



**FINANCIAL STATEMENTS
OF
KIRAN FOUNDATION
FOR THE YEAR ENDED
JUNE 30, 2020**

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BOARD OF KIRAN FOUNDATION

Opinion

We have audited the accompanying financial statements of **KIRAN FOUNDATION** ("the Foundation") which comprise the balance sheet as at June 30, 2020, the related income and expenditure account, statement of comprehensive income, statement of cashflows 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, 2020 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: 05 JAN 2021



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

**KIRAN FOUNDATION
BALANCE SHEET
AS AT JUNE 30, 2020**

	Notes	2020 Rupees	2019 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	75,980,778	89,715,763
Capital work in progress	5	4,000,000	-
Long term loans	6	50,320	100,320
Long term deposits	7	745,600	474,000
Long term investments	8	59,214,266	50,972,237
		<u>139,990,964</u>	<u>141,262,320</u>
CURRENT ASSETS			
Short term investments	9	53,000,000	11,000,000
Loans and advances	10	876,509	1,510,040
Short term prepayments	11	104,326	58,105
Advance tax		1,670,927	1,232,547
Cash and bank balances	12	38,492,804	56,700,757
		<u>94,144,566</u>	<u>70,501,449</u>
TOTAL ASSETS		<u><u>234,135,530</u></u>	<u><u>211,763,769</u></u>
EQUITY AND LIABILITIES			
Unrestricted fund		153,438,188	128,182,506
Restricted fund		39,247,213	32,192,510
Fair value reserve on available-for-sale investments		(5,033,934)	(4,864,192)
		<u>187,651,467</u>	<u>155,510,824</u>
NON CURRENT LIABILITIES			
Deferred capital grant	13	46,209,063	53,876,042
CURRENT LIABILITIES			
Accrued expenses		275,000	2,376,903
TOTAL EQUITY AND LIABILITIES		<u><u>234,135,530</u></u>	<u><u>211,763,769</u></u>
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes from 1 to 29 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, 2020**

	Note	2020 Rupees	2019 Rupees
Unrestricted fund			
Income	15	92,749,371	36,350,772
Program expenses	22	(62,829,463)	(13,841,854)
Administrative expenses	16	(9,169,840)	(8,314,979)
Gross surplus		20,750,068	14,193,939
Restricted funds			
Income transferred from Alumni fund	17	13,331,215	14,951,801
Alumni specific program expenses	18	(13,331,215)	(14,951,801)
		-	-
Income transferred from DCTO School fund	19	49,798,397	48,088,502
DCTO School specific expenses	20	(49,798,397)	(48,088,502)
		-	-
Other income	21	4,093,843	4,180,985
Reversal / (impairment loss) recognised in respect of available-for-sale investment		411,771	(14,983,996)
Surplus for the year		25,255,682	3,390,928

The annexed notes from 1 to 29 form an integral part of these financial statements.


CHAIRPERSON


GENERAL SECRETARY

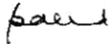

FINANCE SECRETARY

**KIRAN FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**

	2020	2019
	Rupees	Rupees
Surplus for the year	25,255,682	3,390,928
Other comprehensive income for the year		
Items that will be reclassified to income and expenditure account subsequently		
Unrealized loss on revaluation of available-for-sale investments	(169,742)	(17,360,213)
Total comprehensive income for the year	<u>25,085,940</u>	<u>(13,969,285)</u>

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CHAIRPERSON

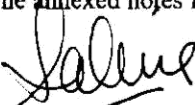

GENERAL SECRETARY


FINANCE SECRETARY

**KIRAN FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	25,255,682	3,390,928
Adjustments for items not involving movement of funds:		
Depreciation	6,924,152	6,655,256
Incremental depreciation on deferred capital grant	7,666,979	7,666,979
Reversal of impairment	(411,771)	-
Loss on disposal	36,000	-
Profit on investments	(1,623,305)	(405,680)
Surplus before working capital changes	<u>37,847,737</u>	<u>17,307,483</u>
Decrease / (Increase) in current assets		
Loans and advances	633,531	2,349,944
Short term prepayments	(46,221)	(46,225)
	587,310	2,303,719
Decrease in current liabilities		
Accrued expenses	(2,101,903)	(904,348)
Cash generated from operations	<u>36,333,144</u>	<u>18,706,854</u>
Taxes paid	(438,381)	(323,595)
Net cash generated from operating activities	<u>35,894,763</u>	<u>18,383,259</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(907,145)	(4,476,627)
Sale proceed from disposal of property and equipment	15,000	-
Capital work in progress	(4,000,000)	-
Long term security deposits	(271,600)	-
Long term loans	50,000	254,000
Long term investments	(8,000,000)	6,600,030
Short term investments	(42,000,000)	(11,000,000)
Profit received on investments	1,623,305	405,680
Net cash used in investing activities	<u>(53,490,440)</u>	<u>(8,216,917)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Alumni fund received	3,186,121	3,254,320
DCTO School fund received	3,868,582	5,578,477
Deferred capital grant	(7,666,979)	(7,666,979)
Net cash (used in) / generated from financing activities	<u>(612,276)</u>	<u>1,165,818</u>
Net (decrease) / increase in cash and cash equivalents	<u>(18,207,953)</u>	<u>11,332,160</u>
Cash and cash equivalents at the beginning of the year	56,700,757	45,368,597
Cash and cash equivalents at the end of the year	<u>38,492,804</u>	<u>56,700,757</u>

The annexed notes from 1 to 29 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, 2020**

	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, 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)	155,510,824
Surplus transferred from income and expenditure account	25,255,682	-	-	-	-	-	25,255,682
Funds received during the year	-	-	16,517,336	-	46,000,000	-	62,517,336
Transferred to income and expenditure account	-	-	(13,331,215)	-	(42,131,418)	-	(55,462,633)
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	-	(169,742)	(169,742)
Balance as at June 30, 2020	108,438,188	45,000,000	12,129,373	9,696,995	17,420,845	(5,033,934)	187,651,467

The annexed notes from 1 to 29 form an integral part of these financial statements.


CHAIRPERSON


GENERAL SECRETARY


FINANCE SECRETARY

**KIRAN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 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.

Normal repairs and maintenance are charged to income and expenditure account 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.

(c) Other income

Dividend income is accounted for as and when the right to receive is established.

Markup income is recognized on accrual basis.

Unrealised (loss) / gain on revaluation of investments classified as financial assets at fair value through profit or loss is included in the statement of profit or loss in the year in which it arises.

Gains or losses on sale of securities are included in the profit or loss account in the period in which they arise.

Profit on investments are 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 AND EQUIPMENT

	Cost			Rate %	Accumulated depreciation			Written down value as at June 30, 2020
	As at July 01, 2019	Additions	Disposal		As at June 30, 2020	As at July 01, 2019	For the year	
Owned assets								
Land and building	9,685,785	-	-	9,685,785	-	-	-	9,685,785
Leased hold improvements	80,007,262	193,920	(16,200)	80,184,982	22,922,105	8,018,498	(16,200)	49,260,579
Solar energy	2,264,350	-	-	2,264,350	794,960	226,435	-	1,242,955
Furniture and fixtures	9,299,377	504,725	-	9,804,102	3,320,389	1,470,615	-	5,013,098
Auditorium equipments	2,117,500	-	-	2,117,500	1,588,125	317,625	-	211,750
Electric equipments	9,429,364	38,500	(60,000)	9,407,864	3,720,257	1,411,180	(9,000)	4,285,427
Office equipments	6,561,082	60,000	-	6,621,082	2,775,835	993,162	-	2,852,085
Computers	2,646,250	-	-	2,646,250	2,159,365	326,835	-	160,050
Computer lab	1,025,000	-	-	1,025,000	746,250	153,750	-	125,000
Vehicles	4,795,500	-	-	4,795,500	2,514,825	719,325	-	1,561,350
Library books	4,380,382	-	-	4,380,382	3,282,865	657,057	-	440,460
Sports equipments	1,867,653	110,000	-	1,977,653	538,766	296,648	-	1,142,239
Total rupees - 2020	134,079,505	907,145	(76,200)	134,910,450	44,363,742	14,591,131	(25,200)	75,980,778
Total rupees - 2019	129,602,878	4,476,627	-	134,079,505	30,041,506	14,322,235	-	89,715,763

	Rupees 2020	Rupees 2019
Allocation of depreciation		
DCTO School specific expenses	6,924,152	6,655,256
Deferred capital grant	7,666,979	7,666,979
	<u>14,591,131</u>	<u>14,322,235</u>

	Note	2020 Rupees	2019 Rupees
5 CAPITAL WORK IN PROGRESS			
Advance against property	5.1	<u>4,000,000</u>	<u>-</u>
6 LONG TERM LOANS			
Qard-e-hasna	6.1	<u>50,320</u>	<u>100,320</u>
6.1 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.			
7 LONG TERM DEPOSITS			
Security deposits		<u>745,600</u>	<u>474,000</u>
8 LONG TERM INVESTMENTS			
Available for sale			
Ordinary shares - listed	8.1	21,898,929	22,080,384
Mutual fund units	8.2	22,803,624	22,391,853
Meezan Cash Fund	8.3	14,511,713	6,500,000
		<u>59,214,266</u>	<u>50,972,237</u>
8.1 Ordinary shares - listed			
At cost		34,731,785	34,731,785
Adjustment arising from remeasurement to fair value		(12,832,856)	(12,651,401)
	8.1.1	<u>21,898,929</u>	<u>22,080,384</u>

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

2020 Number of shares	2019 Name of Company	Rupees 2020	Rupees 2019
1,850	1,850 Abbot Laboratories (Pakistan) Limited	1,226,550	878,084
720	720 Attock Petroleum Limited	219,744	207,727
64,000	64,000 Aisha Steel Mills Limited	589,440	588,801
850	850 Al-Ghazi Tractors Limited	298,920	269,732
200	200 Akzo Nobel Pakistan Limited	54,000	20,010
950	950 Archroma Pakistan Limited	559,930	451,394
3,000	3,000 Arif Habib Limited	97,590	94,890
30,000	30,000 Colony Textile Mills Limited	120,000	84,300
1,500	1,200 Clover Pakistan Limited	142,620	96,612

2020	2019		Rupees 2020	Rupees 2019
Number of shares		Name of Company		
525,000	525,000	Dolmen City Real Estate Investment Trust	5,717,250	5,339,250
4,840	4,840	Engro Corporation Limited	1,417,732	1,285,504
13,699	13,699	Engro Polymer and Chemicals Limited	342,201	369,325
30,000	30,000	Fauji Cement Company Limited	506,400	471,900
6,000	6,000	Fauji Foods Limited	56,700	79,140
19,000	19,000	Ghani Global Glass Limited	227,240	113,810
2,000	2,000	Ghandhara Industries	242,000	174,740
10,000	10,000	Golden Arrow Stock Fund	77,766	68,500
27,600	23,000	Gul Ahmed Textile Mills Limited	790,188	1,083,760
2,749	2,749	Hascol Petroleum Limited	37,386	188,626
1,500	1,500	Honda Atlas Cars (Pakistan) Limited	290,520	222,480
11,424	9,520	The General Tyre & Rubber Company	679,728	490,375
12,000	12,000	International Steels Limited	619,800	476,520
50,500	50,500	Kot Addu Power Company Limited	1,017,575	1,837,191
15,000	15,000	Lotte Chemical Pakistan Limited	149,250	228,750
314	314	Meezan Bank Limited	21,619	27,369
247	220	Millat Tractors Limited	174,422	189,724
6,000	6,000	Nishat Mills Limited	468,060	560,040
15,000	15,000	Nishat Chunian Power Limited	226,800	261,150
5,600	5,600	Oil & Gas Development Company Limited	610,400	736,344
9,000	9,000	Pioneer Cement Limited	567,360	203,851
700	700	Packages Limited	243,047	210,392
14,000	14,000	Pak Electron Limited	321,020	280,280
1,440	1,440	Pakistan Oilfields Limited	504,907	584,482
6,249	5,208	Pakistan State Oil Company Limited	988,342	883,434
12,000	12,000	Pakistan Telecommunication Limited	106,560	99,240
2,000	2,000	Pakistan Synthetics Limited	32,120	47,200
6,820	6,820	Sazgar Engineering Works Limited	849,703	1,499,378
13,500	13,500	Sui Northern Gas Pipelines Limited	737,100	938,115
10,000	10,000	Unity Foods Limited	111,500	103,000
2,286	2,286	The Searle Company Limited	455,439	334,964
			<u>21,898,929</u>	<u>22,080,384</u>

8.2 Mutual fund units

At cost		42,206,995	42,206,995
Adjustment arising from remeasurement to fair value		(19,403,371)	(19,815,142)
		<u>22,803,624</u>	<u>22,391,853</u>

Details of investment in mutual fund units are as follows:

<u>488,443</u>	<u>467,178</u>	AL Meezan Investment Fund	<u>22,803,624</u>	<u>22,391,853</u>
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8.3 Meezan cash fund

At cost		14,500,000	6,500,000
Adjustment arising from remeasurement to fair value		11,713	-
		<u>14,511,713</u>	<u>6,500,000</u>

2020	2019			Rupees	Rupees
Number of shares		Name of Company	Note	2020	2019
287,388	128,888	Meezan Cash Fund		14,511,713	6,500,000

Details of investment in Meezan cash fund are as follows:

9 SHORT TERM INVESTMENTS

Certificate of Islamic Investment					
Meezan Bank Limited			9.1	47,000,000	11,000,000
Bank Islami				6,000,000	-
				<u>53,000,000</u>	<u>11,000,000</u>

9.1 This certificate carried markup at the rates ranging from 4.73% to 5.91% (2019: 4% to 5%) per annum having maturity of one year.

10 LOANS AND ADVANCES

Unsecured - considered good					
Loan to staff				716,509	834,450
Advances to vendors				10,000	672,390
Advances to staff				150,000	3,200
				<u>876,509</u>	<u>1,510,040</u>

11 SHORT TERM PREPAYMENTS

Prepaid expenses				<u>104,326</u>	<u>58,105</u>
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12 BANK BALANCES

Cash in hand				-	12,713
Current accounts				7,155,164	6,515,608
Saving accounts			12.1	31,337,640	50,172,436
				<u>38,492,804</u>	<u>56,700,757</u>

12.1 The saving accounts carry markup at the rates ranging from 2.5% to 4% (2019: 2.5% to 4%) per annum.

	2020	2019
	Rupees	Rupees
13 DEFERRED CAPITAL GRANT		
Capital grant	53,876,042	61,543,021
Incremental depreciation	<u>(7,666,979)</u>	<u>(7,666,979)</u>
	<u><u>46,209,063</u></u>	<u><u>53,876,042</u></u>
13.1 The Foundation received an amount of Rs. 69.21 million from Government of Sindh under initiative of Sindh Education Program as a capital grant for construction of DCTO Campus School, Karachi. The grant will be credited to income over the useful life of the asset after construction of building and when it will become available for use.		
14 CONTINGENCIES AND COMMITMENTS		
14.1 Contingencies		
There were no contingencies as at the date of balance sheet (2019:Nil).		
14.2 Commitments		
There were no commitments as at the date of balance sheet (2019:Nil).		
15 INCOME		
Donation income	<u>92,749,371</u>	<u>36,350,772</u>
16 ADMINISTRATIVE EXPENSES		
Salaries	2,894,117	3,138,113
Utility bills	447,417	326,294
Training and work shops	29,000	18,960
Stationary	468,032	147,500
Repair and maintenance	827,856	698,768
Concerts and events	1,378,632	990,115
House keeping	207,606	361,285
Fuel	968,952	998,344
Food and kitchen	601,079	685,828
Exchange loss	200,239	-
Loss on disposal	36,000	-
Auditor's remuneration	125,000	125,000

	2020	2019
	Rupees	Rupees
Consultancy charges	300,000	275,000
Fee and subscription	484,271	366,170
Rent expense	174,000	157,100
Bank charges	10,639	20,502
Bad debt expense	17,000	6,000
	<u>9,169,840</u>	<u>8,314,979</u>

17 INCOME TRANSFERRED FROM ALUMNI FUND

Income transferred to income and expenditure account	17.1	<u>13,331,215</u>	<u>14,951,801</u>
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- 17.1 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.

18 ALUMNI SPECIFIC PROGRAM EXPENSES

Conveyance charges	1,158,313	1,568,300
Eid expenses	20,000	1,561,195
School fees	9,789,788	9,123,732
Field trip	750,510	1,326,651
School uniforms and course books	1,612,604	1,371,923
	<u>13,331,215</u>	<u>14,951,801</u>

19 INCOME TRANSFERRED FROM DCTO SCHOOL FUND

Income transferred to income and expenditure account	19.1	42,131,418	40,421,523
Amortization of deferred capital grant	13.1	7,666,979	7,666,979
		<u>49,798,397</u>	<u>48,088,502</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.

	2020 Rupees	2019 Rupees
20 DCTO SCHOOL SPECIFIC EXPENSES		
Salaries	28,715,686	26,644,166
Utility bills	177,880	130,990
Training and workshop	1,500	96,800
Stationery	882,863	739,122
Repair and maintenance	1,272,780	2,655,115
Concerts and events	206,384	660,513
Housekeeping	212,808	282,830
Conveyance and travelling	116,040	73,394
Fuel	1,522,155	1,169,355
Food and kitchen	88,388	243,928
Field trip	31,320	51,000
Depreciation	14,591,131	14,322,235
Consultancy	127,777	165,000
Fee and subscription	495,955	660,227
COVID-19 testing kits	1,355,730	-
Security charges	-	193,827
	<u>49,798,397</u>	<u>48,088,502</u>
21 OTHER INCOME		
Interest income	885,274	467,914
Profit on investment	1,623,305	405,680
Others	-	196,662
Exchange gain	-	1,067,127
Dividend income	1,585,264	2,043,602
	<u>4,093,843</u>	<u>4,180,985</u>
22 PROGRAM EXPENSES		
Tuck shop	53,380	508,491
Kiran Ibtadai school	207,597	-
Community help	10,294,813	6,524,350
Kiran evening school	2,204,667	1,913,566
Wellness programs	1,151,416	2,346,733
Nafeesa forum	627,819	1,297,057
Beyond the school	1,555,696	405,045
Scholarships	581,995	310,500
Ashiyana rehabilitation	6,101,140	-

	2020	2019
	Rupees	Rupees
COVID-19 ration and suits	40,050,940	-
Plantation drive	-	402,792
Dareechay	-	133,320
	<u>62,829,463</u>	<u>13,841,854</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 statement of financial position, 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. 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:

Variable rate instruments

Balances maintained with banks	84,337,640	61,172,436
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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.

Relation with the Foundation	Nature of transactions	2020 Rupees	2019 Rupees
Director	Donation received	2,276,850	1,693,000
Associated undertaking	Donation received	300,000	1,650,000

25 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. However, no significant reclassification has been made during the year.

26 IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Foundation's financial statements.

27 NUMBER OF EMPLOYEES	2020	2019
Number of employees as at June 30,	133	121
Average number of employees during the year	130	128

28 DATE OF AUTHORIZATION FOR ISSUE

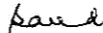
The Board of Directors of the Foundation authorized these financial statements for issue on 05 JAN 2021.

29 GENERAL

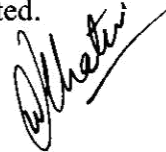
Figures have been rounded off to the nearest rupee unless otherwise stated.



CHAIRPERSON



GENERAL SECRETARY



FINANCE SECRETARY