LUCKY CORE FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

pwc A·F·FERGUSON&Co.

The Board of Directors
Lucky Core Foundation
5, West Wharf,
Karachi

October 2, 2026
ASR 1997

Dear Board Members

LUCKY CORE FOUNDATION
AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

We are pleased to enclose five copies of the draft financial statements of Lucky Core Foundation (the Foundation) for the year ended June 30, 2026, prepared by the Foundation's management, which have been initialed by us for identification purposes only, together with our draft audit report thereon. We shall be pleased to sign our report, in its present or amended form, after:

a) the enclosed financial statements have been considered and approved by the Board of Directors of the Foundation (the Board) and signed by the Chief Executive Officer and one of the Directors authorised by the Board in this behalf;

b) we have seen the specific approval of the Board for the items listed in Annexure 'A' to this letter; and

c) we have received a letter of representation from the Foundation's management in respect of enclosed financial statements, as required under the International Standards on Auditing, signed by Chief Executive Officer and a Director of the Foundation on the lines of draft provided by us.

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

The responsibilities of the independent auditors, in a usual examination of the financial statements, are explained in International Standard on Auditing 200 'Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing.' While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for the preparation of the financial statements is primarily that of the Foundation's management in accordance with the applicable financial reporting framework, which includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error. The management's responsibilities include to provide the auditor with (i) all information, such as records and documentation, and other matters that are relevant to the preparation and presentation of the financial statements; (ii) any additional information that the auditor may request from the management and, where appropriate, those charged with governance; and (iii) unrestricted access to those within the entity from whom the auditor determines it necessary to obtain audit evidence. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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3. MATTERS FOR THE ATTENTION OF THE BOARD

We set forth below significant matters noted by us during our audit, which in our view, requires the attention of the Board.

3.1 Non-payment of withholding tax deducted at source

Rule 43 of the Income Tax Rules, 2002, requires every withholding agent to pay / deposit taxes deducted at source within seven days from the end of each week ending every Sunday. In this respect, we observed that there were instances where withholding taxes deducted by the Foundation were not deposited with the relevant tax authorities within the timeframe prescribed under the Rules including Rs. 193,215 that remains outstanding as of June 30, 2026.

We recommend that the unpaid withholding tax should be paid / deposited at the earliest and that future tax deductions at source be deposited within the specified timeframe in order to avoid any penal action by the taxation authorities.

3.2 Expenditure in excess of Board approved limits

The Foundation's annual budget, as approved by the Board, specifies expenditure limits approved for each project. In this respect, we noted that, in certain instances, the Foundation incurred expenditure exceeding the limits approved by the Board.

We recommend that the management of the Foundation seek approval of the expenditure incurred above the approved limits from the Board and of any future expenditure expected to be incurred in respect of each project.

4. We have been advised by the Foundation's management that there are no contingencies and commitments and balances and transactions with related parties other than those which have been disclosed in the enclosed financial statements.

5. We would like to inform the Board that unless we have signed the auditors' report on the enclosed draft financial statements, the same shall remain and be deemed unaudited.

We would like to take this opportunity to place on record our appreciation of the courtesy and co-operation extended to us during the audit.

Yours truly

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ANNEXURE 'A'

LUCKY CORE FOUNDATION

LIST OF ITEMS REQUIRING SPECIFIC APPROVAL OF THE BOARD OF DIRECTORS AS REFERRED TO IN PARAGRAPH 1(b) OF OUR LETTER ASR 1997 DATED OCTOBER 2, 2026

Particulars	Rupees
Donations received during the year	16,176,165
Donation expense during the year	16,174,822
Transactions with related parties as disclosed in note 10 to the financial statements	

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INDEPENDENT AUDITOR'S REPORT

To the members of Lucky Core Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Lucky Core Foundation** (the Foundation), which comprise the statement of financial position as at June 30, 2026, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in accumulated fund, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 comprehensive income, the statement of changes in accumulated fund 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 Foundation's affairs as at June 30, 2026 and of the deficit and other comprehensive income, the changes in accumulated fund 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 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 opinion.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider 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 of this other information, we are required to report that fact. We have nothing to report in this regard.

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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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Foundation'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 Foundation'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 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 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 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 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 Foundation 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 comprehensive income, the statement of changes in accumulated fund 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, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other matter

The financial statements of the Foundation for the year ended June 30, 2025 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion thereon, vide their report dated November 3, 2025.

The engagement partner on the audit resulting in this independent auditor's report is Waqas Aftab Sheikh.



Chartered Accountants
Karachi
Date: October 7, 2026
UDIN: AR2026100691u8bicfjv

LUCKY CORE FOUNDATION
(A FOUNDATION SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026	2025
		(Rupees)	
ASSETS			
Current assets			
Cash at bank	5	**4,181,766**	398,504
Total assets		**4,181,766**	398,504
ACCUMULATED FUND AND LIABILITIES			
Promoter's contribution		**600,000**	400,000
Accumulated loss		**(743,949)**	(71,156)
		(143,949)	328,844
Current liabilities			
Accrued expenses and other liabilities	6	**4,132,500**	69,660
Witholding tax payable		**193,215**	-
		4,325,715	69,660
Total accumulated funds and liabilities		**4,181,766**	398,504
Contingencies and Commitments	7		

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer
Samar Hayat

Director

LUCKY CORE FOUNDATION
(A FOUNDATION SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees)	
INCOME			
Donations from Lucky Core Industries Limited		**16,176,165**	-
EXPENDITURE			
Donations	8	**(16,174,822)**	-
Auditor's remuneration	9	**(632,500)**	(37,260)
Other charges		**(41,636)**	(1,496)
		(16,848,958)	(38,756)
Deficit for the year		**(672,793)**	(38,756)

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer
Samar Hayat

Director

LUCKY CORE FOUNDATION
(A FOUNDATION SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(Rupees)	
Deficit for the year	**(672,793)**	(38,756)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(672,793)**	(38,756)

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer
Samar Hayat

Director

LUCKY CORE FOUNDATION
(A FOUNDATION SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Promoter's contribution	General Fund - Accumulated loss	Total
	----------(Rupees)----------		
Balance as at June 30, 2024	-	(32,400)	(32,400)
Deficit for the year	-	(38,756)	(38,756)
Promoter's contribution	400,000	-	400,000
Balance as at June 30, 2025	400,000	(71,156)	328,844
Deficit for the year	**-**	**(672,793)**	**(672,793)**
Promoter's contribution	**200,000**	**-**	**200,000**
Balance as at June 30, 2026	**600,000**	**(743,949)**	**(143,949)**

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer
Samar Hayat

Director

LUCKY CORE FOUNDATION
(A FOUNDATION SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit for the year		**(672,793)**	(38,756)
Increase in current liabilities:			
Accrued expenses and other liabilities		**4,062,840**	37,260
Witholding tax payable		**193,215**	-
Net cash generated from / (used in) operating activities		**3,583,262**	(1,496)
CASH FLOWS FROM FINANCING ACTIVITIES			
Promoter's contribution		**200,000**	400,000
Net increase in cash and cash equivalents		**3,783,262**	398,504
Cash and cash equivalents at beginning of the year		**398,504**	-
Cash and cash equivalents at end of the year	5	**4,181,766**	398,504

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer
Samar Hayat

Director

LUCKY CORE FOUNDATION
(A FOUNDATION SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF ACTIVITIES

Lucky Core Foundation ('the Foundation') was incorporated in Pakistan on June 28, 2024 under section 42 of the Companies Act, 2017 as a company limited by guarantee not having share capital. The Foundation has its registered office at 5, West Wharf, Karachi. The Foundation is established to undertake charitable and philanthropic activities for the benefit of the general public, including employees and former employees of Lucky Core Industries Limited. Its principal objectives include alleviating human suffering, supporting the needy, poor and destitute, promoting healthcare accessibility, providing medical assistance to deserving patients, advancing education and research, fostering community development and sustainability initiatives, empowering women, and undertaking disaster relief and other welfare programmes through funding, collaborations and partnerships.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where proivsions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 Amendments and interpretations to accounting and reporting standards that are effective in the current year

There are certain new amendments and interpretations to the accounting and reporting standards which became effective for the accounting periods beginning on July 1, 2025. However, these do not have any significant impact on the Foundation's financial statements and therefore, have not been disclosed in these financial statements.

2.3 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are not yet effective and are not expected to have any significant impact on the Foundation's financial statements and therefore, have not been detailed in these financial statements, except for the following:

- IFRS 18 - Presentation and Disclosure in Financial Statements (IFRS 18) is applicable for periods beginning on or after January 1, 2027. IFRS 18, when applicable, shall impact the presentation of 'Statement of income and expenditure' with certain additional disclosures in the financial statements of the Foundation.
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurements of Financial Instruments is applicable for periods beginning on or after January 1, 2026. These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; and
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

The management is in the process of assessing the impact of new standard and amendment on the financial statements of the Foundation.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention unless otherwise stated in the material accounting policy information (note 4).

These financial statements are presented in Pakistan Rupees which is the Foundation's functional currency.

3.2 Significant accounting estimates and judgments

The preparation of these financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

As of June 30, 2026, there are no significant accounting estimates and areas where judgements were made by the management in the application of the accounting policies.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to each year presented.

4.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash in hand and balances with banks in current and savings accounts.

4.5 General fund

The general fund represents all revenues and expenses related to unrestricted resources. The total excess of revenue over expenses in the general fund represents the change in the Foundation's unrestricted resources in the year.

Contributions subject to externally or internally imposed restrictions are accounted for using the restricted fund method of accounting. Under this method, endowment contributions are recognised in the endowment fund, while other restricted contributions are recognised in the relevant restricted fund. The resulting fund balances, where applicable, are presented separately in the statement of financial position. As at the reporting date, the Foundation has not established any restricted or endowment funds.

4.6 Accrued expenses and other liabilities

This represent liabilities for goods and services provided to the Foundation prior to the end of the reporting period which are unpaid. Accrued expenses and other liabilities are presented as current liabilities unless payment is not due within 12 months after the reporting period. These are recognised initially at fair value of consideration to be paid in the future for goods and services, whether or not billed to the Foundation.

4.7 Provisions

Provisions are recognised when the Foundation has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current estimate.

4.8 Revenue recognition

Donations are recognised as income upon receipt. Donations received in kind (whether materials or services) are recognised at their fair market value. If the fair market value cannot be reliably measured, such donations are recorded at their nominal value. A donation receivable is recognised by the Foundation when the donation is contractually obligated to be received.

4.9 Expenses

All expenses are recognised in the statement of income and expenditure on accrual basis.

4.10 Taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.



Current income tax relating to items recognised directly in fund balances is recognised in fund balances and not in the statement of income and expenditure. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

		2026	2025
		(Rupees)	
5	**CASH AT BANK**		
	Current account	4,181,766	398,504
6	**ACCRUED EXPENSES AND OTHER LIABILITIES**		
	Accrued expenses	3,500,000	-
	Auditor's remuneration	632,500	69,660
		4,132,500	69,660

7 CONTINGENCIES AND COMMITMENTS

The Foundation does not have any contingencies and commitments as at June 30, 2026 and June 30, 2025.

		2026	2025
		(Rupees)	
8	**DONATION EXPENSE**		
	Expense for the year	16,174,822	-
8.1	Donations to a single party exceeding higher of Rs. 1 million or 10% of total donations are as follows:		
	Muhammad Bashir & Sons, in respect of construction of community welfare park in Khewra	3,998,350	-
	Care Foundation	2,164,216	-
	Friends Welfare Association Pakistan	1,800,000	-
	5th Pillar Travel (Private) Limited, in respect of transportation services relating to various philanthropic projects	1,274,953	-
	Shoaib Ahmed - employee	1,000,000	-
		10,237,519	-
9	**AUDITOR'S REMUNERATION**		
	Audit fees	500,000	34,500
	Out-of-pocket expenses	50,000	-
	Sales tax	82,500	2,760
		632,500	37,260

10 RELATED PARTY TRANSACTIONS

Related parties of the Foundation comprise of Lucky Core Industries Limited (associated company), directors of the Foundation, key management personnel and other group companies. The Foundation has a policy whereby all transactions with related parties are entered into at commercial terms and conditions. Details of transactions with related parties are as follows:

Related Party	Nature of Transaction	2026	2025
		(Rupees)	
Lucky Core PowerGen Limited - associated company	Promoter's contribution	200,000	-
Lucky Core Industries Limited - associated company	Donations received	16,176,165	-
	Promoter's contribution	-	200,000
Asif Jooma - Former Chief Executive Officer	Promoter's contribution	-	200,000
Duke of Edinburgh - associated undertaking	Donation paid	276,975	-

		2026	2025
11	FINANCIAL INSTRUMENTS BY CATEGORY	----------(Rupees)----------	
	Financial assets - at amortised cost		
	Cash at bank	4,181,766	398,504
	Financial liabilities - at amortised cost		
	Accrued expenses and other liabilities	4,132,500	69,660

12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Foundation's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Foundation's financial performance.

12.1 Risk management framework

The Board of Directors has the overall responsibility for establishment and oversight of the Foundation's risk management framework. The management is responsible for developing and monitoring the Foundation's risk management policies. The management meets regularly and any changes and compliance issues are reported to the Directors.

12.2 Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments may fluctuate as a result of changes in market currency rates, interest rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Foundation manages the market risk by monitoring exposure on financial instruments and by following internal risk management policies.

12.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Sensitivity to interest / mark-up rate arises due to mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Foundation manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

a) Sensitivity analysis of fixed rate instruments

As at June 30, 2026, the Foundation does not hold any investment in fixed rate instruments.

b) Sensitivity analysis of variable rate instruments

As at June 30, 2026, the Foundation does not hold any investment in variable rate instruments.

12.2.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Foundation is not exposed to exchange rate risk as of the reporting date.

12.2.3 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is not exposed to other price risk as of the reporting date.

12.3 Credit risk and its concentration

Credit risk represents the risk of loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. Further, the Foundation considers a financial asset to be in default when internal or external information indicates that the Foundation is unlikely to receive the outstanding contractual amounts in full and it is subsequently written off, when there is no reasonable expectation of recovering the contractual cash flows.

The maximum amount of financial assets that are subject to credit risk aggregates Rs. 4,181,766 as at June 30, 2026 (June 30, 2025: Rs. 398,504). The Foundation maintains an internal policy to place funds with reputable banks. The Foundation has placed its funds with a bank which is rated A1+ as per the short-term rating by PACRA, representing good certainty of timely payment.

Concentration of credit risk exists when changes in economic and industry factors similarly affect the group of counter parties whose aggregated credit exposure is significant in relation to the Foundation's total credit exposure. As transactions are entered with credit worthy parties, therefore, any significant concentration of credit risk is mitigated.

12.4 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Foundation's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due. Accordingly, the Foundation maintains sufficient cash and cash equivalents.

The analysis below summarises the Foundation's financial liabilities (based on contractual undiscounted cash flows) into relevant maturity group on the remaining period as at the reporting date:

	2026		
	Carrying amount	Contractual cash flows	Less than 1 year
	(Rupees)		
Accrued expenses and other liabilities	4,132,500	4,132,500	4,132,500

	2025		
	Carrying amount	Contractual cash flows	Less than 1 year
	(Rupees)		
Accrued expenses and other liabilities	69,660	69,660	69,660

13 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As of the reporting dates, the Foundation does not have any financial assets and financial liabilities carried at fair value.

14 NUMBER OF EMPLOYEES

The Foundation is managed by the employees of Lucky Core Industries Limited (associated company).

15 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 02, 2026 by the Board of Directors.

16 GENERAL

16.1 Figures have been rounded off to the nearest Pakistan Rupee.

16.2 Directors of the Foundation are not paid any remuneration by the Foundation or any fee for attending the meetings.

Chief Executive Officer
Samar Hayat

Director