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BAS/C454/25/1003

03 October 2025

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The Board of Directors (the Board)
National Academy of Performing Arts (the Company)
Karachi

AUDIT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Dear Board Members

We are pleased to enclose two copies of the draft financial statements of the Company for the above year, together with our draft audit report thereon initialed by us only for identification purposes. We shall be pleased to sign and issue our report on the financial statements after:

i) the Board has approved the financial statements and these have been signed by the Chief Executive Officer and the directors of the Company;

ii) we have received representation letter duly signed by the Chief Executive Officer and Chief Financial Officer of the Company; and

iii) we have seen the Board's resolution approving the following items:

	Rupees
– grants received during the year	175,997,006
– additions to property and equipment - at cost	2,825,615
– transactions with related parties as disclosed in the financial statements	

2. RESPONSIBILITIES OF THE BOARD AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

We have conducted the audit of the financial statements of the Company in accordance the requirements explained in Section 249 of the Companies Act, 2017 and International Standards on Auditing. The auditors are responsible for forming and expressing their opinion on the financial statements. The responsibility for preparation of financial statements is primarily that of the Company's management. Further the management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies and safeguarding of the assets of the Company taken as a whole and prevention and detection of fraud and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our audit of the financial statements should not be relied upon to disclose all the errors or irregularities, which are not material in relation to the financial statements.

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3. EMPHASIS OF MATTER PARAGRAPH IN OUR AUDIT REPORT

We have been informed by the management that there are no contingencies and commitments outstanding as at the year-end other than disclosed in note 14 to the financial statements. However, due to the significance of contingencies in relation to the financial statements of the Company, we have included an emphasis of matter paragraph in our draft audit report.

4. OTHER MATTERS

4.1 Related party transactions

We have been informed by the management that there are no transactions with related parties other than those disclosed in the financial statements.

4.2 Fraud and errors

We have been informed by the management that to the best of their knowledge there have been no instances of frauds or irregularities during the year that could have a material effect on these financial statements.

4.3 Subsequent events

We have been informed by the management that there were no subsequent events having an impact on amounts and / or disclosures in the financial statements.

We also take this opportunity to place on record our appreciation for the co-operation extended to us by the management of the Company during the course of our audit

Yours sincerely

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Grant Thornton Anjum Rahman
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INDEPENDENT AUDITOR'S REPORT

To the members of National Academy of Performing Arts

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of National Academy of Performing Arts (the Company) which comprises the statement of financial position as at 30 June 2025 and the statement of income and expenditure, the statement of changes in accumulated funds, the statement of cash flows for the year then 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, the statement of income and expenditure, the statement of changes in accumulated funds and the 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 30 June 2025 and of the surplus, the changes in funds 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.

Emphasis of Matter

We draw attention to the contents of note 14 to the financial statements in respect of contingencies. The ultimate outcome of the matters related therein cannot be presently determinable with certainty and hence, no provision for any liability that may arise from such matters has been made in the financial statements. Our opinion is not qualified in respect of this matter.

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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.

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 whether 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 a material misstatement in 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.

Board 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) the statement of financial position, the statement of income and expenditure, the statement of changes in accumulated funds and the 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 and expenditure incurred during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.

Chartered Accountants
Place: Karachi
Date: 11 November 2025
UDIN: AR202510093QvD6szm3P

NATIONAL ACADEMY OF PERFORMING ARTS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025	2024
		------ Rupees ------	
ASSETS			
Non-current assets			
Property and equipment	6	**59,178,046**	64,693,838
Intangible assets	7	**18,210**	22,763
Long term deposits		**591,669**	581,669
		59,787,925	65,298,270
Current assets			
Books		**2,056,658**	1,395,180
Advances, prepayments and other receivables		**5,989,889**	4,787,271
Short term investments	8	**1,021,850,038**	703,347,440
Accrued return on investments and bank balances		**-**	83,223,318
Advance income tax		**-**	2,755,034
Bank balances	9	**27,151,053**	76,770,438
		1,057,047,638	872,278,681
TOTAL ASSETS		**1,116,835,563**	937,576,951
FUNDS AND LIABILITIES			
Funds			
Unrestricted funds			
General fund		**25,000,000**	25,000,000
Accumulated surplus		**161,047,753**	132,734,395
		186,047,753	157,734,395
Restricted funds			
Endowment fund	10	**865,000,000**	703,347,440
Other restricted funds	11	**26,208,013**	35,973,692
		891,208,013	739,321,132
		1,077,255,766	897,055,527
Non-current liabilities			
Deferred capital grant	12	**20,968,462**	22,072,065
Current liabilities			
Accrued and other liabilities	13	**18,217,859**	18,449,359
Taxation - net		**393,477**	-
		18,611,336	18,449,359
TOTAL FUND AND LIABILITIES		**1,116,835,563**	937,576,951
Contingencies	14		

The annexed notes from 1 to 23 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR** **DIRECTOR**

NATIONAL ACADEMY OF PERFORMING ARTS
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		---------------- Rupees	----------------
Income	15	**205,516,318**	217,201,040
Expenses	16	**(218,908,423)**	(216,817,156)
Other income	17	**207,014,075**	152,339,141
Surplus before taxation		**193,621,970**	152,723,025
Taxation - current	5.11	**(3,656,052)**	-
Surplus for the year		**189,965,918**	152,723,025

The annexed notes from 1 to 23 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

NATIONAL ACADEMY OF PERFORMING ARTS
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2025

	General Fund	Accumulated Surplus	Endowment Fund	Other restricted funds	Total
	Rupees				
Balance as at 30 June 2023	25,000,000	83,359,571	599,999,239	24,080,244	732,439,054
Surplus for the year	-	152,723,025	-	-	152,723,025
Funds received during the year	-	-	-	13,500,043	13,500,043
Transfers during the year	-	(103,348,201)	103,348,201	(1,606,595)	(1,606,595)
	-	49,374,824	103,348,201	11,893,448	164,616,473
Balance as at 30 June 2024	25,000,000	132,734,395	703,347,440	35,973,692	897,055,527
Surplus for the year	-	**189,965,918**	-	-	**189,965,918**
Transfers during the year	-	**(161,652,560)**	**161,652,560**	**(9,765,679)**	**(9,765,679)**
	-	**28,313,358**	**161,652,560**	**(9,765,679)**	**180,200,239**
Balance as at 30 June 2025	**25,000,000**	**161,047,753**	**865,000,000**	**26,208,013**	**1,077,255,766**

The annexed notes from 1 to 23 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR** **DIRECTOR**

NATIONAL ACADEMY OF PERFORMING ARTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	------------- Rupees	-------------
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	**193,621,970**	152,723,025
Non cash adjustment:		
Depreciation	**8,341,406**	9,026,375
Amortisation	**4,553**	5,699
Operating fixed assets written off	**-**	1,453,832
Return on bank balances / investments	**(207,014,075)**	(152,339,141)
Amortisation of restricted funds	**(9,765,679)**	(1,606,595)
Deferred capital grant realised during the year	**(1,103,603)**	(1,161,688)
	(209,537,398)	(144,621,518)
Changes in working capital:		
Books	**(661,478)**	(462,489)
Advances, prepayments and other receivables	**(1,202,618)**	(2,276,966)
Accrued return on investments	**83,223,318**	(50,281,133)
Accrued and other liabilities	**(231,500)**	6,322,808
	81,127,722	(46,697,780)
Tax paid	**(507,542)**	-
Long term deposits	**(10,000)**	-
Net cash generated from / (used in) operating activities	**64,694,752**	(38,596,273)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property and equipment	**(2,825,615)**	(4,200,482)
Return received on bank balances / investments	**207,014,075**	152,339,141
Investment made	**(318,502,597)**	(103,348,201)
Net cash (used in) / generated from investing activities	**(114,314,137)**	44,790,458
CASH FLOWS FROM FINANCING ACTIVITIES		
Restricted funds received	**-**	13,500,043
Net (decrease) / increase in cash and cash equivalents	**(49,619,385)**	19,694,228
Cash and cash equivalents at beginning of the year	**76,770,438**	57,076,210
Cash and cash equivalents at the end of the year	**27,151,053**	76,770,438

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

1 LEGAL STATUS AND NATURE OF BUSINESS

National Academy of Performing Arts (the Company) was incorporated in Pakistan under Section 42 of the Companies Act 2017 having its registered office at M.R. Kiyani Road, Karachi. The principal activity of the Company is to create awareness of the performing arts in Pakistan particularly music, dance, drama and theatrical arts through proper study and practice.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. The approved accounting standards applicable in Pakistan comprises of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Accounting standards for Non 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention, except as mentioned in respective notes to the financial statements.

3.2 These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making, judgements about carrying values of assets and liabilities. Significant accounting estimates and judgements are disclosed in relevant notes.

5 SIGNIFICANT ACCOUNTING POLICIES

5.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to the statement of income and expenditure on reducing balance method. Depreciation on additions and deletions during the year is charged on a pro-rata basis when asset is put into use and up to the date when asset is disposed, respectively. The depreciation rates and useful lives are reviewed at each financial year end and adjusted if necessary. Repairs and maintenance are charged to the statement of income and expenditure as and when incurred. Renewals and improvements are capitalized and depreciated when it is expected that future economic benefits will flow to the Company for more than one year.

5.2 Intangible assets

These are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on reducing balance method. Amortization is charged on additions from the date when asset is put into use and up to the date when asset is disposed off, respectively.

5.3 Impairment

The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where the carrying amount exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the Statement of income and expenditure.

5.4 Books

Books held for sale are stated at the lower of cost and estimated net realizable value.

5.5 Advances, prepayments and other receivables

These are stated at cost, less allowance for any impairment.

5.6 Investments

All investments are initially recognized at cost, being the fair value of the consideration given including transaction costs associated with the investments except in case of investments at fair value through income and expenditure where transaction cost are charged to statement of income and expenditure.

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified in this category and are stated at amortized cost. Provision for impairment in value, if any, is taken to statement of income and expenditure.

Investments in listed shares and mutual funds are measured at fair value through income and expenditure with net changes recognised in income and expenditure.

5.7 Cash and cash equivalents

These are stated at cost.

5.8 Accrued and other liabilities

These are recognized at the time when the Company becomes a party to the contractual provisions of the liability and are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Company.

5.9 Provisions

A Provision is recognized in the statement of financial position when the company 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. Provision are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.10 Revenue recognition

- Grants, fee income, sponsorship income and sale of tickets are recognised on receipt basis.
- Return on bank balances and short term investments is recognised on accrual basis.
- Dividend income is recogised on receipt basis.

5.11 Taxation

The Company is registered as a not for profit organization under Section 2(36)(c) of the Income Tax Ordinance, 2001 (the Ordinace) read with Rule 212 and 220 of the Income Tax Rules, 2002. Therefore the Company's income is exempt from income tax under Section 100 (C) of the Ordinance. However, dividend income and capital gains are subject to tax at applicable rates.

5.12 Restricted funds

Funds generated by the Company either through donations or through fund raising events for a specific purpose are classified as restricted funds. Based on the restrictions made by the management, these funds are only used for the purpose for which they were generated. The funds' balance is transferred to fixed assets or expenses, as appropriate, when the Company utilizes the funds for stated purposes.

5.13 Deferred capital grant

When fixed assets are developed or purchased through grants received for development or purchase of asset, these are recorded as deferred capital grant with corresponding increase in fixed assets. As the said assets depreciates, related deferred capital grant is transferred to accumulated surplus through statement of income and expenditure.

5.14 Employee benefits

Eligible employees of the Company are provided with the leave encashment at the end of the accounting year against their annual leaves. An employee can avail encashment as per the gross salary unto 21 days annual leaves.

6 PROPERTY AND EQUIPMENT

	Note	2025	2024
		----------Rupees----------	
Operating fixed assets	6.1	59,178,046	64,693,838

6.1 Operating fixed assets

	Building	Vehicles	Furniture and fixture	Books	Musical instruments	Theatrical instruments	Computer equipment	Other equipment	Total
	----------	----------	----------	----------	Rupees	----------	----------	----------	
Year ended 30 June 2024									
Opening net book value	25,108,538	1,324,036	5,092,086	490,634	615,693	3,869,089	736,688	33,736,769	70,973,533
Additions	-	-	487,250	-	77,544	-	261,595	3,374,093	4,200,482
Write-off	-	-	(904,499)	(425,089)	(42,534)	(19,682)	(27,258)	(34,770)	(1,453,832)
Depreciation charge for the year	(1,365,359)	(264,807)	(525,155)	(40,128)	(132,762)	(772,839)	(276,221)	(5,649,104)	(9,026,375)
Net book value	23,743,179	1,059,229	4,149,682	25,417	517,941	3,076,568	694,804	31,426,988	64,693,808
As at 30 June 2024									
Cost	38,183,626	3,155,000	6,444,738	459,959	2,371,736	14,350,107	3,869,899	72,518,854	141,353,919
Accumulated depreciation	(14,440,447)	(2,095,771)	(2,295,056)	(434,543)	(1,853,795)	(11,273,539)	(3,175,095)	(41,091,836)	(76,660,081)
Net book value	23,743,179	1,059,229	4,149,682	25,416	517,941	3,076,568	694,804	31,427,018	64,693,838
Year ended 30 June 2025									
Opening net book value	23,743,179	1,059,229	4,149,682	25,416	517,941	3,076,568	694,804	31,427,018	64,693,838
Additions	-	-	112,000	-	-	-	616,300	2,097,315	2,825,615
Depreciation charge for the year	(1,187,159)	(211,846)	(423,026)	(2,542)	(103,588)	(615,314)	(274,945)	(5,522,987)	(8,341,407)
Net book value	22,556,020	847,383	3,838,656	22,874	414,353	2,461,254	1,036,159	28,001,346	59,178,047
As at 30 June 2025									
Cost	38,183,626	3,155,000	6,556,738	459,959	2,371,736	14,350,107	4,486,199	74,616,169	144,179,534
Accumulated depreciation	(15,627,606)	(2,307,617)	(2,718,082)	(437,084)	(1,957,383)	(11,888,853)	(3,450,040)	(46,614,823)	(85,001,488)
Net book value	22,556,020	847,383	3,838,656	22,875	414,353	2,461,254	1,036,159	28,001,346	59,178,046
Rate of depreciation (%)	5 & 10	20	10	10 & 20	20	20	33	15 & 33.33	

7 INTANGIBLE ASSETS

	Accounting software	Membership management system	Total
	---------- Rupees	----------	----------
Year ended 30 June 2024			
Opening net book value	16,408	12,086	28,494
Amortisation for the year	(3,282)	(2,417)	(5,699)
Written off during the year	(32)	-	(32)
Closing net book value	13,094	9,669	22,763
As at 30 June 2024			
Cost	93,212	67,000	160,212
Accumulated amortisation	(80,118)	(57,331)	(137,449)
Net book value	13,094	9,669	22,763
Year ended 30 June 2025			
Opening net book value	**13,094**	**9,669**	**22,763**
Amortisation for the year	**(2,619)**	**(1,934)**	**(4,553)**
Closing net book value	**10,475**	**7,735**	**18,210**
As at 30 June 2025			
Cost	**93,212**	**67,000**	**160,212**
Accumulated amortisation	**(82,737)**	**(59,265)**	**(142,002)**
Net book value	**10,475**	**7,735**	**18,210**
Rate of amortization (%)	**20%**	**20%**	

8 SHORT-TERM INVESTMENTS

	Note	2025	2024
		---------- Rupees	----------
At fair value through income and expenditure			
- Listed shares		**232,834,566**	-
- Mutual funds		**789,015,472**	-
		1,021,850,038	-
At amortised cost			
- Market Treasury Bills		-	703,347,440
		1,021,850,038	703,347,440

9 BANK BALANCES

	Note	2025	2024
Savings accounts	9.1	**23,638,277**	76,748,808
Current accounts		**3,512,776**	21,630
		27,151,053	76,770,438

9.1 These carry profit rates ranging from 12.5% to 20% (2024: 19.5% to 20%) per annum.

10 ENDOWMENT FUND

Represents fund established during the year ended 30 June 2013 to comply with the Higher Education Commission (HEC) conditions governing the establishment of a new university or a recognized degree awarding institution. According to the conditions of HEC, the Company is required to create a non-transferable endowment fund amounting to Rs. 200 million and the fund so established is required to be invested in profitable investments such as certificates, shares, units etc. However, profit accrued on such investments may be utilized for academic activities of the Company.

11 OTHER RESTRICTED FUNDS

	Balance as at 01 July 2024	Amortization during the year	Balance as at 30 June 2025
	---------- Rupees ----------		
Programmes / projects			
Auditorium Development Fund	**1,392,410**	**-**	**1,392,410**
Scholarship Fund	**820,000**	**-**	**820,000**
University of Texas Fund	**6,832**	**-**	**6,832**
Theatre Development Foyer Fund	**20,520,700**	**-**	**20,520,700**
Awaaz Ratio Theatre Grant	**13,233,750**	**9,765,679**	**3,468,071**
	35,973,692	**9,765,679**	**26,208,013**

12 DEFERRED CAPITAL GRANT

	Note	2025	2024
		---------- Rupees ----------	
Opening balance		**22,072,065**	23,233,753
Amortised during the year	12.1	**(1,103,603)**	(1,161,688)
Closing balance		**20,968,462**	22,072,065

12.1 This represents depreciation charged during the year on auditorium chairs and theatre building acquired through restricted funds.

13 ACCRUED AND OTHER LIABILITIES

	2025	2024
	---------- Rupees ----------	
Accrued expenses	**3,724,177**	6,856,800
Other liabilities	**11,923,720**	9,022,597
Due to SMART - a related party	**2,569,962**	2,569,962
	18,217,859	18,449,359

14 CONTINGENCIES

14.1 On 23 September 2005, the Company entered into a lease agreement with the Governor of Sindh for Hindu Gymkhana for a period of 30 years. As part of the Company's main object to promote performing arts, the Company planned to construct an auditorium in the same premises and obtained an approval for such construction from Karachi Building Control Authority (KBCA). After obtaining this approval, the Company started the construction of auditorium in August 2006. On 31 October 2007, Shree Ratneshwar Maha Dev Welfare Shewa Mandly; a Hindu religious welfare association (the appellant), filed a petition in the High Court of Sindh against the Province of Sindh, through Secretary Board of Revenue, Sindh Cultural Heritage Department, KBCA, the Company and Evacuee Trust Board. The appellant alleges that the property was illegally and unlawfully taken away by surrounding occupants in portions and was handed over to the Company without authorization. The said petition was dismissed by High Court of Sindh on 25 November 2013 against which the appellant filed an appeal in Supreme Court of Pakistan. The Supreme Court of Pakistan converted this petition into Civil Appeal and fixed the same for hearing in Islamabad. The hearing was transferred to Supreme Court (Karachi Registry) but no such hearing has taken place up to 30 June 2025.

14.2 On 13 September 2008, the Government of Sindh issued a notice to the Company against construction of the theatre/auditorium claiming that it has constructed a theatre building in violation of the lease agreement and terminated the lease agreement dated 23 September 2005 with the transfer of possession of Hindu Gymkhana together with the building thereon to Government of Sindh within 3 months from date of said notice with out any compensation to the Company. The Company filed a Suit in the High Court of Sindh against the Government of Sindh praying to the Court to allow the building of the theatre/auditorium and to give an order that the Company has complied with the lease agreement provisions and is legally occupying the Hindu Gymkhana. The High Court of Sindh granted a stay order dated 3 December 2008 restraining the Government of Sindh from giving effect to said eviction notices. On 18 November 2014, the Company filed a suit to declare said eviction notices as void ab initio and permanently restraining the Government of Sindh and Shree Ratneshwar Maha Dev from interfering with possession or occupation of the premises in any manner whatsoever. To date, no hearing has taken place for the same, and the matter is still pending.

		Note	2025	2024
			---------------- Rupees ----------------	
15	**INCOME**			
	Grants			
	- Received during the year from Federal Government		**125,997,006**	159,489,026
	- Received during the year from Sindh Government		**50,000,000**	37,500,000
	- Amortised during the year	12.1	**1,103,603**	1,161,688
			177,100,609	198,150,714
	Other restricted fund			
	- Amortised during the year		**9,765,679**	1,606,595
	Fee			
	- Application fee		**72,000**	106,500
	- Registration fee		**210,000**	129,000
	- Tuition fee - net	15.1	**5,070,650**	3,728,714
			5,352,650	3,964,214
	Sponsorship income		**2,460,000**	3,400,000
	Sale of tickets		**2,637,295**	3,397,454
	Others		**8,200,085**	6,682,063
			205,516,318	217,201,040
15.1	**Tuition fee - net**			
	Gross fee		**5,123,150**	3,994,714
	Less: Financial assistance		**(52,500)**	(266,000)
			5,070,650	3,728,714
16	**EXPENSES**			
	Programmed Expenses			
	Salaries and benefits		**88,099,341**	72,669,827
	Utilities		**11,773,705**	10,718,095
	Performance expense		**41,159,363**	47,114,325
	Repairs and maintenance		**39,233,605**	18,228,777
	Depreciation	6	**6,673,126**	7,221,098
	Amortization	7	**2,276**	2,850
	Office expenses		**2,507,680**	1,732,881
	Stationery and supplies		**1,503,578**	1,001,241
	Security expenses		**1,400,640**	1,274,880
	Conveyance and fuel		**1,082,775**	917,435
	Legal and professional		**781,327**	935,977
	Advertisement		**776,149**	1,305,712
	Building renovation		**-**	17,938,400
	IT maintenace		**-**	9,950,637
	Others		**661,868**	1,962,174
			195,655,433	192,974,309
	Administrative Expenses			
	Salaries and benefits		**7,556,838**	6,233,351
	Repairs and maintenance		**4,359,289**	5,081,846
	Utilities		**2,943,426**	2,679,524
	Depreciation	6	**1,668,280**	1,805,275
	Amortization	7	**2,276**	2,850
	Travelling and conveyance		**1,276,609**	746,491
	Auditors' remuneration	16.1	**1,073,250**	715,600
	Rents, rates and taxation		**1,062,953**	1,038,780
	Legal and professional		**781,327**	935,977
	Advertisement		**776,149**	1,305,712
	Office expenses		**626,920**	433,220
	Fixed assets - written off		**-**	1,453,832
	Others		**1,125,672**	1,410,391
			23,252,990	23,842,847
			218,908,423	216,817,156

16.1 Auditors' remuneration

	2025	2024
	Rupees	
Audit fee	**900,000**	600,000
Out of pocket expenses	**173,250**	115,600
	1,073,250	715,600

17 OTHER INCOME

	2025	2024
Interest on Market Treasury Bills	**65,275,880**	138,329,733
Profit on bank balances	**11,205,167**	14,009,408
Realized gain on revaluation of investments	**20,460,569**	-
Unrealized gain on revaluation of investments	**105,934,349**	-
Dividend income	**4,113,110**	-
Others	**25,000**	-
	207,014,075	152,339,141

18 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of entities under common control / directorship and key management personnel. Details of the transactions with related parties are disclosed in relevant notes.

19 FINANCIAL INSTRUMENTS

	2025	2024
	Rupees	
Financial assets		
At fair value through income and expenditure		
Short term investments	**1,021,850,038**	-
At amortized cost		
Long term deposits	**591,669**	581,669
Short term investments	**-**	703,347,440
Accrued return on investments and bank	**-**	83,223,318
Bank balances	**27,151,053**	76,770,438
	1,049,592,760	863,922,865
Financial Liabilities		
At amortized cost		
Accrued and other liabilities	**18,217,859**	18,449,359

20 REMUNERATION OF DIRECTORS AND EXECUTIVES

	2025			2024		
	Chief Executive	**Directors**	**Executives**	Chief Executive	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	**2,779,000**	**-**	**15,976,426**	6,144,100	-	20,826,100
Housing allowance	**1,111,600**	**-**	**6,299,200**	2,457,640	-	8,330,440
Utilities allowance	**279,300**	**-**	**1,599,374**	613,966	-	2,081,026
	4,169,900	**-**	**23,875,000**	9,215,706	-	31,237,566
Number of person	**1**	**11**	**12**	1	11	12

20.1 Chief Executive Officer has been provided with Company maintained car along with Chauffer and fuel.

21 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison.

22 NUMBER OF EMPLOYEES

	2025	2024
Average	70	63
Total	72	58

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28 OCT 2025 by the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR