:			
Depreciation	5	**9,835,989**	4,314,379
Implementation, record maintenance and service cost	19	**(16,514,507)**	(17,885,185)
Amortization of deferred capital grant	12	**(1,293,634)**	(1,254,277)
Income recognized from restricted grant	13	**(737,777,947)**	(691,799,963)
Income recognized from zakat	14	**(42,245,073)**	(9,706,588)
Interest on lease liability	15	**1,179,049**	328,333
		(786,816,123)	(716,003,302)
Changes in working capital			
Advances, prepayments and other receivable		**(8,094,375)**	(24,822,816)
Accrued and other payables		**(828,503)**	(2,727,272)
		(8,922,878)	(27,550,088)
Cash generated from operations		**(829,187,084)**	(721,896,467)
Restricted grants received	13	**838,459,440**	706,202,735
Zakat received	14	**49,554,492**	29,560,466
		888,013,932	735,763,201
Net cash generated from operating activities		**58,826,849**	13,866,734
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		**(2,838,471)**	(1,456,000)
Investments - net		**(8,265,472)**	7,247,641
Security deposits and prepayments		**8,035,350**	(5,638,171)
Net cash (used in)/generated from investing activities		**(3,068,593)**	153,470
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of lease liability	15	**(7,560,000)**	(3,013,879)
Net cash used in financing activities		**(7,560,000)**	(3,013,879)
Net increase in cash and cash equivalents		**48,198,256**	11,006,324
Cash and cash equivalents at the beginning of the year		**129,924,439**	118,918,115
Cash and cash equivalents at the end of the year	10.2	**178,122,695**	129,924,439

The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

MOAWIN FOUNDATION

(A Company licensed under Section 42 of the Companies Act, 2017)

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	Endowment Funds - revenue reserve	General Funds - revenue reserve	Total
		----------Rupees----------		
Balance as at July 01, 2024		10,000,000	45,605,267	55,605,267
Total comprehensive income				
Surplus for the year		-	21,656,923	21,656,923
Balance as at June 30, 2025		10,000,000	67,262,190	77,262,190
Balance as at July 01, 2025		**10,000,000**	**67,262,190**	**77,262,190**
Transfer to endowment fund from revenue reserve	11	**16,781,578**	**(16,781,578)**	**-**
Total comprehensive income				
Deficit for the year		-	**(33,448,083)**	**(33,448,083)**
Balance as at June 30, 2026		**26,781,578**	**17,032,529**	**43,814,107**

The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

MOAWIN FOUNDATION

(A Company licensed under Section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Moawin Foundation ("the Foundation") is a Not for Profit Foundation / Organization limited by guarantee incorporated in Pakistan on October 23, 2014 under section 42 of the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The objective of the Foundation is to improve standard of education/training at government schools and to employ good teachers, train them and make them teach well and arrange vocational trainings for boys and girls in rural areas of Pakistan.

Foundation is certified from Pakistan Centre for Philanthropy (PCP), a certifying body for all local and international NGOs having certification No. PCP-R2/2026/811, valid till January 16, 2029.

Foundation is registered with Economic Affairs Division, Government of Pakistan and Memorandum of Understanding (MoU) is valid upto September 21, 2026.

1.2 The geographical location and address of the Foundation's regional offices :

The head office of the Foundation is located at ACE UP-Town Building, Main Northern Strip, E-11/2, Islamabad, and is in the process of being notified as the registered address. The current registered address of the Foundation is House No. B-9, Navy Housing Scheme, F-11/1, Islamabad.

The Foundation's regional offices are situated at:

Gilgit Office: Near Fateh Super Store, Jutial, Zulfiqarabad.

Skardu Office: Near Rinos D Mart, Mohib Road, Skardu.

Sheikhupura Office: Near Head Roshan Din Union Council, Tibi hamboo, Main Faisalabad Road, District Sheikhupura.

Jand Office: Near UBL Bank, Misali School Street, Jand.

Talagang Office: Jhatla Mohala, Near Bipas Road, District Talagang.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

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

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

2.2 Basis for measurement

These financial statements have been prepared under the historical cost convention except lease liability recognized at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR) which is the Foundation's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Pakistan Rupees (PKR), unless otherwise stated.

2.4 Use of estimates and judgment

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires 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.

a) Useful life and residual values of property and equipment; and

b) Amortization of deferred capital grant.

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 New accounting standards, interpretations and amendments

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial statements and have not disclosed.

3.1.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Foundation:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective from the dates mentioned below:

		Effective date (annual periods beginning on or after)
- IFRS 7	Financial Instruments: Disclosures (Amendments)	January 01, 2026
- IFRS 9	Financial Instruments (Amendments)	January 01, 2026
- IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 01, 2027
- IFRS 18	Presentation and Disclosures in Financial Statements	January 01, 2027
- IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 01, 2027
- IFRS S1	General Requirements for Disclosure of Sustainability related Financial Information	July 01, 2031
- IFRS S2	Climate-related Disclosures	July 01, 2031

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Foundation's financial statements.

3.1.2 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026:

- IFRS 1	First Time Adoption of International Financial Reporting Standards
- IFRIC 12	Service Concession Arrangement

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Property and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except free-hold land and capital work in progress which are stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When major components of an item of property and equipment have different useful lives, these are accounted for as separate items of property and equipment.

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. Carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to statement of income and expenditure during the financial period in which they are incurred.

Gains and losses, if any, on disposal of property and equipment are taken to the statement of income and expenditure.

Depreciation on additions is charged from the date when the asset becomes available for intended use till the date it is derecognized upon disposal or when no future economic benefits are expected from its use.

4.2 Right-of-use assets and their related lease liability

4.2.1 Right of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

4.2.2 Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Foundation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. Remeasurements of lease liabilities only occur in cases where the terms of the lease are changed during the lease tenor. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the income and expenditure statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.3 Intangible assets

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks on current, deposit and savings accounts and short term investments with original maturities of three months or less.

4.5 Deferred capital grant

Restricted funds utilized for capital expenditure are transferred from the Fund balance (restricted) and accounted for as a deferred capital grant. An amount equal to the charge for depreciation and amortization for the year, on property and equipment acquired, is then recognized in the income and expenditure statement.

4.6 Basic financial instruments

Basic financial instruments are: cash; simple debt instruments (such as an account, note or loan receivable or payable); a commitment to receive a loan; and an investment in non-convertible preference shares and non-puttable ordinary and preference shares. On initial recognition, a basic financial instrument is measured at transaction price, unless the arrangement is in effect a financing transaction. In this case, it is the present value of the future payment discounted using a market rate. At the end of each reporting period the basic financial instruments are measured as follows (without any deduction for transaction costs the entity may incur on sale or other disposal): (a) Debt instruments at amortized cost using the effective interest rate method; (b) commitments to receive a loan at cost (which could be nil) less impairment; (c) Investments in non-convertible or non-puttable shares at fair value if the shares are publicly traded or fair value can be measured reliably, otherwise at cost less impairment.

4.6.1 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when the Foundation has a legally enforceable right to off-set the recognized amounts and the Foundation intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.6.2 Impairment

Non-Financial Assets:

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of income and expenditure.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Foundation recognizes the reversal immediately in the statement of income and expenditure.

4.7 General fund

Contributions made by the members of the Foundation and donors, without any specific purpose or activity, are classified as unrestricted general funds. Accordingly, any income generated and expenses incurred with respect to normal operations of the Foundation, which are not related to Specific funds/activities, are charged to the statement of income and expenditure.

4.8 Restricted fund

A restricted contribution is a contribution subject to externally imposed stipulations that specify the purpose for which the contribution asset or fund is to be used. Restricted contributions for the purchase of capital assets that will be depreciated are deferred and recognized as revenue in the income and expenditure statement on the same basis as the depreciation expense related to the acquired capital assets. The net investment income earned, to the extent attributable restricted contribution including endowment contribution/fund, are recognized as increase or decrease in the deferred contribution balance and endowment fund as the case may be.

4.9 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

4.9.1 Provisions

Provisions are recognized when the Foundation has a present 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 obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

A contingent liability is disclosed when the Foundation has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Foundation; or the Foundation has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.10 Staff benefit contribution

During the current year, the Foundation has contributed amount in the Mutual Fund Scheme (MFS), being managed by the Meezan Tahaffuz Pension Fund (MTPF). For eligible employees, the Foundation is contributing an amount to the MFS that matches their contributions, thereby fully discharging its liability under the employee benefit scheme. Contributions to MFS are made at the rate of 10% of gross salaries of respective employees.

4.11 Grants

Funds received directly for specific purposes, are classified as grants. Funds provided or utilized for the purchase of capital items from grants are shown in the statement of financial position as deferred capital grant and a portion of the grant is recognized as income in the statement of income and expenditure to match the depreciation and amortization recognized during the year on the related capital items. Grants utilized for operations are credited to the statement of income and expenditure to the extent of related actual operating expenses. Committed grant is accrued in case where it is probable that the economic benefits of such grant will flow to the Foundation.

4.11.1 Income

Income is recognized to the extent it is probable that the economic benefits will flow to the Foundation and the income can be measured reliably. Income is measured at the fair value of the consideration received or receivable and is recognized on the following basis:

- Donations related to specific projects are deferred and recognized as income on a systematic basis to match them with the related costs that they are intended to compensate.
- Donations related to operating fixed assets received are recognized as deferred capital grant and amortized over the useful lives of assets from the date the asset is available for intended use.
- Donation other than those related to specific projects and operating fixed assets are recognized as income on receipt.
- Income on investment is recognized on time proportion basis taking into account the implicit rate of return on investments.
- Income on savings bank accounts is recognized on accrual basis.
- Income from other sources is recorded on receipt basis.

4.12 Zakat contribution

The Foundation is eligible to collect zakat in the light of Shariah Certificate issued by Shariah Compliant Advisor. Accordingly, the zakat is being spend according to Zakat Standard Operating Procedures (SOPs) and Policies developed by the Shariah Compliant Advisor. Zakat contributions are initially deferred upon receipt and are recognized as income on a systematic basis as and when they are utilized for eligible purposes.

4.13 Taxation

4.13.1 Current

The Foundation has been granted approval as a non-profit organization under section 2(36) of the Income Tax Ordinance, 2001 by the Commissioner of Income Tax. Therefore, the Foundation is entitled to one hundred percent tax credit of the tax payable, under section 100C of the Income Tax Ordinance, 2001. Therefore, no provision for income tax has been accounted for in these financial statements.

4.13.2 Deferred

The Foundation being registered under section 42 of the repealed Companies Ordinance, 1984, as a non profit Foundation. Accordingly, the income of the Foundation is subject to 100% tax credit as per section 100C of Income Tax Ordinance, 2001. Therefore, no tax expense or deferred tax expense is recognized in these financial statements.

4.14 Foreign currency transactions and translation

The financial statements are presented in Pakistan Rupees which is the Foundation's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income and expenditure.

4.15 Endowment fund

Foundation has a received a supplementary grant of Rs. 10 million as financial assistance from Government of Pakistan vide grant release letter dated March 13, 2015 against committed financial assistance of Rs. 50 million vide letter # 2781/m/8PM/2014 dated: October 02, 2014. The Board of directors of the Foundation in its 34th meeting dated: January 25, 2022 decided to establish an endowment fund (the fund) and transferred Rs. 10 million from general fund to the fund with decision not to use the principal amount and to ensure that the fund does not deplete over time.

4.16 Financial instruments

Financial assets and financial liabilities are recognized in the Foundation's statement of financial position when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the income and expenditure statement.

4.16.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

(i) Debt instruments designated at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

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

(ii) Debt instrument designated at other comprehensive income

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Amortized cost and effective interest rate method:

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Foundation recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in income and expenditure statement and is included in the "finance income - interest income" line item.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Foundation may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to income and expenditure statement on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in income and expenditure.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Foundation designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortized cost Criteria or the FVTOCI Criteria are classified as at FVTPL. in addition, Debt instruments that meet either the amortized cost Criteria or the FVTOCI Criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or Liabilities or recognizing the gains and Losses on them on different bases. the Foundation has not designated any Debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in income and expenditure statement.

Impairment of financial assets:

The Foundation recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Foundation always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Foundation's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Foundation recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Foundation measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Foundation compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Foundation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Foundation's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Foundation's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument,

e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument,

e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Foundation presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Foundation has reasonable and supportable information that demonstrates otherwise.

(ii) Definition of default:

The Foundation considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Foundation, in full (without taking into account any collateral held by the Foundation).

Irrespective of the above analysis, the Foundation considers that default has occurred when a financial asset is more than 360 days past due unless the Foundation has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets:

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy:

The Foundation writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Foundation's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in income and expenditure statement.

(v) Measurement and recognition of expected credit losses:

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Foundation's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Foundation in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For a financial guarantee contract, as the Foundation is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Foundation expects to receive from the holder, the debtor or any other party.

If the Foundation has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Foundation measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Foundation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(vi) Derecognition of financial assets:

The Foundation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Foundation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Foundation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Foundation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Foundation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.
On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in income and expenditure statement. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to income and expenditure statement. In contrast, on derecognition of an investment in equity instrument which the Foundation has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to income and expenditure statement, but is transferred to retained earnings.

4.16.2 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the statement of income and expenditure to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the income and expenditure statement incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch income and expenditure statement. The remaining amount of change in the fair value of liability is recognized in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to income and expenditure statement; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Foundation that are designated by the Foundation as at FVTPL are recognized in income and expenditure statement.

(ii) Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities:

The Foundation derecognizes financial liabilities when, and only when, the Foundation's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in income and expenditure statement.

4.16.3 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 any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income and expenditure statement.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less cost to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss recognized in the prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability; or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Foundation. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Foundation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Interim Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Interim Financial Statements at fair value on a recurring basis, the Foundation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Foundation's General Manager Finance determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Foundation determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. The Foundation does not measure any of its assets or liabilities at fair value.

5 PROPERTY AND EQUIPMENT

Particulars	Owned assets				Leased assets	
	Freehold Land (Note 5.1)	Computer & Accessories	Furniture & Fixtures	Office Equipment	Right of use asset (Note 5.3)	Total
	----------Rupees----------					
Cost						
Balance as at July 01, 2024	1,836,000	3,886,305	2,251,514	2,082,550	6,559,411	16,615,780
Additions/deletions	-	1,205,000	-	251,000	14,207,728	15,663,728
Balance as at June 30, 2025	1,836,000	5,091,305	2,251,514	2,333,550	20,767,139	32,279,508
Balance as at July 01, 2025	**1,836,000**	**5,091,305**	**2,251,514**	**2,333,550**	**20,767,139**	**32,279,508**
Additions/deletions	**-**	**1,711,581**	**237,190**	**889,700**	**-**	**2,838,471**
Balance as at June 30, 2026	**1,836,000**	**6,802,886**	**2,488,704**	**3,223,250**	**20,767,139**	**35,117,979**
Accumulated Depreciation						
Balance as at July 01, 2024	-	3,005,469	1,659,044	1,703,179	3,416,360	9,784,052
Charge for the year		604,066	118,494	152,774	3,439,045	4,314,379
Balance as at June 30, 2025	-	3,609,535	1,777,538	1,855,953	6,855,405	14,098,431
Balance as at July 01, 2025	**-**	**3,609,535**	**1,777,538**	**1,855,953**	**6,855,405**	**14,098,431**
Charge for the year		**1,533,227**	**530,784**	**668,113**	**7,103,864**	**9,835,989**
Balance as at June 30, 2026	**-**	**5,142,762**	**2,308,323**	**2,524,066**	**13,959,269**	**23,934,420**
Carrying value as at June 30, 2025	1,836,000	1,481,770	473,976	477,597	13,911,734	18,181,077
Carrying value as at June 30, 2026	**1,836,000**	**1,660,124**	**180,381**	**699,184**	**6,807,870**	**11,183,559**
Annual rate of depreciation		**33%**	**20%**	**33%**	**50%**	

5.1 The Foundation under an agreement dated June 10, 2015 with Punjab Vocational Training Council (PVTC), Government of Punjab, has provided its land located at village Mahmunwali, District Sheikhupura for establishment of Vocational Training Institute (VTI) free of charge for a period of 33 years. The VTI now run under the management of PVTC with support and intervention of Foundation.

5.2 The Foundation has fully depreciated property and equipment with aggregate cost of Rs. 6,442,561 (2025: Rs. 2,222,921) that are still in use.

5.3 This represents right of use of the office premises obtained under rental agreement for Foundation's head office.

			2026	2025
6	**INTANGIBLE ASSET**	Note	Rupees	Rupees
	Cost			
	Opening balance		**93,000**	93,000
	Additions		**-**	-
	Disposal		**-**	-
	Closing balance		**93,000**	93,000
	Accumulated amortization			
	Opening balance		**93,000**	93,000
	Charge for the year		**-**	-
	Closing balance		**93,000**	93,000
	Net book value		**-**	-

6.1 The fully amortized software is being used by Foundation.

7	**SECURITY DEPOSITS AND PREPAYMENTS**			
	Security deposits - rental premises		**650,000**	7,550,000
	Prepaid rent	7.1.1	**875,651**	2,011,001
			1,525,651	9,561,001
7.1	**Prepaid rent**			
	Opening balance		**3,146,351**	4,521,910
	Additions during the year		**-**	60,000
	Amortized during the year		**(1,135,350)**	(1,435,559)
	Closing balance	7.1.1	**2,011,001**	3,146,351
7.1.1	**Classification**			
	Current portion		**1,135,350**	1,135,350
	Long term portion		**875,651**	2,011,001
			2,011,001	3,146,351

7.1.2 Security deposit and prepaid rent pertained to head office, field schools and early childhood care and education centers.

			2026	2025
8	**ADVANCES, PREPAYMENTS AND OTHER RECIEVABLE**	Note	Rupees	Rupees
	Advances to employees against expenses		**3,913,024**	2,339,687
	Advances to vendors		**26,292,020**	24,459,744
	Other receivable		**4,986,028**	924,918
	Prepaid rent - current portion	7.1.1	**1,135,350**	1,135,350
	Less: Allowance for expected credit loss	8.1	**(826,840)**	(1,454,492)
			35,499,582	27,405,207

8.1	**Allowance for expected credit loss - Advances to employees against expenses**		
	Opening balance	**1,454,492**	1,454,492
	Charge for the period	**-**	-
	Reversal for the period	**(627,652)**	-
	Closing balance	**826,840**	1,454,492

9 INVESTMENTS	Note	2026 Rupees	2025 Rupees
Term deposit receipts (TDRs) - at amortized cost	9.1	**27,511,053**	18,941,698
Accrued mark-up on TDRs		**1,175,114**	1,478,997
		28,686,167	20,420,695

9.1 This represents Term Deposit Receipts (TDRs) of 12 months tenure (2025: 12 months) with a yield of 9.48% to 10.50% (2025: 9.60% to 14.25%) per annum receivable upon maturity.

10 CASH AND BANK BALANCES	Note	2026 Rupees	2025 Rupees
Cash in hand		**2,448,752**	2,380,006
Balance at banks:			
- In current account - local currency		**63,674,452**	2,695,084
- In saving accounts - local currency	10.1	**111,999,491**	124,849,349
		175,673,943	127,544,433
		178,122,695	129,924,439

10.1 Saving accounts carry interest ranging from 7.04% to 11% (2025: 5.79% to 19%) per annum.

10.2 Cash and cash equivalents	2026 Rupees	2025 Rupees
Cash and bank balances	**178,122,695**	129,924,439

11 ENDOWMENT FUNDS - REVENUE RESERVE

The Board of Directors of the Foundation, in its 53rd meeting held on December 10, 2025, decided to transfer an amount from the General Fund to the Endowment Fund, and further decided that the principal amount of the Endowment Fund would not be utilised, with the objective of preserving the Fund over time.

The movement in the Endowment Fund during the year is as follows:

	2026 Rupees	2025 Rupees
Opening balance	**10,000,000**	10,000,000
Add: Transfer from revenue reserve	**16,781,578**	-
Closing balance	**26,781,578**	10,000,000

12 DEFERRED CAPITAL GRANT

Balance at the beginning of the year	**1,329,981**	2,584,258
Additions during the year	**-**	-
Amortization	**(1,293,634)**	(1,254,277)
Balance at end of the year	**36,347**	1,329,981

13 RESTRICTED GRANTS

Particulars	Opening balance with donors	Receipts during the year	Funds available for use	Funds utilized during the year	Implementing record maintenance and service cost (Note 19.1)	Balance with donors before Foundation's contribution	Foundation's contribution (Note 13.2)	Closing balance with donors
	----------Rupees----------							
30th June 2026								
FOREIGN SOURCES :								
Central Asian Institute (CAI) - Gilgit Baltistan	16,685,947	235,737,609	252,423,556	(236,241,706)	-	16,181,850	-	16,181,850
Stitching International Humanitarian Hulporganisatie Nederland (IHHNL)	10,346,853	165,145,065	175,491,918	(127,297,744)	(16,514,507)	31,679,668	-	31,679,668
Benevity	328,145	9,903,214	10,231,359	(8,623,793)	-	1,607,566	-	1,607,566
Moawin Foundation - UK	(1,309,024)	22,524,000	21,214,976	(4,515,931)	-	16,699,045	-	16,699,045
Global caregivers	-	8,566,404	8,566,404	(7,273,120)	-	1,293,284	-	1,293,284
LOCAL SOURCES :								
Sindh Education Foundation (SEF)	26,602,452	65,896,720	92,499,172	(73,780,175)	-	18,718,997	-	18,718,997
Punjab Education Foundation (PEF)	5,608,537	110,626,832	116,235,369	(149,590,861)	-	(33,355,492)	33,355,492	-
Icare Foundation	2,901,618	77,137,250	80,038,868	(31,739,592)	-	48,299,276	-	48,299,276
Oil and Gas Development Company Limited (OGDCL)	7,456,347	17,372,750	24,829,097	(31,169,419)	-	(6,340,322)	-	(6,340,322)
Early Childhood Care and Education Centres - Gilgit Baltistan	2,631,225	41,400,000	44,031,225	(36,302,542)	-	7,728,683	-	7,728,683
SJ Hussain	-	30,963,450	30,963,450	(19,011,163)	-	11,952,287	-	11,952,287
Mumtaz Hashmi Foundation	-	8,650,000	8,650,000	(5,763,735)	-	2,886,265	-	2,886,265
Bahria College	-	8,300,500	8,300,500	(8,329,695)	-	(29,195)	29,195	-
Pakistan Petroleum Limited	-	6,901,690	6,901,690	(1,055,464)	-	5,846,226	-	5,846,226
Chawinda	-	2,114,445	2,114,445	(4,908,666)	-	(2,794,221)	-	(2,794,221)
Other grants	7,726,022	27,219,511	34,945,533	(25,559,027)	-	9,386,506	-	9,386,506
Total Amount	78,978,122	838,459,440	917,437,562	(771,162,634)	(16,514,507)	129,760,422	33,384,687	163,145,110
30th June 2025								
FOREIGN SOURCES :								
Central Asian Institute (CAI) - Gilgit Baltistan	17,856,805	223,574,214	241,431,019	(224,745,072)	-	16,685,947	-	16,685,947
Stitching International Humanitarian Hulporganisatie Nederland (IHHNL)	9,710,969	178,851,850	188,562,819	(160,330,781)	(17,885,185)	10,346,853	-	10,346,853
Benevity	1,256,297	11,580,992	12,837,289	(12,509,144)	-	328,145	-	328,145
Moawin Foundation - UK	11,814,680	516,605	12,331,285	(13,640,309)	-	(1,309,024)	-	(1,309,024)
LOCAL SOURCES :								
Sindh Education Foundation (SEF)	30,975,135	84,115,307	115,090,442	(88,487,990)	-	26,602,452	-	26,602,452
Punjab Education Foundation (PEF)	-	92,697,390	92,697,390	(87,088,853)	-	5,608,537	-	5,608,537
Icare Foundation	10,846,649	46,018,908	56,865,557	(53,963,939)	-	2,901,618	-	2,901,618
Oil and Gas Development Company Limited (OGDCL)	-	17,911,375	17,911,375	(10,455,028)	-	7,456,347	-	7,456,347
Early Childhood Care and Education Centres - Gilgit Baltistan	-	27,600,000	27,600,000	(24,968,775)	-	2,631,225	-	2,631,225
Other grants	-	23,336,094	23,336,094	(15,610,072)	-	7,726,022	-	7,726,022
Total Amount	82,460,535	706,202,735	788,663,270	(691,799,963)	(17,885,185)	78,978,122	-	78,978,122

13.1 Breakup of closing balance with donors is as follows:	2026 Rupees	2025 Rupees
Restricted grants	**172,279,653**	78,978,122
Receivable from donors	**(9,134,543)**	-
	163,145,110	78,978,122

13.2 The PSRP/PSSP projects of PEF/PEIMA aim to rehabilitate dysfunctional schools through public-private partnerships. During the year, MF adopted 204 schools under these schemes. As the projects were in their initial development stage, significant expenditure was incurred on infrastructure improvements and basic amenities. While grants were received from donor, MF funded the additional expenditure from its own resources to establish appropriate learning environments for students. The development-related expenditure is largely one-off in nature which is funded by MF contributed to the deficit for the year. At the same time, the infrastructure improvements are expected to support increased student enrolment and, consequently, higher project-related subsidy income, which is linked to student enrolment.

14 ZAKAT CONTRIBUTION	Note	2026 Rupees	2025 Rupees
Balance at the beginning of year		**22,969,505**	3,115,627
Zakat received during the year		**49,554,492**	29,560,466
		72,523,997	32,676,093
Zakat utilized during the year:			
- on providing goods and services to beneficiaries		**(37,894,421)**	(9,094,688)
- funds transferred to other bank	**14.1**	**(4,350,652)**	(611,900)
		(42,245,073)	(9,706,588)
Balance at the end of year		**30,278,924**	22,969,505
Balance classified as general fund - revenue reserves		**3,075,000**	3,075,000
Zakat available for utilization at the end of year		**33,353,924**	26,044,505
Closing balance of Zakat represented by:			
Balance in zakat designated bank account		**31,777,750**	25,390,048
Balance in non-zakat designated bank account		**1,576,174**	654,457
		33,353,924	26,044,505

14.1 This represents the zakat paid using the funds from non-zakat designated bank account in previous year.

15 LEASE LIABILITY	Note	2026 Rupees	2025 Rupees
Balance at the beginning of the year		**14,273,267**	2,751,085
Additions during the year		**-**	14,207,728
Interest expense	**22**	**1,179,049**	328,333
Payments during the year		**(7,560,000)**	(3,013,879)
Balance at the end of the year		**7,892,316**	14,273,267
Less: Current portion	**15.1**	**(7,892,316)**	(7,039,201)
		-	7,234,066

15.1 Lease liability is payable as follows:

	Minimum lease payments	**Interest**	**Present value of minimum lease payments**
2026	----------**(Rupees)**----------		
Upto one year	**8,316,000**	**423,684**	**7,892,316**
More than one year	**-**	**-**	**-**
	8,316,000	**423,684**	**7,892,316**

	Minimum lease payments	Interest	Present value of minimum lease payments
2025	----------(Rupees)----------		
Upto one year	8,253,000	1,213,799	7,039,201
More than one year	7,623,000	388,934	7,234,066
	15,876,000	1,602,733	14,273,267

16	ACCRUED AND OTHER PAYABLES	Note	2026 Rupees	2025 Rupees
	Accrued liabilities		**897,136**	2,594,389
	EOBI payable		**2,453,860**	3,882,643
	Employees benefit payable	**16.1**	**2,056,188**	2,136,632
	Withholding tax payable		**1,122,433**	1,438,632
	Employees security deposit payable	**16.2**	**2,597,501**	-
	Payable to employees		**96,675**	-
	Others		**627,058**	627,058
			9,850,851	10,679,354

16.1 This represents payable on account of Foundation's contributions in employees mutual fund scheme being managed by Meezan Tahaffuz pension Fund (MTPF).

16.2 This represents amount held by the Foundation from employees.

17 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as of the reporting date (2025: Nil).

18 GENERAL DONATIONS

This represents unrestricted donations received from individuals and institutional donors.

19	OTHER INCOME	Note	2026 Rupees	2025 Rupees
	From financial assets:			
	Profit on term deposit receipt	**9.1**	**2,119,007**	3,651,109
	Profit on bank saving accounts	**10.1**	**6,818,945**	8,662,133
	From non-financial assets:			
	Implementing, record maintenance and service cost	**19.1**	**16,514,507**	17,885,185
	Liabilities written back		**1,993,704**	-
	Others		**901,212**	9,043,061
			28,347,375	39,241,488

19.1 This represents 10% (2025: 10%) of the total amount received from IHHNL.

20 PROGRAM EXPENSES

Central Asian Institute (CAI) - Gilgit Baltistan	**20.1**	**236,241,706**	224,745,072
Stitching International Humanitarian Hulporganisatie Nederland - IHHNL	**20.2**	**127,297,744**	160,330,781
Sindh Education Foundation - SEF	**20.3**	**73,780,175**	88,487,990
Punjab Education Foundation - PEF	**20.4**	**155,354,596**	87,088,853
Icare Foundation	**20.5**	**50,750,755**	53,963,939
Early Childhood Care and Education Centres - Gilgit Baltistan	**20.6**	**36,302,542**	24,968,775
Moawin Foundation - UK	**20.7**	**4,515,931**	13,640,309
Benevity	**20.8**	**8,623,793**	12,509,144
Oil and Gas Development Company Limited - OGDCL	**20.9**	**31,169,419**	10,455,028
Zakat	**20.10**	**37,894,421**	9,094,688
IHNNL - Program support	**20.11**	**24,286,212**	-
General program expense		**22,306,877**	8,855,312

		Note	2026 Rupees	2025 Rupees
	Bahria college		8,329,695	-
	Global Caregivers		7,273,120	-
	Chawinda		4,908,666	-
	Chakwal Dehrisydian		2,646,360	3,766,042
	VTI Nowshera		605,790	1,005,270
	Pakistan Petroleum Limited		1,055,464	-
	Chapurson project		-	6,913,900
	US Funds		-	5,417,520
			833,343,267	711,244,647
	-Through grants received		737,777,947	691,799,963
	-Through own contributions		95,565,320	19,442,659
			833,343,267	711,242,622

20.1 CENTRAL ASIAN INSTITUTE (CAI) - GILGIT BALTISTAN

Salaries and benefits	20.1.2	185,696,962	158,493,312
School supplies		2,986,333	20,278,201
Rent		8,709,096	10,608,508
Events and workshops		3,672,623	6,835,828
Travelling and fuel charges		6,929,158	6,481,818
Vocational and training		5,496,177	4,201,370
Office supplies		1,168,379	3,493,353
Utilities		1,739,101	2,075,609
Teachers training		2,731,342	1,972,910
Scholarships		1,674,840	1,800,000
Fee and subscription		196,054	1,652,444
Printing and stationery		4,787,521	1,470,122
Advocacy and branding		389,220	1,033,449
Boarding and lodging		406,505	885,443
Health and hygiene program		85,000	878,000
Auditor's remuneration	20.1.1	500,000	600,000
Schools' repair and maintenance		6,611,340	432,335
Entertainment and refreshment		224,130	400,518
Repair and maintenance		298,620	361,490
Postage and courier		19,140	63,166
Bank charges		19,665	23,196
Flood relief		1,900,500	-
Taleemabad project		-	704,000
		236,241,706	224,745,072

20.1.1 Auditor's remuneration

Statutory audit fee		800,000	550,000
Charged to OGDCL	20.9	(300,000)	-
Out of pocket expenses		-	50,000
		500,000	600,000

20.1.2 This include Rs. 6,100,696 (2025: Rs. 4,547,215) in respect of Foundation contribution toward employee benefits.

20.2	STITCHING INTERNATIONAL HUMANITARIAN HULPORGANISATIE NEDERLAND - IHHNL	Note	2026 Rupees	2025 Rupees
	Water pumps project		**33,921,220**	71,322,500
	Qurbani project		**57,081,315**	53,004,450
	Food distribution		**17,561,874**	17,869,572
	Surgery support		**7,355,000**	9,501,000
	School support material		**1,463,500**	-
	Orphan support		**2,349,000**	4,284,700
	Winter programme		**2,918,000**	2,719,000
	Water tank project		**1,725,975**	-
	Iftar dinner		**1,476,000**	1,284,000
	Financial support		**1,445,860**	-
	Travelling and fuel charges		**-**	198,500
	Meeting and refreshment		**-**	147,059
			127,297,744	160,330,781

20.3	SINDH EDUCATION FOUNDATION - SEF			
	Salaries and benefits	**20.3.1**	**56,883,333**	49,189,130
	School supplies		**3,035,683**	17,175,692
	Schools' repair and maintenance		**3,265,241**	8,335,103
	Rent		**3,869,250**	3,780,000
	Travelling and fuel charges		**2,236,767**	2,289,650
	Teachers training and refreshers		**56,000**	949,568
	Printing and stationery		**941,214**	810,449
	Office supplies		**872,452**	629,425
	Securities		**650,000**	490,000
	Examination fee-Students		**84,400**	453,130
	Events training and workshops		**801,043**	368,602
	Fee and subscription		**112,100**	340,000
	Utilities		**352,498**	211,375
	Bank charges		**116,156**	66,040
	Meeting and refreshment		**250,673**	63,387
	Postage and courier		**56,390**	22,975
	Scholarships		**196,975**	-
	Taleemabad Project		**-**	3,100,000
	Boarding and lodging		**-**	213,464
			73,780,175	88,487,990

20.3.1 This include Rs. 750,682 (2025: Rs. 808,582) in respect of Foundation contribution toward employee benefits fund.

20.4	PUNJAB EDUCATION FOUNDATION - PEF	Note	2026 Rupees	2025 Rupees
	Salaries and benefits	**20.4.2**	**110,955,808**	65,356,862
	School supplies		**5,282,149**	10,530,118
	Travelling and fuel charges		**2,073,617**	3,116,829
	Utilities		**4,915,152**	2,400,573
	Office supplies		**699,557**	1,528,644
	Teachers training and refreshers		**508,985**	1,002,659
	Events training and workshops		**619,553**	194,890

		Note	2026 Rupees	2025 Rupees
	Plantation drive		211,500	-
	Printing and stationery		1,961,439	878,886
	Rent		693,857	774,332
	Schools' repair and maintenance		24,755,325	688,692
	Advocacy and branding		30,000	193,100
	Meeting and refreshment		152,104	96,215
	Bank charges		9,490	29,876
	Postage and courier		22,860	5,677
	Scholarships		228,950	-
	Taleemabad Project		1,023,000	-
	ECO friendly room		1,211,250	-
	Fee and subscription		-	291,500
		20.4.1	155,354,596	87,088,853

20.4.1 This represents expenses incurred from grants received from following donors:

- Punjab Education Foundation	149,590,861	87,088,853
- Mumtaz Hashmi Foundation	5,763,735	-
	155,354,596	87,088,853

20.4.2 This include Rs. 975,000 (2025: Rs. Nil) in respect of Foundation contribution toward employee benefits fund.

20.5 ICARE FOUNDATION	Note	2026 Rupees	2025 Rupees
Salaries and benefits	20.5.3	36,303,553	34,981,738
School's repair and maintenance		2,460,837	5,736,888
Scholarships		1,983,600	1,222,300
School supplies		2,281,341	6,580,798
Special event		383,200	243,000
VTI Supplies		459,362	839,440
Drinking water project		1,224,638	-
Travelling and fuel charges		1,217,046	399,913
Teachers training and refreshers		1,395,300	1,572,662
Events training and workshops		828,460	265,780
Entertainment and refreshment		306,220	157,050
Utilities		534,584	169,480
Fee and subscription		100,000	21,047
Bank charges		214,592	44,158
Office supplies		169,730	173,605
Printing and stationery		178,812	45,850
Teachers and students conveyance		626,000	1,376,000
Advocacy and branding		48,100	-
Boarding and lodging		35,380	-
Examination fee-Students		-	21,350
Taleemabad project		-	72,700
Rent		-	35,000
Postage and communication		-	5,180
	20.5.1&20.5.2	50,750,755	53,963,939

		2026	2025
20.5.1	This includes expenses related to following locations:	Rupees	Rupees
	Sheikhupura	**33,313,818**	32,569,641
	Pind Dadan Khan	**1,798,762**	4,737,449
	Miran Shah	**537,017**	2,227,798
	Others	**15,101,158**	14,429,051
		50,750,755	53,963,939
20.5.2	This represents expenses incurred from grants received from following donors:		
	- Icare Foundation	**31,739,592**	53,963,939
	- SJ Hussnain	**19,011,163**	-
		50,750,755	53,963,939

20.5.3 This include Rs. 810,230 (2025: Rs. 848,999) in respect of Foundation contribution toward employee benefits fund.

20.6	EARLY CHILDHOOD CARE AND EDUCATION CENTRES - GILGIT BALTISTAN	2026 Rupees	2025 Rupees
	Schools' repair and maintenance	**13,104,100**	12,700,000
	School supplies	**14,466,161**	-
	Furniture and fixtures	**1,200,000**	4,900,000
	Events training and workshops	**2,762,619**	4,420,750
	Travelling and fuel charges	**854,636**	1,578,025
	Caprets and underlay	**1,392,400**	1,300,000
	Salaries and benefits	**1,591,941**	50,000
	Printing and stationery	**774,520**	-
	Office supplies	**156,165**	-
	Advocacy and branding	**-**	20,000
		36,302,542	24,968,775

20.7	MOAWIN FOUNDATION - UK		
	Schools' repair and maintenance	**28,065**	12,711,000
	Events and workshops	**156,412**	423,562
	ECO friendly room	**4,167,388**	-
	Teachers training	**56,218**	187,968
	School supplies	**15,958**	42,150
	Travelling and fuel charges	**91,890**	37,600
	Plantation drive	**-**	160,000
	Printing and stationery	**-**	77,600
	Bank charges	**-**	429
		4,515,931	13,640,309

20.7.1 This amount is incurred against operations and educational expenses of various schools located in Islamabad Capital Territory.

20.8	BENEVITY	2026 Rupees	2025 Rupees
	Salaries and benefits	**5,295,636**	5,640,426
	Scholarships	**2,721,240**	2,420,743
	Educational support	**325,914**	-
	Bank charges	**116,153**	10,540
	VTI supplies	**60,000**	3,581,600
	Travelling and fuel charges	**10,350**	95,183
	Rent	**94,500**	81,810

		Note	2026 Rupees	2025 Rupees
	Vocational and training		-	342,000
	School supplies		-	172,820
	Utilities		-	68,710
	Fee and subscription		-	54,350
	Teachers training and refreshers		-	21,622
	Office supplies		-	10,700
	Schools' repair and maintenance		-	6,900
	Printing and stationery		-	1,740
			8,623,793	12,509,144

20.9 OIL AND GAS DEVELOPMENT COMPANY LIMITED - OGDCL

	Salaries and benefits	20.9.1	12,730,244	6,697,926
	School supplies		9,194,027	101,090
	Schools' repair and maintenance		5,983,516	2,014,380
	Auditor's remuneration		300,000	-
	Teachers training and refreshers		394,615	275,212
	Rent		1,627,418	707,480
	Travelling and fuel charges		584,925	559,765
	Honour shops		18,000	-
	Office supplies		218,705	26,514
	Utilities		28,456	13,592
	Printing and stationery		66,315	43,470
	Postage and courier		22,510	12,935
	Bank charges		688	2,664
			31,169,419	10,455,028

20.9.1 This include Rs. 280,699 (2025: Rs. Nil) in respect of Foundation contribution toward employee benefits fund.

20.10 ZAKAT	2026 Rupees	2025 Rupees
Teacher salaries - PEF	15,276,540	-
Drinking water project	5,740,486	-
Schools' repair and maintenance	5,613,725	-
Schools' construction	2,600,000	-
Flood relief	4,386,555	655,000
Winter program	1,000,000	2,901,500
Financial support	985,000	-
Medical support program	768,651	1,132,670
Scholarships	636,686	228,076
Food distribution	471,750	846,840
Community support	361,500	-
Bank charges	2,320	242
School supplies	51,208	2,720,277
Youth internship program	-	445,000
Examination fee-Students	-	118,043
Printing and stationery	-	47,040
	37,894,421	9,094,688

20.11 IHNNL - PROGRAM SUPPORT	Note	2026 Rupees	2025 Rupees
Salaries and benefits	20.11.1	9,503,041	-
Community Support		1,488,991	-
Advocacy and branding		3,551,853	-
Fee and subscription		1,899,737	-
Events training and workshops		1,133,933	-
Travelling and fuel charges		2,305,959	-
Meeting and refreshment		208,354	-
Office supplies		662,470	-
School supplies		2,313,952	-
Rates and taxes		643,219	-
Educational support program		25,400	-
Bank charges		77,690	-
Miscellaneous		35,516	-
Printing and stationery		298,400	-
Utilities		137,697	-
		24,286,212	-

20.11.1 This include Rs. 369,193 (2025: Rs. Nil) in respect of Foundation contribution toward employee benefits fund.

21 ADMINISTRATIVE EXPENSES	Note	2026 Rupees	2025 Rupees
Salaries and benefits		1,905,944	5,811,209
Depreciation	5	9,835,989	4,314,379
Fee and subscription		376,075	1,191,484
Events training and workshops		63,913	889,204
Meeting and refreshment		316,374	855,646
Office supplies		381,013	-
Bank charges		40,703	26,866
VTI supplies		60,000	-
Postage and courier		17,130	-
Printing and stationery		279,592	-
Auditor's remuneration		90,000	-
Flood relief		1,323,130	-
Golf tournament		-	1,464,970
Advocacy and branding		-	1,045,416
Travelling and fuel charges		-	564,387
Boarding and lodging		-	144,660
Rent		-	33,600
		14,689,863	16,341,820

22 FINANCE COST			
Markup on lease liability	15	1,179,049	328,333

23 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS

No remuneration was paid to the directors of the Foundation during the year.

	Directors		Chief Executive Officer		Executives	
	2026	2025	**2026**	2025	**2026**	2025
	----------Rupees----------					
Remuneration	-	-	**10,790,208**	8,969,875	**66,924,160**	36,747,482
Contribution Plan	-	-	**1,079,021**	996,653	**5,042,256**	4,083,054
Number of persons	7	7	1	1	23	17

24 FINANCIAL RISK MANAGEMENT

The Foundation has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

This note presents information about the Foundation's exposure to each of the above risks, the Foundation's objectives, policies and processes for measuring and managing risk and the Foundation's management of funds. Further quantitative disclosures are included throughout these financial statements.

The Management has overall responsibility for the establishment and oversight of the Foundation's risk management framework and policies.

The Foundation's risk management policies are established to identify and analyze the risks faced by the Foundation, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Foundation's activities. The Foundation through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the MF's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the MF.

24.1 Credit risk

Credit risk is the risk of financial loss to the Foundation if a counterparty to a financial instrument fails to meet its contractual obligations. The Foundation is also exposed to credit risk from its operating and short term investing activities. The Foundation's credit risk exposures are categorized under the following headings:

24.1.1 Counterparties

The Foundation conducts transactions with the following major types of counterparties:

Donor institutions/ companies

The Foundation where required establishes an allowance for impairment that represents its estimate of losses in respect of receivables from donors. This allowance is based on the management's assessment of a specific loss component that relates to individually significant exposures.

Deposits

The Foundation exposure to credit risk from deposits is limited as it is extended to the deposit that pertains to landlords of office buildings. Given the nature of balances and relationship with counterparties, management does not expect any counterparty to fail to meet its obligations.

Security deposits given to various institutions/ persons and are generally refundable on termination of relevant services/arrangements.

Bank balances and short term investments

The Foundation limits its exposure to credit risk by maintaining bank accounts and term deposit receipts only with counterparties that have high credit ratings and therefore management does not expect any counterparty to fail to meet its obligations.

24.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2026	2025
		---------- Rupees ----------	
Security deposits	7	**650,000**	7,550,000
Other receivable	8	**4,986,028**	924,918
Short term investment	9	**28,686,167**	20,420,695
Bank balances	10	**175,673,943**	127,544,433
		209,996,138	156,440,046

24.1.3 Short term investment

The foundation holds short term investments with the Banks which are rated A1+ (short term rating) as per JCR-VIS and PACRA rating.

Impairment on short term investments has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Foundation considers that its short term investments have low credit risk based on external credit rating of the counterparties. The credit rating of the counterparties are as follows.

	Long term rating	Short term rating	2026 Rupees	2025 Rupees
Bank Al Habib Limited	AAA	A1+	**28,686,167**	20,420,695

24.1.4 Bank balances

The Foundation holds cash at various banks. which are rated A1+ (short term rating) as per JCR-VIS and PACRA rating.

Impairment on cash at bank has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Foundation considers that its cash at bank have low credit risk based on external credit rating of the counterparties. The credit ratings of the banks as per JCR-VIS and PACRA are as follows.

	Long term rating	Short term rating	2026 Rupees	2025 Rupees
Bank Al Habib Limited	AAA	A1+	**98,687,430**	54,731,440
Bank of Punjab	AAA	A1+	**8,257,943**	9,897,390
Meezan Bank	AAA	A1+	**31,650,005**	25,277,852
Abhi Micro Finance Bank	AA+	A1+	**574,897**	-
Sindh Bank Limited	AA	A1+	**35,024,700**	36,090,527
Telenor Microfinance	AA-	A1	**929,370**	857,487
Mobilink Microfinance Bank	A	A1	**549,598**	689,737
			175,673,943	127,544,433

24.2 Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Six months or less	Six to twelve months
	---------- Rupees ----------		
2026			
Accrued and other payables	**1,524,194**	**800,000**	**724,194**
2025			
Accrued and other payables	3,221,447	1,227,058	1,994,389

The maturity analysis of lease liability is reflected in note 15.

24.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, mark up rates and equity prices will affect the Foundation's income or the value of its holdings of financial instruments. The Foundation is not exposed to currency and mark up rate risk.

24.4 Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and cash in foreign currency bank account. Foundation is not exposed to foreign currency risk as there is no transactions and balances in foreign currency. Donations from outside the country are directly received in Pak Rupee accounts of the Foundation.

24.5 Mark up rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

Fair value sensitivity analysis for fixed rate instruments

Foundation does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not effect statement of income and expenditure except mark-up on bank balances in saving accounts and on term deposit receipts.

25 FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	2026		2025	
	Carrying value	Fair value	Carrying value	Fair value
	----------Rupees----------			
Assets carried at amortized cost				
Investments	**28,686,167**	**28,686,167**	20,420,695	20,420,695
Security deposits	**650,000**	**650,000**	7,550,000	7,550,000
Cash and bank balances	**178,122,695**	**178,122,695**	129,924,439	129,924,439
Advances and other receivable	**4,986,028**	**4,986,028**	924,918	924,918
	212,444,890	**212,444,890**	158,820,052	158,820,052

	2026		2025	
	Carrying value	Fair value	Carrying value	Fair value
	----------Rupees----------			
Liabilities carried at amortized cost				
Lease liability	**7,892,316**	**7,892,316**	14,273,267	14,273,267
Accrued and other payables	**1,524,194**	**1,524,194**	3,221,447	3,221,447
	9,416,510	**9,416,510**	17,494,714	17,494,714

26 FUND MANAGEMENT

Foundation's objective when managing fund is to safe guard Foundation's ability to continue as a going concern so that it can achieve its objectives, provide benefits to other stakeholders and to maintain a strong fund base to support the sustained development of its activities in line with its objects.

27 NUMBER OF EMPLOYEES

	2026	2025
	--------Numbers--------	
Permanent staff		
Number of employees at year end	**122**	92
Average number of employees	**107**	84
Project staff		
Number of employees at year end	**1349**	1073
Average number of employees	**1211**	949

28 TRANSACTION WITH RELATED PARTIES

Related parties comprise of members and directors of the Foundation including their close family members. Remuneration to key management personnel is disclosed in note 23. Transactions with related parties during the year, not disclosed in respective notes, are as under:

Name of Related Party	Relationship	Transaction during the year and year end balances	2026 Rupees	2025 Rupees
Mr. Asif Sandila	Chairman of the Board	Donation & Endowment received	**2,530,000**	600,971
Mr. Muhammad Musaddiq	Director	Donation & Zakat received	**35,547,472**	25,204,854
Mr. Foad Amin Baig	Chief Executive Officer	Zakat received	**220,000**	114,000
Mr. Shahid Iqbal	Director	Donation received	**100,000**	-
Mr. Hasan Sandila	Family Member-Chairman of the Board	Donation received	-	300,000

29 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in it's meeting held on September 30, 2026.

30 GENERAL

Corresponding figures have been re-arranged and re-classified, where necessary, for the purpose of better presentation and comparison.

CHIEF EXECUTIVE

DIRECTOR