

NATIONAL POLICE FOUNDATION

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

ILYAS SAEED & CO.
CHARTERED ACCOUNTANTS
A member of
mgiworldwide 

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INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT

Qualified Opinion

We have audited the annexed financial statements of **NATIONAL POLICE FOUNDATION** (the Foundation), which comprise the statement of financial position as at June 30, 2025 and the related statement of income & expenditure & other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2025 and its financial performance, its cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards for Small & Medium Sized Entities (IFRSs for SMEs) issued by the International Accounting Standard Board (IASB).

Basis For Qualified Opinion

- The Foundation could not provide sufficient appropriate evidences in respect of cost of land and development charges as disclosed in Note 17 to the financial statements as these include irregularities identified in land procurement and allotment to members for which, recovery proceedings are in process. Resultantly, the related receipts from members and associated costs could not be adequately disclosed and recorded in the statement of profit or loss pending resolution. In the absence of detailed workings, we could not determine the impact, if any, on the profit or loss. In addition, receipts from members and the related costs of land and development charges amounting to Rs. 2,907 million and Rs. 2,753 million, respectively, have been presented on a net basis which is not in accordance with the applicable financial reporting framework. Furthermore, undeveloped land received in Sector E-14 has been recorded at Rs. 350 million whereas its fair value, as determined by an independent valuer in 2018, was Rs. 140 million. No fresh valuation has been done and no adjustment has been made in these financial statements to reflect fair value. The Foundation has also recorded security payable of Rs. 68,690 million, as disclosed in Note 15 which we were unable to verify due to non-availability of supporting documentation.
- The Foundation has not prepared consolidated financial statements despite its control over two wholly owned entities i.e. Nowshera Sheet Glass Industries and National Police Foundation Security Services (Private) Limited. This is not in compliance with the requirements of IFRS 10 – Consolidated Financial Statements, which requires consolidation of all controlled entities. As a result, the consolidated financial statements do not reflect the financial position and the financial performance of the two entities owned by the Foundation.
- We draw attention to Note 6 to the financial statements, which states that the Foundation holds a wholly owned subsidiary i.e. National Police Foundation Security Services (Private) Limited, an economically significant entity with significant operations, and a wholly equity

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contributed entity i.e. Nowshera Sheet Glass Industries. These investments are carried at cost amounting to Rs. 10,000/- and Rs. 40,000,000/- respectively, in these separate financial statements. Furthermore, Note 5 to the financial statements shows investment property at a cost of Rs. 20,498,210/- with written down value of Rs. 4,330,429/-. Fair values of these investments in subsidiaries as well as investment properties have not been provided in these financial statements as against the requirements of the IFRSs.

- We draw attention to Note 1.4 to the financial statements, which states that the operations of the Nowshera Sheet Glass (the Project) are suspended since October 2011. Various options have been contemplated by the management and the committee of administration to run the Project on profitable basis including the lease out or running the Project on joint venture basis. Further, an unconditional financial support is committed by the National Police Foundation, the holding entity. Accordingly, the management is confident that it will succeed in its efforts to keep the Project a going concern. These events indicate that a material uncertainty exists that may cast significant doubt on the Project's ability to continue as a going concern. However, the financial results of the Project have been incorporated in these financial statements on a going concern basis without any adjustments to the recoverable amounts of assets and payable amounts of liabilities.

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 Projects as well as the Foundation, 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 qualified opinion.

Responsibilities Of The Management For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards for Small & Medium Sized Entities (IFRSs for SMEs) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of the 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

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material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit, in accordance with ISAs, 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 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report related 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 up to the date of our auditors' report. However, future events or conditions may cause the Foundation 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 transaction and events in a manner that achieves fair presentation.

We communicate with the management 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.

Other Matters

These financial statements are prepared to assist the Foundation to fulfill the internal reporting requirements of the Foundation's management hence, the distribution and use are strictly restricted to the management of the Foundation.

The financial statements of the Project for the previous year were audited by another auditor who expressed an unmodified opinion on those statements vide their report dated July 21, 2025.



CHARTERED ACCOUNTANTS
Engagement Partner: IMRAN ILYAS, FCA
ISLAMABAD: 15/05/2026

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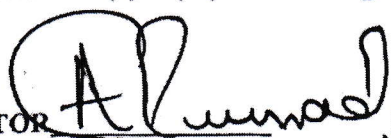
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NATIONAL POLICE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

ASSETS	NOTE	2025 RUPEES	2024 RUPEES
NON-CURRENT ASSETS			
Property, plant and equipment	4	122,872,871	65,078,663
Investment property	5	4,330,429	4,530,747
Long term investments	6	10,000	10,000
Long term deposits	7	6,198,922	5,117,922
		133,412,222	74,737,332
CURRENT ASSETS			
Stores and spares	8	520,221	4,386,167
Stock in trade	9	4,376,090	4,376,090
Advances, Prepayments and Other receivables	10	97,995,612	132,467,988
Prepaid asset - advance tax	11	77,032,662	68,072,665
Short term investments	12	-	353,000,000
Sales tax refundable	13	11,009,538	11,009,538
Cash and bank balances	14	268,681,528	421,310,457
		459,615,651	994,622,905
TOTAL ASSETS		593,027,873	1,069,360,237
FUNDS AND LIABILITIES			
FUNDS			
Endowment fund	SOCF	40,000,000	40,000,000
Accumulated surplus	SOCF	156,238,070	476,654,021
		196,238,070	516,654,021
NON-CURRENT LIABILITIES			
Security payable	15	68,689,796	65,911,296
Provision for gratuity	16	57,391,471	62,470,007
		126,081,267	128,381,303
CURRENT LIABILITIES			
Net liability in housing scheme	17	173,608,555	163,933,151
Loan payable	18	2,644,425	2,644,425
Accrued and other payables	19	54,199,186	216,944,656
Due to related parties	20	40,256,370	40,802,681
		270,708,536	424,324,913
TOTAL FUNDS AND LIABILITIES		593,027,873	1,069,360,237
Contingencies & Commitments	21	-	-

The annexed notes from (1) to (36) form an integral part of these financial statements.

MANAGING DIRECTOR



DIRECTOR FINANCE



NATIONAL POLICE FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE & OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	<u>NOTE</u>	<u>2025</u> <u>RUPEES</u>	<u>2024</u> <u>RUPEES</u>
INCOME			
Transfer fee of Housing Schemes	22	35,205,620	29,929,853
Rental income from investment property	23	43,817,154	36,705,888
Other operating income	24	526,046,045	330,750,372
Contribution from Police Departments	25	18,080	17,510
		605,086,899	397,403,623
EXPENDITURE			
Administrative expenses	26	316,325,695	265,331,561
Welfare expenses	27	303,782,740	30,253,756
Other project expenses	28	299,634,777	163,610,495
		919,743,212	459,195,812
(Deficit) before levies and taxation		(314,656,313)	(61,792,189)
Levies	29	(6,004,638)	(2,453,207)
(Deficit) before taxation		(320,660,951)	(64,245,396)
Taxation	30	-	-
Net (deficit) for the year		(320,660,951)	(64,245,396)
Other comprehensive income / (loss) for the year		-	-
TOTAL COMPREHENSIVE (LOSS)		(320,660,951)	(64,245,396)

The annexed notes from (1) to (36) form an integral part of these financial statements.

MANAGING DIRECTOR

DIRECTOR FINANCE

NATIONAL POLICE FOUNDATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	NOTE	2025 RUPEES	2024 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) before levies & taxation	I&E	(314,656,313)	(64,245,396)
Adjustments for non cash items:			
Prior year adjustment	SOCE	245,000	-
Depreciation on fixed assets	4	22,674,188	7,141,039
Depreciation on investment property	5	200,318	210,860
Gain on disposal of fixed asset	4.2	(22,634,914)	(24,538,494)
Provision for gratuity	16	4,317,394	4,244,938
	(a)	(309,854,327)	(77,187,053)
Working capital changes			
Increase/(decrease) in current assets			
Stores and spares	8	3,865,946	6,030,486
Advances, prepayments and other receivable	10	34,472,376	(68,942,274)
Increase/(decrease) in current liabilities			
Net liability in housing scheme	17	9,675,404	139,414,557
Trade and other payable	19	(162,745,470)	198,958,291
Due to related parties	20	(546,311)	726,492
	(b)	(115,278,055)	276,187,552
Operating cashflow after working capital changes	(a+b)	(425,132,382)	199,000,499
Gratuity paid	16	(9,395,930)	(4,578,077)
Tax refunded		-	-
Tax deducted at source	11	(14,964,635)	(21,292,380)
Net Cash Flow From Operating Activities	(A)	(449,492,947)	173,130,042
CASH FLOWS FROM INVESTING ACTIVITIES			
Aquisition of property, plant and equipment	4	(80,468,396)	(43,499,945)
Sale proceeds of disposal of asset	4.2	22,634,914	24,538,494
Long term deposits	7	(1,081,000)	(3,217,448)
TDRs purchased		-	(353,000,000)
TDR encashed	12	353,000,000	-
Net Cash Flow From Investing Activities	(B)	294,085,518	(375,178,899)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in security received from members	15	2,778,500	6,616,375
Net Cash Flow From Investing Activities	(C)	2,778,500	6,616,375
Net Changes In Cash & Cash Equivalents	(A+B+C)	(152,628,929)	(195,432,482)
Cash & Equivalents At Beginning Of Year		421,310,457	616,742,939
CASH & EQUIVALENTS AT END OF YEAR	14	268,681,528	421,310,457

The annexed notes from (1) to (36) form an integral part of these financial statements.

MANAGING DIRECTOR

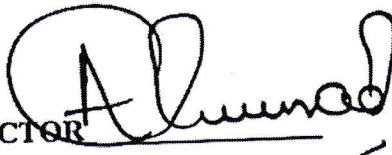
DIRECTOR FINANCE

**NATIONAL POLICE FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Endowment Fund	Accumulated Surplus	TOTAL
	 RUPEES		
Balance as at July 01, 2023	40,000,000	540,899,417	580,899,417
Net (deficit) for the year	-	(64,245,396)	(64,245,396)
Balance as at June 30, 2024	<u>40,000,000</u>	<u>476,654,021</u>	<u>516,654,021</u>
Net (deficit) for the year	-	(320,660,951)	(320,660,951)
Prior year adjustment	-	245,000	245,000
BALANCE AS AT JUNE 30, 2025	<u><u>40,000,000</u></u>	<u><u>156,238,070</u></u>	<u><u>196,238,070</u></u>

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The annexed notes from (1) to (36) form an integral part of these financial statements.

MANAGING DIRECTOR 

DIRECTOR FINANCE 

**NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 STATUS AND NATURE OF BUSINESS

1.1 Legal status, activities and address

The National Police Foundation, was established on March 14, 1975 under the Charitable Endowment Act, 1890. The principal activity of the Foundation is to undertake various projects for the welfare of police servicemen, ex-servicemen and their families. The registered office of the Foundation is situated at Mauve Area, G-10/4, Islamabad.

1.2 Subsidiary entities of National Police Foundation

National Police Foundation hold 100% equity interest in an unincorporated entity, Nowshera Sheet Glass Industries (NSGI), and National Police Foundation Security Services (Private) Limited (NPFSS) and prepare separate financial statements for those entities as well.

1.3 Consolidated financial statements

These financial statements represent the combined results of National Police Foundation - Head Office and Nowshera Sheet Glass Industries whereby assets, liabilities, profit or loss of both entities are combined line by line and inter-foundation transactions are eliminated. The combined financial statements are prepared for tax filing purposes only and are not suitable for any other purposes.

1.4 Nature & Going concern assumption on Nowshera Sheet Glass Industries (NSGI)

Entity's production was suspended in August 2009, resumed in March 2011, and has remained suspended since October 2011. Management is considering options including leasing or a joint venture to operate the Entity profitably. These conditions indicate a material uncertainty that may cast significant doubt on the Entity's ability to continue as a going concern. However, the Entity has assured financial support from the Foundation; therefore, the financial statements of entities have been prepared on a going concern basis.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standard Board as are notified by Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

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

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**NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional and presentation currency for the Foundation and rounded off to the nearest rupee.

2.4 Going Concern Basis

These financial statements have been prepared on going concern basis, where as material uncertainty related to going concern exist for Nowshear sheet Glass Industries.

2.5 Accounting Convention

These financial statements have been prepared on the basis of historical cost convention except for certain items, if any, are disclosed in the relevant accounting policies.

2.6 Standards, interpretations and amendments to published standards and interpretations that are not yet effective and have not been early adopted

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

2.6.1 New accounting standards, amendments and interpretations that are not yet effective and have not been early adopted by the company.

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

Amendments to IAS 21 'The Effects of changes in Foreign Exchange Rates - Lack of Exchangeability.	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures'	January 01, 2026
Amendments to IFRS 17 'Insurance Contracts	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Classification and Measurement of Financial Instruments	January 01, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)	January 01, 2026

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and

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interpretation, which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRIC 12 Service Concession Arrangement

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

2.7 Significant accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the management to make judgments and estimates that affect the amount of assets, liabilities, income and expenses reported.

Estimates are reviewed on an on-going basis and revisions, if any, are recognized in the period in which the estimate is revised.

The areas where estimates are significant to the company's financial statements are as follows:

- (a) Estimate of useful lives of property, plant and equipment. (Note 4.1)
- (b) Estimate of useful lives of investment property. (Note 5.1)
- (d) Gratuity Payable (Note 16)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies have been consistently applied to all the years presented in these financial statements unless otherwise stated.

3.1 Property, plant and equipment

These are stated at cost less accumulated depreciation, except for freehold land which is stated at cost.

All fixed assets are initially recorded at cost, which includes the original purchase price and all other cost necessary to bring the asset to working condition for its intended use. Subsequently, fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Major renewals and improvements are capitalized whereas minor and normal repair and maintenance are charged to statement of profit or loss.

Depreciation

Depreciation is charged to income by applying reducing balance method except for leasehold land, which is amortized over the period of the lease to write off the historical cost over its useful life. The useful life and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits to be obtained from fixed assets. Rates of depreciation are stated in Note 4. Depreciation is charged when fixed asset is available for use and ceases at the earlier of the date when it is classified as held for sale and the date when it is derecognized.

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Disposal

Gains or losses on disposal or retirement of operating fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the statement of profit or loss.

Impairment

The foundation make an assessment at each reporting date whether there is any indication that fixed assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amount exceed the respective revocable amount, assets are written down to their recoverable amount.

3.2 Investment Properties

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to income on reducing balance basis so as to write-off the historical cost of assets over their estimated useful life. Depreciation is charged when investment property is available for use and ceases at the earlier of the date when it is classified as held for sale and the date when it is derecognized.

Investment properties are de-recognized, when either they have been disposed off, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain and losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the cost of subsequent accounting is the carrying amount at the date of change in use. If owner occupied property becomes an investment property, the Foundation accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

3.3 Long term investments

Long term investments in a subsidiary National Police Foundation Security Services (Private) Limited (NPFSS) are presented at cost.

3.4 Trade debts and other receivables and related impairment

Measurement

Trade and other receivables are recognised and carried at original invoice value less an allowance for impairment, if any.

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Impairment

A provision for impairment of trade receivables and other receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the income statement on identification.

Judgments and estimates

The allowance for doubtful debts of the Foundation is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

Investment Properties

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to income on reducing balance basis so as to write-off the historical cost of assets over their estimated useful life. Depreciation is charged when investment property is available for use and ceases at the earlier of the date when it is classified as held for sale and the date when it is derecognized. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of investment property.

The annual depreciation rates are disclosed in note 5 to the financial statements.

Investment properties are de-recognized, when either they have been disposed off, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Investment properties are de-recognized, when either they have been disposed off, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

3.5 Other long term investment

Long term investment is accounted for at cost plus accrued interest earned less accumulated impairment losses, if any.

3.6 Deposits

Deposit is accounted for at cost less any accumulated impairment losses.

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3.7 Advances and prepayments

These are recognized at cost, which is the fair value of the consideration given, and subsequently measured at cost less provision for doubtful debts.

3.8 Trade and other payables

Trade payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

3.9 Accrued and other liabilities

Accrued and other liabilities are carried at their amortized cost, which approximates fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the foundation.

3.10 Staff Retirement Benefits

3.10.1 Defined benefit plans

a) Employees' Gratuity Scheme

The foundation operates an unfunded gratuity scheme for all its permanent employees. Provision is made annually to cover obligation under the scheme on the basis of last drawn basic salary and length of service of employee.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and balances with banks in current and savings accounts.

3.12 Provisions, contingent assets and contingent liabilities

A provision is recognized in the balance sheet when the Foundation has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Contingent assets are not recognized and also are not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

3.13 Revenue recognition

IFRS 15 establishes the principles that an entity shall apply about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

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**NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

On evaluation of the performance obligations associated with the stream of revenues, adoption of IFRS 15 does not trigger a change in the organization's accounting policies with respect to its revenue which are enumerated below:

- Sales are recorded when goods are delivered to the customers.
- Return on bank deposits is recognised on accrual basis.
- The foundation recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects The consideration to which the foundation expects to be entitled in exchange for those good or services.
- Contributions from police department and membership fees are recognized on receipt basis as no firm arrangements are in place for collectability of these amounts.
- Conservancy charges and security charges are recognized over time as the services are rendered to the customers.

3.14 Taxation

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Current

Provision for taxation is based on the taxable income at the rates applicable for the current tax year, after considering the rebates and tax credits available, if any, in accordance with the Income Tax Ordinance, 2001.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 21/IAS 37.

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NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

4 PROPERTY PLANT AND EQUIPMENT

	June 30, 2025										
	C O S T					Rate	D E P R E C I A T I O N				W.D.V.
	Rupees						Rupees				
	As at July 01, 2024	Addition	Disposal	As at June 30, 2025	%	As at July 01, 2024	For the year	Disposal/ Adjustment	As at June 30, 2025	As at June 30, 2024	
Freehold land	3,864,472	11,688	-	3,876,160	0%	-	-	-	-	3,876,160	
Leasehold land	1,537,345	-	-	1,537,345	0%	-	-	-	-	1,537,345	
Building on freehold land	42,143,063	-	-	42,143,063	5%	42,143,063	-	-	42,143,063	-	
Building on leasehold land	6,316,586	-	-	6,316,586	5%	5,278,458	51,906	-	5,330,364	986,222	
Glass melting furnace	67,184,864	-	-	67,184,864	11%	67,184,864	-	-	67,184,864	-	
Electrical fittings	12,023,801	-	-	12,023,801	10%	12,023,801	-	-	12,023,801	-	
Factory tools and equipment	1,503,188	-	-	1,503,188	10%	1,503,188	-	-	1,503,188	-	
Telephone exchange	433,910	-	-	433,910	10%	433,910	-	-	433,910	-	
Tube well and water supply	1,679,639	-	-	1,679,639	10%	1,679,639	-	-	1,679,639	-	
Store and spares	3,642,071	-	-	3,642,071	10%	281,369	33,607	-	314,976	3,327,095	
Plant and machinery	55,341,617	-	(22,179,960)	33,161,657	10%	55,341,617	-	(22,179,960)	33,161,657	-	
Furniture and fixtures	12,505,588	6,188,358	-	18,693,946	10%	4,501,013	1,252,845	-	5,753,858	12,940,088	
Vehicles	73,383,385	66,227,669	-	139,611,054	20%	35,510,878	17,953,272	-	53,464,150	86,146,904	
Office equipment	4,922,360	2,594,120	-	7,516,480	15%	3,631,385	479,311	-	4,110,696	3,405,784	
Computer equipment	5,586,166	4,910,361	-	10,496,527	30%	2,755,549	2,042,756	-	4,798,305	5,698,222	
Electric equipment	7,632,602	536,200	-	8,168,802	15%	2,612,709	831,415	-	3,444,124	4,724,678	
Security equipment	558,625	-	-	558,625	10%	322,064	23,656	-	345,720	212,905	
Library books	40,288	-	-	40,288	10%	38,271	202	-	38,473	1,815	
Guest house asset	329,310	-	-	329,310	25%	308,439	5,218	-	313,657	15,653	
JUNE 30, 2025	300,628,880	80,468,396	(22,179,960)	358,917,316		235,550,217	22,674,188	(22,179,960)	236,044,445	122,872,871	

4.1 Disposal of plant and machinery

Asset	Cost	Carrying amount	Sale price	Gain/(loss) on disposal	Mode of disposal	Relationship of the company with purchaser
Rupees						
Plant & machinery	22,179,960	-	22,634,914	22,634,914	Auction	None

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NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

4.2 Property Plant And Equipment (Comparative)

	June 30, 2024					DEPRECIATION					W.D.V.
	C O S T				Rate	Rupees				As at	
	Rupees					As at	For the	Disposal /	As at		
	As at July 01, 2023	Addition	Disposal	As at June 30, 2024		%	July 01, 2023	year	Adjustment	June 30, 2024	June 30, 2024
Freehold land	3,603,264	261,208	-	3,864,472	0%	-	-	-	-	3,864,472	
Leasehold land	1,537,345	-	-	1,537,345	0%	799,667	-	(799,667)	-	1,537,345	
Building on freehold land	42,143,063	-	-	42,143,063	5%	42,143,063	-	-	42,143,063	-	
Building on leasehold land	6,316,586	-	-	6,316,586	5%	5,223,820	54,638	-	5,278,458	1,038,128	
Glass melting furnace	78,982,300	-	(11,797,436)	67,184,864	11%	78,982,300	-	(11,797,436)	67,184,864	-	
Electrical fittings	12,023,801	-	-	12,023,801	10%	12,023,801	-	-	12,023,801	-	
Factory tools and equipment	1,503,188	-	-	1,503,188	10%	1,503,188	-	-	1,503,188	-	
Telephone exchange	433,910	-	-	433,910	10%	433,910	-	-	433,910	-	
Tube well and water supply	1,679,639	-	-	1,679,639	10%	1,679,639	-	-	1,679,639	-	
Store and spares	3,642,071	-	-	3,642,071	10%	247,423	33,946	-	281,369	3,360,702	
Plant and machinery	69,931,275	-	(14,589,658)	55,341,617	10%	69,931,275	-	(14,589,658)	55,341,617	-	
Furniture and fixtures	5,459,918	7,045,670	-	12,505,588	10%	4,162,389	338,624	-	4,501,013	8,004,575	
Vehicles	45,183,055	28,200,330	-	73,383,385	20%	28,980,286	6,530,592	-	35,510,878	37,872,507	
Office equipment	3,701,748	1,220,612	-	4,922,360	15%	3,572,676	58,709	-	3,631,385	1,290,975	
Computer equipment	2,938,092	2,648,074	-	5,586,166	30%	2,312,778	442,771	-	2,755,549	2,830,617	
Electric equipment	3,638,551	3,994,051	-	7,632,602	15%	2,156,323	456,386	-	2,612,709	5,019,893	
Security equipment	428,625	130,000	-	558,625	10%	304,205	17,859	-	322,064	236,561	
Library books	40,288	-	-	40,288	10%	38,047	224	-	38,271	2,017	
Guest house asset	329,310	-	-	329,310	25%	301,482	6,957	-	308,439	20,871	
June 30, 2024	283,516,029	43,499,945	(26,387,094)	300,628,880		254,796,272	7,940,706	(27,186,761)	235,550,217	65,078,663	

4.3 Disposal of plant and machinery (Comparative)

Asset	Cost	Carrying amount	Sale price	Gain/(loss) on disposal	Mode of disposal	Relationship of the company with purchaser
Rupees						
Plant & machinery	14,589,658	-	10,746,285	10,746,285	Auction	None
Glass melting furnace	11,797,436	-	13,792,209	13,792,209	Auction	None
TOTAL	26,387,094	-	24,538,494	24,538,494		

NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

5 INVESTMENT PROPERTY

Particulars	June 30, 2025							
	C O S T			Rate	D E P R E C I A T I O N			W.D.V.
	Rupees				Rupees			
	As at	Addition	As at		As at	For the year	As at	As at
	July 01, 2024		June 30, 2025		July 01, 2024		June 30, 2025	June 30, 2025
Freehold land	524,400	-	524,400	-	-	-	-	524,400
Building on Freehold land	14,805,694	-	14,805,694	5%	11,648,722	157,849	11,806,571	2,999,123
Building on Leasehold land	5,168,116	-	5,168,116	5%	4,318,741	42,469	4,361,210	806,906
JUNE 30, 2025	20,498,210	-	20,498,210		15,967,463	200,318	16,167,781	4,330,429

Particulars	June 30, 2024								
	C O S T			Rate	D E P R E C I A T I O N			W.D.V.	
	Rupees				Rupees				
	As at July 01, 2023	Addition	As at June 30, 2024		%	As at July 01, 2023	For the year	As at June 30, 2024	As at June 30, 2024
Freehold land	524,400	-	524,400	-	-	-	-	524,400	
Building on Freehold land	14,805,694	-	14,805,694	5%	11,482,566	166,156	11,648,722	3,156,972	
Building on Leasehold land	5,168,116	-	5,168,116	5%	4,274,037	44,704	4,318,741	849,375	
June 30, 2024	20,498,210	-	20,498,210		15,756,603	210,860	15,967,463	4,530,747	

5.1 The depreciation has been fully charged to administrative expenses as follows:

5.2 Fair value of investment property has not been disclosed as undue cost and effort is required to determine the fair value of investment property.

25/0

NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

6 LONG TERM INVESTMENTS

NPF Security Services (Private) Limited (wholly owned) (100 ordinary shares of Rs. 100 each)	6.1	10,000	10,000
		<u>10,000</u>	<u>10,000</u>

6.1 This represents the Foundation's investments at cost in NPF Security Services (Private) Limited.

7 LONG TERM DEPOSITS

Ministry of Labor, Manpower & Overseas Pakistanis	300,000	300,000
SNGPL	1,638,409	557,409
Pakistan Oxygen Limited	45,440	45,440
Pakistan State Oil	4,208,759	4,208,759
Others	6,314	6,314
	<u>6,198,922</u>	<u>5,117,922</u>

8 STORES, SPARES AND LOOSE TOOLS

Stores	1,773,394	1,773,394
Spares	1,650	5,404,968
Provision for obsolete stores and spares	(1,254,823)	(2,792,195)
	<u>520,221</u>	<u>4,386,167</u>

8.1 Stores, spares and loose tools have been valued at Rs. 15,000,000 by an independent valuation expert in 2018. The management considers that the value is intact as of balance sheet date.

9 STOCK IN TRADE

Raw material	958,081	958,081
Work-in-process	3,413,494	3,413,494
Finished goods	4,515	4,515
Less: Provision for obsolete work-in-process	-	-
	<u>4,376,090</u>	<u>4,376,090</u>

10 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLE

Advances	10.1	52,548,983	75,881,178
Prepayments	10.2	7,648,577	7,736,905
Other receivable	10.3	37,798,052	48,849,905
		<u>97,995,612</u>	<u>132,467,988</u>

4500

NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

10.1 Advances

Considered good:

Advance to employees - secured
Advance for purchases - unsecured

10.1.1

2025
RUPEES

2024
RUPEES

16,109,402

36,439,581

52,548,983

14,343,827

61,537,351

75,881,178

10.1.1 These balances are secured against the outstanding balance of gratuity of the employees.

10.2 Prepayments

Prepaid insurance
Prepaid rent

10.2.1

5,358,574

2,290,003

7,648,577

5,746,902

1,990,003

7,736,905

10.2.1 This represents rental paid in advance for NPF schools in Bara Kahu and G-12. Rent agreement is renewed on annual basis.

10.3 Other Receivables

Unsecured - considered good:

Student fee
Interest receivable
Others

(a)

1,475,295

-

1,407,098

2,882,393

2,983,354

8,952,794

967,725

12,903,873

Unsecured - Considered doubtful:

Rent
Sutlej Cotton Mills, Okara

10.3.1

10.3.2

(b)

(a+b)

10.3.3

36,386,474

5,090,672

41,477,146

44,359,539

(6,561,487)

37,798,052

37,416,847

5,090,672

42,507,519

55,411,392

(6,561,487)

48,849,905

10.3.1 This represents rent receivable from Mohafiz Complex. The rent agreement is renewed on an annual basis.

10.3.2 This represents an amount due from the Enemy Property Management Board (EPMB), which was paid by the Foundation upon obtaining management control of Sutlej Cotton Mills during 1976. The management of Sutlej Cotton Mills was transferred back to EPMB during 1981. Further, the Foundation is in the process of obtaining approval from the Ministry of Interior to set - off its loan liability of Rs. 2,644,425 (2023: Rs. 2,644,425) to EPMB against this receivable (ref to note 18). This proposal has not been approved by the Ministry of Interior till date and the final decision in this regard is pending. Full provision has been made in the current year against this amount.

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NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

10.3.3 Provision for other receivables

Opening balance	6,561,487	6,561,487
Add : Provision made during the year	-	-
Less : Bad debts written-off during the year	-	-
Closing balance	<u>6,561,487</u>	<u>6,561,487</u>

11 PREPAID ASSET - ADVANCE TAX

Opening balance	68,072,665	49,233,492
Tax refunded during the year	-	-
Less: Current year provision	(6,004,638)	(2,453,207)
Add: Tax deducted at source during the year	<u>14,964,635</u>	<u>21,292,380</u>
Closing balance	<u>77,032,662</u>	<u>68,072,665</u>

12 SHORT TERM INVESTMENT

TDR	12.1	-	353,000,000
		-	<u>353,000,000</u>

12.1 These represent Term deposit receipts (TDRs) purchased on May 14, 2024 which were matured on August 14, 2024 and carried mark up at the rate of 19.75% per annum. Interest income on Term deposit receipts (TDRs) was accrued and it was received upon the maturity of the respective certificate.

13 SALE TAX REFUNDABLE

Sales Tax Refundable	13.1	10,846,121	10,846,121
SED receivable		<u>163,417</u>	<u>163,417</u>
		<u>11,009,538</u>	<u>11,009,538</u>

13.1 The sale tax refundable is outstanding since 2008; during which the factory operations were closed.

14 CASH AND BANK BALANCES

Cash in hand		1,000,000	998,001
Cash at bank - Current accounts		705,885	378,511
Cash at bank - Saving accounts	14.1	<u>266,975,643</u>	<u>419,933,945</u>
		<u>268,681,528</u>	<u>421,310,457</u>

14.1 These carry mark-up at the rate ranging from 12% to 15% (2023: 14% to 16%) per annum.

15 SECURITY PAYABLE

Security deposits	15.1	68,689,796	65,911,296
		<u>68,689,796</u>	<u>65,911,296</u>

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NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

- 15.1 This includes amounts received as security deposits from members at the time of approval of house maps for construction, which are refundable to the respective members upon completion of construction. It also includes security deposits received for shops in Mohafiz Complex, New Anarkali, Lahore.

16 **PROVISION FOR GRATUITY - UNFUNDED**

Opening balance	62,470,007	62,803,146
Provision for the year	4,317,394	4,244,938
Payments during the year	(9,395,930)	(4,578,077)
Closing balance	<u>57,391,471</u>	<u>62,470,007</u>

As the foundation is not able, without undue cost or effort, to use the projected unit credit method to measure its obligation and cost under defined benefit plans, and as permitted by IFRS for SMEs the foundation has made the following simplifications in measuring its defined benefit obligation with respect to current employees:

- (a) Ignored estimated future salary increases.
- (b) Ignored future service of current employees.
- (c) Ignore possible in-service mortality of current employees.

17 **NET LIABILITY IN HOUSING SCHEME**

These represent 'net investment in housing schemes' for which details are provided as follows:

Liability in housing scheme	(a+b)	161,203,599	151,974,255
Housing scheme liabilities	17.5	<u>12,404,956</u>	<u>11,958,896</u>
		<u>173,608,555</u>	<u>163,933,151</u>

17.1 **Cost of land**

Cost of land and development charges	17.3	(2,753,050,805)	(2,741,261,251)
Fair value of land received at E-14	17.4	<u>(350,000,000)</u>	<u>(350,000,000)</u>
	(a)	<u>(3,103,050,805)</u>	<u>(3,091,261,251)</u>

17.2 **Payable to members**

Amounts received from members		2,907,684,404	2,886,665,506
Plots allotted to widows		6,570,000	6,570,000
Less: Fair value of land received at E-14		<u>350,000,000</u>	<u>350,000,000</u>
	(b)	<u>3,264,254,404</u>	<u>3,243,235,506</u>

- 17.3 This represents costs incurred by the Foundation on the housing schemes in sectors O-9 and E-11, Islamabad, which were approved by the Board of Directors of the Foundation on February 26, 1989 for the benefit of the Foundation's members and their families. These schemes cover a total land area of 3,303 Kanals for sector O-9 and 1,642 Kanals for sector E-11.

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The receipts from allottees have not been offset against the cost of land and development charges pending investigation by the inquiry Commission set up as per the order dated October 31, 2013 by the Supreme Court of Pakistan.

Subsequently, the Supreme Court of Pakistan, in its order dated June 17, 2015 in this regard, directed the relevant authorities to investigate into certain irregularities in the allotment of plots under the O-9 and E-11 schemes. The aforementioned Commission submitted its report to the Supreme Court of Pakistan on May 2, 2016 and the Supreme Court of Pakistan in its decision dated November 8, 2017 has directed the Foundation to issue notices for the recovery of the amounts from beneficiaries/ allottees in case of irregular allotments.

Management has issued notices for the recovery of these amounts, however, no amount has been recognized in the financial statements as uncertainty remains as to the recovery of these amounts. Total amount determined to be recoverable in case of irregular allotments amount to Rs. 329.896 million against which Rs.323.733 million has been received till June 30, 2024.

- 17.4 The Foundation transferred 83 Kanal land to Mr. Anjum Aqeel and / or to his nominees under affiliation of private land of which the Foundation was entitled to 153 Kanal land as per the CDA rules. The Foundation received 71 Kanal and 14 Marla land in E-11 and further 61 Kanal land in Abadi Deh Golra from Mr. Anjum Aqeel.

Under the determination made by the Federal Investigation Authority (FIA), which was affirmed by the Supreme Court of Pakistan, 20 Kanal and 6 Marla was found short under the transfer of affiliated land as per the CDA rules. The market value determined for the short land at that time was Rs. 8 million per Kanal with the total consideration due from Mr. Anjum Aqeel amounting to Rs. 162.4 million. Mr. Anjum Aqeel transferred 70 Kanal undeveloped land in Sector E-14 under the settlement agreement.

As per the valuation carried out by the Chief Commissioner, Islamabad, the value of the 70 Kanal land was determined to be Rs. 350 million. In accordance with independent estimate of the fair value obtained by management in April 2018, the fair value of the land amounted to Rs. 140 million only. However, pending resolution of the matter, fair value of the land has been taken as per valuation carried out by the Chief Commissioner, Islamabad.

- 17.5 These represent liabilities incurred in the course of development of land for housing schemes.

18 LOAN PAYABLE	18.1	2,644,425	2,644,425
		<u>2,644,425</u>	<u>2,644,425</u>

- 18.1 This represents the loan given by Enemy Property Management Board (EPMB) for the purchase (down payment) of Okara Floor Mills. The loan is interest free and payable to EPMB in eight equal installments starting from the repayment date, which is yet to be determined.

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**NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE

**2025
RUPEES**

**2024
RUPEES**

19 ACCRUED AND OTHER PAYABLES

Creditors		448,059	566,511
Accrued liabilities		33,182,168	22,082,714
Payables against cancellation of plot awards		2,900,121	2,900,121
Retention money		300,710	300,710
Membership fee for new society		-	74,357,240
Salaries Payable		468,810	4,035,819
Audit Fee		510,000	500,000
Testing services fee		9,151,386	107,859,940
Contributory Provident Fund		46,518	3,900
Others		7,191,414	4,337,701
		<u>54,199,186</u>	<u>216,944,656</u>

20 DUE TO RELATED PARTIES

Due to NPF Security Services	20.1	97,168,446	97,714,757
Due from NPF Security Services	20.2	(56,912,076)	(56,912,076)
		<u>40,256,370</u>	<u>40,802,681</u>

20.1 Due to NPF Security Services represents expenses incurred by the company on behalf of the Head Office.

20.2 Due from NPF Security Services represents salaries paid by Head Office on behalf of the Company.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

The Foundation is defendant in different claims pending in various Courts. These claims pertain to ownership of land, allotment of plots, transfer of land, cancellation of plots, contempt of Court and others. Amounts involved in these cases are not quantifiable. These comprise claims by the Enemy Property Management Board, pending with the Ministry of Interior as detailed below:

National Pharmacy & National Laboratories Interest	199,237	199,237
Interest on long term loan for Okara Floor & General l	6,204,594	6,204,594
Loan for Sutej Cotton Mills	4,000,000	4,000,000
	<u>10,403,831</u>	<u>10,403,831</u>

21.2 Commitments

There were no commitments as at the reporting date (2024: Nil)

**NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>NOTE</u>	<u>2025 RUPEES</u>	<u>2024 RUPEES</u>
22 TRANSFER FEE OF HOUSING SCHEMES			
Transfer fee		<u>35,205,620</u>	<u>29,929,853</u>
		<u>35,205,620</u>	<u>29,929,853</u>
22.1 This represents amounts charged to members of the housing schemes on the transfer of ownership of the plots.			
23 RENTAL INCOME FROM INVESTMENT PROPERTY			
Head Quarter building		19,396,612	15,389,440
Mohafiz Complex		20,874,707	20,057,676
Mobilink Tower		-	1,258,772
Bill board		3,545,835	-
		<u>43,817,154</u>	<u>36,705,888</u>
24 OTHER OPERATING INCOME			
Conservancy charges		238,948,926	140,514,999
Restoration charges		4,300,000	-
D-1 Capital Park City		5,000,000	-
Testing services income		23,788,768	-
Traffic challan income		16,299,856	-
CIGHU Farmhouse income		7,602,800	-
Agri business income		6,468,367	-
Tuition fee - Vocational Institute and Schools		14,778,150	13,876,550
Return on bank deposits and investments		66,306,060	121,735,207
Membership fee		83,359,140	996,000
Scrutiny fee		3,011,796	2,568,051
Demarcation charges		-	5,000
Water connection charges		6,642,026	6,650,187
Surcharge income		14,574,584	8,214,118
Security charges		217,320	625,826
Completion charges		87,360	130,000
Non construction fine		3,141,420	2,908,740
Service charges on cancellation		-	771,216
Others	24.1	<u>31,519,472</u>	<u>31,754,478</u>
		<u>526,046,045</u>	<u>330,750,372</u>
24.1 This mainly includes income receipt against bill board rental income, profit on sale of vehicles and tender fee.			
25 CONTRIBUTION FROM POLICE DEPARTMENTS			
Contribution		<u>18,080</u>	<u>17,510</u>
		<u>18,080</u>	<u>17,510</u>

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NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

- 25.1 This represents monthly contributions, ranging from Rs. 10 to Rs. 60 (2024: Rs.10 to Rs. 60), received from various police departments, deducted against the salary of the total strength of the department, for the benefits provided by the Foundation to them and their families as stipulated in the Foundation's services rules.

26 ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	26.1	204,706,567	192,905,167
Depreciation on property, plant and equipment	4	22,674,188	7,141,039
Depreciation on investment property	5	200,318	210,860
Utilities		11,997,579	11,616,540
Vehicle running expenses		23,603,219	19,584,464
Property tax		1,597,111	1,551,372
Postage, telephone and telegram		2,832,911	2,532,932
Repairs and maintenance		32,712,690	15,847,745
Non-user charges		4,302,409	2,288,915
Entertainment		25,740	30,832
Printing, stationery and periodicals		2,596,311	2,172,326
Travelling and conveyance		1,045,931	2,048,284
Legal and professional charges		842,650	908,614
Audit fee		510,000	500,000
Advertisement		1,718,163	256,851
Bank charges		72,245	192,684
Other expenses		4,887,663	5,542,936
		<u>316,325,695</u>	<u>265,331,561</u>

- 26.1 Salaries and other benefits include Rs. 4.244 million (2023: Rs. 4.366 million) in respect of staff retirement benefits.

27 WELFARE EXPENSES

Salaries of Model Schools		11,669,295	10,403,992
Salaries of Vocational Training Center		-	409,800
Donation to Police Academy		250,000,000	-
Allotment of plots to families of Ghazi & Shuhda		20,475,000	-
Others	27.1	21,638,445	19,439,964
		<u>303,782,740</u>	<u>30,253,756</u>

27.1 Others

Rent of school building		4,588,233	2,470,587
Other expenses of Model Schools	27.1.1	7,117,949	6,373,166
Educational reward		792,225	1,140,175
Financial help to widows		8,615,000	7,500,000
Medical treatment facilities		499,598	-
Other expenses of Vocational Training Center		25,440	1,956,036
		<u>21,638,445</u>	<u>19,439,964</u>

- 27.1.1 Other expenses of model schools include expenses on account of utilities, printing &

NATIONAL POLICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
stationery, refreshment, repair & maintenance of school building & other expenses.			
28 OTHER PROJECT EXPENSES			
Housing scheme expenses	28.1	172,140,434	148,570,909
New project expenses		4,399,108	7,125,531
Agri-business expenses		34,437,841	4,008,982
Testing services expenses		17,287,493	1,123,678
Integrated health services expenses		4,587,285	113,395
Hamara Ghar Housing Scheme - Hyderabad		30,497,531	2,668,000
Al-Raheem Residencia expenses		116,460	-
D-I Capital Park City expense		8,172,059	-
IT business and planning expenses		27,996,566	-
		<u>299,634,777</u>	<u>163,610,495</u>
28.1 Housing scheme expenses			
Staff salaries		48,876,845	45,287,884
Civil work		29,336,790	5,892,700
Installation / maintenance of tubewell		7,394,014	8,511,847
Repair and maintenance		22,913,265	22,039,034
Maintenance of electricity equipment's		19,932,212	13,015,576
Utility bills		34,093,020	45,672,620
Vehicles running & maintenance		5,447,053	6,001,248
Legal and professional		3,180,000	2,150,000
Others		967,235	-
		<u>172,140,434</u>	<u>148,570,909</u>
29 LEVY			
Minimum tax	29.1	<u>6,004,638</u>	<u>2,453,207</u>
		<u>6,004,638</u>	<u>2,453,207</u>
29.1	This represents portion of minimum tax paid under section 113 of the Income Tax Ordinance (ITO, 2001) representing levy in terms of requirements of IFRIC 21/IAS 37. The Provision for taxation has been charged on the advice of the tax advisors of the foundation.		
30 TAXATION			
Current		<u>-</u>	<u>-</u>
30.1	The Foundation files its tax returns based on the results of the Foundation and Nowshera Sheet Glass Industries. The provision for taxation has been calculated based on the amounts as per the separate financial statements of the Foundation as well as the combined financial statements, with the difference recognized in the books of accounts of the Entity.		

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- 30.2 Provision for taxation has been charged based on the advice of the tax advisors of the Foundation. The provision so charged is sufficient for the year as the same has been calculated based on taxable activities of the Foundation.

31 RELATED PARTY RELATIONSHIP AND TRANSACTIONS

The related parties of the NPF comprise of a subsidiary, National Police Foundation Security Services (Private) Limited (NPFSS) and other key management personnel. Amounts due from and due to related parties are disclosed in the relevant notes to the combined financial statements. The transactions with the related parties during the year are as follows:

Name	Relationship and percentage shareholding	Nature of Transaction	2025 (Rupees)	2024 (Rupees)
NPF		Opening balance	39,679,786	39,358,294
Security Services (Private Limited)	Wholly owned subsidiary	Received/(paid) during the year	576,584	321,492
		Closing balance	40,256,370	39,679,786

32 REMUNERATION OF MANAGING DIRECTOR, DIRECTORS AND OTHER EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Managing Director, Directors and Executives of the foundation is as follows:

June 30, 2025				
	Managing Director	Directors	Executives	Total
Managerial Remuneration	3,683,758	34,626,129	16,337,702	54,647,589
	3,683,758	34,626,129	16,337,702	54,647,589
Number of Persons	1	9	6	16
June 30, 2024				
	Managing Director	Directors	Executives	Total
Managerial Remuneration	7,063,984	27,819,777	12,910,832	47,794,593
	7,063,984	27,819,777	12,910,832	47,794,593
Number of Persons	1	9	5	15

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FOR THE YEAR ENDED JUNE 30, 2025

NOTE

2025
RUPEES

2024
RUPEES

33 **CORRESPONDING FIGURES .**

Figures of the previous year have been re-arranged and regrouped wherever necessary for the purpose of comparison however, there is no significant rearrangement and regrouping except those disclosed in these financial statements.

34 **NUMBER OF EMPLOYEES**

The number of employees as at the year end was 332 (2024: 346) and the average number of employees during the year was 339 (2024: 318).

35 **DATE OF AUTHORIZATION FOR ISSUE**

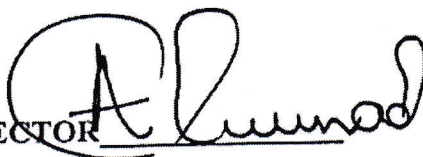
The Board of Directors of the Foundation authorized these combined financial statements on 15/05/2026 for issue.

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36 **GENERAL**

Figures have been rounded off to the nearest of rupee.

MANAGING DIRECTOR



DIRECTOR FINANCE

