

FATIMID FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024

A.F. FERGUSON & Co.
Chartered Accountants
a member firm of the PwC network



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**Opinion**

We have audited the financial statements of the Fatimid Foundation (the Foundation), which comprise the statement of financial position as at June 30, 2024 and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in the accumulated funds, and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

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

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the management either intends to liquidate the Foundation or to cease operations or has no realistic alternative but to do so.

Those charged with governance i.e. The Trustees of the Foundation are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the those charged with governance 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.



A.F. Ferguson & Co.
Chartered Accountants
Karachi
Date: April 7, 2025
UDIN: AR2024100566qFWM4fcb

Engagement Partner: Osama Moon

**FATIMID FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	June 30, 2024	June 30, 2023		
		Rupees			
ASSETS					
Non-current assets					
Property and equipment	6	221,019,305	199,260,489		
Investment property	7	-	3,748,104		
Long-term investment - Endowment fund	9	12,793,500	7,593,000		
		233,812,805	210,601,593		
Current assets					
Stocks	10	31,852,221	30,493,008		
Advances, deposits and prepayments	11	8,137,026	5,281,321		
Other receivables and accrued income	12	82,415,510	13,733,803		
Short-term investments - General fund	13	305,000,000	140,000,000		
Short-term investments - Endowment fund	14	6,500,000	6,500,000		
Cash and bank balances	15	227,004,530	356,094,914		
		660,909,287	552,103,046		
Non-current asset held for sale	8	3,654,401	-		
		664,563,688	552,103,046		
Total assets		898,376,493	762,704,639		
ACCUMULATED FUNDS AND LIABILITIES					
Accumulated funds					
General fund		545,629,569	551,589,856		
Endowment fund - externally restricted		19,293,500	14,093,000		
Restricted funds	16	47,240,009	2,274,771		
		612,163,078	567,957,627		
Non-current liabilities					
Deferred liability	17	64,288,658	56,416,970		
Deferred capital grants	18	61,450,009	48,141,367		
Lease liability	19	645,743	923,231		
		126,384,410	105,481,568		
Current liabilities					
Current portion of lease liability	19	290,045	238,278		
Creditors, accrued liabilities and other payables	20	159,538,960	89,027,166		
		159,829,005	89,265,444		
Total accumulated funds and liabilities		898,376,493	762,704,639		
CONTINGENCY AND COMMITMENTS					
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The annexed notes 1 to 33 form an integral part of these financial statements.

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Dominic Haidar
CHAIRMAN

Talib Tariq
TRUSTEE

Wadeed Bin Qasim
CHIEF OPERATING OFFICER

FATIMID FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	
Income	22	589,080,257	528,057,456
Expenditure	23	(592,950,691)	(537,728,546)
Deficit for the year		<u>(3,870,434)</u>	<u>(9,671,090)</u>

CENTRE-WISE NET (DEFICIT) / SURPLUS

Karachi Centre	24	36,437,662	31,832,333
Lahore Centre	24	56,944,789	27,031,428
Peshawar Centre	24	(13,058,241)	(9,122,684)
Multan Centre	24	(6,597,306)	(2,766,440)
Hyderabad Centre	24	(12,882,882)	(8,043,198)
Rashidabad Centre	24	(10,495,049)	(9,867,406)
Khairpur Centre	24	(14,639,065)	(12,331,757)
Quetta Centre	24	(19,766,528)	(18,640,545)
Larkana Centre	24	(18,395,702)	(9,006,637)
Tando Muhammad Khan Centre	24	(1,418,112)	1,243,815
Deficit for the year		<u>(3,870,434)</u>	<u>(9,671,090)</u>

The annexed notes 1 to 33 form an integral part of these financial statements.

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Tomir Haider
CHAIRMAN

Fahil Tariq
TRUSTEE

Waleed Bui Qasim
CHIEF OPERATING OFFICER

FATIMID FOUNDATION
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	
Deficit for the year		(3,870,434)	(9,671,090)
Other comprehensive income that will not be reclassified to statement of income and expenditure in subsequent periods:			
Recognition of remeasurement loss on defined benefit plan	17.3	(2,089,853)	-
Total comprehensive loss for the year		<u>(5,960,287)</u>	<u>(9,671,090)</u>

The annexed notes 1 to 33 form an integral part of these financial statements.

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Reem A. Haidar

CHAIRMAN

Jalil Tariq

TRUSTEE

Waleed Bin Qasim

CHIEF OPERATING OFFICER

FATIMID FOUNDATION
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	General fund	Endowment fund - externally restricted	Restricted funds	Total
Rupees				
Balance as at July 1, 2022	561,260,946	9,748,500	2,040,000	573,049,446
Deficit for the year	(9,671,090)	-	-	(9,671,090)
Other comprehensive loss	-	-	-	-
Total comprehensive income for the year	(9,671,090)	-	-	(9,671,090)
Receipts during the year	-	6,500,000	7,570,000	14,070,000
Payments during the year	-	-	(7,335,229)	(7,335,229)
Unrealised loss on long-term investments made from endowment fund	-	(2,155,500)	-	(2,155,500)
Balance as at June 30, 2023	551,589,856	14,093,000	2,274,771	567,957,627
Deficit for the year	(3,870,434)	-	-	(3,870,434)
Other comprehensive loss	(2,089,853)	-	-	(2,089,853)
Total comprehensive income for the year	(5,960,287)	-	-	(5,960,287)
Receipts during the year	-	-	61,490,539	61,490,539
Payments during the year	-	-	(16,525,301)	(16,525,301)
Unrealised gain on long-term investments made from endowment fund	-	5,200,500	-	5,200,500
Balance as at June 30, 2024	545,629,569	19,293,500	47,240,009	612,163,078

The annexed notes 1 to 33 form an integral part of these financial statements.

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Ram U. Haider
 CHAIRMAN

Faizal Tariq
 TRUSTEE

Waleed Bin Qasim
 CHIEF OPERATING OFFICER

**FATIMID FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

		2024	2023
	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	25	(52,558,691)	13,033,829
Funds received in relation to restricted funds	16	61,490,539	7,570,000
Expenditure from restricted funds	16	(16,525,301)	(7,335,229)
		44,965,238	234,771
Funds received in relation to endowment fund		-	6,500,000
Net (increase) / decrease in restricted cash at bank		(8,410,193)	2,156,537
Payments made in respect of compensated absences		(1,168,883)	(986,233)
Payments made in respect of gratuity		(5,933,515)	(5,287,292)
Net cash generated from operating activities		(23,106,044)	15,651,612
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure during the year - General fund	19	(25,567,401)	(44,948,612)
Rentals paid against leased asset		(475,540)	(431,422)
Proceeds from disposal of property and equipment		839,961	-
Short-term investments - General fund - net		70,000,000	10,000,000
Short-term investments made - Endowment fund		-	(6,500,000)
Dividends received		244,800	332,009
Profit on bank deposits and return on investments received		75,563,647	38,803,376
Net cash used in investing activities		120,605,467	(2,744,649)
Net increase in cash and cash equivalents		97,499,423	12,906,963
Cash and cash equivalents at beginning of the year	26	344,068,833	331,161,870
Cash and cash equivalents at end of the year	26	441,568,256	344,068,833

The annexed notes 1 to 33 form an integral part of these financial statements.

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Ram n. Hardy *Taril Tariq* *Waleed Bin Ory*
 CHAIRMAN TRUSTEE CHIEF OPERATING OFFICER

FATIMID FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. STATUS AND NATURE OF ACTIVITIES

1.1 Fatimid Foundation (the Foundation) is a not-for-profit organisation, established under the Trust Act 1882, as a charitable trust under the trust deed dated May 25, 1978 and is registered with the Sub-Registrar. The trust deed was restated as on July 10, 2015 with certain amendments. The trust deed is now registered under the Sindh Trust Act, 2020 on February 6, 2025.

1.2 The registered address of the Foundation is 393, Britto Road, Garden East, Karachi.

1.3 The Foundation is currently providing medical and social services in various cities of Pakistan including Karachi, Lahore, Peshawar, Multan, Hyderabad, Rashidabad, Khairpur, Quetta, Larkana and Tando Muhammad Khan. The Foundation through its joint venture partners operates one of the largest blood banking and hematological services which are provided free of cost to poor and needy patients across all its centers. Further, the Foundation is involved in awareness and prevention program at national level to prevent thalassemia and hemophilia blood disorders. The Foundation receives funds through donations, gifts and contributions from general public, corporations, donor agencies and grant in aid from Provincial Zakat Departments, Provincial Health Departments and the Ministry of National Health Services, Regulation & Coordination, Government of Pakistan etc.

1.4 The Foundation has signed agreements with the Government of Sindh (GoS) for managing the Regional Blood Centers (RBCs) in Shaheed Benazirabad and Karachi in December 2018 and April 2019, respectively. The Foundation has commenced operations of the RBCs in the year 2020.

1.5 Fatimid - UK (FUK) is an entity incorporated and registered as charitable organisation under the laws of the United Kingdom. The Foundation does not have any agreement with FUK. FUK is at its discretion to contribute financially and otherwise towards helping the Foundation to provide medical and social service across Pakistan.

2. BASIS OF PREPARATION

2.1 Basis of preparation

These financial statements have been prepared under the historical cost convention, unless otherwise stated.

2.2 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Foundation's functional and presentation currency. Amounts presented in these financial statements have been rounded off to the nearest Pakistan Rupees unless otherwise stated.

3. STATEMENT OF COMPLIANCE

3.1 These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan (SECP).

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3.2 Change in framework - Revised Accounting and Financial Reporting Standard for Small-Sized Entities (Revised AFRS for SSEs) to IFRS Standards

The Foundation has historically prepared its financial statements in accordance with the Revised AFRS for SSEs issued by the Institute of Chartered Accountants of Pakistan. During the year, the Foundation has decided to start preparing its financial statements based on approved accounting and reporting standards as applicable in Pakistan (note 3.1). The management has assessed that there is no material impact of adaption of revised framework on the measurement of assets, liabilities, income and expenses of the Foundation. However, certain disclosures and presentation aspects [i.e. introduction of new statement with the concept of other comprehensive income, disclosure about financial instruments (note 5.3)] have been introduced in these financial statements.

3.3 New standards and amendments to IFRS Standards that are not yet effective and not early adopted by the Foundation:

There are certain new standards and amendments that will be applicable to the Foundation for its annual periods beginning on or after July 1, 2024. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027 as per IASB. IFRS 18 and 19 will become part of the Foundation's financial reporting framework upon adoption by SECP. Moreover, the overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability and are applicable effective January 1, 2026. The Foundation's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting and reporting standards as applicable in Pakistan requires management to make judgements estimates and assumptions that affect the application of 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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. In the process of applying the Foundation's accounting policies, management has made the following estimates and judgements which are significant to these financial statements:

- a) Method of depreciation, residual values, useful lives and impairment of property and equipment (notes 5.1 & 6).
- b) Actuarial assumptions for gratuity scheme and provision thereagainst (notes 5.9 & 17).
- c) Estimation of contingent liabilities (notes 5.13 & 21).
- d) Impairment of financial assets (notes 5.3 & 29).

5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information is set out as follows:

5.1 Property and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses (if any), except capital work-in-progress which is stated at cost less accumulated impairment losses (if any).

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Depreciation is charged to assets applying the reducing balance method at the rates stated in note 6.1 to these financial statements. Full year depreciation is charged on the assets acquired during the year whereas no depreciation is charged on assets disposed of during the year.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Foundation. The carrying amount of the part so replaced is derecognised. The costs relating to day-to-day servicing and repair and maintenance of property and equipment are recognised in the statement of income and expenditure as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. The resulting gain / loss is included in the statement of income and expenditure.

Residual values are determined by the management as the amount it expects it would receive currently for an item of operating fixed assets if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

The assets' residual values, useful lives and depreciation method are reviewed at each reporting date, and adjusted, if material. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made for future periods.

The carrying values of operating fixed assets are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If such indications exist and where the carrying values exceeds the estimated recoverable amounts, the asset is written down to the recoverable amounts. The recoverable amount of operating fixed assets is the greater of fair value less cost to sell and value in use.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of operating fixed assets since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the operating fixed assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the operating fixed assets in prior years. Such reversal is recognised in the statement of income and expenditure.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any, and consists of expenditure incurred in the course of their construction and installation. Assets are transferred to operating fixed assets when they are available for use.

5.2 Investment property

Investment property is the asset that is held for long term rental yields / capital appreciation. The investment properties of the Foundation are valued using the cost method i.e. at cost less any accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs, (if any).

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Subsequent expenditures including major renewals and improvements are capitalised only when it is probable that respective future economic benefits associated with the expenditure will flow to the Foundation and the cost of the asset can be measured reliably, while maintenance and normal repairs are charged to the statement of income and expenditure, as and when incurred.

Depreciation on investment properties is charged to the statement of income and expenditure by applying the straight line method at the rates specified in note 7 to these financial statements. Depreciation on additions is charged for the full month from the month in which the asset is available for use and on deletions up to the month immediately preceding the deletion.

Investment property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Disposal of investment property is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the statement of income and expenditure in the period in which they arise. Gains or losses on disposal of investment properties, if any, are included in other income in the statement of income and expenditure.

5.3 Financial assets and liabilities

Financial assets

Financial assets are initially measured at cost, which is the fair value of the consideration given. These financial assets are subsequently remeasured to fair value or amortised cost as per the details set out below:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in the statement of income or expenditure.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised as income or expenditure. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to statement of income and expenditure, except for the investments in equity instruments as explained in the ensuing paragraphs.

(iii) Fair value through income or expenditure

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through income or expenditure using fair value option, are measured at fair value through income or expenditure. A gain or loss on debt investment that is subsequently measured at fair value through income or expenditure is recognised in the period in which it arises.

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Equity instrument financial assets are measured at fair value at and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in income or expenditure. Dividends from such investments continue to be recognised in income or expenditure when the Foundation's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to income or expenditure following the derecognition of the investment.

All purchases and sales of financial assets are recognised on the trade date which is the date on which the Foundation commits to purchase or sell the financial asset.

Financial assets are derecognized when the Foundation loses control of the contractual rights that comprise the financial asset. Assets that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Foundation.

Financial liabilities

Financial liabilities are recognised at the time when the Foundation becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through income or expenditure are initially recognised at fair value and transaction costs are expensed in the statement of income and expenditure.

Financial liabilities, other than those at fair value through income or expenditure, are subsequently measured at amortised cost using the effective yield method.

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

5.4 Off-setting of financial assets and financial liabilities

A financial asset and financial liability are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle either on a net basis or to realise the asset and to settle the liability simultaneously.

5.5 Stocks

Stocks are valued at the lower of cost or net realisable value. Cost is measured using weighted average basis and includes expenditure incurred in acquiring and bringing them to their present location and condition.

5.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cheques in hand and deposits held with banks in current and savings accounts and other short-term highly liquid investments with original maturities of three months or less. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

5.7 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell. Property and equipment once classified as held for sale are not depreciated.

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5.8 Creditors, accrued liabilities and other payables

Creditors, accrued liabilities and other payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Foundation.

5.9 Deferred liability

The Foundation operates an unfunded gratuity scheme for all its regular permanent employees.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out under the Projected Unit Credit method and are recognised in the statement of income and expenditure. Remeasurement gains / losses are recognised as other comprehensive income (OCI) and are not reclassified to income or expenditure in subsequent periods.

All past service costs are recognised at the earlier of when the amendments or curtailment occurs and when the Foundation has recognised related retirement or termination benefits. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Foundation recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in the statement of income and expenditure.

5.10 Endowment fund

Endowment fund is established by the Foundation for maintaining the funds which are restricted and income generated from that fund may be utilised for meeting regular expenses of the Foundation.

5.11 Deferred capital grants

Deferred capital grants include non current assets received by the Foundation as donation-in-kind or monetary grant received against CWIP projects from its well wishers. Assets received are transferred from deferred capital grant account, with an amount equal to the annual charge for depreciation on assets being realised from this account and recognised as 'Grant income realised against assets' in the statement of income and expenditure.

5.12 Provision for compensated absences

The Foundation accounts for the liability in respect of employees' compensated absences in which these are earned. The Foundation provides for its estimated liability towards leaves accumulated by employees on an accrual basis using current salary levels. The amount is based on the management's best estimate and based on the concept of materiality no actuarial services are obtained in this regard.

5.13 Contingent liability

A contingent liability is disclosed when the Foundation has a possible obligation that arise from past events and whose existence will be confirmed only by occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Foundation or 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.

The Foundation, based on the availability of the latest information, estimates the value of contingent liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

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5.14 Provisions

Provisions are recognised 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 of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.15 Taxation

The Foundation's income is exempt from income tax under clause 66 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the provisions of section 100C of the Income Tax Ordinance, 2001.

5.16 Operational and other income

Operational income

- (i) Donations received in cash, through cheques and in kind are recognised on receipt basis. Donations received in kind are recognised at the market value at the time of receipt, except lands which are recognised at the nominal value.
- (ii) Funds allocated by the Provincial Zakat Fund and Ministry of Health and the Provincial Governments are recorded on receipt basis.
- (iii) Consumables received as donations are accounted for at estimated market prices.
- (iv) Income from 'Sponsor a Child' is recognised on receipt basis.
- (v) Management fee earned in respect of the management of RBCs in accordance with the Concession Agreements is recognised on receipt basis.

Other income

- (i) Profit on bank deposits and return of investments are recognised on accrual basis.
- (ii) Rental income from investment property is recorded on accrual basis.

5.17 Foreign currency transactions

Foreign currency transactions are translated into Pakistan Rupees using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing on the balance sheet date. Exchange gain / loss on foreign currency translations are recognised in the statement of income and expenditure.

		2024	2023
		Note	Rupees
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	181,434,013	134,733,416
Capital work-in-progress	6.2	38,230,463	62,833,537
		219,664,476	197,566,953
Right-of-use asset	6.1	1,354,829	1,693,536
		221,019,305	199,260,489

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6.1 Operating fixed assets and right-of-use asset

Description	Freehold land (note 6.1.2)	Building (note 6.1.2)	Furniture & fixtures	Electrical equipments	Office equipments	Computers	Laboratory & medical equipments	Vehicles (note 6.1.1)	Total owned assets	Right-of-use asset (vehicle)	Total
As at July 1, 2022											
Cost	902,300	64,046,118	17,527,234	41,581,151	6,584,765	12,475,625	160,235,242	47,148,167	350,500,602	2,646,150	353,146,752
Accumulated depreciation		33,414,140	9,414,796	18,714,724	4,826,127	7,720,587	102,497,903	32,021,936	208,610,210	529,230	209,129,440
Net book value	902,300	30,633,978	8,112,438	22,866,430	1,758,638	4,755,038	57,737,339	15,126,231	141,890,392	2,116,920	144,007,312
Year ended June 30, 2023											
Additions	-	221,000	3,482,660	203,260	497,159	1,660,000	8,626,300	14,690,379	-	-	14,690,379
Depreciation charge (note 23)	-	1,531,599	833,344	3,952,364	294,285	1,575,658	8,909,600	4,750,505	21,847,355	423,384	22,270,739
Net book value as at June 30, 2023	902,300	29,100,379	7,500,094	22,396,726	1,667,613	3,676,539	50,487,739	19,002,026	134,733,416	1,693,536	136,426,952
As at June 30, 2023											
Cost	902,300	64,046,118	17,748,234	45,063,811	6,788,025	12,972,784	161,895,242	55,774,467	365,190,981	2,646,150	367,837,131
Accumulated depreciation		34,945,739	10,248,140	22,667,085	5,120,412	9,296,245	111,407,503	36,772,441	230,457,565	982,614	231,410,178
Net book value	902,300	29,100,379	7,500,094	22,396,726	1,667,613	3,676,539	50,487,739	19,002,026	134,733,416	1,693,536	136,426,952
Year ended June 30, 2024											
Additions	-	2,166,000	1,605,507	826,340	22,400	2,982,400	17,000	50,350	7,669,997	-	7,669,997
Transfers from capital work-in-progress (note 6.2)	-	62,895,302	135,544	-	365,966	-	-	-	63,386,812	-	63,386,812
Disposals	-	1,930,710	55,500	670,688	400,000	4,414,790	400,000	7,871,688	-	-	7,871,688
- Cost	-	1,216,550	38,084	469,392	-	3,636,274	372,512	6,131,623	-	-	6,131,623
- Depreciation	-	714,160	17,416	201,296	-	1,189	778,516	27,488	1,740,065	-	1,740,065
Depreciation charge (note 23)	-	4,672,376	922,373	3,453,266	306,897	1,997,324	7,458,933	3,804,978	22,616,147	338,707	22,954,854
Net book value as at June 30, 2024	902,300	88,775,145	8,301,356	19,568,504	1,739,082	4,660,426	42,267,290	15,219,910	181,434,013	1,354,829	182,788,842
As at June 30, 2024											
Cost	902,300	127,176,710	19,433,785	45,219,463	7,166,391	15,555,184	157,497,452	55,424,817	428,376,102	2,646,150	431,022,252
Accumulated depreciation	-	38,401,565	11,132,429	25,650,939	5,427,309	10,854,758	115,230,162	40,204,907	246,942,089	1,291,321	248,233,410
Net book value	902,300	88,775,145	8,301,356	19,568,504	1,739,082	4,660,426	42,267,290	15,219,910	181,434,013	1,354,829	182,788,842
Depreciation rate (%)	-	5%	10%	15%	15%	30%	15%	20%	20%	20%	20%

6.1.1 Vehicles include items recognised at nominal value which are not registered in the name of the Foundation but is in its possession and use.

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6.1.2 Following centres are operated by the Foundation, which are owned by the provincial governments:

a) Red Crescent Fatimid Foundation Blood Bank and Hematological Services Khairpur

Khairpur centre is situated at Old National Highway, near Radio Pakistan, which was established under joint venture agreement with "District Red Crescent Society Khairpur" on April 27, 2010 for the period of 30 years which is also extendable.

b) Fatimid Foundation Blood Bank Hematological Services Rashidabad

Rashidabad centre was established under joint venture agreement with "Rashid Memorial Welfare Organization" on April 10, 2010 for the period of 50 years.

c) Shaheed Benazir Bhutto Thalassemia Centre Larkana

Thalassemia Center Larkana, situated at Children Hospital Larkana, was handed over to the Foundation by the Health Department under an agreement signed on July 26, 2017 for the period of 30 years.

d) Fatimid Foundation Peshawar Centre

The Health Department of Khyber Pakhtunkhwa allotted the building of Basic Health Unit Hayatabad situated in Phase I, to Foundation on April 18, 2002. The period of allotment has expired and the management is in the process of obtaining an extension from the Health Department. The centre continues to be in the Foundation's possession and is part of its operations.

e) Shaheed Mohtarma Banazir Bhutto Thalassemia Centre Tando Muhammad Khan

Tando Muhammad Khan centre, situated at District Headquarter Hospital, was handed over to the Foundation by the Health Department to run blood transfusion services and thalassemia centre for the period of 30 years which commenced from January 22, 2019.

f) Fatimid Foundation Quetta Centre

Premises in Balochistan Institute of Nephrology & Urology Quetta (BINUQ) was handed over to the Foundation in 2015 which comprised of two blocks. One block was returned to BINUQ in 2020 as per the orders of the High Court of Balochistan and the petition to vacate the second block filed by BINUQ has been dismissed by the High Court via order dated June 13, 2024.

g) Fatimid Foundation Hematological Complex Hyderabad

The property situated at Muslim Cooperative Housing Society (Extension) Dehsari, Taluka Qasimabad, District Hyderabad was allotted through an agreement signed on October 11, 2011 with "The Hyderabad Muslim Cooperative Housing Society Limited", for 99 years. The Foundation has constructed a hematological complex on the premises and shifted the operations of Hyderabad Center in January 2024.

6.1.3 In addition to the Foundation's centre located in Garden East, Karachi, following centres are donated to the Foundation and recorded at a nominal value, details of which are as follows:

Location	Address	Covered Area (sq.meters)
Lahore Centre	72-A, Block D/II, M.A. Johar Town, Lahore	3,349
Multan Centre	J-26, T Chowk, Shah Rukn-e-Alam Colony, Multan	2,934
Dera Ismail Khan Centre	Main Daraban Road near Gomal Medical College, D.I.Khan	1,012

		Note	2024	2023
			Rupees	
6.2	Capital work-in- progress			
At the beginning of the year			62,833,537	21,529,075
Additions during the year			39,839,359	41,304,462
Transfers to operating fixed assets	6.1		(63,386,812)	-
Written off	6.2.1		(1,055,621)	-
At the end of the year			<u>38,230,463</u>	<u>62,833,537</u>

6.2.1 During the current year a boundary wall previously constructed on the plot was demolished to facilitate new construction, therefore, the said amount was written off through repairs and maintenance in these financial statements (note 23).

6.2.2 Project-wise movement of capital work-in-progress is as follows:

Particulars	Fatimid Foundation Karachi	Fatimid Foundation Multan	Hematological Complex - Hyderabad	Thalassemia Centre - Dera Ismail Khan	Total
	(Rupees)				
As at the beginning of the year	-	-	59,108,307	3,725,230	62,833,537
Additions during the year utilising:					
- General fund	700,000	3,060,000	3,684,126	15,869,932	23,314,058
- Restricted funds (notes 16.1 & 16.2)	-	-	1,650,000	14,875,301	16,525,301
Transferred to operating fixed assets	-	-	(63,386,812)	-	(63,386,812)
Written off	-	-	(1,055,621)	-	(1,055,621)
As at the end of the year	<u>700,000</u>	<u>3,060,000</u>	-	<u>34,470,463</u>	<u>38,230,463</u>

		Note	2024	2023
			Rupees	
7.	INVESTMENT PROPERTY			
Net book value				
Opening net book value			3,748,104	3,945,395
Depreciation charge	23		93,703	197,291
Transferred to held for sale	8.1		<u>(3,654,401)</u>	-
Closing net book value			-	<u>3,748,104</u>
Gross carrying amount				
Cost			4,371,500	4,371,500
Accumulated depreciation			717,099	623,396
Transferred to held for sale	8.1		<u>(3,654,401)</u>	-
Closing net book value			-	<u>3,748,104</u>
Depreciation rate			<u>5%</u>	<u>5%</u>
8.	NON CURRENT ASSET HELD FOR SALE			
Cost			4,371,500	-
Accumulated depreciation			<u>(717,099)</u>	-
			<u>3,654,401</u>	-

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8.1 During the year, the Foundation entered into an agreement to sell (Agreement) dated December 27, 2023 with respect to its property i.e., Bungalow located at DHA Phase II, Karachi, Sindh which was donated to the Foundation via a gift deed in 2003. The consideration agreed for the property was Rs. 61 million out of which Rs. 53.8 million (note 20) have been received upto June 30, 2024 as advance. As a result of the Agreement the property has been classified as held for sale in accordance with 'IFRS 5 - Non-current assets held for sale and discontinued operations'.

		2024	2023
	Note	Rupees	
9.	LONG-TERM INVESTMENT - ENDOWMENT FUND		
	Mutual fund units at fair value through income or expenditure		
	Units of National Investment (Unit) Trust-NI(U)T	9.1	<u>12,793,500</u> 7,593,000
9.1	This represents 150,000 (2023: 150,000) NI(U)T units. These units were donated to the Foundation under an irrevocable agreement signed on March 27, 1998. According to the agreement, the units were transferred to the Foundation with the condition of dividend sharing as per defined ratio with donor's family members till their lifetime. The Foundation can neither sell or transfer the ownership of the units or their dividend to any other person or institution or organisation etc., nor can it use the same for any purpose other than as part of its operations.		
10.	STOCKS	2024	2023
	Empty blood bags and transfusion sets	16,886,008	6,574,537
	Chemicals	6,775,799	7,729,484
	Medicines	6,366,321	14,236,921
	Other stocks	<u>1,824,093</u>	<u>1,952,066</u>
		<u>31,852,221</u>	<u>30,493,008</u>
11.	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Advances		
	Staff	2,133,816	2,343,652
	Suppliers	3,037,428	124,680
	Against letter of credit	-	397,410
		<u>5,171,244</u>	<u>2,865,742</u>
	Deposits	<u>2,633,558</u>	<u>1,901,000</u>
	Prepayments	<u>332,224</u>	<u>514,579</u>
		<u>8,137,026</u>	<u>5,281,321</u>
12.	OTHER RECEIVABLES AND ACCRUED INCOME		
	Other receivables		
	Receivable from RBC - Shaheed Benazirabad	221,564	218,658
	Receivable from RBC - Karachi	28,342	641,578
	Other	12.1	<u>70,000,000</u>
			<u>70,249,906</u>
			<u>-</u>
			<u>860,236</u>
	Accrued income	<u>12,165,604</u>	<u>12,873,567</u>
		<u>82,415,510</u>	<u>13,733,803</u>

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12.1 These represents investment in national saving certificates which matured on June 20, 2024 (note 13) and is received subsequent to the year end.

	Note	2024	2023		
		Rupees -----			
13. SHORT-TERM INVESTMENTS - GENERAL FUND					
At amortised cost					
National Savings Certificates	13.1	-	70,000,000		
Term Deposit Receipts (TDRs)	13.2 & 13.3	59,000,000	59,000,000		
Certificate of Islamic Investments (COII)	13.2 & 13.4	246,000,000	11,000,000		
		<u>305,000,000</u>	<u>140,000,000</u>		

13.1 These certificates carry markup rate of NIL (2023: 12%) per annum and were matured on June 20, 2024.

	Note	2024	2023		
		Rupees -----			
13.2 Bank-wise details of investments in TDRs and COII are as follows:					
Term Deposit Receipts (TDRs)					
- Sindh Bank Limited - Karachi		59,000,000	59,000,000		
Certificate of Islamic Investments (COII)					
- Meezan Bank Limited - Peshawar		11,000,000	11,000,000		
- Meezan Bank Limited - Lahore		140,000,000	-		
- Meezan Bank Limited - Karachi		95,000,000	-		
		<u>305,000,000</u>	<u>70,000,000</u>		

13.3 These TDRs carry markup rates ranging from 17.15% to 20.5% (2023: 7.25% to 17%) per annum having different maturity periods upto June 24, 2025 and are pledged as performance guarantees in accordance with the concession agreements relating to the management of RBCs, as detailed in note 21.2.

13.4 These investments carry a variable rate of return matured in November 2023 and reinvested. During the year, the Foundation earned profits from these investments on markup ranging from 17% to 17.06% (2023: 9% to 17%) per annum having different maturity periods upto November 29, 2024.

	Note	2024	2023		
		Rupees -----			
14. SHORT-TERM INVESTMENT - ENDOWMENT FUND					
Term Deposit Receipts (TDRs)					
	14.1 & 14.2	<u>6,500,000</u>	<u>6,500,000</u>		

14.1 This represents amount donated to the Foundation with an external restriction to keep the principal amount invested under any suitable income scheme in accordance with the Foundation's policy and the related income generated from it to be utilised in the operations of the Foundation.

14.2 These TDRs carry markup rate of 18.25% (2023: 20.25%) per annum and are to be matured on May 1, 2025, however, will be reinvested as per restrictions (note 14.1).

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	Note	2024	2023
		Rupees	
15. CASH AND BANK BALANCES			
Cash in hand		453,221	420,150
Cheques in hand		650,000	609,000
Cash at banks	15.1	<u>225,901,309</u>	<u>355,065,764</u>
		<u>227,004,530</u>	<u>356,094,914</u>

15.1 Cash at banks in:			
Current accounts	15.1.1	28,734,874	40,708,962
Savings accounts in local currency	15.1.2	<u>176,730,161</u>	<u>302,330,721</u>
		<u>205,465,035</u>	<u>343,039,683</u>
Current accounts in local currency - restricted funds	15.1.3	<u>20,436,274</u>	<u>12,026,081</u>
		<u>225,901,309</u>	<u>355,065,764</u>

15.1.1 These include an amount held in a foreign currency account amounting to Rs. 5,779 (2023: Rs. 5,931).

15.1.2 These savings accounts carry markup ranging from 9.25% to 20.5% (2023: 5.5% to 21%) per annum.

15.1.3 The bank balances relate to amount provided by GoS for the running expenditures of RBCs in Shaheed Benazirabad and Karachi.

	Note	2024	2023
		Rupees	
16. RESTRICTED FUNDS			
Externally Restricted Fund			
Hematological Complex Hyderabad	16.1	-	-
Thalassemia Centre in Dera Ismail Khan	16.2	-	2,274,771
Internally Restricted Fund			
Thalassemia Center in Dera Ismail Khan and Hematological Complex in Karachi	16.3	47,240,009	-
		<u>47,240,009</u>	<u>2,274,771</u>

16.1 Hematological Complex Hyderabad			
Balance at the beginning of the year			
Receipts during the year		1,650,000	5,570,000
Transferred to deferred capital grant	18	<u>(1,650,000)</u>	<u>(5,570,000)</u>
Balance at the end of the year		-	-

16.1.1 The Foundation was allotted an amenity plot by The Hyderabad Muslim Cooperative Housing Society Limited for the construction of a hospital. Accordingly, the Foundation's management decided to construct a Hematological Complex to provide free of cost medical treatment to patients suffering from blood and bleeding disorders. This fund represents the donations collected by the Foundation specifically for the construction of Hematological Complex. During the year construction work has been completed and has been transferred to Property and Equipment (note 6).

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	Note	2024	2023
		Rupees	
16.2 Thalassemia Centre in Dera Ismail Khan			
Balance at the beginning of the year		2,274,771	2,040,000
Receipts during the year	16.3	12,600,530	2,000,000
Transferred to deferred capital grant	18.	(14,875,301)	(1,765,229)
Balance at the end of the year		-	2,274,771

16.2.1 The Foundation received a plot of land as donation which is situated in Dera Ismail Khan for the construction of Thalassemia Centre. In this respect, the Foundation entered into a sponsorship agreement for an aggregate amount of Rs. 70 million with Oil and Gas Development Company Limited (OGDCL) under which the Foundation will receive Rs. 40 million for the construction of the building while Rs. 15 million each will be received for lab equipment and initial running expenditure respectively.

16.3 Hematological Complex in Karachi

	Note	2024	2023
		Rupees	
Balance at the beginning of the year		-	-
Sales proceeds restricted during the year		59,840,539	-
Set aside for Thalassemia Centre in Dera Ismail Khan	16.2	(12,600,530)	-
		47,240,009	-

16.3.1 The Board of Trustees decided to construct a new Hematological Complex in Karachi, for which a memorandum of understanding has been signed with the Health Department, Government of Sindh on February 7, 2022 according to which plot measuring 6000 sq. yards has been handed over to the Foundation for construction of complex. To support the construction of the Thalassemia Centre in Dera Ismail Khan and the new Hematological Complex in Karachi, the Foundation has disposed of certain properties. The proceeds from those disposals have been designated as restricted funds and are being utilized for the intended purpose.

		(Restated)	
		2024	2023
		Rupees	
17. DEFERRED LIABILITY		64,288,658	56,416,970

The latest actuarial valuation of gratuity fund was carried out as at June 30, 2024 using the Projected Unit Credit Method. The details of which are stated as follows:

		2024	2023
		Rupees	
17.1 Movement in present value of defined benefit obligation			
Balance at the beginning of the year		56,416,970	49,737,917
Current service cost		4,808,763	11,966,345
Interest cost		6,906,587	-
Benefits paid during the year		(5,933,515)	(5,287,292)
Remeasurement loss		2,089,853	-
Balance at the end of the year		64,288,658	56,416,970

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17.2 Actuarial assumption used are as follows:

Discount rate used	14.75%	16.25%
Expected rate of eligible salaries increase in future years	14.75%	16.25%
 Mortality rates	 SLIC 2001 - 2005 Setback 1 Year	 SLIC 2001 - 2005 Setback 1 Year
Retirement assumption		
- Males	Age 60	Age 60
- Females	Age 55	Age 55

17.3 Amounts recognised in total comprehensive income

The following amounts have been charged in respect of these benefits to income or expenditure and other comprehensive income:

<i>Component of defined benefit cost recognised in income or expenditure</i>	<i>Note</i>	2024	2023
		<i>Rupees</i>	
Current service cost	17.1	4,808,763	11,966,345
Interest cost on defined benefit obligation	17.1	6,906,587	-
		11,715,350	11,966,345
 <i>Component of defined benefit cost recognised in other comprehensive income</i>			
Remeasurement (gain) / loss on defined benefit	17.1	2,089,853	-
Weighted average duration of the defined benefit obligation (years)		6.85	6.73

17.4 Analysis of present value of defined benefit

Type of benefits			
- Vested benefits		62,363,384	53,293,732
- Non-vested benefits		1,925,274	3,022,806
		64,288,658	56,316,538

17.5 Sensitivity analysis

As of reporting date, the sensitivity of the defined benefit obligation to changes in the significant actuarial assumptions is as follows:

	Revised present value of defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	(%)	Rupees	
Valuation discount rate	0.5%	60,141,907	68,977,982
Expected rate of salary level	0.5%	68,636,459	60,371,237

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

17.6 Through its defined benefit gratuity plan, the Foundation is exposed to a number of risks, the most significant of which are detailed below:

Withdrawal and mortality risks

Withdrawal risk is the risk of higher or lower withdrawal experience than assumed. Mortality risk is the risk that the actual mortality experience is different. Both risks depend on the beneficiaries' service / age distribution and the benefit.

Final salary risk

Final salary risk is the risk that the final salary at the time of cessation of service is higher than assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

		Note	2024	2023
			Rupees	
18. DEFERRED CAPITAL GRANTS				
Balance at the beginning of the year			48,141,367	43,006,505
- Donation-in-kind			2,754,590	3,711,000
- Transfers from restricted funds:				
- Hematological Complex - Hyderabad	16.1		1,650,000	5,570,000
- Thalassemia Centre - Dera Ismail Khan	16.2		14,875,301	1,765,229
			16,525,301	7,335,229
Grant income realised against assets	22		(5,971,249)	(5,911,367)
Balance at the end of the year			<u>61,450,009</u>	<u>48,141,367</u>
19. LEASE LIABILITY				
At the beginning of the year			1,161,509	1,368,324
Finance cost	23		249,819	224,607
Rentals paid during the year			(475,540)	(431,422)
At the end of the year			935,788	1,161,509
Current maturity of lease liability			(290,045)	(238,278)
			<u>645,743</u>	<u>923,231</u>

19.1 Maturity analysis of minimum lease payments

	Minimum lease payments		Future finance cost		Present value of minimum lease	
	2024	2023	2024	2023	2024	2023
	Rupees					
Not later than one year	465,882	449,520	175,837	211,242	290,045	238,278
Later than one year but not later than five years	776,469	1,198,709	130,726	275,478	645,743	923,231
	<u>1,242,351</u>	<u>1,648,229</u>	<u>306,563</u>	<u>486,720</u>	<u>935,788</u>	<u>1,161,509</u>
Current portion shown under current liabilities					(290,045)	(238,278)
					<u>645,743</u>	<u>923,231</u>

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	Note	2024	2023
		Rupees	
20. CREDITORS, ACCRUED LIABILITIES AND OTHER PAYABLES			
Creditors		60,858,845	59,105,061
Accrued expenses		6,672,198	2,215,425
Provision for compensated absences	20.1	13,013,200	11,665,313
Provision for EOBI		3,611,548	3,419,512
Advance against sale of property	8.1	53,805,530	-
Payable to Regional Blood Centre - Karachi	20.2	7,878,406	6,594,201
Payable to Regional Blood Centre - Shaheed Benazirabad	20.2	12,667,712	5,522,654
Other liabilities		1,031,521	505,000
		159,538,960	89,027,166
20.1 Movement of provision for compensated balances:			
As at the beginning of the year		11,665,313	9,902,933
Charge for the year		2,516,770	2,748,613
Payments made during the year		(1,168,883)	(986,233)
As at the end of the year		13,013,200	11,665,313
20.2	The Foundation has signed Concession Agreements with GoS for the management of RBCs in Shaheed Benazirabad and Karachi on December 13, 2018 and April 3, 2019, respectively. These represent unspent portion of the aggregate amounts provided by GoS to enable the Foundation to fulfil its operational obligations under the concession agreements. In accordance with the principle laid down in the concession agreements, these balances have been reclassified from restricted funds to this note.		
21. CONTINGENCY AND COMMITMENTS			
21.1 Contingency			
21.1.1	In 2007, following the termination of an employee and the resignation of another employee due to illegal acts and misconduct, these individuals, along with other former employees and the editor and publisher of a local newspaper, launched a malicious campaign against the Foundation. This campaign involved the publication of false and baseless statements, which have significantly harmed the Foundation's reputation in the community, potentially deterring donations and creating obstacles for government grants.		
	In response to this misleading information, the Foundation filed a suit No.414 / 2007 against employee who was terminated and the other ex-employees for recovery of damages amounting to Rs. 10 million. Additionally, to mitigate the impact of the campaign, the Foundation published a notice in the same year addressing the false statements.		
	The case is currently pending before the High Court of Sindh, and there have been no updates on the proceedings during the year 2024.		
21.2 Commitments			
21.2.1	The Foundation is committed to pay Rs. NIL against letters of credit (2023: Rs. 18,013,697) in respect of import of stocks and medical equipment.		
21.2.2	The Foundation has signed concession agreements with the Health Department, Government of Sindh for operations management of RBCs in Shaheed Benazirabad and Karachi in December 2018 and April 2019, respectively. The performance security as mentioned in the agreements in respect of RBCs were pledged amounting to Rs. 24.606 million (2023: Rs. 24.606 million) and Rs. 33.388 million (2023: Rs. 33.388 million) respectively as bank guarantees from Sindh Bank Limited which are valid upto July 31, 2024, backed by 100% cash margin in the form of lien over TDRs (note 13).		

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22.	INCOME	Note	2024	2023
			Rupees	
Operational income				
Grant in aid from the Federal Government			25,000,000	15,910,700
Grant in aid from the Government of Sindh	22.1		100,000,000	100,000,000
Grant in aid from the Government of Punjab	22.1		25,000,000	25,000,000
Grant in aid from the Government of Khyber Pakhtunkhwa	22.1		5,000,000	3,125,000
Zakat allocation from the provincial governments			12,000,000	12,000,000
Management fee	22.2		45,277,942	41,161,768
Donations from corporates and general public			96,100,417	86,862,770
Zakat from general public			184,495,266	173,652,505
Proceeds against 'Sponsor a Child' scheme			6,984,600	6,113,700
Donation from Pakistan Bait-ul-Maal			5,558,000	6,382,000
Grant income realised against assets	18		5,971,249	5,911,367
			511,387,474	476,119,810
Other income				
Profit on savings accounts and return on investments			75,563,647	48,195,877
Rental income from investment property			503,800	2,284,300
Gain on sale of fixed assets			706,339	-
Dividend income			244,800	332,009
Other income			674,197	1,125,460
			77,692,783	51,937,646
			589,080,257	528,057,456
22.1	This represents grant in aid received from the provincial governments to meet the Foundation's expenditure.			
22.2	This represents management fee earned in respect of services provided by the Foundation for the management of RBC Karachi and RBC Shaheed Benazirabad pursuant to Concession Agreements dated April 3, 2019 and December 13, 2018 respectively.			
23.	EXPENDITURE	Note	2024	2023
			Rupees	
Salaries and benefits	23.1		256,003,341	224,542,953
Laboratory expenses			56,458,371	59,017,986
Medicines and supplies			76,352,484	85,725,636
Blood bags			57,532,194	43,508,217
Advertisement			5,501,062	3,358,382
Utilities			45,508,085	33,649,067
Depreciation on right-of-use asset	6.1		338,707	423,384
Depreciation on property and equipment	6.1		22,616,147	21,847,334
Depreciation on investment property	7		93,703	197,291
Vehicle running expenses			20,427,790	19,983,381
Printing, stationery and communication			8,681,253	8,786,828
Cleaning and up-keeping expenses			6,705,949	5,692,076
Repairs and maintenance			10,489,302	7,640,663
Insurance expense			3,724,757	3,936,178
Travelling and conveyance charges			2,756,997	2,374,726
Bank charges			2,034,088	1,770,260
Finance cost on lease liability	19		249,819	224,607
Legal and professional charges			296,000	154,000
Meetings, receptions and program expenses			2,964,083	2,664,101
Computer networking			4,618,953	4,178,861
Fees and subscriptions			3,124,355	3,042,556
Rent, rates and taxes			319,708	85,930
Blood grouping project			2,628,892	2,566,573
Patient treatment charges			1,283,765	960,132
Others			2,240,886	1,397,425
			592,950,691	537,728,546

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23.1 These include gratuity expense amounting to Rs. 11.71 million (2023: Rs. 11.97 million).

24. BREAK-UP OF INCOME AND EXPENSE AS PER CENTRE

	Karachi (note 24.1)	Lahore	Peshawar	Multan	Hyderabad	Rashidabad	Khairpur	Quetta	Larkana	Mohammad Khan	Tando Khan	Total
Rupees-----												
Income												
Operational income												
Grant in aid from the Federal Government	20,292,500	50,000	1,503,750	50,000	300,000	703,750	1,000,000	1,300,000	22,000,000	20,000,000	25,000,000	25,000,000
Grant in aid from the Government of Sindh	26,000,000	12,500,000	-	12,500,000	10,000,000	8,000,000	14,000,000	-	-	20,000,000	100,000,000	100,000,000
Grant in aid from the Government of Punjab	-	-	5,000,000	-	-	-	-	-	-	-	5,000,000	5,000,000
Grant in aid from the Government of Khyber Pakhtunkhwa	12,000,000	-	-	-	-	-	-	-	-	-	12,000,000	12,000,000
Zakat allocation from the provincial governments	45,217,942	-	-	-	-	-	-	-	-	-	45,277,942	45,277,942
Management fee	54,627,451	12,052,245	7,417,871	8,369,747	1,891,212	168,240	220,330	1,097,000	10,148,582	107,739	96,100,417	96,100,417
Donations from corporates and general public	54,633,836	12,336,557	8,903,520	6,807,851	1,241,500	2,144,050	370,380	359,100	205,000	184,495,266	184,495,266	184,495,266
Zakat from general public	571,500	-	6,228,300	-	-	-	-	-	-	-	6,984,500	6,984,500
Proceeds against 'Sponsor a Child' scheme	184,800	-	1,428,000	1,008,000	-	483,000	1,197,000	-	1,442,000	-	5,556,000	5,556,000
Donation from Pakistan Bai'ul-Malai	-	-	-	-	-	-	-	-	-	-	5,971,249	5,971,249
Grant income realised against assets	2,079,285	1,129,418	352,338	118,511	854,034	1,764	1,435	6,482	-	1,428,902	21,741,721	51,1387,474
257,943,440	80,936,999	28,140,516	37,178,078	19,653,107	10,593,254	16,789,145	4,265,532	33,949,882	21,741,721	51,1387,474		
Other income												
Profit on savings accounts and return on investments	18,108,017	49,153,881	2,723,875	4,713,509	318,377	87,858	122,583	61,854	167,429	96,264	75,563,647	75,563,647
Rental income from investment property	58,300	-	445,500	-	15,411	-	218	-	-	-	503,800	503,800
Gain on sale of fixed assets	158,198	-	532,512	-	-	-	-	-	-	-	706,339	706,339
Dividend income	244,800	-	-	-	-	-	-	-	-	-	244,800	244,800
Other income	189,126	28,900	108,700	61,620	193,650	7,000	23,550	25,551	9,800	12,500	674,197	674,197
18,768,441	49,192,731	3,810,587	4,775,129	527,458	94,858	146,351	91,405	177,029	108,754	108,754	77,692,753	77,692,753
276,701,981	130,129,730	31,951,103	41,953,207	20,380,545	10,693,112	16,935,496	4,357,937	34,126,711	21,850,485	21,850,485	589,080,257	589,080,257
Expenditure												
Salaries and benefits	105,765,461	28,540,231	22,614,317	21,403,592	14,465,999	10,585,511	15,562,112	13,343,677	11,732,038	11,989,903	256,003,341	256,003,341
Laboratory expenses	19,584,197	8,059,915	6,287,617	5,049,755	2,465,443	2,227,956	3,209,726	1,194,378	5,725,105	2,654,279	56,458,371	56,458,371
Medicines and supplies	20,198,355	10,733,280	1,997,155	11,244,998	2,608,154	1,851,309	2,488,922	2,961,302	20,723,207	1,844,902	76,352,484	76,352,484
Blood bags	27,822,494	7,219,104	4,167,822	2,478,590	3,932,374	2,658,707	1,532,230	2,605,927	1,076,104	4,835,067	57,532,154	57,532,154
Advertisement	2,306,397	2,478,590	143,580	334,550	2,303,440	14,810	210,555	4,560	5,501,062	5,501,062	5,501,062	5,501,062
Utilities	20,628,347	3,045,026	3,383,075	2,633,964	-	2,187,373	4,037,217	1,239,470	5,704,985	294,278	45,508,085	45,508,085
Depreciation on right-of-use asset	338,707	-	-	-	-	-	-	-	-	-	338,707	338,707
Depreciation on property and equipment	7,044,014	4,652,607	947,233	1,187,227	3,908,606	684,179	597,231	1,049,058	707,349	1,828,313	22,616,147	22,616,147
Depreciation on investment property	93,703	-	-	-	-	-	-	-	-	-	93,703	93,703
Vehicle running expenses	2,086,451	1,981,961	1,201,616	819,744	827,294	508,894	1,778,914	388,869	1,195,111	20,427,780	20,427,780	20,427,780
Printing, stationery and communication	2,831,046	1,093,591	786,570	582,211	481,250	273,889	738,747	388,928	1,127,285	407,756	8,681,233	8,681,233
Cleaning and up-keeping expenses	3,301,868	1,112,863	565,233	248,147	361,994	249,574	251,648	91,853	328,063	194,706	6,705,949	6,705,949
Repairs and maintenance	5,511,594	789,518	365,540	118,237	1,691,981	284,855	476,974	127,890	615,488	497,075	10,499,302	10,499,302
Insurance expense	1,723,559	244,386	425,199	1,019,215	169,851	312,293	238,232	316,810	245,900	245,939	227,987	227,987
Travelling and conveyance charges	1,019,338	425,199	1,450	221,464	114,850	122,120	114,435	11,000	-	-	28,840	27,756,997
Bank charges	1,668,470	1,450	113,346	16,535	8,475	2,271	-	-	1,872	205	-	2,034,088
Finance cost on lease liability	249,819	-	-	-	-	-	-	-	-	-	249,819	249,819
Legal and professional charges	96,000	-	-	-	-	-	-	-	200,000	-	296,000	296,000
Meetings, receptions and program expenses	927,489	479,341	351,902	85,815	6,000	277,215	27,920	327,595	144,546	112,830	315,245	2,964,083
Computer networking	2,901,239	1,645,899	15,000	45,000	6,000	12,200	25,000	10,000	-	-	4,618,953	4,618,953
Fees and subscriptions	3,001,155	-	-	-	-	-	-	-	-	-	3,124,355	3,124,355
Rent, rates and taxes	230,298	5,410	-	-	-	-	84,000	-	-	-	319,706	319,706
Blood grouping project	854,068	437,925	302,366	162,733	92,555	82,466	291,668	101,792	-	-	2,628,892	2,628,892
Patient treatment charges	1,168,315	76,250	39,200	-	658,721	1,455	52,005	28	-	-	1,283,765	1,283,765
Others	1,357,290	22,355	52,979	2	48,550,513	33,263,427	21,188,161	31,574,561	24,124,465	52,522,413	23,268,597	532,950,691
(Deficit) / surplus for the year	276,701,881	130,129,780	31,951,103	41,953,207	20,380,545	10,693,112	16,935,496	4,357,937	34,126,711	21,850,486	21,850,486	589,080,257
Income for the year	(246,284,219)	(73,184,591)	(45,009,344)	(45,055,513)	(33,263,427)	(21,188,161)	(31,574,561)	(24,124,465)	(52,522,413)	(23,268,597)	(23,268,597)	(387,043)
Expenditure for the year	36,437,662	56,944,789	(13,058,241)	(6,597,306)	(12,882,882)	(10,496,049)	(14,639,985)	(18,356,528)	(1,418,112)	(3,870,434)		

	Karachi (note 22.1)	Lahore	Peshawar	Multan	Hyderabad	Rashidabad	Khairpur	Quetta	Larkana	Tando Mohammad Khan	Total
2023											
Rupees											
Income											
Operational income											
Grant in aid from the Federal Government	12,887,892	31,820	1,034,199	31,821	190,928	481,184	636,428	636,428	22,000,000	20,000,000	15,910,700
Grant in aid from the Government of Sindh	26,000,000	-	12,500,000	-	10,000,000	8,000,000	14,000,000	-	-	-	100,000,000
Grant in aid from the Government of Punjab	-	-	-	-	-	-	-	-	-	-	25,000,000
Grant in aid from the Government of Khyber Pakhtunkhwa	12,000,000	-	3,128,000	-	-	-	-	-	-	-	3,125,000
Zakat allocation from the provincial governments	41,161,768	-	-	-	-	-	-	-	-	-	12,000,000
Management fee	36,831,493	11,237,839	8,932,437	6,032,783	1,542,075	241,035	441,168	1,145,000	20,329,099	129,815	41,161,768
Donations from corporates and general public	95,779,638	47,652,120	13,632,033	9,362,503	5,290,711	1,170,500	406,000	265,000	93,000	1,000	86,862,775
Zakat from general public	120,200	514,000	-	5,414,500	-	-	65,000	-	-	-	173,652,505
Proceeds against 'Sponsor a Child' scheme	-	-	1,308,000	2,000,000	-	-	399,000	-	-	-	6,113,700
Donation from Pakistan Bait-ul-Mal	2,488,268	1,169,097	403,043	143,731	12,138	1,008,000	399,000	-	1,666,000	-	5,382,000
Grant income realised against assets	227,269,265	73,104,896	28,436,012	36,485,338	17,035,852	10,882,794	15,949,389	6,449	-	1,684,473	5,911,367
Other income	-	-	-	-	-	-	-	2,052,877	44,088,099	21,815,288	476,119,810
Profit on savings accounts and return on investments	13,936,463	27,454,775	2,009,374	3,977,765	265,914	136,910	111,307	40,469	167,856	95,044	48,195,877
Rental income from investment property	569,800	-	1,714,500	-	-	-	-	-	-	-	2,284,300
Dividend income	332,009	-	-	-	-	-	-	-	-	-	332,009
Other income	912,949	50,401	24,500	-	916,10	36,000	-	-	-	-	1,125,460
	15,751,221	27,515,176	3,748,374	3,977,765	357,524	172,910	111,307	40,469	167,856	95,044	51,937,646
Expenditure											
Salaries and benefits	91,896,567	26,832,098	19,839,604	19,141,299	13,136,098	9,484,018	13,372,336	10,428,259	10,152,961	10,259,713	224,542,953
Laboratory expenses	21,017,138	8,212,300	5,913,278	4,975,603	2,024,313	3,083,973	2,968,164	1,844,211	6,551,934	2,572,072	59,017,986
Medicines and supplies	21,944,726	14,046,868	2,053,855	8,983,582	2,759,422	2,153,974	2,991,708	2,965,440	25,770,618	86,725,626	86,105,543
Blood bags	18,065,216	5,682,930	3,389,081	3,126,981	2,352,968	1,781,339	2,483,060	4,364,991	1,276,633	43,308,217	33,586,382
Advertisement	1,517,245	339,092	561,050	237,855	395,700	4,400	265,500	20,500	17,000	1,700,000	118,060
Utilities	15,473,558	3,426,529	2,517,919	1,975,397	1,756,480	1,781,852	3,249,934	738,324	2,605,114	33,649,087	423,384
Depreciation on right-of-use asset	423,384	-	-	-	-	-	-	-	-	-	21,847,394
Depreciation on property and equipment	8,176,309	5,494,236	1,148,688	1,350,287	678,321	484,011	580,263	1,252,625	794,742	1,897,842	197,291
Depreciation on investment property	197,291	-	-	-	-	-	-	-	-	-	19,983,381
Vehicle running expenses	8,836,244	2,924,283	2,066,054	1,176,530	835,014	799,105	485,703	1,074,263	517,051	1,269,134	8,786,828
Printing, stationery and communication	3,319,925	1,373,953	599,531	355,679	251,652	638,783	354,783	76,603	913,573	132,557	5,692,076
Cleaning and up-keeping expenses	2,796,992	985,836	496,586	239,124	280,352	360,565	472,130	202,361	273,512	684,946	337,640
Repairs and maintenance	3,826,223	1,061,691	185,980	128,720	314,246	302,950	388,204	9,200	646,849	258,587	218,996
Insurance expense	1,859,734	73,644	-	9,421	337,773	15,210	20,945	604	62,051	9,390	2,374,726
Bank charges	615,762	129,726	1,398,957	113,485	249,434	9,617	3,842	19,888	6,343	604	250
Finance cost on lease liability	1,477,971	1,746	-	-	-	-	-	-	-	-	224,607
Legal and professional charges	224,607	-	-	-	-	-	-	-	-	-	154,000
Meetings, receptions and program expenses	154,000	-	-	-	-	-	-	-	-	-	2,664,101
Computer networking	727,384	1,036,531	355,958	-	10,397	1,160	245,613	91,230	-	63,673	132,150
Fees and subscriptions	2,709,405	1,409,215	60,241	-	-	-	-	-	-	-	4,178,861
Rent, rates and taxes	2,791,260	15,000	119,906	16,000	25,400	25,000	15,000	15,000	10,000	10,000	3,042,556
Blood grouping project	700	7,230	-	-	-	78,000	-	-	-	-	85,930
Patient treatment charges	970,761	469,266	227,956	143,826	96,469	91,132	240,322	82,570	175,459	68,802	2,566,573
Others	892,032	68,100	81,724	6,875	8,900	-	40,187	-	27,290	13,750	950,132
	1,210,339	28,370	-	-	-	-	-	-	-	-	1,397,425
	211,188,153	73,588,644	41,307,070	42,229,543	25,436,574	20,923,110	26,392,453	20,733,891	53,282,592	20,666,517	537,728,546
(Deficit) / Surplus for the year											
Income for the year	243,020,486	100,620,072	32,184,386	39,463,103	17,393,376	11,055,704	16,060,956	44,295,955	21,910,332	528,057,456	
Expenditure for the year	(211,188,153)	(73,588,644)	(41,307,070)	(42,229,543)	(25,436,574)	(20,923,110)	(28,392,453)	(20,733,891)	(53,282,592)	(20,666,517)	(537,728,546)
	31,832,333	27,031,428	(9,122,684)	(2,768,440)	(8,043,198)	(9,887,406)	(12,331,757)	(18,640,545)	(9,006,637)	1,243,815	(9,671,090)



		Note	2024	2023
			Rupees	
24.1	Management and Administrative Overheads pertaining to the Head Office, included in Karachi Centre:			
	Management and Administrative Overheads		<u>35,437,793</u>	<u>29,585,562</u>
25.	CASH GENERATED FROM OPERATIONS			
	Deficit for the year		<u>(3,870,434)</u>	<u>(9,671,090)</u>
	Adjustments for non-cash expenses and other items:			
	Depreciation on property and equipment and investment property	6.1 & 7	<u>23,048,557</u>	<u>22,468,030</u>
	Deferred capital grant realised	18	<u>(5,971,249)</u>	<u>(5,911,367)</u>
	Gain on sale of fixed assets		<u>(706,339)</u>	-
	Profit on savings accounts and return on investments	22	<u>(75,563,647)</u>	<u>(48,195,877)</u>
	Dividend income	22	<u>(244,800)</u>	<u>(332,009)</u>
	Provision for compensated absences	20.1	<u>2,516,770</u>	<u>2,748,613</u>
	Finance cost on lease liabilities	19	<u>249,819</u>	<u>224,607</u>
	Donation-in-kind stocks		<u>(18,202,562)</u>	<u>(26,473,798)</u>
	Gratuity expense	17.1	<u>11,715,350</u>	<u>11,966,345</u>
	Working capital changes	25.1	<u>14,469,844</u>	<u>66,210,375</u>
			<u>(48,688,257)</u>	<u>22,704,919</u>
			<u>(52,558,691)</u>	<u>13,033,829</u>
25.1	Working capital changes			
	Decrease / (increase) in current assets			
	Stocks		<u>16,843,349</u>	<u>17,171,717</u>
	Advances, deposits and prepayments		<u>(2,855,705)</u>	<u>9,743,068</u>
	Other receivables and accrued income		<u>(68,681,707)</u>	<u>4,316,523</u>
			<u>(54,694,063)</u>	<u>31,231,308</u>
	Increase / (decrease) in current liabilities			
	Creditors, accrued liabilities and other payables		<u>69,163,907</u>	<u>34,979,067</u>
	Net changes in working capital		<u>14,469,844</u>	<u>66,210,375</u>
26.	CASH AND CASH EQUIVALENTS			
	Short-term investments - General fund	13.2	<u>235,000,000</u>	-
	Cash and bank balances	15	<u>227,004,530</u>	<u>356,094,914</u>
	Less: Restricted cash at bank		<u>462,004,530</u>	<u>356,094,914</u>
			<u>(20,436,274)</u>	<u>(12,026,081)</u>
			<u>441,568,256</u>	<u>344,068,833</u>
27.	REMUNERATION OF CHIEF OPERATING OFFICER AND EXECUTIVES			
	The aggregate amounts charged in the financial statements for the year are as follows:			
			2024	2023
			Chief Operating Officer	Executives
			Executives	Chief Operating Officer
			Rupees	
	Managerial remuneration		<u>14,157,615</u>	<u>12,456,994</u>
	Number of persons		<u>1</u>	<u>8</u>

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27.1 The Administrators of each centre of the Foundation and the General Manager - Finance have been considered as 'Executives'.

27.2 No trustee (other than Chief Operating Officer) or their relatives received any remuneration, payments or benefits directly or indirectly from the Foundation.

27.3 The Foundation considers members of Board of Trustees, Chief Operating Officer and Executives as key management personnel.

28. RELATED PARTY TRANSACTIONS

Related parties include associated undertakings having common trustees and key management personnel. Details of transactions with related parties, during the year other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship	2024	2023
	----- Rupees -----	
Trustee	1,100,780	50,000
Trustee	100,000	100,000
Key management personnel	35,000	10,000
	<u>1,235,780</u>	<u>160,000</u>

28.1 Transactions with key management personnel are disclosed in note 27 to these financial statements.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments by category:

	2024	2023
	----- Rupees -----	
FINANCIAL ASSETS		
At amortized cost		
Deposits	2,633,558	1,901,000
Other receivables and accrued income	82,415,510	13,733,803
Cash and bank balances	227,004,530	356,094,914
Short-term investments - General fund	305,000,000	140,000,000
Short-term investments - Endowment fund	6,500,000	6,500,000
	<u>623,553,598</u>	<u>518,229,717</u>
At fair value		
Long-term investments - Endowment fund	12,793,500	7,593,000
	<u>636,347,098</u>	<u>525,822,717</u>
FINANCIAL LIABILITIES		
At amortized cost		
Lease liability	935,788	1,161,509
Creditors, accrued liabilities and other payables	89,108,682	73,942,341
	<u>90,044,470</u>	<u>75,103,850</u>

The Foundation's activities expose it to a variety of financial risks namely market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Foundation's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Foundation's financial performance. The Foundation's Board of Trustees oversees the management of their risks which are summarised below:



29.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk.

29.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of the Foundation's significant interest bearing financial instruments is as follows:

	2024	2023
	Rupees	
Fixed rate financial instruments		
Term Deposit Receipts	(65,500,000)	(65,500,000)
National Savings Certificates	-	(70,000,000)
Lease Liability	935,788	1,161,509
Net assets	<u>(64,564,212)</u>	<u>(134,338,491)</u>
Variable rate financial instrument		
Certificate of Islamic Investments (COII)	(246,000,000)	(11,000,000)
Cash at bank in savings accounts	(176,730,161)	(302,330,721)
Net assets	<u>(422,730,161)</u>	<u>(313,330,721)</u>

As at reporting date, had there been increase / decrease of 100 basis points in KIBOR with all other variable held constant, deficit for the year would have been lower / higher by Rs. 4.227 million (2023: Rs. 3.133 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

29.1.2 Currency risk

Currency risk arises mainly where receivables and payables arise due to transactions entered into in foreign currencies. The Foundation did not have any foreign currency exposure as at reporting date.

29.1.3 Other Price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at the reporting date the Foundation was not exposed to other price risk.

29.2 Credit risk and its concentration

Credit risk represents the accounting loss that would be recognised at the reporting date if counter party fail to perform as contracted. The Foundation attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

The maximum exposure to credit risk at the reporting date was amounted to Rs. 641,397,345.

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Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. A significant portion of the Foundation's financial assets (i.e. 85%) are held within a single industry i.e. financial institutions. However, the Foundation considers that all such financial institutions are credit worthy (i.e. having credit rating mainly A+ or AAA) and hence risk of default is minimal.

29.3 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting obligations associated with liabilities. The Foundation applies the prudent risk management policies by maintaining sufficient cash and bank balances. The table below summarises the maturity profile of the Foundation's financial liabilities at the following reporting dates:

	2024				
	Carrying amount	Contractual cashflows	Less than one year	Between 1 and 5 years	More than 5 years
Rupees					
Lease liability	935,788	1,242,351	465,882	776,469	-
Creditors, accrued liabilities and other payables	89,108,682	89,108,682	89,108,682	-	-
	<u>90,044,470</u>	<u>90,351,033</u>	<u>89,574,564</u>	<u>776,469</u>	-
	2023				
	Carrying amount	Contractual cashflows	Less than one year	Between 1 and 5 years	More than 5 years
Rupees					
Lease liability	1,161,509	1,648,229	449,520	1,198,709	-
Creditors, accrued liabilities and other payables	73,942,341	73,942,341	73,942,341	-	-
	<u>75,103,850</u>	<u>75,590,570</u>	<u>74,391,861</u>	<u>1,198,709</u>	-

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

Fair value hierarchy

The different levels of fair valuation method have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
2024				
Long term investments at fair value through income or expenditure	-	<u>12,793,500</u>	-	<u>12,793,500</u>
2023				
Long term investments at fair value through income or expenditure	-	<u>7,593,000</u>	-	<u>7,593,000</u>

There were no transfers amongst levels during the year.

The market prices of mutual funds units are based on the declared Net Asset Values (NAV) on which redemptions can be made. NAVs have been obtained from Mutual Fund Association of Pakistan (MUFAP).

31. FUND MANAGEMENT

The Foundation is funded by contributions received from its members and donors from different sections of society within and outside Pakistan.

32. GENERAL

32.1 The number of employees as at June 30, 2024 was 382 (2023: 389) and the average number of employees during the year was 384 (2023: 389)

32.2 The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of better presentation.

33. DATE OF AUTHORISATION FOR ISSUE

15 MAR 2025

These financial statements were authorised for issue on _____ by the Board of Trustees of the Foundation.

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CHAIRMAN



TRUSTEE



CHIEF OPERATING OFFICER