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IHSAN TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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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, 2024, and the statement of income and expenditure, 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, 2024, and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with 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: June 30, 2026
Karachi
Engagement Partner: **Junaid Mesia**
UDIN: AR202410611GNdpE62DL

IHSAN TRUST
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024	2023 (Restated)	2022 (Restated)
		----------Rupees----------		
ASSETS				
Non-current assets				
Property and equipment	4	5,583,502	7,021,192	-
Intangibles	5	800,000	600,000	-
Long term loans	6	499,798,575	431,328,567	404,690,900
Investments - long term	7	128,842,386	179,233,492	179,621,462
		635,024,463	618,183,251	584,312,362
Current assets				
Current portion of long term loans	6	106,746,288	103,626,534	87,062,806
Investments - short term	8	396,515,895	267,215,212	97,853,765
Advance salary		33,304	49,000	23,627
Prepayments		2,334	36,000	32,882
Advance tax	20	19,481,225	18,674,984	17,064,356
Receivable from employee	4.2	960,000	1,200,000	-
Accrued income		14,957,611	11,904,251	3,973,668
Bank balances	9	52,816,350	9,146,196	101,107,182
		591,513,007	411,852,177	307,118,286
TOTAL ASSETS		1,226,537,470	1,030,035,428	891,430,648
FUNDS				
Unrestricted fund				
Cede contribution		1,000	1,000	1,000
Accumulated surplus		83,945,008	87,101,064	86,038,588
		83,946,008	87,102,064	86,039,588
Restricted fund				
Qarz-e-hasna	10	1,137,850,174	938,728,858	801,596,042
Zakat	11	909,181	101,959	39,789
Donations		19,737	19,737	19,737
		1,138,779,092	938,850,554	801,655,568
TOTAL FUNDS		1,222,725,100	1,025,952,618	887,695,156
LIABILITIES				
Current liabilities				
Payable to employee	4.2	960,000	1,200,000	-
Auditor's remuneration payable		2,327,470	1,031,470	383,470
Retainership fee payable		279,900	-	-
Salary payable		20,000	34,000	-
Payable to Meezan Bank Limited		225,000	1,817,340	3,352,022
		3,812,370	4,082,810	3,735,492
TOTAL FUNDS AND LIABILITIES		1,226,537,470	1,030,035,428	891,430,648
CONTINGENCIES AND COMMITMENTS	12			

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

TRUSTEE

TRUSTEE

IHSAN TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024			2023		
		Unrestricted	Restricted		Unrestricted	Restricted	
		General Fund	Zakat (Note 11)	Qarz-e-hasna (Note 16)	General Fund	Zakat (Note 11)	Qarz-e-hasna (Note 16)
		Rupees			Rupees		
					Restated		
INCOME							
Donations - unrestricted	13	7,580,733	-	-	6,071,249	-	-
Donations - restricted	16	-	-	107,998,179	-	-	69,961,883
Zakat - restricted		-	18,093,154	-	-	14,099,600	-
Profit on savings accounts		2,227,342	33,568	-	4,867,560	62,170	-
Investment income	14	-	-	79,396,207	-	-	57,924,185
Dividend income	15	-	-	23,516,087	-	-	17,527,901
Other Income		-	-	-	150,000	-	-
		9,808,075	18,126,722	210,910,473	11,088,809	14,161,770	145,413,969
EXPENDITURE							
Allowance for delays in recoveries of long term loans - net (Qarz-e-hasna)	6.2	-	-	722,991	-	-	1,019,123
Zakat - restricted		-	17,319,500	-	-	14,099,600	-
Donations	17	-	-	-	2,063,650	-	-
Auditor's remuneration	18	1,296,000	-	-	648,000	-	-
Salary expense		8,035,949	-	5,357,299	5,704,181	-	3,802,788
Legal and professional charges		360,000	-	-	360,000	-	-
Other operating expenses	19	3,272,182	-	2,181,455	1,250,502	-	833,668
		12,964,131	17,319,500	8,261,745	10,026,333	14,099,600	5,655,579
(DEFICIT) / SURPLUS BEFORE TAXATION		(3,156,056)	807,222	202,648,729	1,062,476	62,170	139,758,390
Taxation	20	-	-	3,527,413	-	-	2,625,575
(NET DEFICIT) / NET SURPLUS FOR THE YEAR		(3,156,056)	807,222	199,121,316	1,062,476	62,170	137,132,815

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

TRUSTEE

TRUSTEE

IHSAN TRUST
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted		Restricted			
	Cede contribution	Accumulated surplus	Donations	Zakat (Note 11)	Qarz-e-hasna (Note 16)	Total
	Rupees					
Balance as at December 31, 2022 (Restated)	1,000	86,038,588	19,737	39,789	801,596,042	887,695,156
Surplus for the year (Restated)	-	1,062,476	-	62,170	137,132,815	138,257,462
Balance as at December 31, 2023 (Restated)	1,000	87,101,064	19,737	101,959	938,728,858	1,025,952,618
(Deficit) / surplus for the year	-	(3,156,056)	-	807,222	199,121,316	196,772,482
Balance as at December 31, 2024	1,000	83,945,008	19,737	909,181	1,137,850,174	1,222,725,100

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

TRUSTEE

TRUSTEE

IHSAN TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		----------Rupees----------	
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash inflow from operating activities	21	133,273,310	101,378,610
CASH FLOW FROM INVESTING ACTIVITIES			
Investments made during the year		(209,923,240)	(145,000,000)
Investments redeemed during the year		189,432,837	2,155,563
Dividend received		3,400,000	5,216,562
Purchase of tangible and intangible assets		(200,000)	(7,255,000)
Net cash outflow on investing activities		(17,290,403)	(144,882,875)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan disbursed during the year	6	(187,753,021)	(131,341,951)
Recovery of loans during the year		115,440,268	82,885,230
Net cash outflow on financing activities		(72,312,753)	(48,456,721)
Net increase / (decrease) in cash and cash equivalents		43,670,154	(91,960,986)
Cash and cash equivalents at the beginning of the year	9	9,146,196	101,107,182
Cash and cash equivalents at the end of the year	9	52,816,350	9,146,196

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

TRUSTEE

TRUSTEE

IHSAN TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 organisation 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 units of mutual funds and REIT units which are carried at fair value.

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 rupee, unless otherwise stated.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Summary of Significant 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 as general donations for 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 recognised 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 statement of income and expenditure.

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.

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 the 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.

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 Intangible assets

Intangible assets comprise of computer software. Intangible assets with definite useful lives are stated at cost less accumulated amortisation and impairment losses (if any).

3.4.4 Subsequent costs related to property and equipment and intangible assets

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 as and when incurred .

3.4.5 Depreciation / amortisation related to property and equipment and intangible assets

Depreciation / amortisation is charged to the statement of income and expenditure 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 / amortisation 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.

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 past events, 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.
- 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 a net basis or to realise the assets and settle the liabilities simultaneously.

		Note	2024	2023
			----------Rupees----------	
4	PROPERTY AND EQUIPMENT			
	Property and equipment	4.1	5,583,502	7,021,192

4.1 The following is a statement of property and equipment:

Description	2024									
	Cost				Accumulated depreciation				Net book value as at Dec 31, 2024	Rate of depreciation (% per annum)
	As at Jan 1, 2024	Additions	Disposals	As at Dec 31, 2024	As at Jan 1, 2024	Charge for the year	On disposals	As at Dec 31, 2024		
	---------- Rupees ----------									%
Motor Vehicle	7,068,000	-	-	7,068,000	117,800	1,413,600	-	1,531,400	5,536,600	20%
Computer equipment	73,000	-	-	73,000	2,008	24,090	-	26,098	46,902	33%
Total	7,141,000	-	-	7,141,000	119,808	1,437,690	-	1,557,498	5,583,502	

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	-	7,141,000	-	7,141,000	-	119,808	-	119,808	7,021,192	

4.2 This represents the motor vehicle provided to an employee of the Trust and the amount of Rs 1.2 million has been paid in excess of the 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.

		Note	2024	2023
5	**INTANGIBLES**		Rupees	
	Capital work-in-progress		800,000	600,000

5.1 **Movement in capital work-in-progress is as follows:**

Balance at the beginning of the year		600,000	-
Additions during the year		200,000	600,000
Transferred to intangibles		-	-
Balance at the end of the year		800,000	600,000

6	**LONG TERM LOANS**			
	Loans at the beginning of the year		543,538,550	499,318,032
	Add: Loans disbursed during the year		187,753,021	131,341,951
			731,291,571	630,659,983
	Less: Loans repaid during the year		(115,440,268)	(87,121,433)
		6.1	615,851,303	543,538,550
	Less: Current portion of long term loans		(106,746,288)	(103,626,534)
	Long term loans		509,105,015	439,912,016
	Less: Provision against long term loans	6.2	(9,306,440)	(8,583,449)
			499,798,575	431,328,567

6.1 These represent unsecured loans advanced as Qarz-e-Hasna to finance tuition expenses of needy and deserving students. The Trust has entered into Memorandums of Understanding (MOUs) with various educational institutions for a period ranging between one to five years.

		Note	2024	2023
6.2	**Movement of provision against long term loans**		Rupees	
	Opening provision		8,583,449	7,564,326
	Add: charge for the year		1,387,991	3,738,540
	less: reversal during the year		(665,000)	(2,719,417)
	Closing provision		9,306,440	8,583,449

7	**INVESTMENTS - LONG-TERM**			
	Federal government securities	7.1	120,738,886	171,129,992
	Non-government sukuk		8,103,500	8,103,500
			128,842,386	179,233,492

7.1 Sukuks - Amortised cost

Name of the Investee Company	As at January 1, 2024	Purchased during the year	Sold / matured during the year	As at December 31, 2024	Carrying value as at December 31, 2024	Profit rate	Issue date	Maturity date
	Face value (Rupees)							
Federal government securities								
GIS-VRR 24	30,000,000	-	-	30,000,000	30,314,222	14.05%	29-Oct-21	29-Oct-26
GIS-FRR 11 (1st RO)	60,000,000	-	-	60,000,000	60,424,664	11.40%	15-Dec-21	15-Dec-26
GIS-FRR 12	5,000,000	-	-	5,000,000	5,000,000	12.49%	27-Apr-22	27-Apr-27
GIS VRR-25	5,000,000	-	-	5,000,000	5,000,000	14.05%	27-Apr-22	27-Apr-27
GIS VRR-26	20,000,000	-	-	20,000,000	20,000,000	14.15%	26-Oct-22	26-Oct-27
	120,000,000	-	-	120,000,000	120,738,886			
Non-Government sukuk								
K-Electric sukuk	8,103,500	-	-	8,103,500	8,103,500	Kibor + 1.7%	3-Aug-20	2-Aug-27
Total as at December 31, 2024	128,103,500	-	-	128,103,500	128,842,386			
Total as at December 31, 2023	178,103,500	-	-	178,103,500	179,233,492			

8 INVESTMENTS - SHORT TERM

	Note	2024	2023
		Rupees	
Federal government securities	8.1	107,598,142	80,000,000
Units of mutual funds	8.2	245,417,753	159,735,212
Units of REITs	8.3	43,500,000	27,480,000
		396,515,895	267,215,212

8.1 Investment in federal government securities - At Amortized cost

Name of the Investee Company	As at January 1, 2024	Purchased during the year	Sold / matured during the year	As at December 31, 2024	Carrying value as at December 31, 2024	Profit rate	Issue date	Maturity date
	Face value (Rupees)							
Federal government securities								
GIS VRR-29	50,000,000	-	(50,000,000)	-	-	25.54%	8-Mar-23	8-Mar-24
GIS FRR-23	30,000,000	-	(30,000,000)	-	-	21.29%	26-Jun-23	26-Jun-24
GIS VRR-18	25,000,000	-	-	25,000,000	25,000,000	12.90%	30-Apr-20	30-Apr-25
GIS VRR-19	25,000,000	-	-	25,000,000	25,000,000	12.72%	29-May-20	29-May-25
P01GIS280325	-	60,000,000	-	60,000,000	57,598,142	19.50%	28-Mar-24	28-Mar-25
Total as at December 31, 2024	130,000,000	60,000,000	(80,000,000)	110,000,000	107,598,142			
Total as at December 31, 2023	-	80,000,000	-	80,000,000	80,000,000			

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

	2024	2023	2024	2023
	Number of units		Rupees	
Meezan Cash Fund - Related party	-	-	23	20
Meezan Islamic Fund - Related party	-	79,162	-	6,468,063
Meezan Islamic Income Fund - Related party	17,005	14,496	959,743	823,102
Meezan Asset Allocation Fund - Related party	-	746,673	-	42,255,446
Meezan Rozana Amdani Fund - Related Party	259	1,691,936	12,965	84,596,777
Meezan Sovereign Fund - Related Party	3,748,635	-	214,662,562	-
NBP Islamic Money Market Fund	3,082	2,608	33,965	29,162
NBP Islamic Daily Dividend Fund	2,889,712	2,499,942	28,897,122	24,999,421
NBP Riba Free Savings Fund	2,619	-	29,305	-
MCB Islamic Income Fund	2,832	2,429	322,389	275,895
UBL Ameen Islamic Asset Allocation Fund	2,536	2,284	499,679	287,327
	6,666,679	5,039,530	245,417,753	159,735,212

** Nill due to rounding off*

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

Dolmen City REIT - Listed	2,000,000	2,000,000	27,280,000	27,280,000
Add: Unrealised gain on revaluation of investments	-	-	16,220,000	200,000
	2,000,000	2,000,000	43,500,000	27,480,000

		Note	2024	2023
9	BANK BALANCES		----------Rupees----------	
	Savings accounts	9.1	52,816,350	9,146,196

9.1 Savings accounts are maintained with Meezan Bank Limited, a related party, and carry profit at the rates ranging from 5.87% to 11.01% (2022: 4.50% to 11.01%) per annum.

10 QARZ-E-HASNA

This balance represents donations received by the Trust over the years mainly from the related parties i.e., Meezan Bank Limited 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.

As per the instructions of donors, income generated from such investments should be treated as part of the resticted fund - Qarz-e-Hasna.

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

The balance is represented by:	2024	2023
	---------- Rupees ----------	
		(Restated)
Long term loans	615,851,303	543,538,550
Investments	483,135,117	388,120,134
Bank balances	38,863,754	7,070,174
	1,137,850,174	938,728,858

Long term loans

Opening	543,538,550	499,318,032
Add: Disbursed from restricted donations	187,753,021	131,341,951
Less: Recovery of loans	(115,440,268)	(87,121,433)
Closing	615,851,303	543,538,550

Investments

Opening	388,120,134	277,475,227
Add: Investments during the year	209,923,240	131,341,951
Less: Divestments during the year	(114,908,257)	(20,697,044)
Closing	483,135,117	388,120,134

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 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2024 and December 31, 2023.

		Note	2024	2023
13	DONATIONS - UNRESTRICTED		----------Rupees----------	
	NBP Fund Management Limited		3,000,000	-
	Al Meezan Investment Management Limited		-	2,000,000
	Miscellaneous donations	13.1	4,580,733	4,071,249
			7,580,733	6,071,249

13.1 This represents donations received from various individual donors.

14 INVESTMENT INCOME

	2024	2023
	----------Rupees----------	
Income on sukuks	44,681,033	42,936,633
Realised gain on sale of investments - net	1,678,497	8,779
Unrealised gain on investments - net	33,036,676	14,978,773
	79,396,207	57,924,185

14.1 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.

15 DIVIDEND INCOME

	Note	2024	2023
		----------Rupees----------	
Dividend income from mutual funds		19,516,087	13,926,725
Dividend income from Dolmen City REIT		4,000,000	3,601,176
		23,516,087	17,527,901

16 QARZ-E-HASNA

Meezan Bank Limited	106,500,000	45,000,000
Meezan Bank Limited's staff contribution for COVID-19 (face mask)	-	10,000,000
Al Meezan Investment Management Limited	-	8,700,000
Pakistan National Distributors (PND)	1,498,179	1,261,883
Hamdard University Foundation	-	5,000,000
	107,998,179	69,961,883

17 DONATIONS

Name of Institutions		
Oriental Dental	-	2,063,650
	-	2,063,650

18 AUDITOR'S REMUNERATION

Audit fee	1,000,000	500,000
Out of pocket expenses	200,000	100,000
Sindh sales tax	96,000	48,000
	1,296,000	648,000

19 OTHER OPERATING EXPENSES

Travelling expenses		138,408	318,477
Depreciation	4.1	1,437,690	119,808
Vehicle repair and maintenance		96,000	64,000
Communication charges		122,752	19,680
Website development charges		176,220	254,240
Course fees related to Islamic Banking		2,426,702	627,035
Bank charges		22,046	17,648
Other charges		40,000	13,500
Printing and stationary		124,125	283,400
Miscellaneous		869,694	366,382
		5,453,637	2,084,170

20 TAXATION

The income of the Trust is exempt from tax for the tax year 2025 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:

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

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, 2024 for the streams of income that have been mentioned in sub-section 2 of 100C. However, the tax amounting to Rs 3,527,413 has been recorded in respect of income earned from sources other than those mentioned in sub-section 2 of section 100C.

Tax withheld by different banks and asset management companies as stated in the financial statements as advance tax amounting to Rs. 19,481,225 (2023: Rs. 18,674,984) will also be claimed by the Trust once the exemption letter is issued.

		Note	2024	2023
			----------Rupees----------	
21	**CASH UTILISED IN OPERATIONS**			
	Surplus before taxation		200,299,894	140,883,036
	Adjustments for:			
	Profit on savings accounts		(2,260,910)	(4,929,730)
	Profit on investments		(37,397,237)	(43,674,526)
	Depreciation		1,437,690	119,808
	Dividend income		(23,516,087)	(17,527,901)
	Capital gain on sale of investments - net	14	(1,678,497)	(8,779)
	Allowance for delays in recoveries		722,991	1,019,123
	Amortisation of premium		(7,283,796)	737,893
	Unrealised (gain) on revaluation of investments	14	(33,036,676)	(14,978,773)
			(103,012,522)	(79,242,885)
	Working capital changes	21.1	18,922	(914,055)
	Profit received		35,967,016	40,652,514
			133,273,310	101,378,610

21.1 Working capital changes

	2024	2023
(Increase)/decrease in current assets		
Receivable from employee	240,000	-
Advance salary	15,696	(25,373)
Prepayment	33,666	(36,000)
	289,362	(61,373)
Increase/(decrease) in current liabilities		
Payable to Meezan Bank Limited	(1,592,340)	-
Retainership fee payable	279,900	
Payable to employee	(240,000)	-
Auditor's remuneration payable	1,296,000	648,000
Salary payable	(14,000)	(1,500,682)
	(270,440)	(852,682)
	18,922	(914,055)

22 RESTATEMENT DUE TO CORRECTION OF ERROR

Any income earned from unutilized restricted donations may be invested or deployed to generate investment income. These amounts may be invested in shares or securities, or retained in bank accounts, based on the Trust's needs and requirements. Any income generated from such investments or deployment of assets shall form part of the Qarz-e-Hasna restricted fund.

Further, as per the approved policy for allocation of common expenses, 40% of such total expenses should be allocated to the category of "Restricted Fund - Qarz-e-Hasna Fund" and 60% to the category of Unrestricted Fund – "General Fund".

Previously, the Trust was recording income earned from unutilized donations as well as charging common expenses in the "Statement of Income and Expenditure" under the category of Unrestricted – General Fund. Consequently, the Trust has recognized the income earned from unutilized donations and the common expenses as per the approved policy in the "Statement of Income and Expenditure" under the category of "Restricted Fund - Qarz-e-Hasna Fund" and 60% to the category of Unrestricted Fund – "General Fund".

The Trust has accounted for the effect of the above-mentioned changes in accounting policy retrospectively in accordance with section 19 "Accounting policies, changes in accounting estimates and errors" of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs).

The effects on the Trust's financial statements as a result of this correction of error have been summarised below:

	2023	2022
	----------Rupees----------	
Statement of Financial Position		
Decrease in accumulated surplus	123,400,403	52,584,773
Increase in Qarz-e-hasna	117,623,966	49,433,911
Decrease in advance tax	5,776,437	3,150,862

	2023
	----Rupees----
Statement of Income And Expenditure	
Decrease in surplus before taxation - general fund	70,815,630
Increase in surplus before taxation - Qarza-e-hasna	70,815,630
Increase in taxation	2,625,575

	2023	2022
	----------Rupees----------	
Statement of Changes In Net Assets		
Decrease in accumulated surplus	123,400,403	52,584,773
Increase in Qarz-e-hasna	117,623,966	49,433,911

23 RELATED PARTY TRANSACTIONS

23.1 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, Meezan Bank Limited, Al-Meezan Investment Management Limited (a subsidiary company of Meezan Bank Limited) and funds managed by Al-Meezan Investment Management Limited are considered to be related parties of the Trust. The aggregate value of transactions and outstanding balances as at December 31, 2024 with related parties other than those which have been disclosed elsewhere are as follows:

23.2 **Transactions during the year**

	2024	2023
	----------Rupees----------	
Meezan Bank Limited		
Profit on savings accounts	2,260,910	4,929,730
Donations received from Meezan Bank Limited for Qarz-e-Hasna	106,500,000	45,000,000
Meezan Bank Limited's staff contribution for COVID-19 (face mask)	-	10,000,000
Al-Meezan Investment Management Limited		
Donations received from Al-Meezan Investment Management Limited for Qarz-e-Hasna	-	8,700,000
Unrestricted donations received	-	2,000,000
Gain / loss on sale of mutual funds units	1,678,497	8,779
Dividend from mutual funds reinvested 251,567 units (2023: 412,593)	14,802,919	11,836,371
Purchase of mutual fund nil units 3,167,138 (2023: 1,300,000)	160,000,000	65,000,000
Key Management Personnel		
Travelling Expense	51,573	318,477
Salaries and benefits	7,385,580	3,600,000
Balance outstanding		
Meezan Bank Limited		
Payable in respect of reimbursements of expenses	225,000	1,817,340
Bank balances	52,816,350	9,146,196

24 FINANCIAL INSTRUMENTS

	Held for trading		Amortised cost		Total	
	2024	2023	2024	2023	2024	2023
	Rupees		Rupees		Rupees	
Financial assets:						
Long term loans	-	-	499,798,575	431,328,567	499,798,575	431,328,567
Long term investments	-	-	128,842,386	179,233,492	128,842,386	179,233,492
Short term investments	288,917,753	187,215,212	107,598,142	80,000,000	396,515,895	267,215,212
Current portion of long term loans	-	-	106,746,288	103,626,534	106,746,288	103,626,534
Accrued income	-	-	14,957,611	11,904,251	14,957,611	11,904,251
Bank balances	-	-	52,816,350	9,146,196	52,816,350	9,146,196
Receivable from employee	-	-	960,000	1,200,000	960,000	1,200,000
	288,917,753	187,215,212	911,719,353	816,439,040	1,200,637,106	1,003,654,252
Financial liability:						
Salary payable	-	-	20,000	34,000	20,000	34,000
Payable to Meezan Bank Limited	-	-	225,000	1,817,340	225,000	1,817,340
Auditor's remuneration payable	-	-	2,327,470	1,031,470	2,327,470	1,031,470
Payable to employee	-	-	960,000	1,200,000	960,000	1,200,000
	-	-	3,532,470	4,082,810	3,532,470	4,082,810

25 NUMBER OF EMPLOYEES

	2024	2023
	(Number of employees)	
Total number of employees as at December 31,	7	7
Average for the year ended December 31,	7	7

26 DATE OF AUTHORISATION

These financial statements were authorised for issue on 20 JUN 2025 by the Board of trustees of the Trust.

TRUSTEE

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