

**IHSAN TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**A·F·FERGUSON&CO.**  
*Chartered Accountants*  
*a member firm of the PwC network*



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

### **Opinion**

We have audited the financial statements of **Ihsan Trust** (the Trust), which comprise the statement of financial position as at December 31, 2023, and the statement of income and expenditure, the statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Ihsan Trust** as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

### **Basis for Opinion**

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

### **Responsibilities of Management and Trustees for the Financial Statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the management 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, the management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

The Trustees are responsible for overseeing the Trust's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

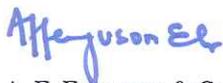
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Trust'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 Trust 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 Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



A. F. Ferguson & Co.

Chartered Accountants

Dated: August 11, 2025

Karachi

Engagement Partner: **Junaid Mesia**

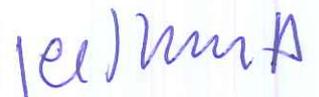
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IHSAN TRUST  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

ASSETS	Note	2023	2022
-----Rupees-----			
<b>Non-current assets</b>			
Property and equipment	4	7,021,192	-
Intangibles	5	600,000	-
Long term loans	6	431,328,567	404,690,900
Investments - long term	7	179,233,492	179,621,462
		618,183,251	584,312,362
<b>Current assets</b>			
Current portion of long term loans	6	103,626,534	87,062,806
Investments - short term	8	267,215,212	97,853,765
Advance salary		49,000	23,627
Takaful premium		-	32,882
Prepayments		36,000	-
Advance tax	21	24,451,421	20,215,218
Receivable from employee	4.2	1,200,000	-
Accrued income		11,904,251	3,973,668
Bank balances	9	9,146,196	101,107,182
		417,628,614	310,269,148
<b>TOTAL ASSETS</b>		<b>1,035,811,865</b>	<b>894,581,510</b>
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
Cede contribution		1,000	1,000
Accumulated surplus		210,501,467	138,623,361
		210,502,467	138,624,361
<b>Restricted fund</b>			
Qarz-e-hasna	10	821,104,892	752,162,132
Zakat	11	101,959	39,789
Donations	12	19,737	19,737
		821,226,588	752,221,658
<b>TOTAL FUNDS</b>		<b>1,031,729,055</b>	<b>890,846,018</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payable to employee	4.2	1,200,000	-
Auditor's remuneration payable		1,031,470	383,470
Salary payable		34,000	-
Payable to Meezan Bank Limited		1,817,340	3,352,022
		4,082,810	3,735,492
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>1,035,811,865</b>	<b>894,581,510</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		

The annexed notes 1 to 26 form an integral part of these financial statements.

  
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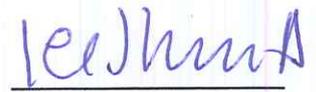
  
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IHSAN TRUST  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2023

Note	2023				2022			
	Unrestricted	Restricted			Unrestricted	Restricted		
	General Fund	Donations (Note 12)	Zakat (Note 11)	Qarz-e-hasna (Note 17)	General Fund	Donations (Note 12)	Zakat (Note 11)	Qarz-e-hasna (Note 17)
----- Rupees -----				----- Rupees -----				
<b>INCOME</b>								
Donations - unrestricted	14	6,071,249	-	-	-	5,508,560	-	-
Donations - restricted	17	-	-	69,961,883	-	-	-	35,328,107
Zakat - restricted		-	14,099,600	-	-	-	5,519,796	-
Profit on savings accounts		4,867,560	62,170	-	1,805,142	-	16,857	-
Investment income	15	57,924,185	-	-	24,007,092	-	-	-
Dividend income	16	17,527,901	-	-	8,250,994	-	-	-
Other income	4.2	150,000	-	-	-	-	-	-
		86,540,895	-	14,161,770	69,961,883	39,571,788	-	5,536,653
								35,328,107
<b>EXPENDITURE</b>								
Allowance for delays in recoveries of long term loans - net (Qarz-e-hasna)	6.2	-	-	1,019,123	-	-	-	1,648,792
Allowance for receivable from Wasil Foundation		-	-	-	2,214,379	-	-	-
Donations - restricted		-	-	-	-	-	-	-
Zakat - restricted		-	14,099,600	-	-	-	5,519,796	-
Donations	18	2,063,650	-	-	1,150,000	-	-	-
Auditor's remuneration	19	648,000	-	-	204,001	-	-	-
Salary expense		9,506,969	-	-	4,661,602	-	-	-
Legal and professional charges		360,000	-	-	311,230	-	-	-
Other operating expenses	20	2,084,170	-	-	610,369	-	-	-
		14,662,789	-	14,099,600	1,019,123	9,151,581	-	5,519,796
								1,648,792
<b>SURPLUS BEFORE TAXATION</b>		<b>71,878,106</b>	<b>-</b>	<b>62,170</b>	<b>68,942,760</b>	<b>30,420,208</b>	<b>-</b>	<b>16,857</b>
Taxation	21	-	-	-	-	-	-	-
<b>NET SURPLUS FOR THE YEAR</b>		<b>71,878,106</b>	<b>-</b>	<b>62,170</b>	<b>68,942,760</b>	<b>30,420,208</b>	<b>-</b>	<b>16,857</b>
								<b>33,679,315</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

  
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IHSAN TRUST  
 STATEMENT OF CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

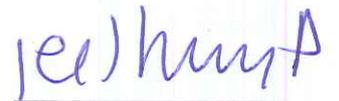
	Unrestricted		Restricted			Total
	Cede contribution	Accumulated surplus	Donations	Zakat	Qarz-e-hasna (Note 16)	
	----- Rupees -----					
Balance as at December 31, 2021	1,000	108,203,153	19,737	22,932	718,482,817	826,729,639
Surplus for the year	-	30,420,208	-	16,857	33,679,315	64,116,379
Balance as at December 31, 2022	1,000	138,623,361	19,737	39,789	752,162,132	890,846,018
Surplus for the year	-	71,878,106	-	62,170	68,942,760	140,883,036
Balance as at December 31, 2023	1,000	210,501,467	19,737	101,959	821,104,892	1,031,729,054

The annexed notes 1 to 26 form an integral part of these financial statements.

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IHSAN TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
		-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net cash inflow from operating activities	22	97,142,407	61,320,034
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments made during the year		(145,000,000)	(111,755,858)
Investments redeemed during the year		2,155,563	170,153,059
Dividend received		5,216,563	5,960,055
Purchase of operating fixed assets		(7,255,000)	-
Sales proceed from investment		-	-
<b>Net cash outflow / (inflow) from investing activities</b>		<b>(144,882,875)</b>	<b>64,357,256</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loan disbursed during the year	6	(131,341,951)	(118,251,522)
Recovery of loans during the year		87,121,433	73,888,727
<b>Net cash outflow on financing activities</b>		<b>(44,220,518)</b>	<b>(44,362,795)</b>
<b>Net decrease / (increase) in cash and cash equivalents</b>		<b>(91,960,986)</b>	<b>81,314,495</b>
Cash and cash equivalents at the beginning of the year	9	101,107,182	19,792,687
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>9,146,196</b>	<b>101,107,182</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

  
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**IHSAN TRUST**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. LEGAL STATUS AND ACTIVITIES**

1.1 Ihsan Trust (the Trust), is a charitable trust formed on January 7, 2010 under the provision of Trust Act 1882, for charitable and public welfare purposes. The status of the Trust as a non-profit organization has been approved by the Commissioner of Income Tax, vide letter No. CIR/Legal Division/RTO/KYC/09/2834 dated March 13, 2010. The continuing validity of the Trust's approval under section 2(36) of the Income Tax Ordinance, 2001 read with Rule 214 of the Income Tax Rules, 2002 is subject to the conditions as laid down in Rule 217 of the Income Tax Rules, 2002. The registered office of the Trust is situated at Shop No. 4, Plot No.COM-7/1, Block No. 2, K.D.A. Scheme No. 5, Clifton, Karachi. The charitable and public welfare purposes referred to above shall be as follows:

- (a) The advancement, promotion, encouragement and propagation of education and skill development and for such purposes the Trustees may set up educational institutions, technical training and work centres, make advances (Qarz e Hasna), payments or donations and grant scholarships, stipends or otherwise to poor and needy individuals studying in schools and colleges or any educational, vocational, commercial or technical institutions.
- (b) Promotion of Islamic culture amongst Muslims through Islamic education and creation of Islamic awareness through arranging educational courses in order to preach teachings of Islam and for this purpose, granting stipends, scholarships and loans.
- (c) Improvement and betterment of public health and hygiene, immediate medical relief and rehabilitation of the sick and affectees of any natural disaster or calamity, and for that purpose initiation, sponsoring and financing of health schemes, setting up of hospitals, dispensaries etc.
- (d) Establishment and operation of orphanages and organization of social welfare works to help disabled and senior citizens.
- (e) Rural development.
- (f) Arrangement and financing of marriages of poor and needy girls.
- (g) Financial assistance of indebted poor people.
- (h) Aid and technical help for economic uplift of the poor and needy.
- (i) Any other object of general public utility and welfare.

Moreover, the Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Acts [i.e. Sindh Trust Act, 2020, Punjab Trust Act, 2020, Balochistan Trust Act, 2020, KPK Trust Act, 2020 and Islamabad Capital Territory (ICT) Trust Act, 2020] as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Acts have been introduced.

The management is in the process of getting the trust registered under the Sindh Trusts Act, 2020 as the head office of the Trust is located in the province of Sindh.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- Revised Accounting and Financial Reporting Standards for Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP); and
- Accounting Standards for Not for Profit Organisations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

Wherever the requirements of the Accounting Standards for NPOs differ from the AFRS for SSEs, the requirements of the AFRS for SSEs shall prevail.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for investments in mutual funds which are carried at fair value.

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### 2.3 Functional and presentation currency

2.3.1 These financial statements are presented in Pakistani Rupees, which is also the Trust's functional currency.

2.3.2 Figures have been rounded off to the nearest rupees, unless otherwise stated.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

### 3.1 Restricted funds

The Trust has created a restricted fund where the resources allocated cannot be spent during the year due to any obligation placed by either the donors or the trustees.

Restricted funds which are received for the purpose of Donation, Zakat and Qarz-e-hasna are recognised as an income of the relevant restricted fund in the period or periods in which these are received.

### 3.2 Unrestricted funds

Funds received for general donations or normal operations of the Trust, without any restrictions, are classified as unrestricted funds. These donations are recognised as income when received in the general fund. The expenses incurred against such funds are recognised in the statement of income and expenditure as and when incurred.

### 3.3 Investments

#### 3.3.1 Classification

The Trust classifies its investments as follows:

- **Fair value through income and expenditure**

These are investments which are either acquired for generating profits from short-term fluctuations in market prices or are securities included in a portfolio for which there is evidence of a recent actual pattern of short-term profit taking.

- **Amortised cost**

These are investments held for collection of contractual cashflows or are investments with fixed or determinable payments and maturity where the Trust has positive intent and ability to hold till maturity.

#### 3.3.2 Initial recognition

Investments other than those categorised as 'fair value through income and expenditure' are initially categorised at fair value which includes transaction costs associated with the investments. Investments classified as 'fair value through income and expenditure' are initially recognised at fair value and transaction costs are expensed in the income and expenditure account.

#### 3.3.3 Subsequent measurement

Subsequent to initial recognition, investments are valued as follows:

- **Fair value through income and expenditure**

Investments in equity instruments that are quoted in an active market are measured at fair value and investments in equity instruments that do not have active market are measured at cost less impairment, if any. Gains and losses on remeasurement are included in the statement of income and expenditure for the year.

- **Amortised cost**

These are measured at amortised cost less any impairment loss recognised to reflect irrecoverable amount. Premium / discount (if any) is amortised over the remaining maturity.

#### 3.3.4 Reclassifications

Investments are not reclassified subsequent to the initial recognition, except in the period after the Trust changes its business model for managing investments. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

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### 3.3.5 Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognised in the statement of income and expenditure. Any previously recognised impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognised previously. The amount of the reversal is recognised in statement of income and expenditure.

### 3.3.6 Derecognition

Investments are derecognised when the right to receive cash flows from the investments have expired, or have been realised or transferred and the Trust has transferred substantially all the risks and rewards of ownership. On derecognition of an investment, in its entirety, the difference between the carrying amount and the sum of the consideration received and receivable is recognised in the statement of income and expenditure.

## 3.4 Property and Equipment and Intangible assets

### 3.4.1 Property and equipment

They are stated at cost less accumulated depreciation and any identified impairment loss. Items of property and equipment costing Rs 25,000 or less are not capitalised and are charged off in the month of purchase. An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Profit or loss on disposal of property and equipment is included in the statement of income and expenditure account.

### 3.4.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when assets become available for use.

### 3.4.3 Subsequent costs related to property and equipment

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

### 3.4.4 Depreciation related to property and equipment

Depreciation is charged to the income and expenditure account by applying the straight line method in accordance with the rates specified in notes 4.1 whereby the depreciable value of an asset is written off over its estimated service life. The Trust charges depreciation from the month of acquisition and up to the month preceding the disposal.

## 3.5 Loans, advances, prepayments and other receivables

The Trust extends loans on Qarz-e-Hasna basis. These are initially recognised at an initial disbursed amount and subsequently measured at amortised cost less provision for impairment, if any. Advances, prepayments and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the yield / profit rate method less provision for impairment, if any. The amount of provision is charged to the statement of income and expenditure as per the policy approved by the Board of trustees.

## 3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents include cash in hand and balances with banks and other short-term highly liquid investments with original maturity of three months or less.

## 3.7 Accrued expenses and other liabilities

Accrued expenses and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services whether or not billed to the Trust.

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### 3.8 Provisions

A provision is recognised in the statement of financial position when the Trust has a present 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. The amount recognised as a provision reflects the best estimate of the expenditure required to settle the present obligation at the reporting date.

### 3.9 Taxation

The Trust is registered with the Income tax authorities as a non-profit organisation under section 2(36)(c) of the Income Tax Ordinance, 2001 read with Rules 212 and 220A of the Income Tax Rules, 2002. The Trust, being a non-profit organisation, is allowed a tax credit equal to one hundred percent (100%) of the tax payable, including minimum tax and final tax payable, under section 100C of the Income Tax Ordinance, 2001, subject to fulfilment of certain conditions stipulated therein.

### 3.10 Income recognition

- Qarz-e-Hasna, zakat and restricted donations received by the Trust are regarded as restricted contributions and are recognised as income as and when these are received.
- Donations received without any specific conditions are recognised on a receipt basis.
- Donations received in kind are recognised at fair value.
- Profit on savings accounts is recognised on an accrual basis.
- Profit on certificate of Islamic investments is recognised on an accrual basis.
- Dividend income is recognised when the Trust becomes entitled to receive the dividend.
- Profit on sukuks is recognised on an effective yield basis.
- Gain / (loss) arising on sale of investments are recorded at the date at which the transaction takes place.
- Gains / (losses) on remeasurement of investments at each reporting date are included in the statement of income and expenditure for the year.

### 3.11 Offsetting of assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when, and only when the Trust has a legally enforceable right to offset the amounts and intends either to settle them on the net basis or to realise the assets and settle the liabilities simultaneously.

4	Note	2023	2022
		-----Rupees-----	
PROPERTY AND EQUIPMENT			
Property and equipment	4.1	<u>7,021,192</u>	<u>-</u>

4.1 The following is a statement of property and equipment:

Description	2023									
	Cost				Accumulated depreciation				Net book value as at Dec 31, 2023	Rate of depreciation (% per annum)
	As at Jan 1, 2023	Additions	Disposals	As at Dec 31, 2023	As at Jan 1, 2023	Charge for the year	On disposals	As at Dec 31, 2023		
	Rupees								%	
Motor vehicle	-	7,068,000	-	7,068,000	-	117,800	-	117,800	6,950,200	20%
Computer equipment	-	73,000	-	73,000	-	2,008	-	2,008	70,992	33%
Total	-	<u>7,141,000</u>	-	<u>7,141,000</u>	-	<u>119,808</u>	-	<u>119,808</u>	<u>7,021,192</u>	

4.2 This represents the motor vehicle provided to an employee of the Trust and the amount of 1.2 million has been paid in excess of entitled amount of vehicle which has been recorded as 'Receivable from employee' and will be adjusted from the salary of an employee over the life of the vehicle.

5	Note	2023	2022
		-----Rupees-----	
INTANGIBLES			
Capital work-in-progress	5.1	<u>600,000</u>	<u>-</u>

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8	INVESTMENTS - SHORT TERM	Note	2023	2022
			-----Rupees-----	
	Federal government securities	8.1	80,000,000	-
	Mutual funds	8.2	159,735,212	70,573,765
	REITs	8.3	27,480,000	27,280,000
			<u>267,215,212</u>	<u>97,853,765</u>

8.1 Investment in federal government securities - amortized cost

Name of the Investee Company	As at January 1, 2023	Purchased during the year	Sold / matured during the year	As at December 31, 2023	Book value as at December 31, 2023	Profit rate	Issue date	Maturity date
----- Face value (Rupees) -----								
Federal Government securities								
GIS VRR-29	-	50,000,000	-	50,000,000	50,000,000	25.54%	8-Mar-23	8-Mar-24
GIS FRR-23	-	30,000,000	-	30,000,000	30,000,000	21.29%	26-Jun-23	26-Jun-24
Total as at December 31, 2023	-	<u>80,000,000</u>	-	<u>80,000,000</u>	<u>80,000,000</u>			
Total as at December 31, 2022	-	-	-	-	-			

8.2 Investments in Mutual Funds - At fair value through statement of income and expenditure

	2023	2022	2023	2022
	-----Number of units-----		-----Rupees-----	
Meezan Cash Fund - Related party *	-	-	20	15
Meezan Islamic Fund - Related party	79,162	79,162	6,468,063	4,366,941
Meezan Islamic Income Fund - Related party	14,496	12,895	823,102	707,112
Meezan Asset Allocation Fund - Related party	746,673	742,094	42,255,446	29,733,470
Meezan Rozana Amdani Fund - Related Party	1,691,936	277,020	84,596,777	13,850,981
NBP Islamic Money Market Fund	2,608	2,302	29,162	24,839
NBP Islamic Daily Dividend Fund	2,499,942	2,137,294	24,999,421	21,372,944
MCB Islamic Income Fund	2,429	2,203	275,895	240,423
UBL Ameen Islamic Asset Allocation Fund	2,284	2,150	287,327	277,040
	<u>5,039,530</u>	<u>3,255,120</u>	<u>159,735,212</u>	<u>70,573,765</u>

\* Nil due to rounding off

8.3 Investments in REITs - At fair value through statement of income and expenditure

Dolmen City REIT - Listed	2,000,000	2,000,000	27,280,000	22,249,654
Add: Unrealised gain on revaluation of investments	-	-	200,000	5,030,346
	<u>2,000,000</u>	<u>2,000,000</u>	<u>27,480,000</u>	<u>27,280,000</u>

9	BANK BALANCES	Note	2023	2022
			-----Rupees-----	
	Savings accounts	9.1	<u>9,146,196</u>	<u>101,107,182</u>

9.1 Savings accounts are maintained with Meezan Bank Limited, a related party, and carry profit at the rates ranging from 4.50% to 11.01% (2022: 4.50% to 7.00%) per annum.

10 QARZ-E-HASNA

This balance represents donations received by the Trust over the years from the related parties i.e., Meezan Bank and Al Meezan Investment Management Limited. The amount is utilised in providing loans to the students under interest free loan scheme and accordingly recognised as revenue in the period in which it is received under section 6.59 of Accounting Standards for Not for Profit Organisations. This is a revolving fund as repayments received from the loans are reutilised for new disbursements to the students. Any difference between the grant amount and loans can be invested in shares and securities or can be kept in the bank accounts as per the needs and requirements of the Trust.

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As per the instructions of donors, income generated from such investments can be utilised for general purpose by the Trust.

The funds disbursed / allocated from the restricted funds as interest free loan (Qarz-e-Hasna) have been disclosed in note 6 of these financial statements.

	2023	2022
	----- Rupees -----	
The balance is represented by:		
Long term loans	543,538,550	499,318,032
Investments	277,566,342	216,685,804
Bank balances	-	36,158,296
	<u>821,104,892</u>	<u>752,162,132</u>
<b>Long term loans</b>		
Opening	499,318,032	455,201,227
Disbursed from restricted donations	131,341,951	118,251,522
Less: Recovery of loans	(87,121,433)	(74,134,717)
Closing	<u>543,538,550</u>	<u>499,318,032</u>
<b>Investments</b>		
Opening	216,685,804	260,936,632
Investments during the year	62,423,303	84,683,670
Divestments during the year	(1,542,765)	(128,934,498)
Closing	<u>277,566,342</u>	<u>216,685,804</u>

#### 11 ZAKAT

This balance represents funds received by the Trust during the current year for onward distribution of Zakat to the deserving people and accordingly recognised as revenue in the period in which it is received under section 6.59 of Accounting Standards for Not for Profit Organisations.

#### 12 DONATIONS

This balance represents restricted donations received by the Trust from general public and the related party i.e., Meezan Bank Limited. The amount was utilised in providing ration to the deserving people who got affected due to global pandemic of COVID-19 under 'Ration Distribution Scheme' and accordingly had been categorised as restricted fund. The respective bank account of the fund has been closed last year.

#### 13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and December 31, 2022.

	Note	2023	2022
		-----Rupees-----	
<b>14 DONATIONS - UNRESTRICTED</b>			
NBP Fund Management Limited		-	1,704,933
UBL Fund Managers Limited		-	800,000
AI Meezan Investment Management Limited		2,000,000	-
AI Baraka Bank Pakistan Limited		-	1,000,000
MCB Investment Management Limited		-	508,624
Miscellaneous donations	14.1	4,071,249	1,495,003
		<u>6,071,249</u>	<u>5,508,560</u>

14.1 This represents donations received from various individual donors.

#### 15 INVESTMENT INCOME

Income on sukuks		42,936,633	19,450,692
Income on Certificate of Islamic Investments - (COII)	15.1	-	5,357,940
Realised gain on sale of investments - net		8,779	855,773
Unrealised gain / (loss) on investments - net		14,978,773	(1,657,313)
		<u>57,924,185</u>	<u>24,007,092</u>

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- 15.1 This represents the income earned on investments pertaining to the unrestricted fund and Qarz-e-hasna restricted fund. As per the instructions of donors of Qarz-e-hasna restricted fund, income generated from such investments can be utilised for general purpose by the Trust.

	Note	2023	2022
		-----Rupees-----	
<b>16 DIVIDEND INCOME</b>			
Dividend income from mutual funds		13,926,725	5,050,994
Dividend income from Dolmen City REIT		3,601,176	3,200,000
		<u>17,527,901</u>	<u>8,250,994</u>
<b>17 QARZ-E-HASNA</b>			
Meezan Bank Limited		45,000,000	30,000,000
Meezan Bank Limited's staff contribution for COVID-19 (face mask)		10,000,000	1,117,000
Al Meezan Investment Management Limited		8,700,000	3,300,000
Pakistan National Distributors (PND)		1,261,883	1,311,107
Hamdard University Foundation		5,000,000	-
Habib University Foundation	17.1	-	(400,000)
		<u>69,961,883</u>	<u>35,328,107</u>
<b>18 DONATIONS</b>			
Oriental Dental Services		2,063,650	-
Liaquat National Hospital		-	200,000
Miscellaneous		-	950,000
		<u>2,063,650</u>	<u>1,150,000</u>
<b>19 AUDITOR'S REMUNERATION</b>			
Audit fee		500,000	176,000
Out of pocket expenses		100,000	12,890
Sindh sales tax		48,000	15,112
		<u>648,000</u>	<u>204,001</u>
<b>20 OTHER OPERATING EXPENSES</b>			
Travelling expenses		318,477	18,111
Depreciation	4.1	119,808	-
Vehicle repair and maintenance		64,000	-
Communication charges		19,680	16,500
Website development charges		254,240	233,785
Course fees related to Islamic Banking		627,035	39,000
Bank charges		17,648	18,288
Other charges		13,500	28,695
Incentives	20.1	-	245,990
Printing and stationary		283,400	-
Miscellaneous		366,382	10,000
		<u>2,084,170</u>	<u>610,369</u>

- 20.1 This represents the incentives given to the students against the donations arranged by them. The incentive is given in the form of waiver of loans that have been disbursed to the students.

## 21 TAXATION

The income of the Trust is exempt from tax for the tax year 2024 under section 100C of the Income Tax Ordinance, 2001. As per Section 100C, non-profit organisations, trusts or welfare organisations as mentioned in sub section 2 of section 100C shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum and final tax payable under any of the provisions of the Income Tax Ordinance, 2001, subject to the following conditions, namely:

- return has been filed;
- tax required to be deducted or collected has been deducted or collected and paid; and
- withholding tax statements for the immediately preceding tax year have been filed.

*Free*

The operations of the Trust fall within the purview of clause (a) of sub-section 2 of Section 100C of the Income Tax Ordinance, 2001 and the Trust has complied with the above-mentioned requirements, hence the Trust will be eligible to claim tax credit equal to 100 percent of the tax payable by the Trust and consequently no tax charge has been recognised in these financial statements for the year ended December 31, 2023.

Tax withheld by different banks and asset management companies as stated in the financial statements as advance tax amounting to Rs. 24,451,421 (2022: Rs. 20,215,218) will also be claimed by the Trust once the exemption letter is issued.

	Note	2023	2022
-----Rupees-----			
<b>22 CASH UTILISED IN OPERATIONS</b>			
Surplus before taxation		140,883,036	64,116,379
<b>Adjustments for:</b>			
Profit on savings accounts		(4,929,730)	(1,821,999)
Profit on investments		(43,674,526)	(24,808,632)
Depreciation		119,808	-
Dividend income		(17,527,901)	(8,250,994)
Capital gain on sale of investments - net	15	(8,779)	(855,773)
Allowance for delays in recoveries		1,019,123	1,648,792
Amortisation of premium		737,893	348,853
Unrealised (gain) / loss on revaluation of investments	15	(14,978,773)	1,657,313
		(79,242,885)	(32,082,440)
Working capital changes	22.1	(5,150,258)	3,570,235
Profit received		40,652,514	25,715,860
		<u>97,142,407</u>	<u>61,320,034</u>
<b>22.1 Working capital changes</b>			
<b>(Increase)/decrease in current assets</b>			
Advance tax		(4,236,203)	(2,550,191)
Receivable from Wasil Foundation		-	2,739,379
Advance salary		(25,373)	10,377
Prepaid insurance		-	(32,882)
Prepayment		(36,000)	-
		(4,297,576)	166,683
<b>Increase/(decrease) in current liabilities *</b>			
Auditor's remuneration payable		648,000	51,530
Salary payable		(1,500,682)	3,352,022
		(852,682)	3,403,552
		<u>(5,150,258)</u>	<u>3,570,235</u>
<b>23 RELATED PARTY TRANSACTIONS</b>			
<b>23.1</b>	Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Trustees of the Trust, their close family members, Meezan Bank Limited, Al- Meezan Investment Management Limited (a subsidiary company of Meezan Bank Limited), funds managed by Al-Meezan Investment Management Limited and Key management personnel are considered to be related parties of the Trust. The aggregate value of transactions and outstanding balances as at December 31, 2023 with related parties other than those which have been disclosed elsewhere are as follows:		
<b>23.2 Transactions during the year</b>		<b>2023</b>	<b>2022</b>
-----Rupees-----			
<b><u>Meezan Bank Limited</u></b>			
Profit on savings accounts		4,929,730	1,821,999
Profit on Certificates of Islamic Investment - (COII)		-	5,357,940
Donations received from Meezan Bank Limited for Qarz-e-Hasna		45,000,000	30,000,000
Meezan Bank Limited's staff contribution for COVID-19 (face mask)		10,000,000	1,117,000
Redemption of Certificates of Islamic Investment - (COII)		-	80,000,000

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## Transactions during the year

	2023	2022
	-----Rupees-----	
<b>AI-Meezan Investment Management Limited</b>		
Donations received from AI-Meezan Investment Management Limited for Qarz-e-Hasna	8,700,000	3,300,000
Redemption of mutual fund 43,111 units (2022: 900,000 units)	-	45,000,000
Unrestricted donations received	2,000,000	
Gain / loss on sale of mutual funds units	8,779	855,773
Dividend from mutual funds reinvested 412,593 units (2022: 38,799)	11,836,371	1,953,288
Purchase of mutual fund nil units 1,300,000 (2022: nil units)	65,000,000	-

**Key Management Personnel**

Travelling expenses	318,477	18,111
Salaries and benefits	3,600,000	-

## Balance outstanding

	2023	2022
	-----Rupees-----	
<b>Meezan Bank Limited</b>		
Payable in respect of reimbursements of expenses	1,817,340	3,352,022

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**FINANCIAL INSTRUMENTS**

	Held for trading		Amortised cost		Total	
	2023	2022	2023	2022	2023	2022
	-----Rupees-----		-----Rupees-----		-----Rupees-----	
<b>Financial assets:</b>						
Long term loans	-	-	431,328,567	404,690,900	431,328,567	404,690,900
Long term investments	-	-	179,233,492	179,621,462	179,233,492	179,621,462
Short term investments	187,215,212	97,853,765	80,000,000	-	267,215,212	97,853,765
Current portion of long term loans	-	-	103,626,534	87,062,806	87,062,806	87,062,806
Accrued income	-	-	11,904,251	3,973,668	11,904,251	3,973,668
Bank balances	-	-	9,146,196	101,107,182	9,146,196	101,107,182
	<u>187,215,212</u>	<u>97,853,765</u>	<u>815,288,040</u>	<u>776,479,645</u>	<u>985,939,524</u>	<u>874,333,410</u>
<b>Financial liability:</b>						
Salary payable	-	-	34,000	-	34,000	-
Payable to Meezan Bank	-	-	1,817,340	3,352,022	-	3,352,022
Auditor's remuneration payable	-	-	1,031,470	383,470	1,031,470	383,470
	<u>-</u>	<u>-</u>	<u>2,882,810</u>	<u>3,735,492</u>	<u>1,065,470</u>	<u>3,735,492</u>

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**NUMBER OF EMPLOYEES**

	2023	2022
	----- (Number of employees) -----	
Total number of employees as at December 31,	<u>7</u>	<u>2</u>
Average for the year ended December 31,	<u>5</u>	<u>4</u>

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**DATE OF AUTHORISATION**

These financial statements were authorised for issue on **12 AUG 2025** by the trustees of the Trust.

*Attee*

*[Signature]*

TRUSTEE

*[Signature]*

TRUSTEE