

ABDULLAH FOUNDATION
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2025

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ABDULLAH FOUNDATION**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Abdullah Foundation** (the Foundation), which comprise the statement of financial position as at June 30, 2025, and the statement of income and expenditure, the statement of changes in accumulated surplus, the statement of cash flows, for the year then ended, and notes to the financial statements comprising 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 changes in accumulated surplus 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, 2025 and of the surplus, the changes in accumulated surplus 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 Auditors' 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises of the Directors' Report (but does not include the financial statements and our auditors' report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

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- 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) proper books of account have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of changes in accumulated surplus and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Raheel Ahmed.


SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Date: October 7, 2025
UDIN :AR202510105pRJskQ017

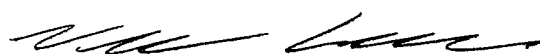
**ABDULLAH FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
CURRENT ASSETS			
Short term investments	5	16,206,000	628,870,000
Accrued mark-up	6	4,192,566	38,156,350
Taxation - net		7,251,655	6,327,943
Bank balances	7	696,661,982	30,274,639
TOTAL ASSETS		724,312,203	703,628,932
CURRENT LIABILITY			
Accrued expenses	8	489,030	158,848
Contingencies and commitments	9		
NET ASSETS		723,823,173	703,470,084
REPRESENTED BY			
General Fund		205,563,959	181,861,708
Endowment Fund		518,259,214	521,608,376
		723,823,173	703,470,084

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director

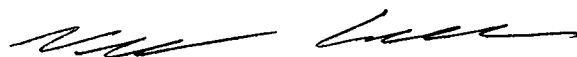
**ABDULLAH FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
Income			
Donations received	10	64,804,231	12,944,900
Mark-up / profit on investments	11	105,570,832	133,280,886
Unrealised gain on remeasurement of investment at fair value through profit or loss		6,336,000	1,662,000
Dividend		1,260,000	1,200,000
Gain on disposal / redemption of short term investments		-	147,691
		177,971,063	149,235,477
Expenses			
Donations paid	12	154,852,413	102,981,370
Fee and subscription		1,253,491	41,320
Legal and professional		1,201,300	60,000
Audit and certification fee		106,685	66,630
Others		15,085	7,478
		157,428,974	103,156,798
Net surplus before taxation		20,542,089	46,078,679
Taxation	13	(189,000)	(518,721)
Net surplus after taxation		20,353,089	45,559,958
Attributable to:			
General Fund		23,702,251	12,583,916
Endowment Fund		(3,349,162)	32,976,042
		20,353,089	45,559,958

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director

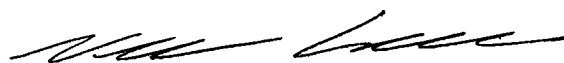
**ABDULLAH FOUNDATION
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	General Fund Rupees	Endowment Fund Rupees	Total Fund Rupees
Balance as at June 30, 2023		179,277,792	453,777,934	633,055,726
<u>Total comprehensive income for the year ended June 30, 2024</u>				
Net surplus for the year		12,583,916	32,976,042	45,559,958
Transferred to Endowment Fund	1.2	(10,000,000)	10,000,000	-
Addition to Endowment Fund	10.2.1	-	24,854,400	24,854,400
Balance as at June 30, 2024		181,861,708	521,608,376	703,470,084
<u>Total comprehensive income for the year ended June 30, 2025</u>				
Net surplus / (deficit) for the year		23,702,251	(3,349,162)	20,353,089
Balance as at June 30, 2025		205,563,959	518,259,214	723,823,173

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director

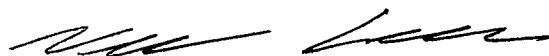
**ABDULLAH FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year		20,542,089	46,078,679
Adjustments for non-cash and other items:			
Mark-up / profit on investments		(105,570,832)	(133,280,886)
Unrealised gain on remeasurement of investment at fair value through profit or loss		(6,336,000)	(1,662,000)
Gain on disposal / redemption of short term investments		-	(147,691)
Increase in current liability - accrued expenses		330,182	14,797
		<hr/>	<hr/>
Cash used in operations		(91,034,561)	(88,997,101)
Interest received		139,534,616	100,241,762
Income taxes paid		(1,112,712)	(1,133,979)
		<hr/>	<hr/>
Net cash generated from operating activities		47,387,343	10,110,682
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to Endowment Fund		-	24,854,400
Proceeds from sale of investment in Dolmen City REIT		-	13,225,771
Investments in treasury bills - net		-	178,445,360
		<hr/>	<hr/>
Net cash generated from investing activities		-	216,525,531
		<hr/>	<hr/>
Net increase in cash and cash equivalent		47,387,343	226,636,213
Cash and cash equivalents at beginning of the year		649,274,639	422,638,426
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	14	696,661,982	649,274,639
		<hr/> <hr/>	<hr/> <hr/>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director

**ABDULLAH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 CORPORATE AND GENERAL INFORMATION

- 1.1** Abdullah Foundation (the Foundation) was incorporated in Pakistan on November 20, 2003 under section 42 of the repealed Companies Ordinance, 1984, (now Companies Act, 2017) as a Foundation limited by guarantee not having share capital.

The purpose of the Foundation is to setup, manage, and administer schools, colleges, universities, institutions for learning, practical training and for imparting of knowledge and to engage in social and welfare activities like making donations and providing assistance to welfare institutions and public at large.

The registered office of the Foundation is situated at suite # 312, Cotton Exchange Building, I.I Chundrigar Road, Karachi, in the Province of Sindh.

1.2 Educational Endowment Fund for Scholarships

The Board of Directors had approved creation of "Abdullah Foundation Educational Endowment Fund for Scholarships" with effect from June 20, 2023 from an initial allocation of Rs.451.781 million. The Fund is restricted for the object of providing monies to the educational institutions or as may be decided by the Board from time to time for providing scholarships to the students to meet their educational fees and related expenses. Any amounts credited to the Fund or earned by it shall be restricted for use by the Fund only for above mentioned object and shall not be available for utilisation by the Foundation for any other purpose.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Accounting Standards for Not for Profit Organizations (Accounting Standards for NPOs) issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Foundation's functional and presentation currency.

3 NEW AND AMENDED STANDARDS AND INTREPRETATIONS

3.1 Standards, amendments to approved accounting standards effective in the current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2024:

Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2024. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of these amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2024 are considered not to be relevant or to have any significant effect on the Foundation's financial reporting and operations.

3.2 Standards, amendments and interpretations to the approved accounting standards that are not yet effective and have not been early adopted by the Foundation

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2024 and have not been early adopted by the Foundation:

- (a) New standard IFRS 18 'Presentation and Disclosure in financial statements' is applicable on accounting periods beginning on or after January 1, 2027. The standard focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.
- (b) Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments is applicable on accounting periods beginning on or after January 1, 2026. The amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Foundation and, therefore, have not been presented here.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise stated.

4.1 Property

It is initially stated at cost less any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the financial year in which they are incurred.

4.2 Accrued and other liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed to the Foundation or not.

4.3 Financial instruments

4.3.1 Financial assets

a) Classification

The Institute classifies its financial instruments in the following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

(i) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold 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) Financial assets at fair value through other comprehensive income

Debt instruments where contractual cash flows are solely payments of principal and interest and the objective of the Foundation is achieved by both collecting cash flows and selling the financial assets.

Equity investment that are not held for trading and the Foundation made an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in profit or loss.

(iii) Financial assets at fair value through profit or loss

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Foundation has elected to present value changes in other comprehensive income.

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership.

After initial recognition, financial assets are measured at fair value or amortised cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'other income / other operating expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of 'other income' when the Foundation's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in profit or loss.

The Foundation assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. Impairment testing of other receivables is described in note 4.7.

4.3.2 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognised in the statement of profit or loss.

4.4 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount reported in the statement of financial position, if the Foundation has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.5 Derecognition

Investments are de-recognized when the rights to receive cash flows from the investments have been expired or transferred and the Foundation has transferred substantially all risks and rewards of ownership.

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of balances with banks.

4.7 Impairment

An assessment is made at each reporting date to determine whether there is any indication of impairment or reversal of previous impairment on assets, including items of long term investment. In the event that an asset's carrying value amount exceeds its recoverable amount, carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income and expenditure account. A previously recognized impairment loss is reversed on if there has been change in the estimate used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset to prior year. Reversal of impairment loss is restricted to the original cost of the asset.

4.8 Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of past events, 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 obligation.

4.9 Use of estimates and judgments

The preparation of these financial statements is in conformity with approved accounting standards which requires management to make estimates, assumptions and use judgment that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates and judgments in these financial statements relate to the classification of investments and impairment of assets. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4.10 Taxation**Current**

Income tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any. The Foundation has dividend income which is subject to taxation under Final Tax Regime (FTR).

4.11 Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Foundation and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably, on the following bases:

- Donations are recognized on receipt basis.
- Mark-up / profit on held to maturity investment is recorded on accrual basis using effective interest rate.
- Dividend income is recognized when the right to receive dividend is established.

5 SHORT TERM INVESTMENTS

	Note	2025 Rupees	2024 Rupees
General Fund			
At fair value through profit or loss			
Listed equity security	5.1	16,206,000	9,870,000
At amortized cost			
Term deposit receipts		-	139,000,000
Endowment Fund			
At amortized cost			
Term deposit receipts		-	480,000,000
		16,206,000	628,870,000

	2025	2024	2025	2024
	Number of shares		Rupees	Rupees
5.1 Listed equity security				
Dolmen City REIT	600,000	600,000	16,206,000	9,870,000
5.1.1	Dolmen City REIT has declared dividend of Rs.0.5 for the year ended June 30, 2024, Rs.0.5, Rs.0.55 and Rs.0.55 per unit for every quarter ended Sep 30, 2024, December 31, 2024 and March 31, 2025 respectively. At June 30, 2025, it has a market value of Rs.27.01 (2024: Rs.16.45) per share.			
6 ACCRUED MARK-UP			2025	2024
			Rupees	Rupees
General Fund - accrued profit on;				
Saving account			4,192,566	350,000
Term deposit receipts			-	2,287,720
Endowment Fund - accrued profit on;				
Term deposit receipts			-	35,518,630
			4,192,566	38,156,350
7 BANK BALANCES				
General Fund				
Saving account			180,304,560	25,162,973
Endowment Fund				
Saving account			514,860,001	60,877
Current account			1,497,421	5,050,789
			696,661,982	30,274,639
7.1	This carries markup up to 19.0% per annum (2024: 20.5%).			
8 ACCRUED EXPENSES				
Accrued liabilities			389,030	119,033
Audit fee			100,000	39,815
			489,030	158,848
9 CONTINGENCIES AND COMMITMENTS				
9.1	In respect of Tax Year 2022, the Additional Commissioner Inland Revenue (ACIR), through an order dated December 30, 2023 under section 122(5A) of the Income Tax Ordinance, 2001, created a demand of Rs. 15.733 million on account of an alleged breach of the prescribed limit of surplus funds. The Foundation preferred an appeal before the Commissioner Inland Revenue (Appeals), which was dismissed vide order dated April 17, 2024. Thereafter, the Foundation filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on April 24, 2024, along with an application for stay. The stay was granted from time to time, the case has been heard, and decision has been reserved. The matter is currently pending adjudication.			
9.2	In respect of tax year 2019, the Assistant Commissioner Inland Revenue, through an order dated October 25, 2024 under section 122(5A) of the Income Tax Ordinance, 2001, created a demand of Rs.4.694 million by disallowing tax credit under section 100C; the appeal filed by the Foundation was dismissed by the Commissioner Inland Revenue (Appeals) vide order dated February 7, 2025, and subsequently a reference was filed before the Honourable High Court of Sindh on March 6, 2025, where the matter is pending adjudication and recovery has been stayed, and based on legal advice management believes that no provision is required in these financial statements.			

10 DONATIONS RECEIVED - RELATED PARTIES

	2025 Rupees	2024 Rupees
10.1 General Fund		
Sapphire Retail (Private) Limited	6,500,000	12,944,900
Sapphire Textile Mills Limited	34,000,000	-
Sapphire Fibres Limited	4,304,231	-
Reliance Cotton Spinning Mills Limited	20,000,000	-
	<u>64,804,231</u>	<u>12,944,900</u>

10.2 Endowment Fund

This represent contribution received from donor with the stipulation of principal amount to be kept intact while income earned on related investment could be used for specific purpose as per arrangement with the donor. Income on endowment is mainly recognized in statement of income and expenditure, However, in some cases, as per donor requirements, income may be cumulated as part of the endowment balance.

10.2.1 Addition in Endowment Fund through Statement of Changes in Accumulated Surplus

	Note	2025 Rupees	2024 Rupees
Sapphire Retail (Private) Limited		-	24,854,400

11 MARK-UP / PROFIT ON INVESTMENTS**General Fund:**

Profit on saving accounts	11.1	10,772,635	5,132,210
Profit on term deposit receipts	11.2	14,870,177	27,977,007
		<u>25,642,812</u>	<u>33,109,217</u>

Endowment Fund:

Profit on saving account	11.1	27,532,678	37,362,218
Profit on treasury bills	11.3	-	17,004,794
Profit on term deposit receipts	11.2	52,395,342	45,804,657
		<u>79,928,020</u>	<u>100,171,669</u>
		<u>105,570,832</u>	<u>133,280,886</u>

11.1 This represents markup up to 19.5% per annum (2024: 20.5% per annum).

11.2 These carry markup having ranging from 19.00% to 21.00% (2024: 19.00% to 21.00%).

11.3 These carry yield ranging from Nil (2024: 21.50% to 22.70%).

12 DONATIONS PAID	2025 Rupees	2024 Rupees
Akhuwat University	-	5,000,000
Asheri Tech	1,500,000	-
Bait ul Sukoon Trust	2,000,000	2,000,000
Balochistan University of Information Technology, Engineering and Management Sciences	4,458,900	-
Chiniot Anjuman Islamia	2,700,000	1,000,000
Chiniot General Hospital	-	1,500,000
Chiniot Shaikh Society	1,000,000	1,000,000
Comsats University Islamabad	1,116,000	1,270,750
Dawood Global Foundation	2,000,000	-
FAST Chiniot	2,040,000	-
Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	4,274,000	-
H.M.B. Trust	500,000	500,000
Habib University Foundation	30,000,000	26,500,000
Indus Valley School of Art and Architecture	8,593,300	7,883,280
Institute of Business Administration	1,904,000	6,290,400
Knowledge Advancement Pathway Foundation	14,000,000	-
Lahore University of Management Sciences	8,400,000	5,600,000
Namal University Mianwali	9,600,000	2,850,000
National University of Sciences and Technology	7,708,000	12,000,000
Orange Tree Foundation	4,761,882	4,999,040
Panah Trust	1,000,000	750,000
Patients' Aid Foundation	1,000,000	-
Shalamar Hospital	3,000,000	2,250,000
Shaukat Khanum Hospital Karachi	2,500,000	-
Sindh Institute of Urology & Transplantation	1,500,000	1,000,000
Sponsoring a Squash Player	-	444,900
Teach The World	4,304,231	-
Textile Institute of Pakistan	1,492,100	752,000
The Aga Khan University Foundation	2,500,000	2,500,000
The Citizens Foundation	-	4,500,000
The Hunar Foundation	26,500,000	12,391,000
The Layton Rahmatullah Benevolent Trust	2,000,000	-
The Patient Behbud Society	2,500,000	-
	154,852,413	102,981,370

- 12.1 Mr. Nadeem Abdullah, Director of the Foundation is also a member of Board of Directors of the Hunar Foundation. No other director or their spouse had any interest in the donees' fund.

13 TAXATION

It represents the tax on dividend. The tax credit available under section 100C of Income Tax Ordinance, 2001 (ITO) is applicable on donation received and profit on debt. Dividend income, however is taxable under the Ordinance @ 15%. No provision is required under section 100C(5) of the ITO as the amount of surplus is less than 25% of the total receipts (income after deduction of accrued mark-up) as defined under section 100C(6) of the ITO.

14 CASH AND CASH EQUIVALENTS

	Note	2025 Rupees	2024 Rupees
Bank balances	7	696,661,982	30,274,639
Term deposit receipts		-	619,000,000
		<u>696,661,982</u>	<u>649,274,639</u>

15 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

At amortised cost

Term deposit receipts	-	619,000,000
Accrued mark-up	4,192,566	38,156,350
Bank balances	696,661,982	30,274,639

At fair value through profit or loss

Short term investments	16,206,000	9,870,000
	<u>717,060,548</u>	<u>697,300,989</u>

Financial liabilities measured at amortized cost

Accrued expenses	<u>489,030</u>	<u>158,848</u>
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16 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, directors, companies with common directorship and key management personnel. The Foundation in the normal course carries out transactions with various related parties. Significant transactions with related parties are as follows:

Relationship with the Foundation	Nature of transaction	2025 Rupees	2024 Rupees
Associated companies	Donations received	<u>64,804,231</u>	<u>37,799,300</u>

17 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

No remuneration has been paid or is payable by the Foundation on account of remuneration of Chief executive officer, directors and executives for the year.

18 NUMBER OF EMPLOYEES

There is no person in the employment of the Foundation. The affairs of the Foundation are managed through the associated company.

19 GENERAL

Figures in the financial statements have been rounded off to the nearest rupee.

20 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 30, 2025 by the Board of Directors of the Foundation.



Chief Executive Officer



Director