FINANCIAL STATEMENTS
Of
CHARTER FOR COMPASSION
SOCIETY OF PAKISTAN
AS AT
JUNE 30, 2025

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A.M. Laliwala & Co.
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AUDITOR'S REPORT TO THE MEMBERS

Independent Auditor's Report to the Members

Opinion

We have audited the financial statements of *Charter for Compassion Society of Pakistan "the Society"* which comprises the statement of financial position as at **30 June 2025** and statement of income and expenditure, statement of changes in accumulated fund, statement of cash flow and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Society present fairly, in all material respects as required by approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the 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 Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion,

Responsibilities of Members for the Financial Statements

The Members are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the trustees determine 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, Members are responsible for assessing *the* Society's ability to continue as a going concern.

The board of Members is responsible for overseeing the Society'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

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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 Society'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 Society'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 Society 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 member regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A.M.Laliwala & Co.

Place: Karachi
Date: December 30, 2025
UDIN: AR202510481IMR5jpnHc

A.M.Laliwala & Co.
Chartered Accountants.
Saleem Ahmed Laliwala

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CHARTER FOR COMPASSION SOCIETY OF PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		----------Rupees----------	
Assets			
Non-current assets			
Property, Plant & Equipment	4	106,164,311	45,590,713
Long Term Security Deposits - secured	5	24,446,476	27,788,001
		130,610,787	73,378,714
Current Assets			
Advances & Other receivables	6	9,347,986	6,767,913
Investments	7	4,838,045	3,661,229
Current portion of long term security deposits		2,739,556	-
Cash & Bank Balances	8	42,092,184	25,333,924
		59,017,771	35,763,066
Total Assets		189,628,558	109,141,780
Less: Current Liabilities			
Creditors, Accrued & Other Liabilities	9	20,272,584	18,799,692
Loan From Others	10	14,346,000	6,739,196
		34,618,584	25,538,888
NET ASSETS		155,009,974	83,602,892
REPRESENTED BY			
General fund		155,009,974	83,602,892

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

President

Treasurer

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CHARTER FOR COMPASSION SOCIETY OF PAKISTAN
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		----------Rupees----------	
Grants		388,456,872	246,761,813
Donations		1,655,000	3,625,662
Profit on TDR		2,559,937	875,290
Dividend on investments		555,821	167,305
		393,227,630	251,430,070
Project expenses	11	295,062,392	209,275,958
Admin Expenses	12	26,039,624	30,514,481
Financial charges		718,532	577,913
		321,820,548	240,368,352
Other income		-	342,000
Surplus for the year		71,407,082	11,403,718
Other comprehensive income			
Unrealized loss on investment revaluation		-	49,743
Surplus for the year		71,407,082	11,353,975

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

President

Treasurer

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CHARTER FOR COMPASSION SOCIETY OF PAKISTAN
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General fund	Total
	----------Rupees----------	
Balance at 30 June 2023	72,248,917	72,248,917
Surplus for the year	11,353,975	11,353,975
Balance at 30 June 2024	83,602,892	83,602,892
Surplus for the year	71,407,082	71,407,082
Balance at 30 June 2025	155,009,974	155,009,974

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

President

Treasurer

CHARTER FOR COMPASSION SOCIETY OF PAKISTAN
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		----------Rupees----------	
Cash Flows From Operating Activities			
Surplus for the year		71,407,082	11,353,975
Add: Depreciation Expense	4.1	26,026,729	10,920,307
Less: Gain on diposal		-	(342,000)
		97,433,811	21,932,282
Movement in Working Capital			
(Increase) / Decrease in Current Assets			
Advances & other receivable		(2,580,072)	(2,735,703)
Deposits & securities		601,969	(8,062,567)
Increase / (Decrease) in Current Liabilities			
Creditors, Accrued & Other Liabilities		1,472,892	3,806,638
Loan From Others		7,606,804	(2,790,516)
		7,101,592	(9,782,148)
Net Cash inflow to Operating Activities		104,535,403	12,150,136
Cash Flows From Investing Activities			
Capital Expenditure Incurred		(86,600,327)	(5,117,834)
Sale Proceed from disposal		-	950,000
Investments made		(1,176,816)	(3,661,229)
Net Cash Outflow From Investing Activities		(87,777,143)	(7,829,063)
Net Increase In Cash & Cash Equivalent		16,758,260	4,321,073
Cash & Cash Equivalent At The Beginning Of The Year		25,333,924	21,012,851
Cash & Cash Equivalent At The End Of The Year		42,092,184	25,333,924

The annexed notes form an integral part of these financial statements

President

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1 Legal status and nature of business

Charter for Compassion Society of Pakistan (the Society), was registered under the Societies Registration Act, 1860, on May 17, 2011 as charitable organisation for the purpose of providing education and create awareness of the role that Compassion plays in facilitating peaceful interactions at individual, societal, national and global level. Its registered office is at 1st floor, Cotton Exchange Building, I.I. Chundrigar Road, Karachi.

2 Basis of preparation

2.1 Statement Of Compliance

These financial statements have been prepared in accordance with the accounting and financial reporting standard as applicable in Pakistan, as stated below.

Accounting standards for non profit organizations issued by Institute of Chartered Accountants of Pakistan (ICAP) and the International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the functional currency of the Society and figures are rounded off to the nearest of Rupees.

3 Material accounting policies

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

3.1 Property and equipment

The Company has adopted cost model for its property, plant and equipment. Property, plant and equipment except for freehold/leasehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold/leasehold land is stated at cost less impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset, including any borrowing cost. The cost of a self constructed asset includes cost of materials, labour and other overheads that are directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling / removing the asset and restoring the site on which it is located.

Capital work-in-progress is stated at cost accumulated upto the reporting date less accumulated impairment loss, if any. Capital work-in-progress is recognised as an operating fixed asset when it is made available for its intended use.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for in the books of account as separate items of property, plant and equipment.

Subsequent costs including major renewals and improvements are included in the carrying amount of the asset or are recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised at the time of replacement. Normal repair and maintenance and day-to-day servicing are charged to the statement of profit or loss as and when incurred.

Depreciation is charged to the statement of profit or loss using reducing balance method and depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged for the month in which the asset is disposed-off.

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The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gain and loss on disposal is determined by comparing the carrying amount of that asset with the sales proceed and is recognised within 'other income / other operating expenses' in the statement of profit or loss.

3.2 Financial assets

Classification

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

a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

-the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

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

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

c) Financial assets at fair value through profit or loss

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

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

Recognition and measurement

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

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

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

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

3.3 Financial Liabilities

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

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

3.4 Off setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Society or the counter party.

3.5 Advances and other receivables

These are recognised initially at fair value, less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of provision is charged to Statement of Comprehensive Income. These are written off when considered irrecoverable.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances including term deposits with banks (with maturity period of less than three months from the date of deposit) that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.7 Creditors, accrued and other liabilities

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

3.8 Contingent liabilities

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

3.9 Income

General purpose donations are recognized as income at the time of receipt, i.e. when received as cash or deposited in the bank account.

Donation in kind are recorded at fair market value as received.

Revenue from ancillary activities is recognised on receipt basis.

Profit on bank balances is recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.

Grant income is recognized as income when the entity has complied with the conditions and satisfied the performance obligations set out in the grant agreement.

3.10 Expenses

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

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4 Plant and equipments

Particulars	COST				Rate	DEPRECIATION				W.D.V. as at June 30, 2025
	As at July 01, 2024	Additions	Disposals	As at June 30, 2025	%	As at July 01, 2024	Depreciation for the year	Disposals	As at June 30, 2025	
	---------- Rupees ----------					---------- Rupees ----------				
Computer equipment	33,304,519	49,193,440	-	82,497,959	20	21,917,377	12,116,116	-	34,033,493	48,464,466
Furniture and fixtures	14,249,814	1,737,304	-	15,987,118	15	7,757,562	1,234,433	-	8,991,995	6,995,123
Motor vehicle	10,605,840	350,000	-	10,955,840	20	6,683,143	854,539	-	7,537,682	3,418,158
Solar panel and accessories	46,109,492	35,319,583	-	81,429,075	20	22,320,870	11,821,641	-	34,142,511	47,286,564
2025	104,269,665	86,600,327	-	190,869,992		58,678,952	26,026,729	-	84,705,681	106,164,311

Particulars	COST				Rate	DEPRECTION				W.D.V. as at June 30, 2024
	As at July 01, 2023	Additions	Disposals	As at June 30, 2024	%	As at July 01, 2023	Depreciation for the year	Disposals	As at June 30, 2024	
	---------- Rupees ----------					---------- Rupees ----------				
Computer equipment	32,898,863	405,656	-	33,304,519	20	19,070,591	2,846,786	-	21,917,377	11,387,142
Furniture and fixtures	12,044,807	2,205,007	-	14,249,814	15	6,611,871	1,145,691	-	7,757,562	6,492,252
Motor vehicle	11,555,840	-	(950,000)	10,605,840	20	6,044,469	980,674	(342,000)	6,683,143	3,922,697
Solar panel and accessories	43,602,321	2,507,171	-	46,109,492	20	16,373,714	5,947,156	-	22,320,870	23,788,622
2024	100,101,831	5,117,834	(950,000)	104,269,665		48,100,645	10,920,307	(342,000)	58,678,952	45,590,713

4.1 Depreciation for the year has been allocated as follows :

	2025	2024
	---------- Rupees ----------	
Project expenses	23,937,757	8,793,942
Administrative expenses	2,088,972	2,126,365
	26,026,729	10,920,307

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	Note	2025	2024
		----------Rupees----------	
5 Long Term Security Deposits - secured			
Security deposits against rent & others	5.1	1,862,459	2,419,117
Security deposits against projects	5.2	25,323,573	25,368,884
		27,186,032	27,788,001
Less: current portion of long term security deposits		(2,739,556)	-
		24,446,476	27,788,001

5.1 This includes Rs.1.047 million of security deposits against rent the acquisition of buildings for education purposes as per agreements.

5.2 These represent performance security deposits against projects under concession agreements with Sindh Government. These performance securities includes Rs.12.369 million where the Society invested into Term Deposits Receipt (TDR) with Soneri Bank carrying mark-up at the rates 11% to 20.5% per annum as at June 30, 2025 (2024: 19.75% to 20.50%).

6 Advances & Other receivables			
Advance To Staff		76,953	20,957
Advance Tax		1,043,338	520,391
Other Receivable		8,227,695	6,226,565
		9,347,986	6,767,913
7 Investments			
Investment in Mutual Fund	7.1	4,838,045	3,661,229
		4,838,045	3,661,229

7.1 This represents investments in open ended mutual funds units and classified as FVOPNL.

Investment of Rs. 4.838 million in units of NBP Islamic Daily Dividend Fund (open ended mutual fund) which has fixed unit priced @ 10 per unit. During the year cash dividend Rs. 0.556 million were received and reinvested by the Society in the Fund. As at 30 June 2025, the total units held by the Fund were 483,804 units and these were valued at Rs. 10 per unit.

8 Cash & Bank Balances			
Cash in Hand		469,462	1,537,763
Cash at Bank		38,291,632	21,983,043
Investment in TDR	8.1	3,331,090	1,813,118
		42,092,184	25,333,924

8.1 Term deposit receipts (TDRs) in Soneri Bank Limited Rs. 3.331 million (2024: Rs. 1.813 million) having maturity of six and twelve months (2024: six and twelve months) respectively from the date of acquisition or rollover. TDRs carry mark-up at the rates 11% to 20.50% per annum as at June 30, 2025 (2024: 19.75% to 20.50%).

9 Creditors, Accrued & Other Liabilities			
Accrued expenses	9.1	2,130,592	2,712,814
Other Payables		-	4,247,831
Salaries Payable	9.2	16,140,969	11,211,737
Withholding Tax Payable		2,001,023	627,310
		20,272,584	18,799,692

9.1 These payments includes Electricity bills, PTCL bills, fuel expense and rent payments.

9.2 These are the amounts related to June salaries which are accrued and paid subsequently.

		Note	2025	2024
			----------Rupees----------	
10	**Loan From Others**			
	Loan from others	10.1	14,346,000	6,739,196

10.1 These are un-secured interest free loans received from related parties for operation of the Society and payable on demand.

11	**Project and operational expenses**			
	Salaries, Wages & Other Benefits		163,329,838	124,578,077
	Consultancy and expert charges		29,870,330	20,760,291
	Supplies Expense		24,780,096	3,977,155
	Depreciation	4.1	23,937,757	8,793,942
	Printing & Stationary		9,319,555	10,351,535
	Function Expense		6,240,280	1,604,340
	Repair & Maintenance		4,998,896	8,648,322
	Utilities		4,170,823	4,461,122
	Fees & Subscription		3,899,664	3,853,496
	Rent Expense		3,849,828	3,577,299
	Travel Expense		3,730,994	2,975,795
	Training Material Development		3,649,671	5,888,529
	Construction Expense		3,401,328	-
	Sports Activities		2,463,110	-
	Fuel & Diesel		1,968,174	3,178,415
	Accommodation Exp		1,906,335	1,032,580
	Entertainment Expense		1,482,874	1,376,013
	Assessment Exp		809,330	-
	Miscellaneous Expense		797,109	264,672
	Computer Expense		323,795	349,412
	Courier & Postage		132,605	260,778
	Program Activities		-	338,630
	Insurance Exp		-	658,887
	Stamp Duty		-	2346668
			295,062,392	209,275,958

12	**Administrative and general expenses**			
	Supplies Expense		1,576,324	946,870
	Rent Expense		510,000	715,054
	Utilities		2,516,365	1,722,301
	Depreciation	4.1	2,088,972	2,126,365
	Repair & Maintenance		890,420	1,687,465
	Printing & Stationary		889,791	1,682,512
	Travel Expense		960,969	169,739
	Salaries, Wages & Other Benefits		14,110,841	20,110,816
	Entertainment Expense		340,286	127,366
	Computer Expense		55,694	144,298
	Miscellaneous Expense		300,990	72,142
	Auditor's Remuneration	12.1	270,000	75,000
	Fuel & Diesel		1,528,972	934,553
			26,039,624	30,514,481

12.1	Auditor's Remuneration		
	Audit fees	250,000	75,000
	Sales tax	20,000	-
		270,000	75,000

13 Financial risk management

13.1 Financial risk factors

The Society has exposure to the following risks from its use of financial instruments:
- market risk (including foreign exchange risk, interest rate risk and price risk);
- credit risk; and
- liquidity risk.

The Society's Board of Members has overall responsibility for the establishment and oversight of the Society's risk management framework. The Board is also responsible for developing and monitoring the Society's risk management policies.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Society's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates. However the Society has no exposure to foreign exchange risk.

Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates. However the Society has no exposure to interest rate risk.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Society is not expose to any price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Society is exposed to credit risk from its operating activities and deposits with banks and short term deposits.

Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2025	2024
		----------Rupees----------	
Long Term Security Deposits - secured	5	27,186,032	27,788,001
Advance To Staff	6	76,953	20,957
Other Receivable	6	8,227,695	6,226,565
Investments	7	4,838,045	3,661,229
Cash at Bank	8	38,291,632	21,983,043
		78,620,357	59,679,795

Long Term Security Deposits - secured
Long term security deposits includes majorly performance security deposits as per the concession agreements of Education Management Organization - Request for Proposal against projects with Sindh Government. As these amount under written agreement and the management does not expect any credit loss there on.

Advance To Staff
Advances includes advance to staff which is deductible from salary of the employees on monthly basis.

Other Receivable
These are receivable from individuals against committed services, as these individuals are with the organization inter connected and no history of default.

Investments
The Company invested in opened ended mutual fund units of NBP Islamic Daily Dividend Fund and the management does not expect to incur credit loss there against as institute is recognized financial institution with high credit rating.

Cash at Bank
Bank balances are held only with reputable banks with high quality credit ratings.

(c) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Society could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Society's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Society's reputation. The Society ensures that it has sufficient cash to meet expected working capital requirements by having bank balances available. The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	On demand	Contractual cashflow	Within one year	More then one year
Accrued expenses	2,130,592	-	2,130,592	2,130,592	-
Salaries payable	16,140,969	-	16,140,969	16,140,969	-
Loan from others	14,346,000	14,346,000	-	14,346,000	-
2025	32,617,560	14,346,000	18,271,561	32,617,560	-
Accrued expenses	2,712,814	-	2,712,814	2,712,814	-
Salaries payable	11,211,737	-	11,211,737	11,211,737	-
Other payables	4,247,831	-	4,247,831	4,247,831	-
Loan from others	6,739,196	6,739,196	-	6,739,196	-
2024	24,911,578	6,739,196	18,172,382	24,911,578	-

13.2 Financial instruments by category	Note	2025	2024
		----------Rupees----------	
Financial assets			
Long Term Security Deposits - secured		27,186,032	27,788,001
Advance To Staff		76,953	20,957
Other Receivable		8,227,695	6,226,565
Investments		4,838,045	3,661,229
Cash and bank balances		42,092,184	25,333,924
		82,420,909	63,030,676
Financial liabilities			
Creditors, Accrued & Other Liabilities		18,271,561	18,172,382
Loan from others		14,346,000	6,739,196
		32,617,560	24,911,578

Creditors, accrued and other liabilities excludes withholding tax payables.

13.3 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Society is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	Fair value measurments			
	Level - 1	Level - 2	Level - 3	Total
Financial Assets				
Investments in Mutual fund's units	-	4,838,045	-	4,838,045
As at 30 June 2025	-	4,838,045	-	4,838,045
Investments in Mutual fund's units	-	3,661,229	-	3,661,229
As at 30 June 2024	-	3,661,229	-	3,661,229

14 Transactions with related parties

The related party status as at year end are included in respective notes to the financial statements. Aggregate material transactions with related parties are as follows:

Name of related Parties	Basis of relationship	Nature of transactions	2025	2024
			----------Rupees----------	
Amin Hashwani	Trustee	Loan payable	5,350,000	6,739,196
		Loan obtained	5,350,000	6,739,196
		Loan Paid	6,739,196	9,529,712
Nowpdp	Common trustees	Loan payable	5,000,000	-
		Loan obtained	5,000,000	-
		Loan Paid	-	-
Syndicate mineral export Company	Common trustees	Loan payable	3,996,000	-
		Loan obtained	3,996,000	-
		Loan Paid	-	-

15 Remuneration of chief executives and directors

	2025			2024		
	Chief operating officer	Executives	Total	Chief operating officer	Executives	Total
	..... Rupees					
Managerial remuneration	4,800,000	13,901,376	18,701,376	4,800,000	12,461,376	17,261,376
Other benefits	-	-	-	-	-	-
	4,800,000	13,901,376	18,701,376	4,800,000	12,461,376	17,261,376
Number of persons	1	7		1	6	

	Notes	2025	2024
		------Numbers------	
16 Number of employees			
Number of employees at year end		52	43
Average number of employees		49	42

Teachers and temporary staff are not included in note 15.

17 Date of authorization for issue

These financial statements were authorised for issue on December 30, 2025 by the Board of Members of the Society.

18 General

Figures have been rounded off to the nearest rupee.

Wherever considered necessary, corresponding figures have been reclassified for the purpose of comparison and improved presentation. However, the impacts are not material.

President

Treasurer