

02

K&N'S FOUNDATION

(A Company set up under Section 42 of the Companies Ordinance, 1984 now
Companies Act, 2017)

Financial Statements

For the year ended June 30, 2024

Audited by:

F.R MERCHANT & CO.
CHARTERED ACCOUNTANTS
SF 10 & 11, 04th floor Shahnaz Arcade
Main Shaheed-e-millat Road, Karachi.
Web site: www.frmerchantandco.com.pk

K&N's FOUNDATION

A company set up under section 42 of the Companies Ordinance, 1984 (now Companies Act, 2017)

DIRECTORS' REPORT

Dear Members,

The Directors of K&N's Foundation are pleased to present the Annual Report along with the audited financial statements for the year ended 30 June 2024.

Alhamdulillah, as in the past, the Foundation's performance in the year under review has been satisfactory. The Foundation has made notable efforts and contribution towards its aims for the promotion of education and support in the health sector. In the year under review alike last years, funds were effectively utilized towards the Foundation's objects in the Health and Education.

Thanks to the blessings of Almighty Allah, the Khairun-Nisa Eye Hospital, a project of K&N's Foundation and managed by Vision Trust, is now in its ninth year of successful operation. The hospital is equipped with the latest medical and surgical facilities. The Khairun-Nisa Eye Hospital, as committed, is providing medical and surgical treatments to the patients of every class in general and the needy and unprivileged class of patients in particular.

K&N's Foundation is also dedicated to continuing its support for Non-Profit Organizations (NPOs) operating in the health and education sectors by making significant financial contributions and thereby creating a positive impact across the country's health and education domains.

During the current year the Foundation has made notable financial support to the following NPOs;

In the Health Sector;

SIUT Trust
Kashif Iqbal Thalassaemia Care Centre
The Indus Hospital

In the Education Sector;

The Al-Furqan Welfare Organization
The Hunar Foundation
CAS Helping Hands Trust
Habib University Foundation

Statement on Corporate and Financial Reporting Framework:

- These financial statements prepared by the management of K&N's Foundation present fairly its state of affairs, the result of its operations, cash flows and changes in funds and reserves.
- Proper books of accounts of the Foundation have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates.

Accounting and Reporting Standards as applicable in Pakistan have been followed to prepare the Foundation's financial statements. These comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IAS) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- The provisions of or directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from IFRS or Accounting standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 prevail.

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DIRECTORS' REPORT

The Internal control systems have effectively been designed and implemented. These systems are continuously monitored by Internal Audit and through other monitoring mechanisms. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements to the system.

There are no significant doubts upon the Foundation's ability to continue as a going concern.

There has been no material departure from the best practices of corporate governance.

No remuneration was paid to the chief executive and directors of the Foundation during the year.

Board of Directors

The present members of the Board are listed below:

- | | |
|---|--------------------------|
| 1 | Mr. Khalil A. Sattar |
| 2 | Mrs. Naushaba Khalil |
| 3 | Mr. Adil Khalil Sattar |
| 4 | Syed Yousuf Mustafa |
| 5 | Mr. Abdul Ghaffar Khalid |

Auditors

The present auditors M/s. F.R. Merchant & Co., Chartered Accountants, have retired and have offered their services for next financial year as well.

On behalf of the Board of Directors

Karachi
Dated: October 02, 2024


Khalil A. Sattar
Chief Executive


Adil Khalil Sattar
Director

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ڈائریکٹرز کا جائزہ

معزز ارکان،

بورڈ آف ڈائریکٹرز کے لیے یہ بات باعث مسرت ہے کہ کمپنی کی جانب سے 30 جون 2024ء کو ختم ہونے والے سال کی رپورٹ بمع فاؤنڈیشن کے آڈٹ شدہ حسابات پیش کریں۔

الحمد للہ ماضی کی طرح اس سال بھی فاؤنڈیشن کی کارکردگی تسلی بخش رہی ہے۔ فاؤنڈیشن نے تعلیم کے فروغ اور صحت کے شعبے میں معاونت کے ذریعے اپنے گراں قدر مقاصد کے حصول کے ضمن میں قابل ذکر کوششیں اور بھرپور تعاون کیا ہے چنانچہ گزشتہ سالوں کے مقابلے میں زیر جائزہ سال میں فاؤنڈیشن کے وسائل کو صحت اور تعلیم کے شعبوں میں مزید موثر طریقے سے استعمال کیا گیا ہے۔

اللہ رب العزت کی مہربانی سے کے اینڈ اینز فاؤنڈیشن کے ویژن ٹرسٹ کے زیر انتظام خیر النساء آئی ہسپتال جو کہ اپنے نویں سال میں کامیابی سے رواں دواں ہے، اب ایک جدید میڈیکل اور آلات جراحی سے لیس بین الاقوامی طرز کے ہسپتال میں تبدیل ہو گیا ہے۔ ماضی کے درخشندہ سالوں کی طرح خیر النساء آئی ہسپتال اس سال بھی اپنے اہداف کے مطابق ہر طبقے کے مریضوں کو عمومی اور نادار ضرورت مندوں اور سہولتوں سے محروم مریضوں کو علاج کی خصوصی سہولیات مہیا کر رہا ہے۔

گزشتہ سالوں کی طرح کے اینڈ اینز فاؤنڈیشن اپنا مالیاتی تعاون ان غیر منافع بخش تنظیموں (NPOs) کے ساتھ جاری رکھنے کے لیے پرعزم ہے جو صحت اور تعلیم کے شعبوں میں کام کر رہی ہیں تاکہ ملک بھر میں صحت اور تعلیم کے شعبوں پر مثبت اثرات مرتب کیے جاسکیں گے۔ موجودہ سال کے دوران فاؤنڈیشن نے درج ذیل غیر منافع بخش تنظیموں (NPOs) کو قابل ذکر مالی مدد فراہم کی ہے۔

صحت کے شعبے میں:

سندھ انسٹیٹیوٹ آف یورولوجی ٹرانسپلانٹ (ایس آئی یو ٹی ٹرسٹ)

کاشف اقبال تھیلیسیمیاء سینٹر

دی انڈس ہاسپٹل

تعلیم کے شعبے میں:

الفرقان ویلفیئر آرگنائزیشن

دی ہنر فاؤنڈیشن

سی اے ایس ہیلپنگ ہینڈز ٹرسٹ

حبیب یونیورسٹی فاؤنڈیشن

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کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان :

- کمپنی مینجمنٹ کی جانب سے تیار کئے جانے والے مالیاتی گوشواروں میں امور کی انجام دہی، ان آپریشنز سے حاصل نتائج، کیش فلو اور ایکویٹی میں تبدیلی کے بارے میں درست انداز میں بتایا گیا ہے۔
- کمپنی اکاؤنٹس بکس کی تفصیلات کو درست انداز میں برقرار رکھا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ حکمت عملیوں کو متواتر لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات اور دانشمندانہ فیصلہ کی بنیاد پر تیار کیئے گئے ہیں۔
- فاؤنڈیشن کے مالیاتی گوشوارے تیار کرنے کے لیے پاکستان میں رائج اکاؤنٹنگ اور رپورٹنگ اسٹینڈرڈز کو مد نظر رکھا گیا ہے جو کہ مندرجہ ذیل اسٹینڈرڈز اور قوانین پر مشتمل ہیں۔
- ✓ بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) جو انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IAS) کے ذریعہ جاری کیے گئے ہیں جیسا کہ کمپنیز ایکٹ، 2017 کے تحت نافذ العمل ہے۔
- ✓ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی طرف سے جاری کردہ غیر منافع بخش تنظیموں کے لیے اکاؤنٹنگ اسٹینڈرڈز جیسا کہ کمپنیز ایکٹ، 2017 کے تحت نافذ العمل ہے۔ اور
- ✓ کمپنیز ایکٹ 2017 کے تحت جاری کردہ دیگر دفعات یا ہدایات۔
- ✓ جہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات IFRS یا NPOs کے اکاؤنٹنگ اسٹینڈرڈز سے مختلف ہیں، وہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات کے مطابق گوشوارے تیار کیئے گئے ہیں۔
- داخلی کنٹرول کے نظام کو موثر طریقے سے ڈیزائن اور نافذ کیا گیا ہے۔ اندرونی آڈٹ اور دیگر مانیٹرنگ میکانزم کے ذریعے ان سسٹمز کی مسلسل نگرانی کی جاتی ہے۔ داخلی کنٹرول کی نگرانی کا عمل ایک مستقل عمل کے طور پر جاری رہے گا جس کا مقصد کنٹرولز کو مزید مضبوط کرنا اور نظام میں بہتری لانا ہے۔
- کمپنی کے کاروبار جاری رکھنے کی اہلیت کے حوالے سے کوئی خاص شک و شبہات موجود نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کسی قسم کا انحراف نہیں کیا گیا ہے۔
- سال کے دوران فاؤنڈیشن کے چیف ایگزیکٹو اور ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کیا گیا۔

بورڈ آف ڈائریکٹرز:

موجودہ بورڈ کے ارکان نیچے ترتیب دیئے گئے ہیں۔

1. جناب خلیل اے ستار صاحب

2. محترمہ نوشابہ خلیل صاحبہ

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3. عادل خلیل ستار صاحب
4. جناب سید یوسف مصطفی صاحب
5. جناب عبدالغفار خالد صاحب

آڈیٹرز:

فاؤنڈیشن کے موجودہ آڈیٹرز ایف آر مرچنٹ اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس سبکدوش ہو گئے ہیں اور اپنی خدمات آئندہ تجارتی سال کے لیے پیش کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

عادل خلیل ستار

ڈائریکٹر

کراچی 12 اکتوبر 2024ء

خلیل اے ستار

چیف ایگزیکٹو

INDEPENDENT AUDITOR'S REPORT
To the members of K&N's FOUNDATION
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **K&N's FOUNDATION**, (A company set up under section 42 of the companies ordinance, 1984 now Companies Act, 2017), which comprise the statement of financial position as at 30th June 2024, and the income and expenditure statement, statement of changes in funds & reserves, statement of cash flows for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, income and expenditure statement, statement of changes in funds & reserves, statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30th June 2024 and of the deficit, the changes in funds and reserves and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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



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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

The Engagement partner on the audit resulting in this independent auditor's report is Ahmer Zafar Siddiqui.

Date: October 02, 2024
Place: Karachi
UDIN: AR202410337hn3kMx5sB


F.R. MERCHANT & CO.
Chartered Accountants

K&N's FOUNDATION

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STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	29,349,947	29,602,849
Intangibles	5	53,907	61,608
		29,403,854	29,664,457
Current Assets			
Short Term Investments	6	69,086,098	28,095,513
Cash and bank balances	7	62,938,667	58,231,780
		132,024,765	86,327,293
Total Assets		161,428,619	115,991,750
LIABILITIES			
Non-Current Liabilities			
Deferred income relating to operating fixed assets	8	29,349,947	29,602,849
Deferred income for health and education support	9	80,800,000	56,200,000
		110,149,947	85,802,849
Current Liabilities			
Accrued expenses	10	74,000	94,000
Total Liabilities		110,223,947	85,896,849
Net assets		51,204,672	30,094,901
REPRESENTED BY:			
FUNDS AND RESERVES			
General fund		51,204,672	30,094,901
		51,204,672	30,094,901

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



Chief Executive



Director



K&N's FOUNDATION

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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
INCOME			
Donations receipts	11	195,352,902	170,464,000
OPERATING EXPENDITURES			
Direct Expenditures			
Donations expense	12	178,275,299	180,616,369
Depreciation		5,179,402	5,224,035
		183,454,701	185,840,404
Administrative Expenditures			
Audit fee		54,000	54,000
Bank Service Charges		-	3,067
Rates and Taxes		3,800	11,400
Web Hosting / Domain Registration		45,880	27,336
Fee and Subscriptions		6,750	2,630
Insurance		183,502	-
Legal and Professional Charges		971,800	76,000
Miscellaneous		152	150
Amortization		7,701	7,701
Printing Stationery and Courier Charges		5,430	3,910
		1,279,015	186,194
Total Operating Expenditures		184,733,716	186,026,598
Other Income			
Dividend income on investment in funds		12,341,865	3,641,780
Surplus / (Deficit) for the year before taxation		22,961,051	(11,920,818)
Taxation		(1,851,280)	(546,267)
Surplus / (Deficit) for the year after taxation		21,109,771	(12,467,085)

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



Chief Executive



Director



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STATEMENT OF CHANGES IN FUNDS & RESERVES FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Balance as at 1st July 2022	42,561,986	-	42,561,986
Deficit for the year	(12,467,085)		(12,467,085)
Balance as at 30 June 2023	30,094,901	-	30,094,901
Surplus for the year	21,109,771		21,109,771
Balance as at 30 June 2024	<u>51,204,672</u>	<u>-</u>	<u>51,204,672</u>

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



Chief Executive



Director



K&N's FOUNDATION

(A company set up under section 42 of the Companies Ordinance, 1984 now Companies Act, 2017)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

	2024 (Rupees)	2023 (Rupees)
Cash flows from operating activities		
Operating (deficit) / surplus for the year	21,109,771	(12,467,085)
Surplus before working capital changes	21,109,771	(12,467,085)
Adjustments for non-cash and other items:		
Depreciation	5,179,402	5,224,035
Amortization	7,701	7,701
Dividend income on investment in funds	(12,341,865)	(3,641,780)
Amortization of deferred income	(56,200,000)	(100,000,000)
Surplus before working capital changes	(42,244,991)	(110,877,129)
Effect on cash flow due to working capital changes		
(Increase) / Decrease in assets:		
Advance	-	8,300
Increase / (Decrease) in liabilities:		
Accrued expenses	(20,000)	30,000
Net Cash inflow from operating activities	(42,264,991)	(110,838,829)
Cash flows from investing activities		
Additions in property, plant and equipment	(4,926,500)	(12,960,035)
Payments for acquisition of investments	(40,990,585)	(28,095,513)
Dividend income on investment in funds	12,341,865	3,641,780
	(33,575,220)	(37,413,768)
Cash flows from financing activities		
Deferred income relating to operating fixed assets	(252,902)	7,736,000
Deferred income for health and education support	80,800,000	56,200,000
	80,547,098	63,936,000
Net increase in cash and cash equivalents	4,706,887	(84,316,597)
Cash and cash equivalents at the beginning of the year	58,231,780	142,548,377
Cash and cash equivalents at the end of the year	62,938,667	58,231,780

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



Chief Executive



Director



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1. LEGAL STATUS AND NATURE OF OPERATIONS

R&N's Foundation ("the Foundation") was registered under section 42 of the Companies Ordinance, 1984 now Companies Act, 2017 on September 03, 2014 in Pakistan with limited liability without addition of the words "(Guarantee) Limited" to its name. The primary purpose of the Foundation is to undertake such activities which lead to advancement of Health, Education, Nutrition and Relief to underprivileged people.

The registered office of the Foundation is situated at K&N's Centre, 160 Banglore Town, Shara-e-Faisal, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.3 Financial and Presentation Currency

These financial statements are presented in Pakistan Rupees which is also the Foundation's financial currency. All financial information presented in Pakistan Rupees have been rounded to the nearest rupee.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant & Equipment

Owned

These are stated at cost less accumulated depreciation and accumulated impairment, if any. Depreciation is charged to income on diminishing balance method. Cost includes expenditure directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or are recognized as separate assets, as appropriate, only when it is probable that future benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably.

The Foundation reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets with a corresponding effect on the depreciation charge and impairments.

Depreciation methods, useful life and residual values are reviewed at each reporting date. Normal repairs and maintenance are charged to income and expenditure account.

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K&N's FOUNDATION

(A company set up under section 42 of the Companies Ordinance, 1984 now Companies Act 2017)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.2 Intangible

Intangible asset is stated at cost less accumulated amortization and impairment loss, if any. Cost in relation to intangible asset is amortized and charged to the statement of profit or loss using diminishing balance method at the rate given in note 5 to the financial statements.

3.3 Trade and other payables

Liability for creditors. Accrued and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the foundation.

3.4 Income recognition

General donations are recognized as income as and when received.

Donations related to operating fixed assets are recognized as deferred income and amortized over the useful life of asset from the date the asset is available for intended use.

Donations received for health and education support are deferred and recognized as income in the period as the related expenses are recognized.

3.5 Expenses

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

3.6 Taxation

The Foundation enjoy a tax credit equal to one hundred per cent of the tax payable subject to condition as provided under section 100C of the Income Tax Ordinance, 2001.

3.7 Cash and cash equivalents

Cash and cash equivalent comprises of the cash in hand and balance with bank.

3.8 Transfer to general fund

The Foundation transfers (deficit) / surplus on income over expenditure to general fund in the year in which it is approved.

3.9 Restricted contributions

A deferred contribution is a contribution subject to externally imposed stipulations that specify the purpose for which the contributed asset or fund is to be used. Externally restricted contribution for expenses of one or more future periods are "accumulated in the statement of financial position as deferred contributions and recognised as revenue in" the income and expenditure statement in the same period or periods as the related expenses are recognised. Restricted contributions for the purchase of capital assets that will be depreciated are deferred and recognised as revenue in the income and expenditure statement on the basis as the depreciation expensed related to the acquired capita assets.

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K&N's FOUNDATION

(A company set up under section 42 of the Companies Ordinance, 1984 now Companies Act 2017)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

		2024 Rupees	2023 Rupees
4. PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets			
Machineries and Equipments	4.1	28,750,334	28,897,422
Vehicles	4.2	599,613	705,427
		<u>29,349,947</u>	<u>29,602,849</u>
<p>Operating fixed assets consist of machineries, equipment and vehicle deployed at a project of Foundation named "Khairun-Nisa Eye Hospital" being managed by Vision Trust.</p>			
4.1 Machineries and Equipments			
At 01 July			
Cost		57,600,100	44,640,065
Accumulated depreciation		(28,702,678)	(23,603,130)
Net book value		<u>28,897,422</u>	<u>21,036,935</u>
Additions		4,926,500	12,960,035
Depreciation for the year		(5,073,588)	(5,099,548)
Closing Net book value		<u>28,750,334</u>	<u>28,897,422</u>
At 30 June			
Cost		62,526,600	57,600,100
Accumulated depreciation		(33,776,266)	(28,702,678)
Net book value		<u>28,750,334</u>	<u>28,897,422</u>
Depreciation rates (% per annum)		<u>15</u>	<u>15</u>
4.2 Vehicles			
At 01 July			
Cost		1,148,670	1,148,670
Accumulated depreciation		(443,243)	(318,756)
Net book value		<u>705,427</u>	<u>829,914</u>
Additions			
Depreciation for the year		(105,814)	(124,487)
Closing Net book value		<u>599,613</u>	<u>705,427</u>
At 30 June			
Cost		1,148,670	1,148,670
Accumulated Amortization		(549,057)	(443,243)
Net book value		<u>599,613</u>	<u>705,427</u>
Amortization rates (% per annum)		<u>15</u>	<u>15</u>

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K&N's FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

5. INTANGIBLES		
At 01 July		
Cost	85,567	85,567
Accumulated Amortization	(23,959)	(16,258)
Net book value	<u>61,608</u>	<u>69,309</u>
Additions		
Amortization for the year	(7,701)	(7,701)
Closing Net book value	<u>53,907</u>	<u>61,608</u>
At 30 June		
Cost	85,567	85,567
Accumulated Amortization	(31,660)	(23,959)
Net book value	<u>53,907</u>	<u>61,608</u>
Amortization rates (% per annum)	<u>10</u>	<u>10</u>
6. SHORT TERM INVESTMENT		
At fair value through profit and loss In units of mutual fund		
Mutual Fund: Al habib islamic cash fund		
Number of Units	<u>690,861</u>	<u>280,955</u>
Fair Market Value	<u>69,086,098</u>	<u>28,095,513</u>
7. CASH AND BANK BALANCES		
Cash in hand	2,974	38,904
Cash at bank:		
- in current account - local currency	<u>62,935,693</u>	<u>58,192,876</u>
	<u>62,938,667</u>	<u>58,231,780</u>
8. DEFERRED INCOME RELATING TO OPERATING FIXED ASSETS		
Opening balance	29,602,849	21,866,849
Addition during the year	4,926,500	12,960,035
Amortisation for the year	(5,179,402)	(5,224,035)
Closing balance	<u>29,349,947</u>	<u>29,602,849</u>
9. DEFERRED INCOME FOR HEALTH AND EDUCATION SUPPORT		
Opening balance	56,200,000	100,000,000
Donations received during the year	80,800,000	56,200,000
Addition during the year	(56,200,000)	(100,000,000)
Closing balance	<u>80,800,000</u>	<u>56,200,000</u>

This amount is to be utilized on the Foundation's projects i.e. Khairun-Nisa Eye Hospital and Al-Furqan Welfare Organization, in addition to the contributions to be made for health and education support to various Hospitals and Educational institutions.

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K&N's FOUNDATION

(A company set up under section 42 of the Companies Ordinance, 1984 now Companies Act 2017)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

10. ACCRUED EXPENSES			
	Audit Fee	54,000	54,000
	Professional Fee	20,000	10,000
	Legal Advisor Fee	-	30,000
		74,000	94,000
11. DONATIONS RECEIPTS			
	Net Donations received during the year	11.1 138,900,000	78,200,000
	Net Amortised - donations related to assets	252,902	(7,736,000)
	Amortised - donations related to health and education support	56,200,000	100,000,000
		195,352,902	170,464,000
11.1 Donations			
	Donations received during the year	11.2 219,700,000	134,400,000
	Donations transferred to deferred income	(80,800,000)	(56,200,000)
		138,900,000	78,200,000
11.2 Major sources of donations			
	Donations from corporate sector - local	137,200,000	70,900,000
	Donations from individuals - local	82,500,000	63,500,000
		219,700,000	134,400,000
12 DONATIONS EXPENSE			
	Contributions to Institutions	122,075,299	80,616,369
	Amortization of deferred income	56,200,000	100,000,000
		178,275,299	180,616,369
13. CONTINGENCIES & COMMITMENTS			
13.1 Contingencies:	There were no contingencies outstanding as at June 30, 2024 (2023: Nil).		
13.2 Commitments:	There were no commitments outstanding as at June 30, 2024 (2023: Nil).		
14. RELATED PARTY TRANSACTIONS			
	The transactions between the Foundation and related parties are carried out on an arm's length basis. The related parties include associated undertakings and associated companies having common directors and key management personnel. Details of transactions with related parties are as follow;		
14.1 Donation received from related parties			
	K&N's Agriculture & Poultry Breeding Farms (Pvt.) Limited, in which Mr. Khalil A. Sattar, Mr. Adil Khalil Sattar and Mrs. Naushaba Khalil (Directors of the Foundation) are also directors, has donated Rs. 0.50 million (2023: Rs. 0.50 million) during the year.		
	K&N's Poultry Farms (Pvt.) Limited, in which Mr. Khalil A. Sattar, Mr. Adil Khalil Sattar and Mrs. Naushaba Khalil (Directors of the Foundation) are also directors, has donated Rs. 0.40 million (2023: Rs. 0.40 million) during the year.		
	K&N's Foods (Pvt.) Limited, in which Mr. Khalil A. Sattar, Mr. Adil Khalil Sattar and Mrs. Naushaba Khalil (Directors of the Foundation) are also directors, has donated Rs. 10.8 million (2023: Rs. 70 million) during the year.		

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K&N's FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

K&N's Poultry Farms (AOP), in which Mr. Khalil A. Sattar, Mr. Adil Khalil Sattar and Mrs. Naushaba Khalil (Directors of the Foundation) are also members, has donated Rs. 125.5 million (2023: Rs. 0) during the year.

14.2 Donations from Directors

	2024 Rupees	2023 Rupees
Mr. Khalil A. Sattar	27,500,000	30,000,000
Mr. Adil Khalil Sattar	27,500,000	6,000,000
Mrs. Naushaba Khalil	27,500,000	27,500,000

14.3 No remuneration was paid to the chief executive and directors of the Foundation during the year.

15. NUMBER OF EMPLOYEES

Currently the Foundation has no employee.

16. DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on Wednesday, October 02, 2024.



Chief Executive



Director

