

HABIB UNIVERSITY FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Habib University Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Habib University 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 fund balances, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund balances 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 Foundation's affairs as at June 30, 2024 and of the surplus and other comprehensive income, the changes in fund balances and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

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



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



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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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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Report on Other Legal and Regulatory Requirements

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

- a) proper books of 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 comprehensive income, the statement of changes in fund balances and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- 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).

Other Matter

The financial statements of the Foundation for the year ended June 30, 2023, were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 18, 2023.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: October 7, 2024

UDIN: AR202410611M1PSbl6Rg

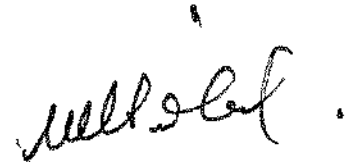
HABIB UNIVERSITY FOUNDATION
(A FOUNDATION SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	General Fund	Restricted Funds					June 30, 2024	June 30, 2023	
		Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund			Other Project
Note Rupees in '000									
ASSETS									
NON-CURRENT ASSETS									
Property and equipment	5	2,665,529	-	-	-	-	938	2,666,467	2,651,249
Long-term investments	6	-	758,066	-	-	-	-	758,066	908,741
Long-term security deposits		2,020	-	-	-	-	-	2,020	2,020
		<u>2,667,549</u>	<u>758,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>938</u>	<u>3,426,553</u>	<u>3,562,010</u>
CURRENT ASSETS									
Accrued profit	8	1,160	29,952	442	332	25	-	84	31,995
Advances		-	-	-	-	-	-	23	23
Other receivables		133	-	-	-	-	-	-	133
Short-term investments	7	330,332	2,403,653	383,992	118,893	13,333	-	-	3,250,203
Advance tax receivable		3,199	2,147	757	330	60	-	3	6,496
Bank balances	9	44,084	38,925	22,439	1,583	4,250	146,221	16,095	273,597
		<u>378,908</u>	<u>2,474,577</u>	<u>407,630</u>	<u>121,138</u>	<u>17,668</u>	<u>146,221</u>	<u>16,205</u>	<u>3,562,447</u>
TOTAL ASSETS		<u><u>3,046,457</u></u>	<u><u>3,232,743</u></u>	<u><u>407,630</u></u>	<u><u>121,138</u></u>	<u><u>17,668</u></u>	<u><u>146,221</u></u>	<u><u>17,143</u></u>	<u><u>6,989,000</u></u>
FUNDS AND LIABILITY									
Funds Balances		<u>2,907,719</u>	<u>3,228,639</u>	<u>407,630</u>	<u>121,138</u>	<u>17,668</u>	<u>48,224</u>	<u>16,849</u>	<u>6,747,867</u>
		<u>2,907,719</u>	<u>3,228,639</u>	<u>407,630</u>	<u>121,138</u>	<u>17,668</u>	<u>48,224</u>	<u>16,849</u>	<u>6,747,867</u>
CURRENT LIABILITY									
Trade and other payables	10	138,738	4,104	-	-	-	97,997	294	241,133
		<u>138,738</u>	<u>4,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,997</u>	<u>294</u>	<u>241,133</u>
TOTAL FUNDS AND LIABILITY		<u><u>3,046,457</u></u>	<u><u>3,232,743</u></u>	<u><u>407,630</u></u>	<u><u>121,138</u></u>	<u><u>17,668</u></u>	<u><u>146,221</u></u>	<u><u>17,143</u></u>	<u><u>6,989,000</u></u>
CONTINGENCIES AND COMMITMENTS									
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The annexed notes 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

HABIB UNIVERSITY FOUNDATION
(A FOUNDATION SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

General Fund	---Restricted funds---						June 30, 2024	June 30, 2023
	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project		

Note

Rupees in '000

INCOME / CONTRIBUTIONS

Donations	12	1,253,723	20,500	490,410	387,058	16,800	-	22,271	2,190,762	1,060,579
Gain / (loss) on investments carried at fair value through profit or loss	13	-	249,743	-	-	-	-	-	249,743	(23,368)
Other income	14	46,878	475,430	33,941	22,644	872	-	585	580,350	455,092
Reversal of provision against financial guarantee for student loan		-	-	-	-	-	4,934	-	4,934	11,867
Total Income		1,300,601	745,673	524,351	409,702	17,672	4,934	22,856	3,025,789	1,504,170

LESS: EXPENDITURE

Donations										
Habib University students		244,888	-	282,155	372,107	318	-	-	899,468	735,998
Habib University	15	525,112	-	-	-	-	-	-	525,112	143,271
Depreciation	5.1	158,625	-	-	-	-	-	133	158,758	131,939
Net loss / (gain) on investments measured at FVOCI reclassified to profit or loss on disposal		-	22,764	(79)	-	-	-	-	22,685	7,462
Administrative expenses	16	86,148	-	-	-	-	-	-	86,148	34,600
Investment management and related expenses		-	14,391	37	7	2	12	-	14,449	11,032
Expenditure on other project		-	-	-	-	-	-	6,980	6,980	5,814
Total expenditure		1,014,773	37,155	282,113	372,114	320	12	7,113	1,713,600	1,070,116
Surplus for the year before taxation		285,828	708,518	242,238	37,588	17,352	4,922	15,743	1,312,189	434,054
Taxation	18	-	-	-	-	-	-	-	-	-
Net surplus for the year after taxation		285,828	708,518	242,238	37,588	17,352	4,922	15,743	1,312,189	434,054

The annexed notes 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE




DIRECTOR

HABIB UNIVERSITY FOUNDATION
(A FOUNDATION SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

General Fund	--Restricted funds--						June 30, 2024	June 30, 2023	
	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project			
Rupees in '000									
Net surplus for the year	285,828	708,518	242,238	37,588	17,352	4,922	15,743	1,312,189	434,054
Other comprehensive income									
Fair value gain / (loss) on investments carried at FVOCI	-	25,906	62	-	-	-	-	25,968	(10,732)
	-	25,906	62	-	-	-	-	25,968	(10,732)
Total comprehensive income for the year	285,828	734,424	242,300	37,588	17,352	4,922	15,743	1,338,157	423,322

The annexed notes 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

HABIB UNIVERSITY FOUNDATION
(A FOUNDATION SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Restricted Funds							Sub total	Total
	General Fund	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project		
	(Rupees 000)								
Balance as at July 01, 2022	2,534,194	2,153,038	117,821	92,738	2,499	84,570	728	2,452,194	4,986,388
Net surplus / (deficit) for the year	34,562	351,047	47,571	(9,188)	(2,183)	11,867	378	399,492	434,054
Other comprehensive loss for the year	-	(10,670)	(62)	-	-	-	-	(10,732)	(10,732)
Total comprehensive income / (loss) for the year	34,562	340,377	47,509	(9,188)	(2,183)	11,867	378	388,760	423,322
Transfer from Student Loan Fund to General Fund during the year	23,424	-	-	-	-	(23,424)	-	(23,424)	-
Balance as at June 30, 2023	2,592,180	2,494,215	165,330	83,550	316	73,013	1,106	2,817,530	5,409,710
Net surplus for the year	285,828	708,518	242,238	37,588	17,352	4,922	15,743	1,026,361	1,312,189
Other comprehensive gain for the year	-	25,906	62	-	-	-	-	25,968	25,968
Total comprehensive income for the year	285,828	734,424	242,300	37,588	17,352	4,922	15,743	1,052,329	1,338,157
Transfer from Student Loan Fund to General Fund during the year	29,711	-	-	-	-	(29,711)	-	(29,711)	-
Balance as at June 30, 2024	<u>2,907,719</u>	<u>3,228,639</u>	<u>407,630</u>	<u>121,138</u>	<u>17,668</u>	<u>48,224</u>	<u>16,849</u>	<u>3,840,148</u>	<u>6,747,867</u>

The annexed notes 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

HABIB UNIVERSITY FOUNDATION
(A FOUNDATION SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

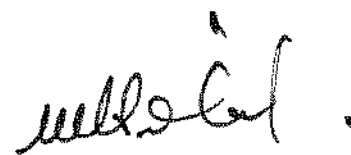
	Note	June 30, 2024	June 30, 2023
——(Rupees in '000)——			
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus of income / contributions over expenditure for the year before taxation		1,312,189	434,054
Adjustment for non-cash and other items:			
Depreciation	5.1	158,758	131,939
Profit on investments carried at FVOCI	14	(187,547)	(70,094)
Profit on investments carried at amortised cost	14	(294,080)	(224,466)
Profit on deposit accounts	14	(76,931)	(13,463)
Realised (gain) / loss on sale of investments carried at FVPL		(130,147)	9,137
Unrealised (gain) / loss on investments carried at FVPL		(119,596)	14,231
Net loss on investments measured at FVOCI reclassified to profit or loss		22,685	7,462
Gain on disposal of operating fixed assets		-	(32)
Lien marked on current account		(146,221)	(175,943)
Dividend income	14	(28,640)	(31,893)
		(801,719)	(353,122)
(Increase) / decrease in current assets:			
Advances		(23)	-
Other receivables		34,765	(34,698)
		34,742	(34,698)
Decrease in current liabilities:			
Trade and other payables		21,378	209,880
		566,590	256,114
Advance tax paid / deducted		(13)	(2,590)
Net cash generated from operating activities		566,577	253,524
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to operating fixed assets and capital work in progress		(173,976)	(471,541)
Investments made		(6,209,421)	(7,253,514)
Investments encashed		5,862,034	7,116,138
Sale proceeds on disposal of fixed assets		-	32
Dividend received		28,622	31,893
Profit received on investments carried at:			
- FVOCI		179,063	81,156
- Amortised cost		34,360	47,050
Profit received on deposit accounts		75,936	12,803
Net cash used in investing activities		(203,382)	(435,983)
Net increase / (decrease) in cash and cash equivalents		363,195	(182,459)
Cash and cash equivalents at the beginning of the year		452,668	635,127
Cash and cash equivalents at the end of the year	17	815,863	452,668

The annexed notes 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

**HABIB UNIVERSITY FOUNDATION
(A FOUNDATION SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 LEGAL STATUS AND NATURE OF BUSINESS

Habib University Foundation (herein after referred to as 'the Foundation') was incorporated in Pakistan as a company limited by guarantee not having share capital under section 42 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on October 10, 2007. The registered office of the Foundation is situated at Plot 295, Block 18, University Avenue, Gulistan-e-Johar, Karachi. The Foundation is principally engaged in establishing a research based university focusing on Science, Engineering, Social Science and Entrepreneurship. These financials do not include the results of operations of Habib University. Further, the Foundation is also engaged in other philanthropic projects that facilitate access to quality education.

The Foundation is a not-for-profit organization registered under section 2(36) of the Income Tax Ordinance, 2001 and its surplus, if any, is carried forward to the subsequent years, and is not available for appropriation.

2 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention, except as otherwise specifically stated.

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Act differ from the IFRS Accounting Standards or the Accounting Standards for NPOs, the provisions of and directives issued under the Act have been followed.

2.2 Changes in accounting standards, interpretations and amendments to approved accounting and reporting standards

2.2.1 Amendments to approved accounting and reporting standards and interpretation / guidance which become effective during the year ended June 30, 2024

There were certain amendments that become applicable for the year but are not considered to be relevant or did not have any significant effect on the Foundation's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Foundation which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

2.2.2 New standards and amendments to approved accounting and reporting 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 includes IFRS 18 "Presentation and Disclosure in Financial Statements" with applicability date of January 1, 2027 as per IASB. These standards will become part of Foundation's financial reporting framework upon adoption by SECP. The overall amendments includes those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which 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 amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course. There are certain amendments to the accounting and reporting standards that will be mandatory for the Foundation's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Foundation and, therefore, have not been disclosed in these financial statements.

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Foundation's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected. 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.

- Property and equipment (notes 4.1 and 5)
- Impairment of non financial and financial assets (notes 4.1.3 and 4.2.2)
- Provisions (note 4.10)
- Contingencies (notes 4.14 and 11)

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold lands which are stated at cost less accumulated impairment loss, if any.

Maintenance and normal repairs are charged to income and expenditure statement as and when incurred. Major renewals and improvements, if any, are capitalised when it is probable that respective future economic benefits will flow to the Foundation.

Depreciation is charged to the statement of income and expenditure using the straight-line method at the rates stated in note 5.1. Depreciation is charged on operating fixed assets from the date asset is available for use up to the date the asset is disposed off.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. The effect of any adjustments to residual values and useful lives is recognised prospectively as a change in estimate in the statement of income and expenditure.

Subsequent costs are included in the asset's carrying amount or are recognised 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. Normal repairs and maintenance are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gain and loss on disposal or retirement of an item of property and equipment are taken to statement of income and expenditure.

4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated 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.

4.1.3 Impairment of non-financial assets

The carrying amount of the Foundation's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the assets or group of assets may be impaired. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment loss is recognised in the statement of income and expenditure.

4.2 Financial instruments

4.2.1 Financial assets

(a) Classification

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

- to be measured at fair value through other comprehensive income (FVOCI);
- to be measured at fair value through profit or loss (FVPL); and
- to be measured at amortised cost.

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

A financial asset is initially measured at fair value plus, for a financial asset not measured at FVPL, transaction costs that are directly attributable to its acquisition.

Transaction costs of financial assets carried at fair value through profit or loss are charged to the statement of income and expenditure.

(b) Subsequent Measurement

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 loss, foreign exchange gain and loss, and gain or loss arising on derecognition are recognised directly in statement of income and expenditure.

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.

Fair value through profit or loss 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 profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of income and expenditure in the period in which it arises.

4.2.2 Impairment of financial assets

The Foundation recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Foundation measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for other receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and information.

The Foundation assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Foundation is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Foundation has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Foundation individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Foundation expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Foundation's procedures for recovery of amounts due.

4.2.3 Financial liabilities

Financial liabilities are recognised at the time when the Foundation becomes a party to the contractual provisions of the instruments.

(a) Classification and subsequent measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Gains or losses on liabilities held for trading are recognised in the statement of income and expenditure. Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, only if the criteria in IFRS 9 are satisfied. The Foundation has not designated any financial liability at FVPL.

After initial recognition, borrowings and trade and other payables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of income and expenditure when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of income and expenditure and the statement of comprehensive income.

Borrowings are classified as current liabilities unless the Foundation has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the statement of income and expenditure.

(c) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities 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 on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of ECL.

4.4 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of statement of cash flows, cash and cash equivalent comprises of cash in hand, balances with banks in current and deposit accounts and other short-term highly liquid investments with original maturities of upto three months or less.

4.5 General Fund

The General Fund presents all revenues and expenses related to unrestricted resources. The total excess of revenues over expenses in the general fund reports the change in the Foundation's unrestricted resources in the year.

4.6 Restricted Funds

The Foundation follows restricted fund method of accounting. Under which, endowment contributions are accumulated in the endowment fund balance. Other internally and externally restricted contributions are accumulated in the statement of financial position as part of the respective restricted fund balance. The restricted funds present income and expenses related to restricted resources. Endowment contributions are presented in the endowment fund.

4.6.1 Endowment Fund

The Foundation has established an Endowment Fund restricted for Habib University to support its operations and ensure continued growth and sustainability. The Fund is strengthened by transfer from General Fund and contributions received from donors. In accordance with Endowment Fund rules, only the income derived from the Fund shall be applied towards meeting the expenses of Habib University or as recommended by the Board of Directors.

4.6.2 Scholarship Fund

The Foundation has established Scholarship Fund restricted for providing scholarships to students and carrying out activities under different scholarship programs of Habib University including Habib University Talent, outreach, promotion and support. The Fund is credited when the contributions are received and debited at the time of disbursement to Habib University students.

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4.6.3 Zakat Fund

The Foundation has established a Zakat Fund restricted for providing financial assistance to the deserving students of Habib University. Zakat Fund is credited at the time of receipt of zakat from donor and is debited at the time of disbursement to Habib University students.

4.6.4 Grant Fund

The Foundation has established a Grant Fund restricted for providing grants to the deserving students of Habib University. The Fund is credited when the contributions are received and debited at the time of disbursement to Habib University students.

4.6.5 Student Loan Fund

The Foundation has established a Student Loan Fund restricted for providing guarantee against loans issued by a commercial bank to Habib University students by creating lien on a current account. The account is credited by an amount equivalent to the amount of loan disbursed by the bank to a student during the year and is debited when the loan is repaid by the students.

4.6.5.1 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Foundation to make specified payments to reimburse the Bank for a loss it incurs because the student fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to Bank on behalf of students to secure student loans provided by the Bank on a reduced rate.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

The Foundation has set up the Student Loan Fund with the objective of supporting the students of Habib University by providing free of cost guarantee on behalf of the student to the Bank as a security for the loan, hence no premium has been charged by the Foundation. In order to reliably measure the financial guarantee contracts, assessment of fair value of guarantee premium has been done by assessing the market terms used in other similar transactions.

Risk from potential claim made under guarantee agreements

The estimate for any liability arising from potential contingent claims made under any Guarantee is the most critical accounting estimate. There are several sources of uncertainty that need to be considered in first estimating the likelihood of any claim under a guarantee and secondly, estimating the liability that the Foundation will be called upon to pay on any such claim. These estimates are used to fair value the financial guarantee contract in addition to the consideration received for the guarantee at inception (discounted using a risk adjusted rate).

To this end, the Foundation makes an adjustment for credit risk for each financial guarantee contract and this is used to take into account credit risk in determining the overall fair value of the financial guarantee contracts. The expected credit loss (ECL) is the best estimate that represents the associated credit risk for each financial guarantee contract. The adjustment is, therefore, determined by calculating the ECL of each financial guarantee contract by multiplying the Probability of Default (PD) of the students whose obligations are guaranteed by the expected Exposure at time of Default (EAD) and the Loss Given Default (LGD).

Estimation of probability of default and loss given default for transactions

At each reporting date, the Foundation assesses whether there is objective evidence that the PD and LGD for a transactions needs to be revised.

4.6.6 Other Project Fund

The Foundation has established an Other Project Fund restricted for any other projects the Foundation may undertake. Currently, only one project i.e. Farabi Project is part of this Fund wherein the Foundation has taken on the responsibility to adopt and upgrade a school owned by the Government of Sindh pursuant to an agreement between the Foundation and Government of Sindh. Further, donations received and expenses incurred for this project are kept distinct from other funds of the Foundation.

4.7 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for the goods and services received.

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4.8 Taxation

Any income derived by the Foundation is exempt from tax in accordance with clause (66) of Part I of Second schedule to the Income Tax Ordinance, 2001. Consequently, no provision for taxation has been made in these financial statements.

4.10 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. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.11 Foreign currency translations

Foreign currency transactions are translated into Pakistani Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees using the exchange rate at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to the statement of income and expenditure currently.

4.12 Income

4.12.1 Donation

Donations in cash are recognised as income as and when received. Donations in kind in the form of assets with no future related costs are recognised as income of the period in which it becomes receivable / received, at fair value.

4.12.2 Other Income

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

- Gains / (losses) arising on sale of investments are included in statement of income and expenditure and are recognised on the date when the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the statement of income and expenditure in the period in which they arise;
- Profit on savings account with banks is recognised on time proportion basis using the effective yield method; and
- Dividend income is recognised when the right to receive the dividend is established.

4.13 Expenditure

All expenses are recognised in the statement of income and expenditure on an accrual basis.

4.14 Contingencies

Contingent liability is disclosed when:

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

4.15 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Foundation operates. These financial statements are presented in Pakistani Rupees, which is the Foundation's functional and presentation currency.

	Note	June 30, 2024	June 30, 2023
——(Rupees in '000)——			
5	PROPERTY AND EQUIPMENT		
	Operating fixed assets	5.1	2,597,804
	Capital work-in-progress	5.2	68,663
			509,514
		<u>2,666,467</u>	<u>2,651,249</u>

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5.1 Operating fixed assets

2024										
Freehold land - city campus	Building on freehold land	Machinery and electrical works	Motor vehicles	Office equipment	Lab equipment	Furniture and fixtures	Library books	Computers and multimedia	Total	
(Rupees in '000)										
As at July 01, 2023										
Cost	529,615	1,787,519	619,592	15,390	172,863	135,977	298,702	15,753	156,238	3,731,649
Accumulated depreciation	-	(353,343)	(511,492)	(1,887)	(171,206)	(117,657)	(280,153)	(15,753)	(138,423)	(1,589,914)
Net book value	529,615	1,434,176	108,100	13,503	1,657	18,320	18,549	-	17,815	2,141,735
Additions including transfers from capital work-in-progress	-	334,131	187,149	-	7,062	-	47,315	-	39,170	614,827
Disposals										
Cost	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	(48,308)	(70,796)	(2,268)	(1,708)	(8,074)	(16,033)	-	(11,571)	(158,758)
Closing net book value	529,615	1,719,999	224,453	11,235	7,011	10,246	49,831	-	45,414	2,597,804
As at June 30, 2024										
Cost	529,615	2,121,650	806,741	15,390	179,925	135,977	346,017	15,753	195,408	4,346,476
Accumulated depreciation	-	(401,651)	(582,288)	(4,155)	(172,914)	(125,731)	(296,166)	(15,753)	(149,994)	(1,748,672)
Net book value	529,615	1,719,999	224,453	11,235	7,011	10,246	49,831	-	45,414	2,597,804
Depreciation rate %	-	2.50	10.00	20.00	20.00	20.00	14.30	20.00	33.33	
2023										
Freehold land - city campus	Building on freehold land	Machinery and electrical works	Motor vehicles	Office equipment	Lab equipment	Furniture and fixtures	Library books	Computers and multimedia	Total	
(Rupees in '000)										
As at July 01, 2022										
Cost	529,615	1,782,978	617,374	1,213	171,549	135,977	298,702	15,753	138,142	3,691,303
Accumulated depreciation	-	(308,749)	(449,688)	(1,213)	(170,791)	(107,317)	(268,072)	(15,753)	(136,452)	(1,458,035)
Net book value	529,615	1,474,229	167,686	-	758	28,660	30,630	-	1,690	2,233,268
Additions including transfers from capital work-in-progress	-	4,541	2,218	14,177	1,314	-	-	-	18,156	40,406
Disposals										
Cost	-	-	-	-	-	-	-	-	60	60
Accumulated depreciation	-	-	-	-	-	-	-	-	(60)	(60)
Depreciation for the year	-	(44,594)	(61,804)	(574)	(415)	(10,340)	(12,081)	-	(2,031)	(131,939)
Closing net book value	529,615	1,434,176	108,100	13,503	1,657	18,320	18,549	-	17,815	2,141,735
As at June 30, 2023										
Cost	529,615	1,787,519	619,592	15,390	172,863	135,977	298,702	15,753	156,238	3,731,649
Accumulated depreciation	-	(353,343)	(511,492)	(1,887)	(171,206)	(117,657)	(280,153)	(15,753)	(138,423)	(1,589,914)
Net book value	529,615	1,434,176	108,100	13,503	1,657	18,320	18,549	-	17,815	2,141,735
Depreciation rate %	-	2.50	10.00	20.00	20.00	20.00	14.30 - 20.00	20.00	33.33	

5.1.1 Operating fixed assets include items having an aggregate cost of Rs. 688.916 million (2023: Rs. 619.230 million) which are fully depreciated and are still in use of the Foundation.

5.1.2 These include assets that are in possession and use of Habib University – a related party pursuant to an agreement therewith.

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	Note	June 30, 2024	June 30, 2023
		----- (Rupees in '000) -----	
5.2 Capital work-in-progress			
Opening balance		509,514	78,379
Additions during the year		149,791	451,338
		<u>659,305</u>	<u>529,717</u>
Transfer to operating fixed assets		(590,642)	(20,203)
Closing balance	5.2.1	<u><u>68,663</u></u>	<u><u>509,514</u></u>
5.2.1 Breakup of capital work in progress for the year ended June 30, 2024 are as follows:			
Office equipment		5,952	69,132
Mechanical and electrical works		36,121	52,153
Building on freehold land		26,189	355,538
Furniture and fixtures		248	27,563
Computers and multimedia		153	5,128
		<u>68,663</u>	<u>509,514</u>
6 LONG TERM INVESTMENTS			
At amortised cost:			
Defence Saving Certificates (DSCs)	6.1	110,100	110,100
Accrued profit thereon		85,443	62,917
		<u>195,543</u>	<u>173,017</u>
At fair value through other comprehensive income:			
Pakistan Investment Bonds (PIBs)	6.2	953,162	883,498
Less: current portion of PIBs		(390,639)	(147,774)
Non current portion of PIBs		<u>562,523</u>	<u>735,724</u>
	6.3	<u><u>758,066</u></u>	<u><u>908,741</u></u>
6.1	These carry profit yield at rates ranging from 12.47% to 13.02% (June 30, 2023: 12.47% to 13.02%) per annum and will mature latest by October 21, 2029.		
6.2	These carry profit yield at rates ranging from 7.50% to 22.47% (June 30, 2023: 7.54% to 22.84%) per annum and will mature latest by December 10, 2030.		
6.3	These long-term investments as at June 30, 2024 pertains to Endowment Fund.		
7 SHORT-TERM INVESTMENTS	Note	June 30, 2024	June 30, 2023
		----- (Rupees in '000) -----	
At amortised cost:			
Local currency			
Term deposit receipts	7.2	357,339	144,520
Accrued profit		4,103	3,731
		<u>361,442</u>	<u>148,251</u>
Foreign currency			
Term deposit receipts	7.3	331,148	167,954
Accrued profit		3,204	4,064
		<u>334,352</u>	<u>172,018</u>
Market Treasury Bills			
- Cost	7.4	1,362,202	863,099
- Amortisation income accrued		124,971	30,620
		<u>1,487,173</u>	<u>893,719</u>
At fair value through profit or loss:			
Mutual Funds			
Money Market Fund		25,027	123,171
Stock Funds		302,538	96,914
	7.5	<u>327,565</u>	<u>220,085</u>
Quoted shares	7.6	349,032	281,518
At fair value through other comprehensive income			
Current portion of PIBs	6.2	390,639	147,774
		<u><u>3,250,203</u></u>	<u><u>1,863,365</u></u>

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7.1 Fund wise breakup of short-term investments is as follows:

	General Fund	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project	June 30, 2024	June 30, 2023
	(Rupees in '000)								
Term deposit receipts - local currency	128,208	-	233,236	-	-	-	-	361,442	148,251
Term deposit receipts - foreign currency	202,126	-	-	118,893	13,333	-	-	334,352	172,018
Market treasury bills	-	1,336,417	150,756	-	-	-	-	1,487,173	893,719
Mutual Funds	-	327,565	-	-	-	-	-	327,565	220,085
Quoted shares	-	349,032	-	-	-	-	-	349,032	281,518
Pakistan investment bonds	-	390,639	-	-	-	-	-	390,639	147,774
	<u>330,332</u>	<u>2,403,653</u>	<u>383,992</u>	<u>118,893</u>	<u>13,333</u>	<u>-</u>	<u>-</u>	<u>3,250,203</u>	<u>1,863,365</u>

7.2 These carry profit yield at rates ranging from 16.75% to 21.25% (2023: 16.25% to 19.75%) per annum and will mature latest by October 26, 2024. These includes certificates amounting to Rs. 329 million (2023: 117.52 million) issued by Habib Metropolitan Bank Limited, a related party.

7.3 These carry profit yield at rates ranging from 5.00% to 8.60% (2023: 8.6%) per annum and will mature latest by September 25, 2024. These certificates were issued by Habib Metropolitan Bank Limited, a related party.

7.4 These carry profit yield ranging from 19.80% to 22.07% (2023: 15.86% to 21.97%) per annum and will mature latest by May 29, 2025.

7.5 Investment in Mutual Funds Units	Note	Number of units as at June 30, 2024	Fair value as at June 30, 2024 (Rupees in '000)
Name of the Investee			
NBP Money Market		2,501	25,027
NBP Islamic Stock Fund		2,098	29,008
NBP Islamic Energy Fund		3,997	57,051
NBP Stock Fund		10,109	216,479
	7.5.1	<u>18,704</u>	<u>327,565</u>
Total as at June 30, 2023		<u>19,525</u>	<u>220,085</u>

7.5.1 The carrying value of units held as at June 30, 2024 amounted to Rs. 327.505 million (June 30, 2023: 218.027 million).

7.6 Investment in Quoted Shares	Note	Number of shares as at June 30, 2024	Fair value as at June 30, 2024 (Rupees in '000)
Name of the Investee			
Lucky Cement Limited		34,700	31,464
Lucky Core Industries Limited		24,300	22,587
Nimir Industrial Chemicals Limited		36,400	4,404
Allied Bank Limited		65,000	7,163
Muslim Commercial Bank		108,300	24,586
Bank Al Habib Limited		325,000	36,459
Standard Chartered Bank (Pak) Limited		252,000	15,543
Engro Corporation Limited		41,900	13,941
Engro Fertilizers Limited		86,800	14,428
Fauji Fertilizer Company Limited		142,800	23,331
Colgate-Palmolive (Pakistan) Limited		11,978	14,612
Nestle Pakistan Limited		1,000	7,154
Frieslandcampina Engro Pakistan Limited		94,000	6,582
Mari Petroleum Company Limited		8,085	21,929
Oil & Gas Development Company Limited		118,500	16,041
Pakistan Oilfields Limited		24,580	12,043
Highnoon Laboratories Limited		17,683	12,618
The Hub Power Company Limited		141,500	23,076
Dolmen City REIT		760,000	12,502
Systems Limited		68,300	28,569
		<u>2,362,826</u>	<u>349,032</u>
Total as at June 30, 2023	7.6.1	<u>2,490,328</u>	<u>281,518</u>

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7.6.1 The carrying value of shares held as at June 30, 2024 amounted to Rs. 229.496 million (June 30, 2023: 297.807 million).

8 ACCRUED PROFIT

General Fund	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project	June 30, 2024	June 30, 2023
(Rupees in '000)								
Profit on Pakistan Investment Bonds	-	29,159	-	-	-	-	29,159	20,674
Profit on deposit accounts	1,160	793	442	332	25	84	2,836	1,841
	<u>1,160</u>	<u>29,952</u>	<u>442</u>	<u>332</u>	<u>25</u>	<u>84</u>	<u>31,995</u>	<u>22,515</u>

9 BANK BALANCES

	Note	June 30, 2024	June 30, 2023
(Rupees in '000)			
Cash at bank			
- In deposit accounts	9.1, 9.2, & 9.3	124,458	133,642
- In current accounts			
Foreign currency	9.2	1,950	5,985
Local currency	9.2 & 9.4	147,189	176,510
		<u>149,139</u>	<u>182,495</u>
	9.5	<u>273,597</u>	<u>316,137</u>

9.1 These carry profit at rates ranging from 17% to 20.5% (June 30, 2023: 17% to 19.5%) per annum.

9.2 This includes Rs. 259.84 million (June 30, 2023: Rs. 314.13 million) held with Habib Metropolitan Bank Limited, a related party.

9.3 This includes Rs. 0.81 million (June 30, 2023: Rs. 0.43 million) held with Habib Bank Limited, a related party.

9.4 This includes lien on current account amounting to Rs. 146.22 million (June 30, 2023: Rs. 175.94 million).

9.5 Fund wise breakup of bank balances is as follows:

General Fund	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project	June 30, 2024	June 30, 2023
(Rupees in '000)								
In deposit accounts	41,689	38,885	22,028	1,511	4,250	-	16,095	124,458
In current accounts - local currency	445	40	411	72	-	146,221	-	147,189
In current accounts - foreign currency	1,950	-	-	-	-	-	-	1,950
	<u>44,084</u>	<u>38,925</u>	<u>22,439</u>	<u>1,583</u>	<u>4,250</u>	<u>146,221</u>	<u>16,095</u>	<u>273,597</u>

10 TRADE AND OTHER PAYABLES

General Fund	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project	June 30, 2024	June 30, 2023
(Rupees in '000)								
Payable to suppliers and contractors	39,458	1,943	-	-	-	-	41,401	34,034
Retention money	9,791	-	-	-	-	-	9,791	5,799
Accrued liabilities	87,116	2,150	-	-	-	279	89,545	250,983
Other payable	2,327	-	-	-	-	2	2,329	1,087
Sales tax payable	46	11	-	-	-	13	70	864
Provision against financial guarantee for student loan	-	-	-	-	97,997	-	97,997	102,931
	<u>138,738</u>	<u>4,104</u>	<u>-</u>	<u>-</u>	<u>97,997</u>	<u>294</u>	<u>241,133</u>	<u>385,698</u>

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

Cantonment Board Faisal (CBF) raised initial demand amounting to Rs. 4.7 million during the year ended June 30, 2016. This included an amount of Rs. 3.67 million in lieu of property tax. The Foundation appealed in the Honorable High Court of Sindh (SHC) against the decision and obtained injunction order in terms of which CBF had been restrained from taking any coercive action against the Foundation.

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The matter was disposed off by the SHC in the order dated September 13, 2023, whereby the Foundation was directed to file exemption application before CBF and till the decision on same is not achieved, no coercive measures will be taken against the Foundation for recovery of property tax. The management based on the opinion of legal advisor believes that the matter is expected to be decided in favour of the Foundation and accordingly no provision has been made in these financial statements.

	June 30, 2024	June 30, 2023
	——(Rupees in '000)——	
11.2 Commitments		
11.2.1 Bank guarantee	<u>11,635</u>	<u>11,635</u>
11.2.2 Outstanding guarantee to Habib Metropolitan Bank Limited, a related party for providing education loans to Habib University students by creating a lien on current account. The total outstanding lien on current account is amounting to Rs. 146.22 million (June 30, 2023: Rs. 175.94 million).		

12 DONATIONS

	General Fund	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project	June 30, 2024	June 30, 2023
	(Rupees in '000)								
Related parties	1,247,155	4,500	292,119	285,237	-	-	22,271	1,851,262	792,264
Others	6,568	16,000	198,291	101,821	16,800	-	-	339,480	268,315
	<u>1,253,723</u>	<u>20,500</u>	<u>490,410</u>	<u>387,058</u>	<u>16,800</u>	<u>-</u>	<u>22,271</u>	<u>2,190,762</u>	<u>1,060,579</u>

12.1 These includes Rs. 1,501.268 million (2023: Rs. 481.711 million) received as foreign donations.

12.2 Donation for other project

Represents donations / contributions received by the Foundation from Mohamedali Habib Welfare Trust - a related party, for Farabi Project wherein the Foundation has been given the responsibility to undertake and upgrade a school owned by the Government of Sindh pursuant to an agreement between the Foundation and Government of Sindh. Further, donations received and expenses incurred for this project are kept distinct from other funds of the Foundation.

	June 30, 2024	June 30, 2023
	——(Rupees in '000)——	
13 GAIN / (LOSS) ON INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS		
Unrealised gain	119,596	(14,231)
Realised gain	<u>130,147</u>	<u>(9,137)</u>
	<u>249,743</u>	<u>(23,368)</u>

14 OTHER INCOME

	General Fund	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project	June 30, 2024	June 30, 2023
	(Rupees in '000)								
Return on deposit account	19,236	44,805	6,166	5,675	464	-	585	76,931	13,463
Profit on long-term investments classified at:									
- Amortised cost	-	22,526	-	-	-	-	-	22,526	25,506
- FVOCI	-	184,613	2,934	-	-	-	-	187,547	70,094
Profit on short-term investments classified at amortised cost	34,678	194,846	24,653	16,969	408	-	-	271,554	198,960
Dividend income	14.1	28,640	-	-	-	-	-	28,640	31,893
Foreign exchange (loss) / gain	(7,036)	-	188	-	-	-	-	(6,848)	104,717
Gain on sale of operating fixed assets	-	-	-	-	-	-	-	-	32
Other Income	-	-	-	-	-	-	-	-	10,427
	<u>46,878</u>	<u>475,430</u>	<u>33,941</u>	<u>22,644</u>	<u>872</u>	<u>-</u>	<u>585</u>	<u>580,350</u>	<u>455,092</u>

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- 14.1 This includes dividend received from MCB Bank Limited, Lucky Cement Limited, Lucky Core Industries Limited, Systems Limited, Dolmen City REIT and Bank Al-Habib Limited, related parties amounting to Rs. 13.27 million (2023: Rs. 6.4 million).

	June 30, 2024	June 30, 2023
	—(Rupees in '000)—	
15 DONATION EXPENDITURE		
Habib University - operational funding	505,112	143,271
Habib University - entrepreneur program	20,000	-
	<u>525,112</u>	<u>143,271</u>

16 ADMINISTRATIVE EXPENSES	Note	General Fund	Endowment Fund - Externally Restricted	Scholarship Fund	Zakat Fund	Grant Fund	Student Loan Fund	Other Project	June 30, 2024	June 30, 2023
		(Rupees in '000)								
Salaries		48,969	-	-	-	-	-	-	48,969	27,061
Legal and professional charges		29,551	-	-	-	-	-	-	29,551	1,140
Auditors' remuneration	16.1	1,314	-	-	-	-	-	-	1,314	853
Travelling		1,057	-	-	-	-	-	-	1,057	1,685
Miscellaneous		5,257	-	-	-	-	-	-	5,257	3,861
		<u>86,148</u>	-	-	-	-	-	-	<u>86,148</u>	<u>34,600</u>

	Note	June 30, 2024	June 30, 2023
		—(Rupees in '000)—	
16.1 Auditors' remuneration			
Audit fee		582	433
Half yearly review		338	233
Out of pocket expenses		297	123
Sindh sales tax		97	64
		<u>1,314</u>	<u>853</u>

17 CASH AND CASH EQUIVALENTS	Note	June 30, 2024	June 30, 2023
Term deposit receipts	7	688,487	312,474
Bank balances	17.1	127,376	140,194
		<u>815,863</u>	<u>452,668</u>

- 17.1 This balance does not include lien on current account against financial guarantee for student loan amounting to Rs. 146.221 million (June 30, 2023: Rs. 175.936 million) with Habib Metropolitan Bank Limited.

18 TAXATION

Any income derived by the Foundation is exempt from tax in accordance with sub-clause (2) of clause (66) of Part I of Second Schedule to the Income Tax Ordinance, 2001 subject to the fulfilment of conditions specified in Section 100C of the Ordinance.

As per section 100C of the Income Tax Ordinance, 2001, non profit organisations, trusts or welfare organisations as mentioned in sub section 2 of section 100C shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum and final tax payable under any of the provisions of the Income Tax Ordinance, 2001, subject to the following conditions, namely:

(a) return has been filed;

(b) tax required to be deducted or collected has been deducted or collected and paid;

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- (c) withholding tax statements for the immediately preceding tax year have been filed;
- (d) the administrative and management expenditure does not exceed 15% of the total receipts;
- (e) approval of Commissioner has been obtained as per requirement of clause (36) of section 2;
- (f) none of the assets of trusts or welfare institutions confers, or may confer, a private benefit to the donors or family, children or author of the trust or his descendants or the maker of the institution or to any other person and where such private benefit is conferred, the amount of such benefit shall be added to the income of the donor; and
- (g) a statement of voluntary contributions and donations received in the immediately preceding tax year has been filed in the prescribed form and manner

The Foundation has complied with the aforementioned conditions of the Income Tax Ordinance, 2001.

The operations of the Foundation fall within the purview of section 100C of the Income Tax Ordinance, 2001 and the tax credit of hundred percent is allowed under section 100C of the Income Tax Ordinance, 2001 in respect of tax payable including minimum and final taxes payable and consequently no charge has been recognised in these financial statements.

19 TRANSACTIONS / BALANCES WITH RELATED PARTIES

Related parties comprise of the directors, entities having directors in common with the Foundation, other 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:

Nature of relationship	Nature of transactions	June 30,	June 30,
		2024	2023
		----(Rupees in '000)----	
Common directorship	Donations received	1,785,111	713,024
Common directorship	Donations received for other projects	22,271	6,000
Common directorship	Donations made for Habib University students	899,468	735,998
Common directorship	Donations made to Habib University	525,112	143,271
Common directorship	Investments in term deposit receipts	1,024,714	1,273,267
Common directorship	Expenses paid by the Foundation on behalf of Habib University	17,814	-
Common directorship	Expenses paid by Habib University on behalf of the Foundation	235,142	141,240
Common directorship	Equity investments made during the period	-	44,206
Common directorship	Equity investments disposed off during the period	5,364	10,779
Common directorship	Encashment of term deposit receipts	650,269	1,430,082
Common directorship	Dividend income	13,274	6,385
Common directorship	Profit on bank deposits and term deposit receipts	106,888	54,457
Directors	Donations received	19,200	72,825
Relative of director	Donations received	24,700	415
Key management personnel	Remuneration	39,751	19,447

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Details of balances with related parties during the year are disclosed in their respective notes in these financial statements.

The Habib University Foundation has allowed free of cost use of its property and equipment to Habib University, a related party. No rentals or other compensation is charged from the University for such assets.

19.1 Name of related parties and relationships

Name of related parties	Relationship
Donations received	
Mr. Nadeem Naqvi	Chief Executive Officer
Mr. Mohamedali Rafiq Habib	Director
Mr. Amir Rasool Paracha	Director
Mr. Tariq Rafi	Director
Habib University Stiftung Switzerland	Common Director
The Habib University Foundation, U.S. Inc.	Common Director
The Habib University Foundation, Canada	Common Director
The Soorty Foundation	Common Director
Javedan Corporation Limited	Common Director
Indus Motor Company Limited	Common Director
Arif Habib Corporation Limited	Common Director
Hinovex Trading	Common Director
Habib Metropolitan Bank Limited	Common Director
Hamid D. Habib Memorial Trust	Common Director
Dawood Habib Memorial Trust	Common Director
Gul Ahmed Textile Mills Limited	Common Director
Lucky Knits (Private) Limited	Common Director
Siddiqsons Tin Plate Limited	Common Director
Central Depository Company of Pakistan Limited	Common Director
Fatima Fertilizer Company Limited	Common Director
Ms. Aisha Tariq	Relative of Director
Ms. Nighat Tariq	Relative of Director
Mr. Abdur Rahim Tariq	Relative of Director
Donations received for other project	
Mohamedali Habib Welfare Trust	Common Director
Donations made	
Habib University	Common Director
Banking services	
Habib Metropolitan Bank Limited	Common Director
Habib Bank Limited	Common Director
Investment in equity securities and dividend income	
Bank Al Habib Limited	Common Director
Dolmen City REIT	Common Director
Lucky Cement Limited	Common Director
Lucky Core Industries Limited	Common Director
MCB Bank Limited	Common Director
Systems Limited	Common Director
Key Management Personnel	
Mr. Nadeem Naqvi	Chief Executive Officer
Mr. Sheraz Siddiqui	Chief Financial Officer

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20 FINANCIAL INSTRUMENTS BY CATEGORY

2024			
At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
(Rupees In '000)			
Financial assets			
Long-term investments	195,543	562,523	758,066
Accrued profit	31,995	-	31,995
Long-term security deposits	2,020	-	2,020
Other receivables	133	-	133
Short-term investments	2,182,967	390,639	676,597
Bank balances	273,597	-	273,597
	<u>2,686,255</u>	<u>953,162</u>	<u>676,597</u>
			<u>4,316,014</u>
Financial liabilities			
Trade and other payables	143,067	-	143,067
	<u>143,067</u>	<u>-</u>	<u>143,067</u>

2023			
At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
(Rupees In '000)			
Financial assets			
Long-term investments	173,017	735,724	908,741
Accrued profit	22,515	-	22,515
Long-term security deposits	2,020	-	2,020
Other receivables	34,898	-	34,898
Short-term investments	1,213,988	147,774	501,603
Bank balances	316,137	-	316,137
	<u>1,762,575</u>	<u>883,498</u>	<u>501,603</u>
			<u>3,147,676</u>
Financial liabilities			
Trade and other payables	291,903	-	291,903
	<u>291,903</u>	<u>-</u>	<u>291,903</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Board of Directors review and agrees policies for managing each of these risks which are summarised below:

21.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

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21.1.1 Exposure to credit risk

The table below analyses the Foundation's maximum exposure to credit risk:

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees in '000			
Long-term investments	758,066	-	908,741	-
Accrued profit	2,836	2,836	1,840	1,840
Long-term security deposits	2,020	2,020	2,020	2,020
Other receivables	133	133	34,898	34,898
Short-term investments	3,250,203	1,372,391	1,863,365	821,872
Bank balances	273,597	273,597	316,137	316,137
Provision against financial guarantee for student loan	97,997	97,997	102,931	102,931
	<u>4,384,852</u>	<u>1,748,974</u>	<u>3,229,932</u>	<u>1,279,698</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets and financial liabilities. Investment in government securities and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

21.1.2 Credit quality of financial assets

The Foundation's significant credit risk on financial assets arises mainly on account of its placements in banks, investments in term deposit receipts and related profit receivable thereon. The credit rating profile of balances with banks is as follows:

Bank	Rating	Rating agency	2024	2023
			Total in percentage	
Balances with banks				
Bank Alfalah Limited	AAA	PACRA	4.24%	0.05%
Dubai Islamic Bank Pakistan Limited	AA	VIS	0.70%	0.49%
Habib Metropolitan Bank Limited	AA+	PACRA	94.64%	99.21%
National Bank of Pakistan	AAA	VIS	0.11%	0.10%
Habib Bank Limited	AAA	VIS	0.31%	0.15%
			<u>100.00%</u>	<u>100.00%</u>

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Foundation are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

21.1.3 Credit quality of financial liabilities

The Foundation's significant credit risk on financial liabilities arises mainly due to the default by the students in respect of the loans given by the Bank and related financial guarantees for student loans given by the Foundation. The guarantees are given on behalf of students who are individuals and their credit worthiness are assessed by the Bank through the Know-Your-Customer (KYC) process and electronic Credit Information Bureau (eCIB) portal.

The Foundation, however, keeps track of the student's employer / professional engagement along with their postal and electronic address after student graduates or leaves the university and provide such details as and when required by the Bank.

21.1.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Foundation's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Foundation as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

21.2 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management of the Foundation believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Foundation on the basis of the expected cash flows considering the level of liquid assets necessary to mitigate the liquidity risk.

The table below summarise the maturity profile of the Foundation's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

Affected

2024						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
Rupees in '000						

Financial liabilities

Trade and other payables

143,067	-	-	-	-	-	143,067
143,067	-	-	-	-	-	143,067

2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
Rupees in '000						

Financial liabilities

Trade and other payables

291,903	-	-	-	-	-	291,903
291,903	-	-	-	-	-	291,903

21.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

21.3.1 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on foreign currency current accounts. The Foundation primarily has currency exposures in US Dollar (USD).

In case of 10 percent appreciation or depreciation in the exchange rates of USD against Pakistani Rupee with all other variables held constant, the net income for the year would have been higher / lower by Rs. 33.31 million (June 30, 2023: Rs. 17.39 million)

21.3.2 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. The Foundation's exposure to interest rate risk arises primarily from bank balances in deposit account Pakistan investment Bonds and term deposit receipts. The Foundation analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available.

a) Sensitivity analysis for variable rate instrument

Presently, the Foundation holds bank balances and Pakistan Investment Bonds (floater) which expose the Foundation to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the surplus would have been higher / lower by Rs. 6.399 million (2023: Rs 1.336 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Foundation's fixed rate risk arises from the investment in Defence Saving Certificates, Term Deposits Receipts, fixed rates Pakistan Investment Bonds and Market Treasury Bills. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the surplus of the Foundation would have been higher / lower by Rs. 27.235 million (2023: Rs 21.998 million). The analysis assumes that all other variables remain constant. The income from these financial assets are substantially independent of changes in market interest rates except for changes, if any, as a result of fluctuation in respective fair values. The Foundation's income from these financial assets does not have any fair value impact.

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The composition of the Foundation's investment portfolio, KIBOR rates and the rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Foundation's surplus of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Foundation's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 and June 30, 2023 can be determined as follows:

2024					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees in 000					
Financial assets					
Long-term investments	7.50 - 22.47	-	-	758,066	758,066
Accrued profit		31,995	-	-	31,995
Long-term security deposits		-	-	2,020	2,020
Other receivables		-	-	133	133
Short-term investments	5.00 - 22.07	1,050,555	1,523,051	676,597	3,250,203
Advance tax receivable		-	-	6,496	6,496
Bank balances	17.00- 20.50	124,458	-	149,139	273,597
		1,207,008	1,523,051	834,385	4,322,510
Financial liabilities					
Trade and other payables		-	-	143,067	143,067
		-	-	143,067	143,067
On-balance sheet gap (a)		1,207,008	1,523,051	758,066	691,318
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		1,207,008	1,523,051	758,066	
Cumulative interest rate sensitivity gap		1,207,008	2,730,059	3,488,125	

2023					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees in 000					
Financial assets					
Long-term investments	7.54 - 22.84	-	-	908,741	908,741
Accrued profit		22,515	-	-	22,515
Long-term security deposits		-	-	2,020	2,020
Other receivables		-	-	34,898	34,898
Short-term investments	8.60 - 21.97	320,269	1,041,493	501,603	1,863,365
Advance tax receivable		-	-	6,483	6,483
Bank balances	17.00- 19.50	133,642	-	182,495	316,137
		476,426	1,041,493	908,741	3,154,159
Financial liabilities					
Trade and other payables		-	-	291,903	291,903
		-	-	291,903	291,903
On-balance sheet gap (a)		476,426	1,041,493	908,741	435,596
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		476,426	1,041,493	908,741	
Cumulative interest rate sensitivity gap		476,426	1,517,919	2,426,660	

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21.3.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit 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.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Foundation's equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities.

At the date of statement of financial position, the exposure to listed equity securities was Rs. 349,032 million (2023: Rs. 281,518 million). A decrease of 10% in the share price of these securities would have an impact of approximately Rs. 34,903 million (2023: Rs. 28,152 million) on the surplus depending whether or not the decline is below the cost of investment. An increase of 10% in the share price of the listed security would impact surplus with the similar amount.

22 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Foundation is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Foundation to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2024 and June 30, 2023, the Foundation held the following financial instruments measured at fair value:

	2024			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
ASSETS				
Investments 'at fair value through other comprehensive income'				
Pakistan Investment Bonds (PIBs)	-	953,162	-	953,162
Investments 'at fair value through profit and loss'				
Mutual Funds	-	327,565	-	327,565
Quoted Shares	349,032	-	-	349,032
Investments 'at amortised cost'				
Market Treasury Bills	-	1,666,436	-	1,666,436
Term deposit receipts*	-	688,487	-	688,487
	<u>349,032</u>	<u>3,635,650</u>	<u>-</u>	<u>3,984,682</u>

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	2023			Total
	Level 1	Level 2	Level 3	
(Rupees in '000)				
ASSETS				
Investments 'at fair value through other comprehensive income'				
Pakistan Investment Bonds (PIBs)	-	883,498	-	883,498
Investments 'at fair value through profit and loss'				
Mutual Funds	-	220,085	-	220,085
Quoted Shares	281,518	-	-	281,518
Investments 'at amortised cost'				
Market Treasury Bills	-	915,283	-	915,283
Term deposit receipts*	-	312,474	-	312,474
	<u>281,518</u>	<u>2,331,340</u>	<u>-</u>	<u>2,612,858</u>

*The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

The market price of quoted shares and PIBs have been obtained from Pakistan Stock Exchange and Mutual Funds Association of Pakistan, respectively. There were no transfers amongst the levels during the year.

During the period from July 1, 2023 to June 30, 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

23 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

	Chief Executive Officer		Executives	
	2024	2023	2024	2023
Remuneration (Rupees in '000)	<u>22,105</u>	<u>15,717</u>	<u>26,864</u>	<u>11,344</u>
Number of person	<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>
Average number of employees	<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>

23.1 Directors are not paid any fee for attending meetings.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 01 OCT 2024 by the Board of Directors of the Foundation.

25 GENERAL

25.1 Foundation's assets includes intangible assets having an aggregate cost of Rs. 511.070 million (2023: Rs. 511.070 million) which are fully amortised and are still in use of the Foundation.

25.1 Figures have been rounded off to the nearest thousand rupees.

25.2 Certain prior year figures have been reclassified for the purpose of better presentation and comparison. However, the same do not include any material reclassification.

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CHIEF EXECUTIVE



DIRECTOR