

BAS/C644/25/0915

15 September 2025

The Board of Trustees (the Board)  
Mohatta Palace Gallery Trust (the Trust)  
Karachi

**AUDIT OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

Dear Board Members

We are pleased to enclose 3 copies of the draft financial statements of the Trust 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 person authorized to do so;
- ii) we have received representation letter duly signed by the Curator and Managing Trustee of the Trust; and
- iii) we have seen specific approval of the Board in respect of the following items:

	Rupees
- additions to property and equipment – at cost	10,587,667
- investments made during the year	833,442,213
- Investment disposed during the year	827,935,748
- donations received during the year	42,699,000
- transactions with related parties as disclosed in the financial statements	

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

The responsibilities of the independent auditors are in a usual examination of the financial statements are explained in the International Standard on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for their preparation is primarily that of the Trust's management. 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 Trust. 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.

### 3. OTHER MATTERS

- 3.1 We have been informed by the management that there are no contingencies and commitments other than those disclosed in the financial statements.
- 3.2 We have been informed by the management that there are no transactions with related parties other than those disclosed in the financial statements.
- 3.3 We have been informed by the management that there have been no instances of fraud or irregularities during the year that could have a material effect on these financial statements.
- 3.4 We have been informed by the management that there were no subsequent events having an impact on amounts and / or disclosures on these 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 Trust during the course of our audit.

Yours sincerely



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**Grant Thornton Anjum  
Rahman**

1st & 3rd Floor,  
Modern Motors House,  
Beaumont Road,  
Karachi, Pakistan.

## **INDEPENDENT AUDITOR'S REPORT**

**T** +92 21 35672951-56

**To the Trustees of Mohatta Palace Gallery Trust**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **Mohatta Palace Gallery Trust** (the Trust), which comprise the statement of financial position as at **31 December 2024**, and the income and expenditure account, statement of changes in net assets and the statement of cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan and the requirements of the Trust Deed.

### **Basis for Opinion**

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

### **Responsibility of Management and Those Charged with Governance for the Financial Statements**

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and the requirements of the Trust Deed and Rules of the Trust, and for such internal control as the Trustees determine 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, Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Trustees are responsible for overseeing the Trust 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal controls.
- 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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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: AR202410093crOYyixvg

**MOHATTA PALACE GALLERY TRUST  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024**

	Note	2024 ----- Rupees -----	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	11,403,979	2,770,820
Long term investments	7	<u>36,168,665</u>	<u>36,168,665</u>
		<b>47,572,644</b>	<b>38,939,485</b>
<b>Current assets</b>			
Deposits and prepayments		735,703	596,856
Other receivables		1,786,400	2,202,000
Short term investments	8	<u>222,837,318</u>	<u>217,330,853</u>
Accrued interest on investments		9,177,396	8,977,466
Cash and bank balances	9	<u>10,583,577</u>	<u>6,575,790</u>
		<b>245,120,394</b>	<b>235,682,965</b>
		<b>292,693,038</b>	<b>274,622,450</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued expenses and other liabilities		1,314,952	1,931,451
Taxation		494,831	118,306
		<u>1,809,783</u>	<u>2,049,757</u>
<b>NET ASSETS</b>		<b><u>290,883,255</u></b>	<b><u>272,572,693</u></b>
<b>Represented by:</b>			
Accumulated surplus		<u>290,883,255</u>	<u>272,572,693</u>
<b>CONTINGENCIES</b>	10		

The annexed notes from 1 to 17 form an integral part of these financial statements.



Trustee

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Trustee

**MOHATTA PALACE GALLERY TRUST  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

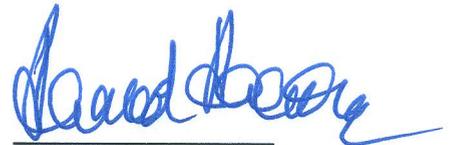
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	<b>Accumulated Surplus Rupees</b>
Balance as at 01 January 2023	251,702,710
Surplus for the year	20,869,983
Balance as at 31 December 2023	<u>272,572,693</u>
Surplus for the year	18,310,562
Balance as at 31 December 2024	<u><u>290,883,255</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.



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MOHATTA PALACE GALLERY TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 ----- Rupees -----	2023 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		23,181,370	20,988,289
<b>Non cash adjustment:</b>			
Interest on investments	13	(50,591,671)	(49,265,368)
Depreciation	6.1	1,954,507	993,052
		(48,637,164)	(48,272,316)
<b>Changes in working capital:</b>			
Deposits and prepayments		(138,847)	1,181
Other receivables		415,600	(1,645,300)
Accrued expenses and other liabilities		(616,499)	1,147,975
		(339,746)	(496,144)
Tax paid		(4,494,282)	(118,306)
<b>Net cash used in operating activities</b>		<b>(30,289,822)</b>	<b>(27,898,477)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to property and equipment		(10,587,667)	(68,000)
Investments matured during the year - net		4,664,965	1,880,522
Interest received on investments		50,391,741	46,330,564
<b>Net cash generated from investing activities</b>		<b>44,469,039</b>	<b>48,143,086</b>
<b>Net increase in cash and cash equivalents</b>		<b>14,179,217</b>	<b>20,244,609</b>
Cash and cash equivalents at the beginning of the year		199,778,372	179,533,763
<b>Cash and cash equivalents at the end of the year</b>	14	<b>213,957,589</b>	<b>199,778,372</b>

The annexed notes from 1 to 17 form an integral part of these financial statements.



Trustee



Trustee

**1 STATUS AND NATURE OF ACTIVITIES**

The Mohatta Palace, was purchased by the Government of Pakistan in 1995 and handed over to the Government of Sindh for its restoration and the establishment of a cultural complex and museum through Mohatta Palace Gallery Trust (the Trust), registered on 05 September 1995 with the District Registrar, Karachi. Headed by the Governor, The Trust comprises 15 members including 10 non-official members. Funds for the restoration and acquisition of collections for the museum are raised by the trustees through private and public grants, donations and other fund raising activities. The possession of Mohatta Palace rests with the trustees. The Trust is a Not-for-profit organization under Section 2(36) of Income Tax Ordinance, 2001 and its surplus, if any, is carried forward to subsequent year and is not available for appropriation.

**2 BASIS OF PREPARATON**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB) as notified by Security and Exchange Commission of Pakistan (SECP);
- Accounting Standard for Not for Profit Organizations (Accounting standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

**3 BASIS OF MEASUREMENT**

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

3.2 These financial statements are presented in Pakistan Rupee which is the Trust's functional currency.

**4 ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, 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 form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Significant accounting estimates and judgements are disclosed in relevant notes.

**5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**5.1 Property and equipment**

These are measured at cost less accumulated depreciation and impairment loss (if any). Depreciation is charged to statement of income and expenditure using the straight line method. A full month's depreciation is charged for asset purchased at any time in a financial year while no depreciation is charged in the month of an asset's disposal. Maintenance and normal repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalized if the recognition criteria is met. Gains and losses on disposal of assets, if any, are included in statement of income and expenditure.

**5.2 Investments**

Investments that are intended to be held till maturity are carried at amortised cost.

**MOHATTA PALACE GALLERY TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**5.3 Cash and cash equivalents**

These are stated at cost.

**5.4 Accrued expenses and other liabilities**

Liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust.

**5.5 Revenue recognition**

Donations are recognised as income as and when received.

Interest on investments is recognised on time proportion basis.

Sales of tickets and books is recognised on accrual basis.

**5.6 Taxation**

**Current**

The Trust is entitled to tax credit under section 100C of the Income Tax Ordinance, 2001. However, during the year the Trust didn't file the income tax return for the year 31 December 2023 within stipulated time to fulfill the conditions to be eligible for income tax exemption under the above section. Accordingly, the said tax exemption was not available to the Trust and, therefore, provision for taxation has been made in these financial statements.

**MOHATTA PALACE GALLERY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**6 PROPERTY AND EQUIPMENT**

Operating Fixed Assets

	2024	2023
Note	----- Rupees -----	----- Rupees -----
6.1	11,403,979	2,770,820

6.1 Operating Fixed Assets

2024

	Cost			Accumulated Depreciation			Written Down Value
	As at 01 January 2024	Additions	As at 31 December 2024	As at 01 January 2024	Charge for the year	As at 31 December 2024	
	Rupees -----			Rupees -----			
Leasehold improvements	19,182,438	-	19,182,438	19,182,438	-	19,182,438	-
Motor Vehicles	2,400,000	9,549,192	11,949,192	960,000	1,434,919	2,394,919	9,554,273
Furniture & Fixtures	2,728,326	-	2,728,326	2,029,346	373,321	2,402,667	325,659
Office & Electrical Equipment	4,279,488	908,475	5,187,963	4,204,288	62,868	4,267,156	920,807
Generators	1,230,000	-	1,230,000	1,230,000	-	1,230,000	-
Computer Equipment	2,526,360	130,000	2,656,360	2,392,720	83,400	2,476,120	180,240
Antiquities	423,000	-	423,000	-	-	-	423,000
	32,769,612	10,587,667	43,357,279	29,998,792	1,954,507	31,953,300	11,403,979

6.1.1 Cost of fully depreciated assets amounts to Rs. 27,091,206 (2023: Rs. 27,091,206).

**MOHATTA PALACE GALLERY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	2023				Rate	2023		Written Down Value As at 31 December 2023
	As at 01 January 2023	Additions	As at 31 December 2023	Rupees		As at 01 January 2023	Charge for the year	
Leasehold improvements	19,182,438	-	19,182,438	33%	19,182,438	-	19,182,438	-
Motor Vehicles	2,400,000	-	2,400,000	20%	480,000	480,000	960,000	1,440,000
Furniture & Fixtures	2,728,326	-	2,728,326	15%	1,656,025	373,321	2,029,346	698,980
Office & Electrical Equipment	4,241,488	38,000	4,279,488	15%	4,134,957	69,331	4,204,288	75,200
Generators	1,230,000	-	1,230,000	20%	1,230,000	-	1,230,000	-
Computer Equipment	2,496,360	30,000	2,526,360	10%	2,322,320	70,400	2,392,720	133,640
Antiquities	423,000	-	423,000	-	-	-	-	423,000
	<u>32,701,612</u>	<u>68,000</u>	<u>32,769,612</u>		<u>29,005,740</u>	<u>993,052</u>	<u>29,998,792</u>	<u>2,770,820</u>

**MOHATTA PALACE GALLERY TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	2023
		----- Rupees -----	
<b>7</b>	<b>LONG TERM INVESTMENTS</b>		
	Pakistan Investment Bonds	<u>36,168,665</u>	<u>36,168,665</u>
7.1	This carries interest rate of 12% per annum and will mature in July 2026.		
<b>8</b>	<b>SHORT TERM INVESTMENTS</b>		
		2024	2023
		----- Rupees -----	
	Market Treasury Bills	8.1 19,463,306	24,128,271
	Certificate of Investments	8.2 203,374,012	193,202,582
		<u>222,837,318</u>	<u>217,330,853</u>
8.1	These carry interest rates ranging from 21.34% - 21.25% (2023: 14.5% - 23.29%) per annum.		
8.2	These carry interest rates ranging from 22.60% - 17.05% (2023: 17.10% - 23.05%) per annum.		
<b>9</b>	<b>CASH AND BANK BALANCES</b>		
		2024	2023
		----- Rupees -----	
	Cash in hand	1,132,039	1,144,822
	Bank balances - current account	9,451,538	5,430,968
		<u>10,583,577</u>	<u>6,575,790</u>
<b>10</b>	<b>CONTINGENCIES</b>		
	During the year ended 31 December 2019, a case was filed in the High Court of Sindh (the Court) against the Government of Sindh claiming that Mohatta Palace should be converted into a Medical Dental College. The Trust was not made a party to the case which is currently pending in the Court. The Trustees, in view of legal advice, believe that there are no merits to this case and expect a favorable outcome in this respect. Accordingly, the Trust will continue to run and manage the operations of Mohatta Palace.		
<b>11</b>	<b>DONATIONS FROM PRIVATE SECTORS</b>		
		2024	2023
		----- Rupees -----	
	Bank Islami Pakistan Limited	4,500,000	-
	National Bank of Pakistan	3,700,000	-
	Habib Bank Limited	3,300,000	-
	Trade Development Authority of Pakistan	3,300,000	-
	Bank Alfalah Limited	3,000,000	-
	Fidelity Insurance Brokers (Private) Limited	3,000,000	-
	Pakistan Beverage Limited	2,700,000	-
	Pakistan Cable Limited	2,200,000	-
	Saylani Welfare Trust	2,000,000	-
	Global Office World	1,500,000	-
	B.Brown Pakistan Limited	1,300,000	-
	Puma Energy Pakistan (Private) Limited	1,000,000	-
	Netherland Embassy	1,000,000	-
	Allied Bank Limited	1,000,000	-
	Nigaah Magazine	800,000	800,000
	Shoukat Khanum Memorial Cancer Hospital	-	1,500,000
	Martin Dow Limited	-	1,000,000
	Others	899,000	400,000
		<u>35,199,000</u>	<u>3,700,000</u>

**MOHATTA PALACE GALLERY TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	2023
	Note	----- Rupees -----	
<b>12</b>	<b>DONATIONS FROM PUBLIC SECTORS</b>		
	Government of Sindh	7,500,000	15,000,000
	Endowment Fund Trust - related party	-	1,380,036
	Pakistan Stock Exchange Limited	-	2,200,000
	Engro Vopak Terminal Limited	-	1,500,000
	Jinnah Postgraduate Medical Centre	-	1,500,000
	Sindh Tourism Development Corporation	-	200,000
		<u>7,500,000</u>	<u>21,780,036</u>
<b>13</b>	<b>OTHER INCOME</b>		
	Interest on investments	50,591,662	49,265,368
	Sale of tickets for exhibitions and events	2,590,300	2,012,550
	Sale of books	1,539,639	2,441,834
	Others	-	235,515
		<u>54,721,601</u>	<u>53,955,267</u>
<b>14</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	Cash and bank balances	9 10,583,577	6,575,790
	Certificate of investments	8 203,374,012	193,202,582
		<u>213,957,589</u>	<u>199,778,372</u>

**15 RELATED PARTY TRANSACTIONS**

Related parties of the Trust comprise of associated companies, trustees and key management personnel of the Trust. Details of the transactions with related parties are disclosed in relevant notes.

	2024	2023
	----- Numbers -----	
<b>16</b>	<b>NUMBER OF EMPLOYEES</b>	
	Average number of employees during the year	<u>35</u> <u>34</u>
	Number of employees as at year end	<u>35</u> <u>34</u>

**17 DATE OF AUTHORIZATION**

These financial statements were authorized for issue on 20 OCT 2025 by the Board of Trustees.

  
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Trustee

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Trustee