



**FINANCIAL STATEMENTS
OF
FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42
OF THE COMPANIES ACT, 2017)
FOR THE YEAR ENDED
JUNE 30, 2025**

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF FAMILY EDUCATIONAL SERVICES FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **FAMILY EDUCATIONAL SERVICES FOUNDATION (the Company)**, which comprise the statement of financial position as at June 30, 2025, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the surplus and comprehensive income, the changes in fund 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 Company 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 the Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report of the Company for the year ended June 30, 2025, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 auditors' report. However, future events or conditions may cause the Company 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.

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

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 14 NOV 2025

UDIN: AR202510067dm7PBEG3K




BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	222,455,548	104,296,765
Intangible asset	7	-	58,070
Long term investments	8	98,592,253	99,533,094
Long term loans	9	6,419,252	7,480,879
Long term deposits	10	534,485	641,754
		<u>328,001,538</u>	<u>212,010,562</u>
CURRENT ASSETS			
Loans and advances	11	12,303,624	14,333,127
Deposits and prepayments	12	11,975,637	4,982,620
Short-term investments	13	1,378,058,529	845,836,945
Accrued interest	14	581,698	11,857,955
Other receivables	15	1,604,551	1,000,589
Cash and bank balances	16	104,218,850	110,947,380
Advance tax		895,917	654,163
		<u>1,509,638,806</u>	<u>989,612,779</u>
TOTAL ASSETS		<u><u>1,837,640,344</u></u>	<u><u>1,201,623,341</u></u>
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted			
General fund		481,743,387	431,219,168
Restricted			
Strategic fund	17	1,266,186,893	729,119,196
Zakat fund	18	3,169	3,854,607
Rehabilitation fund	19	-	5,484,000
Specific project	20	16,686,664	22,403,400
		<u>1,282,876,726</u>	<u>760,861,203</u>
		1,764,620,113	1,192,080,371
NON-CURRENT LIABILITIES			
Deferred capital grant	21	63,613,421	-
CURRENT LIABILITIES			
Deferred income	22	-	7,196,476
Accrued and other liabilities	23	9,406,810	2,346,494
		<u>9,406,810</u>	<u>9,542,970</u>
TOTAL FUNDS AND LIABILITIES		<u><u>1,837,640,344</u></u>	<u><u>1,201,623,341</u></u>
CONTINGENCIES AND COMMITMENTS			
	24		

The annexed notes from 1 to 39 form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Donation	25	421,168,963	317,934,878
Zakat	26	150,663,354	80,468,372
Grant income		7,451,825	-
Other income	27	147,021,271	150,067,555
		<u>726,305,413</u>	<u>548,470,805</u>
EXPENDITURE			
Operational expenses	28	581,915,432	462,769,902
Administrative expenses	29	87,673,921	43,694,609
Other expenses	30	3,659,582	7,714,950
Finance cost		2,532,259	1,846,454
		<u>675,781,194</u>	<u>516,025,915</u>
Surplus for the year		<u>50,524,219</u>	<u>32,444,890</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.


DIRECTOR


CHIEF EXECUTIVE OFFICER

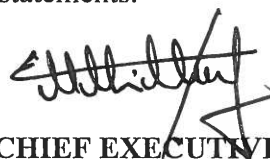
FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees	Rupees
Surplus for the year	50,524,219	32,444,890
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>50,524,219</u>	<u>32,444,890</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

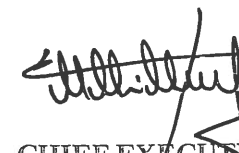
FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Unrestricted General Fund	Restricted					Total	
		Strategic Fund (Endowment)			Zakat Fund	Rehabilitation Fund		Specific project
		DEPD	Others	Total				
-----Rupees-----								
Balance as at July 01, 2023	398,774,278	430,000,000	60,202,265	490,202,265	394,611	5,484,000	-	894,855,154
Surplus transferred from income and expenditure account	32,444,890	-	-	-	-	-	-	32,444,890
Other comprehensive income	-	-	-	-	-	-	-	-
Funds received during the year		225,000,000	13,916,931	238,916,931	83,928,367	-	22,403,400	345,248,698
Funds transferred to income and expenditure during the year	-	-	-	-	(80,468,372)	-	-	(80,468,372)
Balance as at June 30, 2024	431,219,168	655,000,000	74,119,196	729,119,196	3,854,607	5,484,000	22,403,400	1,192,080,371
Surplus transferred from income and expenditure account	50,524,219	-	-	-	-	-	-	50,524,219
Other comprehensive income	-	-	-	-	-	-	-	-
Funds received during the year	-	424,750,000	112,317,697	537,067,697	146,811,916	-	23,391,865	707,271,478
Funds transferred to income and expenditure during the year	-	-	-	-	(150,663,354)	(5,484,000)	(29,108,601)	(185,255,955)
Balance as at June 30, 2025	481,743,387	1,079,750,000	186,436,893	1,266,186,893	3,169	-	16,686,664	1,764,620,113

The annexed notes from 1 to 39 form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	50,524,219	32,444,890
Adjustments for:		
Depreciation	22,823,009	14,383,246
Amortisation	58,070	120,422
Gain on disposal of property and equipment	(364,770)	(720,122)
Finance cost	2,532,259	1,425,668
Dividend income	(92,116,337)	(43,565,443)
Unrealised gain on remeasurement of investments	-	(375,765)
Gain on insurance claim	(171,104)	-
Grant Income	(1,956,727)	-
	<u>(18,671,381)</u>	<u>3,712,896</u>
(Increase) / decrease in current assets:		
Loans and advances	2,029,503	(14,802,831)
Advance tax	(241,754)	(454,163)
Short term prepayments	(6,993,017)	(1,638,954)
Accrued interest	11,276,257	(6,157,538)
Other receivables	(603,962)	(518,190)
Increase / (decrease) in current liabilities:		
Accrued liabilities	7,060,316	(1,157,224)
Cash used in operations		
Finance cost paid	(2,532,259)	(1,425,668)
Long term security deposits released	107,269	(76,991)
Long term loans	1,061,627	(2,130,519)
Net cash (used in) operating activities	<u>(7,507,401)</u>	<u>(24,649,182)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	(439,164,406)	(229,113,217)
Additions to property and equipment	(100,644,038)	(23,813,347)
Proceeds from disposal of property and equipment	1,768,268	2,212,499
Net cash (used in) investing activities	<u>(538,040,176)</u>	<u>(250,714,065)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Strategic funds received	537,067,697	238,916,931
Zakat funds received	146,811,916	83,928,367
Zakat funds utilised	(150,663,354)	(80,468,372)
Amount received for KP project	23,391,865	22,403,400
Amount utilised for KP project	(29,108,601)	-
Deferred Income utilised	(7,196,476)	-
Rehabilitation fund utilised	(5,484,000)	-
Deferred Capital grant received	24,000,000	7,196,476
Net cash flows generated from financing activities	<u>538,819,047</u>	<u>271,976,802</u>
Net (decrease) in cash and cash equivalents	<u>(6,728,530)</u>	<u>(3,386,445)</u>
Cash and cash equivalents at beginning of the year	110,947,380	114,333,825
Cash and cash equivalents at end of the year	<u>104,218,850</u>	<u>110,947,380</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.


DIRECTOR


CHIEF EXECUTIVE OFFICER

**FAMILY EDUCATIONAL SERVICES FOUNDATION
(A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 NATURE AND STATUS OF BUSINESS

Family Educational Services Foundation ('the Company') was incorporated in 2002 as a company limited by guarantee under the repealed Companies Ordinance, 1984 (now registered under Section 42 of the Companies Act, 2017). It is a non profit organisation and is rendering services in the field of education, teacher training and academic / voluntary training for deaf students. The Company is currently managing following programs:

1.1 Following are the detail of key programs of company:

Deaf Reach School and Training Centre

Deaf Reach School, a program of the Family Educational Services Foundation (FESF), is dedicated to providing quality education, skills training, and employment opportunities to deaf and hearing-impaired children and youth across Pakistan. The school uses Pakistan Sign Language (PSL) as the medium of instruction, ensuring effective communication and inclusion. With multiple campuses nationwide, Deaf Reach offers free or subsidized education, teacher and parent training, and job placement programs for graduates. The initiative empowers students to become confident, independent, and productive members of society, bridging the gap between the deaf and hearing communities and promoting equal access to education for all.

Digital Learning Program

The Digital Learning Program was launched by the Family Educational Services Foundation (FESF) during the COVID-19 pandemic to ensure uninterrupted education for deaf children and youth across Pakistan. The program also distributed offline learning kits and preloaded laptops for students without internet access. It enabled teachers, parents, and students to continue education safely from home while promoting inclusion and communication through technology. This program not only addressed the learning gap during the pandemic but also laid the foundation for digital accessibility and inclusive education for the Deaf community in Pakistan.

Pakistan Sign Language Program.

Deaf Reach has developed Pakistan Sign Language (PSL) Learning Resources to bridge the existing gap in educational materials for the Deaf. This innovative project includes a 7,500 word visual lexicon in both English and Urdu on a searchable web portal and mobile app.

Deaf Reach Satellite School

The Deaf Reach Satellite School (DRSS) initiative is a response to the large gap that exists in providing educational resources to deaf children in Pakistan, most of whom lack access to formal education. Our vision is to make education accessible, especially for those marginalized due to distance, lack of resources, and communication barriers through partnerships with private and public organizations. The DRSS model brings quality digital educational materials in sign language to students through partnerships that open up classrooms to deaf students in diverse and remote areas and, in this case, flood affected areas. The identified underutilized space will be equipped with furniture, computer and screen loaded with digital learning resources in sign language, and local teachers will be trained and overseen by Deaf Reach personnel. By providing the core essentials to enable a basic Deaf Education program in local settings, we bypass the need for a traditional brick-and-mortar establishment, making sign language, basic literacy, numeracy, and general knowledge available to deaf children anywhere.

The geographical location and address of business unit are as under:

Location	Addresses
Karachi - Head and Registered office	Deaf Reach School and Training Centre, Gulistan-e-Jauhar, Block-12, behind CNG Station, near telephone exchange.
Rashidabad	Deaf Reach School, Rashidabad, Tando Allah Yar, Sindh.
Hyderabad	House No. 282, Deh Sari Dhoraji, opposite Rani Bagh.
Nawabshah	Essar Pura, opposite Haji Naseer Qabristan, New Sabzi Mandi Road.
Sukkur	-Inside GVIB – Govt. Polytechnic Institute, Qureshi Goth Road, near Shar chowk, Golimar. -Qalander shah mohalla MM School Pano Akil. -Mehran Model school, Village Thikrat, Taluka Pano Akil
Sujawal	Moriro Markaz, Near Chandio School, Main Road
Lahore	14-Hunza Block, Main Boulevard, Allama Iqbal Town.
Jhelum	Naqeeb Plaza, Kala Gujran Morr, G. T. Road
Jhang	Sheikh Lodge, House No 25/4 Mohalla satellite town.
Rahim yar -Khan	First floor, Ismail House, near masjid Gulzar-e-Madina, Street # 03, Jinnah town, Sadiqabad.

Location	Addresses
Abottabad	-Ameer Manzal, Al Hamza Street , Muhallah Kunj kehal. -N-35, Irshad Nagar Near Restaurant Hevellian.
Khairpur	-House ground +1 goth chak saeed pur, Dak khana Ahmed Pur' Tehsil Kingri. -Mualla Salar, Pirjo Goth, Tehsil Kingri. -Mohallah Makhdom, Piryaloi, Tehsil Kingri.
Charsadda	Imran Ullah House,Quaidabad, Main Mardan road, KPK
Ubauro	Ghulam Shabbir Chachar House , Muslim Colony, Reti Road.
Ghotki	2'd Floor ofthe.Iqra computerize school & coaching centre main National Highway N5 Sarhad.
Sahiwal	Street No. 5 , Ghafoor Town, Tehsil Chichawatni.
Warah	Thano road Adjacent Office Mukhiarkar Revenue District Kambar Shahdadkot.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees ("Rupees" or "Rs.") which is the company's functional and presentational currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments' about the carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation and amortisation method of operating fixed assets and intangible assets (note 4.1 and 4.2);
- Impairment of non - financial assets (note 4.4).
- Valuation and impairment of financial instruments (note 5)

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements.	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements.	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026

**Effective date
(annual periods
beginning on or
after)**

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs). January 01, 2026

IFRS 17 Insurance Contracts. January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4 MATERIAL ACCOUNTING POLICIES INFORMATION

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

4.1 Property and Equipment

Owned

Property and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Capital work-in-progress are measured at cost less accumulated impairment losses, if any and consists of expenditure incurred and advances made in the course of an asset's construction and installation. Transfers are made to relevant asset categories as and when assets are available for intended use

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income and expenditure during the year in which they are incurred.

Depreciation

Depreciation is charged to the statement of income and expenditure using the reducing balance method at the rates specified in the note 6 to the financial statements. Depreciation is charged on assets capitalized during the year, from the date at which an asset is available for use upto the date of disposal.

The residual values, useful lives and depreciation method of property and equipment are reviewed and adjusted, if appropriate, at each reporting date.

Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of income and expenditure in the year the asset is derecognized.

4.2 Intangible asset

These are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization is charged to statement of profit or loss on straight line basis over its economic useful life. Amortization is charged on intangibles from the date at which the intangible is available for use upto the date of disposal.

An intangible asset's carrying amount is written down to its recoverable amount if the carrying

4.3 Deposits, prepayments and other receivables

Deposits, prepayments and other receivables are recognised initially at cost and subsequently measured at amortised cost.

4.4 Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of income and expenditure. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. Reversal of impairment loss is recognised as income.

4.5 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, current and deposit accounts held with banks and short term-liquid investments with original maturities of three months or less.

4.6 Taxation

The Company has been approved as a non - profit organisation under Section 2(36)(c) of the Income Tax Ordinance, 2001 (the Ordinance). The Company is allowed 100% tax credit against the tax liability including minimum tax and final taxes, under Section 100C of the Ordinance. The management intends to avail a tax credit equal to 100% of the tax payable. Accordingly, no provision for taxation has been made in these financial statements.

4.7 Employee benefit

4.7.1 Defined contribution plan

The Company also operates a voluntary provident fund scheme for permanent employees. Contributions to fund are made monthly by the Company and employee at the rate of 8.33% of the basic salary. The Company's contributions are recognised as employee benefit expense when they are due.

4.7.2 Loans to employees

Long term interest-free loans to employees are initially recognized at their fair value. The fair value is determined based on the present value of expected future cash flows discounted at the market interest rate applicable for similar loans at the time of issuance. The loan is subsequently measured at amortized cost using the effective interest method. The carrying amount of the loan is adjusted to reflect the effective interest rate over the loan term. The difference between the fair value and cash disbursement is accounted for as a prepaid staff cost and is being amortised over the term of the respective loans.

For short-term cash loans, the proceeds of loan are recognized at their nominal value at the time of issuance. Subsequently, the remaining loan balance will be adjusted for any repayments made by the employee.

4.8 Funds and grants

4.8.1 General fund

General fund is the accumulated fund earned from surplus of income over expenditure. This fund is retained for use in the Institute's operational activities.

4.8.2 Restricted funds

Restricted funds refer to financial resources that are designated by donors for specific projects within the Company. Restricted contributions are recognized as income in the income and expenditure account on a systematic basis in the same period in which the related expenditure is incurred. Fund balances can be internally or externally restricted.

4.8.2.1 Strategic fund (Endowment)

The Strategic fund (Endowment) represents funds received by the Company for ensuring the sustainability of organization operation. The profit earned on this fund is transferred to the General fund through statement of income and expenditure.

4.8.2.2 Zakat fund

The Zakat fund distributes the collected zakat to eligible beneficiaries in a manner that adheres to Islamic principles. Such funds are utilized for operational purposes of the Company as approved under the shariah principles. This fund is internally restricted by the Board through resolution.

4.8.3 Deferred capital grant

Grants received for the specific purpose for property and equipment is recognized as deferred grant and recognized as income systematically over the useful life of the related property, equipment, in alignment with the depreciation charged on the capitalized assets against the deferred capital grant.

4.8.4 Deferred income

Grant received for specific purpose is recognized as deferred income when received and charged to income to the extent of actual expenditure incurred against such purpose. Unspent portion of such grants are reflected as deferred income in the statement of financial position.

4.9 Income recognition

Donations for operation of projects and voluntary participation from the community are recognised as income as and when received.

Donations in kind are recognized at fair value determined at the time when the donations are received.

Grant income related to expense is recognized as and when expenses are incurred.

Grant income related to assets is recognized over useful life of the asset.

Profit on investments is recognized on a time proportion basis on the principal amount outstanding using the effective yield method.

Dividend income is recognised when the Company's right to receive dividend is established.

4.10 Lease liability and right-of-use assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the rate of the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured if there is a change in future lease payments arising from a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset is recorded in statement of comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

The company has not elected to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

5 Financial instruments

5.1 Financial assets

5.1.1 Classification, recognition and measurement

Financial assets are classified into appropriate categories at amortized cost or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

Financial assets are measured at amortized cost when:

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

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

Financial assets that do not meet the criteria for being measured at amortised cost are measured at fair value through profit or loss (FVTPL).

Initial recognition and subsequent measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognized at fair value plus transaction cost and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in income and expenditure.

Financial assets carried at fair value through profit and loss account are initially recorded at fair value and the related transaction costs are expensed in the statement of income and expenditure account. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets and liabilities held at fair value through profit or loss are included in the statement of income and expenditure in the period in which they arise.

5.1.2 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of income and expenditure and statement of changes in funds.

5.1.3 Impairment of financial assets

The carrying value of financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income and expenditure account.

5.2 Financial liabilities

The Company recognizes a financial liability in its statement of financial position when, it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable cost, if any, and subsequently measured at amortised cost.

5.2.1 Derecognition of financial liabilities

The Company derecognises financial liabilities when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of income and expenditure.

5.2.2 Off setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

5.2.3 Foreign currency transactions and translation

Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. All non monetary items are translated into rupees at exchange rates prevailing on date of transaction or on date when fair values are determined.

5.2.4 Provisions and contingent liabilities

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

PROPERTY AND EQUIPMENT

2025 2024

(Rupees in '000)

Operating fixed assets	6.1	187,477,162	96,199,562
Capital work in progress		34,978,386	8,097,203
		<u>222,455,548</u>	<u>104,296,765</u>

6.1 Operating fixed assets

The following are the location wise breakup of **property** and equipment:

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Solar Energy Systems	Office renovation	Total	
								(Rupees)
Net carrying value as at June 30, 2025								
Karachi, Hyderabad and Lahore	6.1.1	15,744,331	15,158,402	30,743,791	15,268,412	9,756,573	1,529,041	88,200,550
Sukkur	6.1.2	654,855	192,918	5,396,637	636,566	37,208	-	6,918,184
Nawabshah	6.1.3	1,069,626	205,758	2,755,667	668,023	37,208	31,117	4,767,398
Rashidabad	6.1.4	7,238,377	2,064,677	7,485,676	972,166	3,974,588	-	21,735,484
Nowshera	6.1.5	9,100,887	-	6,889,057	2,597,861	304,200	-	18,892,005
Deaf Reach Satellite School	6.1.6	12,854,990	-	19,666,639	4,321,777	10,120,135	-	46,963,541
		<u>46,663,066</u>	<u>17,621,755</u>	<u>72,937,467</u>	<u>24,464,805</u>	<u>24,229,912</u>	<u>1,560,158</u>	<u>187,477,162</u>
Net carrying value as at June 30, 2024								
Karachi, Hyderabad and Lahore		13,897,896	15,822,541	24,185,471	10,962,316	-	1,698,934	66,567,158
Sukkur		712,201	241,148	4,973,009	571,494	-	-	6,497,852
Nawabshah		1,188,473	257,198	2,250,335	748,167	-	34,574	4,478,747
Rashidabad		8,062,898	2,580,846	7,067,528	655,352	-	-	18,366,624
Deaf Reach Satellite School		-	-	192,416	96,765	-	-	289,181
		<u>23,861,468</u>	<u>18,901,733</u>	<u>38,668,759</u>	<u>13,034,094</u>	<u>-</u>	<u>1,733,508</u>	<u>96,199,562</u>

6.1.1 Karachi, Hyderabad and Lahore

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Solar Energy Systems	Office renovation	Total
(Rupees)							
Year ended June 30, 2025							
Net carrying value basis							
Opening net book value (NBV)	13,897,896	15,822,541	24,185,471	10,962,316	-	1,698,934	66,567,158
Additions (at cost)	3,296,712	3,140,145	10,026,565	9,140,506	10,806,208	-	36,410,136
Disposal - NBV	(4,840)	(516,860)	(550,912)	(125,404)	-	-	(1,198,016)
Depreciation charge	(1,445,437)	(3,287,424)	(2,917,333)	(4,709,006)	(1,049,635)	(169,893)	(13,578,729)
Closing net book value	15,744,331	15,158,402	30,743,791	15,268,412	9,756,573	1,529,041	88,200,550
Gross carrying value basis							
Cost	29,619,512	36,823,595	53,291,827	40,674,329	10,806,208	4,472,573	175,688,044
Accumulated depreciation/Impairment	(13,875,181)	(21,665,194)	(22,548,037)	(25,405,917)	(1,049,635)	(2,943,532)	(87,487,495)
Net book value	15,744,331	15,158,401	30,743,790	15,268,412	9,756,573	1,529,041	88,200,549
Year ended June 30, 2024							
Net carrying value basis							
Opening net book value (NBV)	15,341,596	12,428,581	18,623,846	9,383,350	-	1,887,705	57,665,078
Additions (at cost)	95,100	6,736,250	7,845,600	5,722,080	-	-	20,399,030
Disposal - NBV	-	(1,001,319)	(84,833)	(331,097)	-	-	(1,417,249)
Depreciation charge	(1,538,800)	(2,340,971)	(2,199,142)	(3,812,017)	-	(188,771)	(10,079,701)
Closing net book value	13,897,896	15,822,541	24,185,471	10,962,316	-	1,698,934	66,567,158
Gross carrying value basis							
Cost	26,335,800	35,707,450	44,174,884	32,096,629	-	4,472,573	142,787,336
Accumulated depreciation	(12,437,904)	(19,884,909)	(19,989,413)	(21,134,313)	-	(2,773,639)	(76,220,178)
Net book value	13,897,896	15,822,541	24,185,471	10,962,316	-	1,698,934	66,567,158
Depreciation rate (in %) per annum	10	20	10	33.33	10 - 20	10	

6.1.2 Sukkur

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Solar Energy Systems	Total
(Rupees)						
Year ended June 30, 2025						
Net carrying value basis						
Opening net book value (NBV)	712,201	241,148	4,973,009	571,494	-	6,497,852
Additions (at cost)	15,000	-	963,548	324,867	39,757	1,343,172
Depreciation charge	(72,346)	(48,230)	(539,920)	(259,795)	(2,549)	(922,840)
Closing net book value	654,855	192,918	5,396,637	636,566	37,208	6,918,184
Gross carrying value basis						
Cost	1,947,001	5,483,353	10,066,466	1,500,420	39,757	19,036,997
Accumulated depreciation/Impairment	(1,292,146)	(5,290,435)	(4,669,829)	(863,854)	(2,549)	(12,118,813)
Net book value	654,855	192,918	5,396,637	636,566	37,208	6,918,184
Year ended June 30, 2024						
Net carrying value basis						
Opening net book value (NBV)	791,334	301,435	3,586,930	816,332	-	5,496,031
Additions (at cost)	-	-	1,909,408	52,957	-	1,962,365
Disposal - NBV	-	-	(38,180)	(17,989)	-	(56,169)
Depreciation charge	(79,133)	(60,287)	(485,149)	(279,806)	-	(904,375)
Closing net book value	712,201	241,148	4,973,009	571,494	-	6,497,852
Gross carrying value basis						
Cost	1,932,001	5,483,353	9,102,918	1,175,553	-	17,693,825
Accumulated depreciation	(1,219,800)	(5,242,205)	(4,129,909)	(604,059)	-	(11,195,973)
Net book value	712,201	241,148	4,973,009	571,494	-	6,497,852
Depreciation rate (in %) per annum	10	20	10	33.33	10 - 20	

6.1.3 Nawabshah

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Solar Energy Systems	Office renovation	Total
(Rupees)							
Year ended June 30, 2025							
Net carrying value basis							
Opening net book value (NBV)	1,188,473	257,198	2,250,335	748,167	-	34,574	4,478,747
Additions (at cost)	-	-	775,279	206,542	39,757	-	1,021,578
Disposal - NBV	-	-	(17,229)	-	-	-	(17,229)
Depreciation charge	(118,847)	(51,440)	(252,718)	(286,686)	(2,549)	(3,457)	(715,697)
Closing net book value	1,069,626	205,758	2,755,667	668,023	37,208	31,117	4,767,399
Gross carrying value basis							
Cost	2,799,752	3,400,400	5,383,213	3,072,986	39,757	126,742	14,822,850
Accumulated depreciation/Impairment	(1,730,126)	(3,194,642)	(2,627,546)	(2,404,963)	(2,549)	(95,625)	(10,055,452)
Net book value	1,069,626	205,758	2,755,667	668,023	37,208	31,117	4,767,399
Year ended June 30, 2024							
Net carrying value basis							
Opening net book value (NBV)	1,320,526	321,498	2,309,572	1,087,766	-	38,416	5,077,778
Additions (at cost)	-	-	176,675	27,957	-	-	204,632
Depreciation charge	(132,053)	(64,300)	(235,912)	(367,556)	-	(3,842)	(803,663)
Closing net book value	1,188,473	257,198	2,250,335	748,167	-	34,574	4,478,747
Gross carrying value basis							
Cost	2,799,752	3,400,400	4,633,065	2,866,444	-	126,742	13,826,403
Accumulated depreciation	(1,611,279)	(3,143,202)	(2,382,730)	(2,118,277)	-	(92,168)	(9,347,656)
Net book value	1,188,473	257,198	2,250,335	748,167	-	34,574	4,478,747
Depreciation rate (in %) per annum	10	20	10	33.33	10 - 20	10	

6.1.4 Rashidabad

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Solar Energy Systems	Total
(Rupees)						
Year ended June 30, 2025						
Net carrying value basis						
Opening net book value (NBV)	8,062,898	2,580,846	7,067,528	655,352	-	18,366,624
Additions (at cost)	-	-	1,193,007	653,042	4,479,757	6,325,806
Disposal - NBV	(18,614)	-	(9,633)	-	-	(28,247)
Depreciation charge	(805,907)	(516,169)	(765,226)	(336,228)	(505,169)	(2,928,699)
Closing net book value	7,238,377	2,064,677	7,485,676	972,166	3,974,588	21,735,484
Gross carrying value basis						
Cost	18,117,444	10,311,204	15,130,371	3,348,988	4,479,757	51,387,764
Accumulated depreciation/Impairment	(10,879,067)	(8,246,527)	(7,644,695)	(2,376,822)	(505,169)	(29,652,280)
Net book value	7,238,377	2,064,677	7,485,676	972,166	3,974,588	21,735,484
Year ended June 30, 2024						
Net carrying value basis						
Opening net book value (NBV)	8,958,776	3,226,058	6,889,568	948,546	-	20,022,948
Additions (at cost)	-	-	924,965	27,960	-	952,925
Disposal - NBV	-	-	(18,959)	-	-	(18,959)
Depreciation charge	(895,878)	(645,212)	(728,046)	(321,154)	-	(2,590,290)
Closing net book value	8,062,898	2,580,846	7,067,528	655,352	-	18,366,624
Gross carrying value basis						
Cost	18,173,444	10,311,204	13,955,964	2,695,946	-	45,136,558
Accumulated depreciation	(10,110,546)	(7,730,358)	(6,888,436)	(2,040,594)	-	(26,769,934)
Net book value	8,062,898	2,580,846	7,067,528	655,352	-	18,366,624
Depreciation rate (in %) per annum	10	20	10	33.33	10 - 20	

6.1.5 Nowshera

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Solar Energy Systems	Total
(Rupees)						
Year ended June 30, 2025						
Net carrying value basis						
Additions (at cost)	9,447,350	-	7,099,050	2,942,457	346,240	19,835,097
Depreciation charge	(346,463)	-	(209,993)	(344,596)	(42,040)	(943,092)
Closing net book value	9,100,887	-	6,889,057	2,597,861	304,200	18,892,005
Gross carrying value basis						
Cost	9,447,350	-	7,099,050	2,942,457	346,240	19,835,097
Accumulated depreciation/Impairment	(346,463)	-	(209,993)	(344,596)	(42,040)	(943,092)
Net book value	9,100,887	-	6,889,057	2,597,861	304,200	18,892,005
Depreciation rate (in %) per annum	10	20	10	33.33	10 - 20	

6.1.6 Deaf Reach Satellite School

Description	Furniture and fittings	Vehicles	Office equipments	Computer Equipments	Solar Energy Systems	Total
(Rupees)						
Year ended June 30, 2025						
Net carrying value basis						
Opening net book value (NBV)	-	-	192,416	96,765	-	289,181
Additions (at cost)	13,740,000	-	20,049,275	5,094,157	11,524,880	50,408,312
Depreciation charge	(885,010)	-	(575,052)	(869,145)	(1,404,745)	(3,733,952)
Closing net book value	12,854,990	-	19,666,639	4,321,777	10,120,135	46,963,541
Gross carrying value basis						
Cost	13,740,000	-	20,242,375	5,195,455	11,524,880	50,702,710
Accumulated depreciation/Impairment	(885,010)	-	(575,736)	(873,678)	(1,404,745)	(3,739,169)
Net book value	12,854,990	-	19,666,639	4,321,777	10,120,135	46,963,541
Year ended June 30, 2024						
Net carrying value basis						
Additions (at cost)	-	-	193,100	101,298	-	294,398
Depreciation charge	-	-	(684)	(4,533)	-	(5,217)
Closing net book value	-	-	192,416	96,765	-	289,181
Gross carrying value basis						
Cost	-	-	193,100	101,298	-	294,398
Accumulated depreciation	-	-	(684)	(4,533)	-	(5,217)
Net book value	-	-	192,416	96,765	-	289,181
Depreciation rate (in %) per annum	10	20	10	33.33	10 - 20	

Note
2025 2024
-----Rupees-----

6.1.7 Depreciation charged during the year has been allocated as follows:

Operating expenses	28	20,540,708	12,944,921
Administrative expenses	29	2,282,301	1,438,325
		<u>22,823,009</u>	<u>14,383,246</u>

6.1.8 The land and building use by the Company for its operational purposes are given by the government as assistance to the Company for rendering services in the field of education, teacher training and academic / voluntary training for deaf students. The agreement is renewed after every five years, last such renewal was made on September 12, 2022. Such are not the part of these financial statements.

	Note	2025 Rupees	2024 Rupees
7 INTANGIBLE ASSET			
Computer software		-	58,070
Net carrying value basis			
Opening net book value		58,070	178,492
Amortisation charged during the year	29	(58,070)	(120,422)
Closing net book value		-	58,070
Gross carrying value basis			
Cost		1,204,222	1,204,222
Accumulated amortisation		(1,204,222)	(1,146,152)
Net book value		-	58,070
Amortisation rate (in %) per annum		10	10
8 LONG TERM INVESTMENTS			
At amortized cost			
GOP Ijarah Sukuk		98,592,253	99,533,094
8.1			
The GOP Ijarah Sukuk certificates have a fair value amounting to Rs. 97.69 million, carrying a fixed coupon rate of 11.40% (2024: 11.40%). The instrument was purchased on February 16, 2022 and will be mature on December 15, 2026. The effective rate of profit on the instrument is 10.15% (2024: 10.15%).			
9 LONG TERM LOANS			
Secured - considered good			
Loan to employees			
Car loan		8,236,563	9,144,445
Bike loan		1,962,855	1,005,040
		10,199,418	10,149,485
Loans against laptop		4,667	153,368
		10,204,085	10,302,853
Less: current portion	11	(3,784,833)	(2,821,974)
		6,419,252	7,480,879

9.1 These loan are interest free and recoverable in monthly installments over a period ranging from 1 to 5 years. These loans are secured against the title documents.

9.2 Movement of the present value of the long term loans to employees are below:

	Note	2025 Rupees	2024 Rupees
Opening balance		10,302,853	8,294,926
Disbursements made during the year		6,471,375	11,200,500
Repayments during the year		(7,461,538)	(7,115,568)
Fair value on initial recognition	9.4	(1,387,003)	(3,371,451)
Unwinding of interest free loans		2,278,398	1,294,446
Closing balance		<u>10,204,085</u>	<u>10,302,853</u>
9.3 Present value of loan to employees		10,204,085	10,302,853
Prepaid employee benefit asset	9.4	2,433,831	3,859,497
Outstanding loan to employees		<u>12,637,916</u>	<u>14,162,350</u>

9.4 This amount reflects the benefit from the interest free loans given to employees. Market rates used for discounting ranges from 11.31% to 19.6% (2024: 15.39% to 22.25%) per annum.

10 LONG TERM DEPOSITS

Utilities		534,485	641,754
		<u>534,485</u>	<u>641,754</u>

11 LOANS AND ADVANCES

Secured - considered good

Current portion of long term loans	9	3,784,833	2,821,974
Loans to employees	11.1	4,690,919	5,174,691
		<u>8,475,752</u>	<u>7,996,665</u>

Unsecured - considered good

Advance			
- to suppliers		3,157,051	5,801,327
- against salary		670,821	535,135
		<u>12,303,624</u>	<u>14,333,127</u>

11.1 These are interest free short-term loans to employees recoverable in monthly installments deducted from salary within a year. These loans are provided for home renovation, medical and financial support. These loans are secured against employees' provident fund.

	Note	2025 Rupees	2024 Rupees
12 DEPOSITS AND PREPAYMENTS			
Deposits			
For rent		4,019,000	300,000
Prepayments			
For insurance		3,618,106	806,173
For expenses		1,904,700	16,950
Staff cost against loan	9	2,433,831	3,859,497
		<u>11,975,637</u>	<u>4,982,620</u>
13 SHORT-TERM INVESTMENTS			
Amortised cost			
Term deposit receipts			
Bank Islami Pakistan Limited	13.1	-	600,000,000
At fair value through profit or loss			
Mutual funds			
Atlas Islamic Income Fund		-	111,333
Atlas Islamic Money Market Fund		-	245,725,612
Meezan Daily Income Fund		843,429,296	-
Meezan Rozana Amdani Fund		84,123,618	-
Faysal Islamic Financial Growth		505,615	-
Faysal Islamic Mahdood Muddat		450,000,000	-
	13.2 & 13.3	1,378,058,529	245,836,945
		<u>1,378,058,529</u>	<u>845,836,945</u>

13.1 During the year, term deposit receipts have been matured carried profit at the rate 15% to 20.25% (2024: 19% to 21%) per annum.

13.2 This includes investment made from Strategic fund (Endowment) amounting to Rs. 1,266 million (2024: Rs 729 million). These strategic funds are restricted in nature and are solely for the purpose to ensure sustainability.

13.3 Details of investments in mutual funds are as follows:

	No. of Units	Carrying value at June 30, 2025	Fair value at June 30, 2025	Unrealised loss
Meezan Daily Income Fund	16,868,586	843,429,295	843,429,295	-
Meezan Rozana Amdani Fund	1,682,472	84,123,618	84,123,618	-
Faysal Islamic Financial Growth	5,050	511,759	505,615	(6,144)
Faysal Islamic Mahmood Muddat	4,500,000	450,000,000	450,000,000	-
Total		<u>1,378,064,672</u>	<u>1,378,058,528</u>	<u>(6,144)</u>

	No. of Units	Carrying value at June 30, 2024	Fair value at June 30, 2024	Unrealised gain/(loss)
Atlas Islamic Income Fund	217	115,647	111,333	(4,314)
Atlas Islamic Money Market Fund	487,754	245,345,533	245,725,612	380,079
Total		<u>245,461,180</u>	<u>245,836,945</u>	<u>375,765</u>

	Note	2025 Rupees	2024 Rupees
14 ACCRUED INTEREST			
Bank deposit		581,698	1,564,065
Term deposits		-	10,293,890
		<u>581,698</u>	<u>11,857,955</u>
15 OTHER RECEIVABLE			
Health insurance		1,448,081	933,905
Life insurance		156,470	66,684
		<u>1,604,551</u>	<u>1,000,589</u>
15.1	This represents insurance contribution receivable from the employees which was paid by the company.		
16 CASH AND BANK BALANCES			
Cash in hand		2,450,507	975,350
Balances with banks in:			
-current accounts		43,478,947	56,507,138
-saving accounts	16.1	58,289,396	53,464,892
		<u>101,768,343</u>	<u>109,972,030</u>
		<u>104,218,850</u>	<u>110,947,380</u>

16.1 These carry profit at the rate of 7% to 11.5% (2024: 7% to 14%) per annum.

17 STRATEGIC FUND (ENDOWMENT)

This fund received from the Department of Empowerment of Persons with Disabilities (DEPD-GOS) and FESF-North America, intended for the Deaf Reach Schools to ensure sustainability. The fund has been invested in accordance with the Board approval and Memorandum of Understanding (MOU) duly signed with above specified donors.

18 ZAKAT FUND

This represents zakat received during the period amounting to Rs. 146.81 million (2024: Rs. 83.93 million) of which Rs. 0.003 million (2024: Rs 3.85 million) remained un-utilized at the reporting date. The amount of Rs. 150.66 million (2024: Rs. 80.47 million) utilized against expenses approved under shariah principles.

19 REHABILITATION FUND

This represent an amount received from the Sindh Education Foundation (SEF) for improving / reconstructing / expanding the school's infrastructure for creating a conducive learning environment.

20 SPECIFIC PROJECT

This represents amount received during the period from Pakistan Poverty Alleviation Fund (PPAF) amounting to Rs. 23.39 million (2024: Rs. 22.40 million) of which Rs. 16.69 million (2024: Rs 22.40 million) remained un-utilized at the reporting date. The agreement's purpose is to provide a grant from the contracting authority to fund the implementation of the project titled "Establishing a Deaf Reach Centre of Excellence in KPK."

	2025 Rupees	2024 Rupees
21 DEFERRED CAPITAL GRANT		
Addition during the year	65,581,246	-
Amortization of deferred capital grant	(1,967,825)	-
Closing balance	<u>63,613,421</u>	<u>-</u>

21.1 This represents funds received from the Pakistan Poverty Alleviation Fund for the establishment of a Deaf Reach Center of Excellence in KPK (Nowshera Campus), solar panels received from the Know Foundation, and grants received from the Department of Empowerment of Persons with Disabilities (DEPD-GoS) for the establishment of satellite schools. The grant will be recognized as income over the useful life of the related assets.

	Note	2025 Rupees	2024 Rupees
22 DEFERRED INCOME			
Deferred grant related to income		-	7,196,476
23 ACCRUED AND OTHER LIABILITIES			
Accrued expense		5,603,081	2,088,763
Insurance payable		2,050,796	121,170
Others		1,752,933	136,561
		<u>9,406,810</u>	<u>2,346,494</u>
24 CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments as at the reporting date (2024: Rs. Nil).			
25 DONATION			
Donations in cash	25.1	385,510,812	286,309,581
Donation in kind	25.2	26,835,760	21,230,136
Voluntary participation from community	25.3	8,822,391	10,395,161
	25.4	<u>421,168,963</u>	<u>317,934,878</u>
25.1 Donations in cash			
Donations received			
- Under sponsorship	25.1.1	151,244,007	86,838,458
- General contribution	25.1.3	234,266,805	199,471,123
		<u>385,510,812</u>	<u>286,309,581</u>
25.1.1 Donations received under sponsorship			
Human Concern International (HCI)		30,877,000	22,216,885
Children of Islamic Nations (COIN)		2,749,461	3,737,362
COSARAF Foundation		9,575,252	8,409,122
Muslim Welfare Charity (MWC)		12,600,000	11,025,000
Sindh Education Foundation (SEF)		57,697,000	33,606,760
Others		37,745,294	7,843,329
		<u>151,244,007</u>	<u>86,838,458</u>

25.1.2 All the above donations mentioned in 25.1.1 have been utilized in accordance with the respective sponsorship arrangements.

- 25.1.3 It includes the donation received from related party Cupola (Private) Limited (KFC) amounting to Rs. 18.75 million. (2024: 30 million)
- 25.2 It includes donations received with respect to consumable items amounting to Rs. 25.576 million (2024: Rs. 15.182 million) and insurance services amounting to Rs. 1.259 million (2024: Rs. 0.721 million).
- 25.3 This represents voluntary payments from the community of students against the educational services being rendered by the Company.

	Note	2025 Rupees	2024 Rupees
25.4	Major sources of donations are as follows:		
	Local:		
	Funds from Government and others	70,275,802	33,606,760
	Donations from individuals	36,382,299	57,237,443
	Donations from corporate sector	181,234,192	142,344,975
	Donations from other Not-for-profit organisations	66,433,424	48,909,649
	Foreign:		
	Donations from individuals	2,974,690	1,102,676
	Donations from corporate's /NPO	63,868,556	34,733,375
		<u>421,168,963</u>	<u>317,934,878</u>
26	ZAKAT		
	Zakat transferred to income and expenditure	<u>150,663,354</u>	<u>80,468,372</u>
26.1	Zakat available for utilization		
	Balance as at July 01,	3,854,606	394,611
	Zakat received during the year	26.1.1 <u>146,811,916</u>	<u>83,928,367</u>
		150,666,522	84,322,978
	Zakat utilized during the year	26.1.1 <u>(150,663,354)</u>	<u>(80,468,372)</u>
	Balance as at June 30,	<u>3,168</u>	<u>3,854,606</u>

- 26.1.1 Zakat received from corporate entities and individual are utilized for academic and vocational trainings to the eligible students at deaf reach school across the country.

	Note	2025 Rupees	2024 Rupees
27 OTHER INCOME			
Income from financial asset			
Profit on deposit accounts		41,118,957	93,937,585
Profit on GOP Ijara Sukuk		10,060,159	10,174,194
Dividend income		92,116,337	43,565,443
Realized gain on mutual fund - net		911,546	-
Unrealised gain on mutual fund		-	375,765
Unwinding of interest free loans	9.2	2,278,398	1,294,446
		<u>146,485,397</u>	<u>149,347,433</u>
Income from non financial asset			
Gain on disposal of property and equipment		364,770	720,122
Gain on insurance claim		171,104	-
		<u>535,874</u>	<u>720,122</u>
		<u>147,021,271</u>	<u>150,067,555</u>
28 OPERATIONAL EXPENSES			
Salaries and other benefits	28.1	278,427,292	209,406,595
Eduserve program		5,513,884	4,703,457
Depreciation	6.17	20,540,708	12,944,921
Events, function and fund raising program		21,498,985	29,704,241
Repair and maintenance		39,749,532	27,807,048
Vehicle running expense		40,857,890	34,158,415
Utilities		22,407,778	20,712,032
Student lunch and benefits		36,741,914	24,290,920
Rent		7,539,800	5,037,018
Training costs		6,581,228	6,407,082
Transportation		20,182,269	11,603,937
Pantry and janitorial supplies		12,969,113	8,336,022
Printing and stationery		8,792,445	9,354,050
Postage and communication		8,991,329	4,545,341
Insurance		7,203,311	7,342,684
Pakistan Sign Language Program		6,478,945	5,798,993
Distance Learning Program		17,863,390	21,154,942
Research & development		11,403,244	10,502,594
Resource Development Program		8,172,375	8,959,610
		<u>581,915,432</u>	<u>462,769,902</u>

28.1 Salaries and other benefits include Rs. 14,116,518 (2024: Rs. 10,940,520) in respect of employees' provident fund.

	Note	2025 Rupees	2024 Rupees
29 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	29.1	64,078,180	23,267,399
Depreciation	6.17	2,282,301	1,438,325
Repair and maintenance		4,194,110	3,089,672
Vehicle running expense		4,539,766	3,795,379
Utilities		2,489,753	2,301,337
Rent		837,756	559,669
Training costs		731,248	711,898
Pantry and janitorial supplies		1,441,013	926,224
Printing and stationery		976,938	1,039,339
Postage and communication		999,037	505,038
Insurance		800,368	815,854
Hospitality		1,893,122	2,172,206
Auditor's remuneration	29.2	415,800	256,608
Amortization	7	58,070	120,422
Consultancy and professional charges		1,936,459	2,695,239
		<u>87,673,921</u>	<u>43,694,609</u>

29.1 Salaries and other benefits include Rs. 3,248,822 (2024: Rs. 1,215,613) in respect of employees' provident fund.

29.2 Auditor's remuneration

Audit fee	350,000	216,000
Out of pocket	35,000	21,600
Sales tax	30,800	19,008
	<u>415,800</u>	<u>256,608</u>

30 OTHER EXPENSES

Unrealised loss on investments- net	6,144	-
Miscellaneous	3,653,438	7,714,950
	<u>3,659,582</u>	<u>7,714,950</u>

31 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Executives	
	2025	2024	2025	2024
	Rupees			
Managerial remuneration	5,889,811	5,996,546	46,161,455	42,423,194
Provident fund	490,621	499,512	3,598,867	3,533,852
Others	360,000	-	-	-
	<u>6,740,432</u>	<u>6,496,058</u>	<u>49,760,322</u>	<u>45,957,046</u>
Number of person	1	1	12	12

31.1 The Company provides Company's maintained vehicles to Chief Executive Officer and Executives for official use.

32 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, key management personnel and donors. Transactions carried out with related parties and associated undertakings during the year are as follows:

Name of the related party	Relationship	Transactions during the year	2025	2024
Cupola Pvt Ltd.	Common Directorship	Donations have been received from Cupola Pvt Ltd.	18,750,000	30,000,000
			2025 Rupees	2024 Rupees

33 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

33.1 Financial instruments by category

Financial assets

At amortised cost

Investment in term deposit receipt	-	600,000,000
Investment in GOP- Ijarah Sukuk	98,592,253	99,533,094
Long term loans	10,204,085	10,302,853
Long term deposits	534,485	641,754
Loans to employees	4,690,919	5,174,691
Accrued interest	581,698	11,857,955
Other receivables	1,604,551	1,000,589
	<u>116,207,991</u>	<u>728,510,936</u>

At fair value through profit or loss

Investment in mutual funds	1,378,058,529	245,836,945
	<u>1,494,266,520</u>	<u>974,347,881</u>

	2025 Rupees	2024 Rupees
Financial liabilities		
Accrued liabilities	9,406,810	2,346,494
	<u>9,406,810</u>	<u>2,346,494</u>

33.2 Financial risk management

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Board of Governors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company has exposure to the risks associated with the financial instruments and the risk management policies and procedures summarised as follows:

33.2.1 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, relevant financial institution or counter parties, in case of placements or other arrangements, to fulfill their obligations.

Exposure to credit risk

Credit risk of the Company mainly arises from balances with banks, long term deposits, loan to employees, investments and other receivables on account of provision of different services.

The maximum exposure to credit risk at the reporting date is as follows:

	2025 Rupees	2024 Rupees
Long term loans	10,204,085	10,302,853
Long term deposits	534,485	641,754
Loans to employees	4,690,919	5,174,691
Investments	1,378,058,529	845,836,945
Accrued interest	581,698	11,857,955
Other receivables	1,604,551	1,000,589
Bank balances	101,768,343	109,972,030
	<u>1,497,442,610</u>	<u>984,786,817</u>

Concentration of credit risk

Concentration of credit risk for the Company is that a significant portion of its revenue or funding comes from a limited number of sources, such as major donors, grants, or contracts. This concentration can pose risks if those sources face financial difficulties or decide to withdraw support, potentially impacting the Company's financial stability. To mitigate this risk, Company diversifying their funding streams, develop relationships with multiple donors, and create a robust fundraising strategy to ensure sustainable revenue.

Bank balances

For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. The credit quality of cash at banks as per credit rating agencies are as follows:

Name of banks	Rating	
	Short term	Long term
Habib Bank Limited	A1+	AAA
Meezan Bank Limited	A1+	AAA
Allied Bank Limited	A1+	AAA
MCB Bank Limited	A1+	AAA
United Bank Limited	A1+	AAA
Sindh Bank Limited	A1+	AA-
Silk Bank Limited	A2	A-
Habib Metropolitan Bank Limited	A1+	AA+
National Bank of Pakistan	A1+	AAA
Bank Islami Pakistan Limited	A1+	AA
Bank Alfalah Limited	A1+	AAA

33.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company finances its operations through donations and profits from investments with a view to maintaining an appropriate mix between various sources of finances to minimise risk.

The following are the contractual maturities of financial liabilities:

	2025		
	Contractual cash flows	Upto one year	More than one year
	Rupees		
Non-derivative financial liabilities			
Accrued and other liabilities	9,406,810	9,406,810	-
	9,406,810	9,406,810	-
	2024		
	Contractual cash flows	Upto one year	More than one year
	Rupees		
Non-derivative financial liabilities			
Accrued liabilities	2,346,494	2,346,494	-
	2,346,494	2,346,494	-

33.2.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other prices will affect the Company's income or the value of its holdings of financial instruments.

33.2.4 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency.

The Company is not exposed to foreign currency risk.

33.2.5 Interest rate risk

The 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 Company has significant interest bearing assets where interest rate risk may arise due to fluctuations in the rates. At the reporting date, the interest rate profile of the Company's interest bearing financial assets are:

	2025 Rupees	2024 Rupees
Financial assets		
Fixed rate instruments		
Long term loans	6,419,252	7,480,879
Variable rate instruments		
Term deposit receipt	-	600,000,000
Deposit accounts	58,289,396	53,464,892
	<u>64,708,648</u>	<u>660,945,771</u>

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and the equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis on points in interest rates at the reporting date would have (increased) / decreased income and expenditure by the amount shown below. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis as for 2025.

	Effect on surplus of income over expenditure due to 100 basis points	
	(Increase)	Decrease
	-----Rupees-----	
As at June 30, 2025		
Cash flow sensitivity	(411,190)	411,190
As at June 30, 2024		
Cash flow sensitivity	(939,376)	939,376

33.2.6 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 interest rate risk or currency risk). The Company is exposed to price risk with respect to collective investment scheme (CIS). Investments are monitored through continuous trend prevailing in the market, leading to better management of funds in different investment avenues available in the market.

A 10% increase / (decrease) in share prices at year end would have increased / (decreased) the Company surplus in case of investments at fair value through income and expenditure as follows:

	Surplus change due to 10%	
	Increase	(Decrease)
	-----Rupees-----	
As at June 30, 2025		
Investment at fair value through income and expenditure	137,805,853	(137,805,853)
As at June 30, 2024		
Investment at fair value through income and expenditure	24,583,695	(24,583,695)

34 FUND RISK MANAGEMENT

The Company actively manages fund risk through diversification of funding sources, maintaining financial reserves, and implementing thorough budgeting and forecasting practices. The Company regularly monitor our financial performance and engage with stakeholders to ensure transparency and continued support, safeguarding our long-term sustainability.

35 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from 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).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not hold any financial instrument which can be classified under the above mentioned levels except for investment in mutual funds as follows:

	2025			Total
	Level 1	Level 2	Level 3	
	Rupees			
Investment in mutual funds	-	1,378,058,529	-	1,378,058,529
	-	1,378,058,529		1,378,058,529

	2024			Total
	Level 1	Level 2	Level 3	
	Rupees			
Investment in mutual funds	-	245,836,945	-	245,836,945
	-	245,836,945	-	245,836,945

There were no transfers between the levels during the year.

The fair value of all other assets and liabilities are approx. its carrying value.

36 NUMBER OF EMPLOYEES

Number of employees as at year end	625	520
Average number of employees during the year	574	507

37 CORRESPONDING FIGURES

The corresponding figures have been reclassified and rearranged where necessary to facilitate comparison, however there has been no significant reclassification.

38 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee, unless stated otherwise.

39 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 05 NOV 2025 by the Board of Directors of the Company.



DIRECTOR



CHIEF EXECUTIVE OFFICER