



FINANCIAL STATEMENTS  
OF  
KIRAN FOUNDATION  
FOR THE YEAR ENDED  
JUNE 30, 2019

**BDO Ebrahim & Co. Chartered Accountants**

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## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF KIRAN FOUNDATION

### Opinion

We have audited the accompanying financial statements of **KIRAN FOUNDATION** ("the Foundation") which comprise the statement of financial position as at June 30, 2019, the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in accumulated funds together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of **KIRAN FOUNDATION** as at June 30, 2019 and of its financial performance and cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

### Basis of 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 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 ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

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

The management is 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 for such internal control as the management 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, 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.

Those charged with governance 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 those charged with governance 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.

KARACHI

DATED: 12 JAN 2020

*bdo* *BDO Ebrahim & Co.*  
CHARTERED ACCOUNTANTS  
Engagement Partner: Raheel Shahnawaz



**KIRAN FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2019**

	Notes	2019 Rupees	2018 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	89,715,763	99,561,372
Long term loans	5	100,320	354,320
Long term deposits	6	474,000	474,000
Long term investments	7	50,972,237	59,948,484
		<u>141,262,320</u>	<u>160,338,176</u>
<b>CURRENT ASSETS</b>			
Short term investments	8	11,000,000	-
Loans and advances	9	1,510,040	3,859,984
Short term prepayments	10	58,105	11,880
Advance tax		1,232,547	908,951
Cash and bank balances	11	56,700,757	45,368,597
		<u>70,501,449</u>	<u>50,149,412</u>
<b>TOTAL ASSETS</b>		<u><u>211,763,769</u></u>	<u><u>210,487,588</u></u>
<b>EQUITY AND LIABILITIES</b>			
Unrestricted fund		128,182,506	124,791,578
Restricted fund		32,192,510	23,359,713
Fair value reserve on available-for-sale investments		(4,864,192)	(2,487,975)
		<u>155,510,824</u>	<u>145,663,316</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred capital grant	12	53,876,042	61,543,021
<b>CURRENT LIABILITIES</b>			
Accrued expenses		2,376,903	3,281,251
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>211,763,769</u></u>	<u><u>210,487,588</u></u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

  
CHAIRPERSON

  
GENERAL SECRETARY

  
FINANCE SECRETARY

**KIRAN FOUNDATION  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
<b>Unrestricted fund</b>			
Income	14	36,350,772	33,677,370
Program expenses	22	(13,841,854)	(8,805,925)
Administrative expenses	15	(8,314,979)	(4,996,076)
Gross surplus		<u>14,193,939</u>	<u>19,875,369</u>
<b>Restricted funds</b>			
Income transferred from Alumni fund	16	<u>14,951,801</u>	<u>12,104,195</u>
Alumni specific program expenses	17	<u>(14,951,801)</u>	<u>(12,104,195)</u>
		-	-
Income transferred from DCTO School fund	18	<u>48,088,502</u>	<u>58,324,063</u>
DCTO School specific expenses	20	<u>(48,088,502)</u>	<u>(58,324,063)</u>
		-	-
Other income	21	4,180,985	4,067,060
Impairment loss recognised in respect of available-for-sale investment		<u>(14,983,996)</u>	<u>(12,618,355)</u>
Surplus for the year		<u><u>3,390,928</u></u>	<u><u>11,324,074</u></u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

  
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**KIRAN FOUNDATION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>2019 Rupees</b>	<b>2018 Rupees</b>
Surplus for the year	3,390,928	11,324,074
Other comprehensive loss for the year		
Items that will be reclassified to income and expenditure account subsequently		
Unrealized loss on revaluation of available-for-sale investments	(17,360,213)	(2,199,805)
Total comprehensive income for the year	<u>(13,969,285)</u>	<u>9,124,269</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

  
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GENERAL SECRETARY

  
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**KIRAN FOUNDATION  
CASH FLOWS STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019 Rupees	2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	3,390,928	11,324,074
Adjustments for items not involving movement of funds:		
Depreciation	6,655,256	6,625,190
Incremental depreciation on deferred capital grant	7,666,979	7,666,979
Profit on investments	(405,680)	(781,551)
Surplus before working capital changes	17,307,483	24,834,692
<b>Decrease / (Increase) in current assets</b>		
Loans and advances	2,349,944	(3,096,987)
Short term prepayments	(46,225)	403,040
	2,303,719	(2,693,947)
<b>(Decrease) / Increase in current liabilities</b>		
Accrued expenses	(904,348)	2,909,181
Cash generated from operations	18,706,854	25,049,926
Taxes paid	(323,595)	(560,032)
Net cash generated from operating activities	18,383,259	24,489,894
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(4,476,627)	(82,444,828)
Capital work in progress	-	6,121,379
Long term security deposits	-	(202,800)
Long term loans	254,000	65,000
Long term investments	6,600,030	(11,443,209)
Short term investments	(11,000,000)	49,210,000
Profit received on investments	405,680	781,551
Net cash used in investing activities	(8,216,917)	(37,912,907)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Alumni fund received	3,254,320	(3,387,076)
DCTO School fund received	5,578,477	(4,657,084)
Deferred capital grant	(7,666,979)	(7,666,979)
Net cash generated / (used in) from financing activities	1,165,818	(15,711,139)
Net increase / (decrease) in cash and cash equivalents	11,332,160	(29,134,152)
Cash and cash equivalents at the beginning of the year	45,368,597	74,502,749
Cash and cash equivalents at the end of the year	56,700,757	45,368,597

The annexed notes from 1 to 27 form an integral part of these financial statements.

  
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KIRAN FOUNDATION  
STATEMENT OF CHANGES IN ACCUMULATED FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Unrestricted Fund		Restricted Fund			Fair value reserve on available for sale investments	Total
	General fund	General Endowment fund	Alumni fund	Alumni Endowment fund	DCTO School		
-----Rupees-----							
Balance as at June 30, 2017	68,467,504	45,000,000	12,685,785	6,087,218	12,630,870	(6,798,076)	138,073,301
Surplus transferred from income and expenditure account	11,324,074	-	-	-	-	-	11,324,074
Funds received during the year	-	-	7,867,119	850,000	46,000,000	-	54,717,119
Transferred to income and expenditure account	-	-	(12,104,195)	-	(50,657,084)	-	(62,761,279)
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	-	(2,199,805)	(2,199,805)
Impairment loss recognised in respect of available-for-sale investment	-	-	-	-	-	6,509,906	6,509,906
Balance as at June 30, 2018	79,791,578	45,000,000	8,448,709	6,937,218	7,973,786	(2,487,975)	145,663,316
Surplus transferred from income and expenditure account	3,390,928	-	-	-	-	-	3,390,928
Funds received during the year	-	-	15,446,344	2,759,777	46,000,000	-	64,206,121
Transferred to income and expenditure account	-	-	(14,951,801)	-	(40,421,523)	-	(55,373,324)
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	-	(17,360,213)	(17,360,213)
Impairment loss recognised in respect of available-for-sale investment	-	-	-	-	-	14,983,996	14,983,996
Balance as at June 30, 2019	83,182,506	45,000,000	8,943,252	9,696,995	13,552,263	(4,864,192)	155,510,823

The annexed notes from 1 to 27 form an integral part of these financial statements.

  
CHAIRPERSON

  
GENERAL SECRETARY

  
FINANCE SECRETARY

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**KIRAN FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1 NATURE AND STATUS OF BUSINESS**

Kiran Foundation ("the Foundation") was registered on June 19, 2014 under the Societies Registration Act, XXI of 1860. The registered office of the Foundation is situated at Office No. 2, 2nd Floor, OAK Tower, Sultanabad, PIDC, Karachi. The principal activities of the Foundation are to undertake and carry on social and economic well being of the people.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) applicable to non-corporate entities issued by the Institute of Chartered Accountants of Pakistan.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or current value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

**2.3 Functional and presentation currency**

These financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Foundation.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property, plant and equipment**

These are stated at cost less accumulated depreciation less accumulated impairment (if any).

Depreciation / amortization is charged to income applying the straight line method. The rates used are stated in note 4 to the financial statements. In respect of additions during the year depreciation is charged for full year, however, no depreciation is charged in the year of disposal. Profit or loss on disposal of assets is included in income currently.

Normal repairs and maintenance are charged to income as and when incurred.

Gains and losses on disposal of property, plant and equipment are included in the income and expenditure account.

### **3.2 Cash and bank balances**

Cash in hand and at bank are carried at nominal amount.

### **3.3 Financial assets**

#### **3.3.1 Classification**

##### **a) Loans and receivables**

Investment classified as loan and receivables are carried at amortised cost using the effective yield method, less impairment loss, if any.

##### **b) Held to maturity**

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Foundation has a positive intent and ability to hold to maturity.

##### **c) Available for sale**

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or financial assets at fair value through profit or loss.

#### **3.3.2 Initial recognition and measurement**

Investments in securities are initially recognized at cost, being the fair value of the consideration given, including the transaction cost associated with the investment, except in case of investments at fair value through profit or loss, in which case these transaction cost are charged to the income and expenditure account. All regular way of purchases and sale of investments are recognized / derecognized on the trade date.

#### **3.3.3 Subsequent measurement**

Subsequent to initial recognition, financial assets designated by the management as loans and receivables, held to maturity and available for sale are valued as follows:

##### **a) Loans and receivables**

Loans and receivables are carried at amortised cost.

##### **b) Held to maturity**

Subsequent to initial measurement, held to maturity investments are carried at amortised cost.



**c) Available for sale**

Subsequent to initial measurement, available for sale investments are revalued and are remeasured to fair value.

Surplus or deficit arising on changes in fair value of available for sale financial assets are taken to equity until these are derecognised or impaired at which time, the cumulative surplus or deficit previously recognised in equity is transferred to the income and expenditure account.

**3.3.4 Impairment**

The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income and expenditure account.

**3.3.5 Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership attached to such financial assets. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

**3.4 Taxation**

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

The Foundation intends to claim tax credit equal to one hundred per cent of the tax payable under section 100C of Income Tax Ordinance, 2001, including minimum tax and final taxes payable. Therefore, no provision for taxation has been recorded in these financial statements.

**3.5 Government grants**

Grants received from the Government for capital expenditure are credited to "Deferred Capital Grant". Amount equal to the depreciation during the year is transferred to income and expenditure account.

**3.6 Trade and other payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.



### **3.7 Revenue recognition**

#### **(a) Donation and grants**

Donations are recognized as income as and when received. Donations received in kind are recognized at the fair value prevailing at the time of receipt of such donation.

Grants and donations received for revenue expenditure are taken to income and expenditure account.

#### **(b) Return on bank deposits**

Return on bank deposits is accounted for on accrual basis.

### **3.8 Funds**

#### **(a) Restricted funds**

Funds received as granted for specific purposes are classified as restricted fund. For this purpose:

-when grants received are in excess of their outlay, these are recognized income to the extent of related / budgeted expenses incurred. The excess balance is carried forward as restricted fund balance.

-when grants received are less than related expenditure incurred, the balance to the extent of commitment is recognized as receivable, if there is a strong probability of recovery of the contractual receivable from the respective donors.

#### **(b) Unrestricted funds**

Funds received for ongoing operations without any restriction on utilization are classified as unrestricted funds. These funds are recognized as income when received. The expenses incurred against such funds are recognized in the income and expenditure account as and when incurred.

### **3.9 Significant accounting judgments and estimates**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Foundation's accounting policies, management has made significant estimates and judgments that are disclosed in respective notes to the financial statements.

4 PROPERTY PLANT AND EQUIPMENT

	Cost			Rate %	Accumulated depreciation			Written down value as at June 30, 2019
	As at July 01, 2018	Additions	Disposal		As at June 30, 2019	As at July 01, 2018	For the year	
<b>Owned assets</b>								
Land and building	9,685,785	-	-	9,685,785	-	-	-	9,685,785
Leased hold improvements	78,943,302	1,063,960	-	80,007,262	14,921,379	8,000,726	-	22,922,105
Solar energy plant	2,264,350	-	-	2,264,350	568,525	226,435	-	794,960
Furniture and fixtures	8,370,060	929,317	-	9,299,377	1,925,482	1,394,907	-	3,320,389
Auditorium equipments	2,117,500	-	-	2,117,500	1,270,500	317,625	-	1,588,125
Electric equipments	8,479,314	950,050	-	9,429,364	2,305,852	1,414,405	-	3,720,257
Office equipments	6,491,282	69,800	-	6,561,082	1,791,673	984,162	-	2,775,835
Computers	2,433,250	213,000	-	2,646,250	1,985,670	173,695	-	2,159,365
Computer lab	1,025,000	-	-	1,025,000	592,500	153,750	-	746,250
Vehicles	3,780,000	1,015,500	-	4,795,500	1,795,500	719,325	-	2,514,825
Library books	4,380,382	-	-	4,380,382	2,625,807	657,057	-	3,282,865
Sports equipments	1,632,653	235,000	-	1,867,653	258,618	280,148	-	538,766
<b>Total rupees - 2019</b>	<b>129,602,878</b>	<b>4,476,627</b>	<b>-</b>	<b>134,079,505</b>	<b>30,041,506</b>	<b>14,322,235</b>	<b>-</b>	<b>44,363,741</b>
<b>Total rupees - 2018</b>	<b>47,158,050</b>	<b>82,444,828</b>	<b>-</b>	<b>129,602,878</b>	<b>15,749,338</b>	<b>14,292,168</b>	<b>-</b>	<b>89,715,763</b>
<b>Allocation of depreciation</b>		<b>Rupees 2019</b>	<b>Rupees 2018</b>					
DCTO School specific expenses		6,655,256	6,625,190					
Deferred capital grant		7,666,979	7,666,979					
		<b>14,322,235</b>	<b>14,292,169</b>					

	Note	2019 Rupees	2018 Rupees
<b>5 LONG TERM LOANS</b>			
Qard-e-hasna	5.1	<u>100,320</u>	<u>354,320</u>
5.1	This represents amount given by the Foundation to the parents of childrens as a Qard-e-hasna for moral and financial support which is interest free.		
<b>6 LONG TERM DEPOSITS</b>			
Security deposits		<u>474,000</u>	<u>474,000</u>
<b>7 LONG TERM INVESTMENTS</b>			
<b>Available for sale</b>			
Ordinary shares - listed	7.1	22,080,384	30,359,844
Mutual fund units	7.2	22,391,853	29,588,640
Meezan Cash Fund	7.3	6,500,000	-
		<u>50,972,237</u>	<u>59,948,484</u>
<b>7.1 Ordinary shares - listed</b>			
At cost		34,731,785	32,847,819
Adjustment arising from remeasurement to fair value		<u>(12,651,401)</u>	<u>(2,487,975)</u>
	7.1.1	<u>22,080,384</u>	<u>30,359,844</u>

7.1.1 Details of investments in listed ordinary shares are as follows:

2019 Number of shares	2018 Number of shares	Name of Company	Rupees 2019	Rupees 2018
1,850	1,850	Abbot Laboratories (Pakistan) Limited	878,084	1,267,250
720	600	Attock Petroleum Limited	207,727	353,994
64,000	64,000	Aisha Steel Mills Limited	588,801	1,009,280
850	700	Al-Ghazi Tractors Limited	269,732	476,000
200	200	Akzo Nobel Pakistan Limited	20,010	37,352
950	950	Archroma Pakistan Limited	451,394	479,750
3,000	-	Arif Habib Limited	94,890	-
30,000	30,000	Colony Textile Mills Limited	84,300	108,300
1,200	-	Clover Pakistan Limited	96,612	-
525,000	525,000	Dolmen City Real Estate Investment Trust	5,339,250	6,772,500
4,840	4,400	Engro Corporation Limited	1,285,504	1,380,984
13,699	13,699	ENGRO Polymer and Chemicals Limited	369,325	429,601
30,000	30,000	Fauji Cement Company Limited	471,900	685,500
6,000	6,000	Fauji Foods Limited	79,140	193,680
19,000	8,000	Ghani Global Glass Limited	113,810	98,640
2,000	1,000	Ghandhara Industries	174,740	706,690

2019 Number of shares	2018 Number of shares	Name of Company	Rupees 2019	Rupees 2018
10,000	-	Golden Arrow Stock Fund	68,500	-
23,000	23,000	Gul Ahmed Textile Mills Limited	1,083,760	987,390
2,749	1,700	HASCOL Petroleum Limited	188,626	533,392
1,500	1,500	Honda Atlas Cars (Pakistan) Limited	222,480	474,585
9,520	5,600	The General Tyre & Rubber Company	490,375	930,720
12,000	12,000	International Steels Limited	476,520	1,220,400
50,500	50,500	Kot Addu Power Company Limited	1,837,191	2,722,409
15,000	10,000	Lotte Chemical Pakistan Limited	228,750	119,600
314	260	Meezan Bank Limited	27,369	21,247
220	120	Millat Tractors Limited	189,724	142,567
6,000	6,000	Nishat Mills Limited	560,040	845,520
15,000	5,000	Nishat Chunian Power Limited	261,150	140,700
5,600	5,600	Oil & Gas Development Company Limited	736,344	871,472
9,000	9,000	Pioneer Cement Limited	203,851	421,740
700	300	Packages Limited	210,392	146,916
14,000	14,000	Pak Electron Limited	280,280	496,440
1,440	1,200	Pakistan Oilfields Limited	584,482	806,148
5,208	4,340	Pakistan State Oil Company Limited	883,434	1,381,465
12,000	8,000	Pakistan Telecommunication Limited	99,240	91,520
2,000	2,000	Pakistan Synthetics Limited	47,200	50,180
6,820	5,720	Sazgar Engineering Works Limited	1,499,378	1,630,086
13,500	13,500	Sui Northern Gas Pipelines Limited	938,115	1,352,970
10,000	12,500	Unity Foods Limited	103,000	366,000
2,286	1,788	The Searle Company Limited	334,964	606,856
			<u>22,080,384</u>	<u>30,359,844</u>

## 7.2 Mutual fund units

At cost	42,206,995	42,206,995
Adjustment arising from remeasurement to fair value	(19,815,142)	(12,618,355)
	<u>22,391,853</u>	<u>29,588,640</u>

Details of investment in mutual fund units are as follows:

<u>467,178</u>	<u>467,178</u>	AL Meezan Investment Fund	<u>22,391,853</u>	<u>29,588,640</u>
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## 7.3 Meezan cash fund

At fair value	6,500,000	-
	<u>6,500,000</u>	<u>-</u>





## 13.2 Commitments

There were no commitments as at the date of statement of financial position.

		2019 Rupees	2018 Rupees
<b>14</b>	<b>INCOME</b>		
	Donation income	<u>36,350,772</u>	<u>33,677,370</u>
<b>15</b>	<b>ADMINISTRATIVE EXPENSES</b>		
	Utility bills	326,294	130,853
	Training and work shops	18,960	-
	Stationary	147,500	108,908
	Salaries	3,138,113	2,367,000
	Repair and maintenance	698,768	342,083
	Concerts and events	990,115	212,029
	House keeping	361,285	180,379
	Fuel	998,344	398,076
	Food and kitchen	685,828	357,250
	Field trip	-	74,775
	Auditor's remuneration	125,000	125,000
	Consultancy charges	275,000	166,500
	Fee and subscription	366,170	114,970
	Rent expense	157,100	385,910
	Bank charges	20,502	32,343
	Bad debt expense	6,000	-
		<u>8,314,979</u>	<u>4,996,076</u>
<b>16</b>	<b>INCOME TRANSFERRED FROM ALUMNI FUND</b>		
	Income transferred to income and expenditure account	16.1 <u>14,951,801</u>	<u>12,104,195</u>
16.1	This represents income transferred form Alumni fund against which donation is received by the Foundation from donors for the purpose of education and other related expenses of the children as specified by the donors.		
<b>17</b>	<b>ALUMNI SPECIFIC PROGRAM EXPENSES</b>		
	Convéyance charges	1,568,300	1,540,650
	Eid expenses	1,561,195	1,627,105
	School fees	9,123,732	7,646,469
	Field trip	1,326,651	520,768
	School uniforms and course books	1,371,923	769,203
		<u>14,951,801</u>	<u>12,104,195</u>

		2019 Rupees	2018 Rupees
<b>18</b>	<b>INCOME TRANSFERRED FROM DCTO SCHOOL FUND</b>		
	Income transferred to income and expenditure account	19.1 40,421,523	50,657,084
	Amortization of deferred capital grant	12.1 7,666,979	7,666,979
		<u>48,088,502</u>	<u>58,324,063</u>
19.1	This represents income transferred from DCTO School fund against which donation is received by the Foundation from Government of Sindh for the purpose of education and other related expenses of the children.		
<b>20</b>	<b>DCTO SCHOOL SPECIFIC EXPENSES</b>		
	Renovation expenses	-	3,310,954
	Utility bills	130,990	565,085
	Training and workshop	96,800	397,750
	Stationery	739,122	1,117,159
	Salaries	26,644,166	28,500,888
	Repair and maintenance	2,655,115	3,358,556
	Concerts and events	660,513	1,742,587
	Housekeeping	282,830	545,540
	Conveyance and travelling	73,394	161,237
	Fuel	1,169,355	1,935,906
	Food and kitchen	243,928	386,502
	Field trip	51,000	682,281
	Depreciation expense	14,322,235	14,292,169
	Consultancy	165,000	110,000
	Fee and subscription	660,227	371,109
	Security charges	193,827	846,340
		<u>48,088,502</u>	<u>58,324,063</u>
<b>21</b>	<b>OTHER INCOME</b>		
	Interest income	467,914	1,063,180
	Profit on investment	405,680	781,551
	Others	196,662	308,856
	Exchange gain	1,067,127	415,548
	Dividend income	2,043,602	1,497,925
		<u>4,180,985</u>	<u>4,067,060</u>

22	<b>PROGRAM EXPENSES</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>
	Tuck shop	508,491	193,780
	Community help	6,524,350	5,738,040
	Roadside café	-	513,171
	Kiran evening school	1,913,566	2,193,200
	Wellness programs	2,346,733	167,734
	Nafeesa forum	1,297,057	-
	Beyond the school	405,045	-
	Scholarships	310,500	-
	Plantation drive	402,792	-
	Dareechay	133,320	-
		<u>13,841,854</u>	<u>8,805,925</u>

## 23 FINANCIAL INSTRUMENTS RELATED DISCLOSURES

### 23.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As of balance sheet date, the Foundation is not exposed to any foreign currency risk arising due to foreign exchange fluctuation.

### 23.2 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management believes that the Foundation is not exposed to any significant level of liquidity risk.

### 23.3 Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. The Foundation manages this risk through having exposures only to those parties, which are considered to be credit worthy, and obtaining security deposits wherever applicable. All the financial assets of the Foundation except for cash in hand are exposed to credit risk.

### 23.4 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the interest rates. The Foundation manages this risk through risk management strategies.

At the reporting date, the interest rate profile of the Foundation's significant financial assets is as follows:



<b>Variable rate instruments</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>
Balances maintained with banks	61,172,436	41,007,388

The rates of interest have been disclosed in the respective notes to the financial statements.

### 23.5 Fair value of financial instruments

The carrying value of all the financial assets and financial liabilities are estimated to approximate their fair values.

### 24 TRANSACTIONS WITH RELATED PARTIES

Related parties includes associated companies / undertakings, other related undertakings / persons and key management personnel. The Foundation in normal course of business carries out transactions with various related parties.

<b>Relation with the Foundation</b>	<b>Nature of transactions</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>
Director	Donation received	1,693,000	770,000
Associated undertaking	Donation received	1,650,000	850,000

<b>25 NUMBER OF EMPLOYEES</b>	<b>2019</b>	<b>2018</b>
Number of employees as at June 30,	121	135
Average number of employees during the year	128	125


### 26 DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Foundation authorized these financial statements for issue on  
12 JAN 2020.

### 27 GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.

  
CHAIRPERSON

  
GENERAL SECRETARY

  
FINANCE SECRETARY