

## 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, 2021, 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, 2021 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: 27 DEC 2021

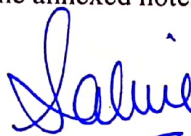


CHARTERED ACCOUNTANTS  
Engagement Partner: Zulfikar Ali Causer

**KIRAN FOUNDATION  
BALANCE SHEET  
AS AT JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	68,639,789	75,980,778
Capital work in progress	5	9,500,000	4,000,000
Long term loans	6	21,000	50,320
Long term deposits	7	791,365	745,600
Long term investments	8	85,344,652	59,214,266
		<u>164,296,806</u>	<u>139,990,964</u>
<b>CURRENT ASSETS</b>			
Short term investments	9	101,000,000	53,000,000
Loans and advances	10	563,739	876,509
Short term prepayments	11	25,187	104,326
Advance tax		2,555,018	1,670,927
Cash and bank balances	12	18,072,858	38,492,804
		<u>122,216,802</u>	<u>94,144,566</u>
		<u>286,513,608</u>	<u>234,135,530</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
Unrestricted fund		191,594,965	153,438,188
Restricted fund		42,048,564	39,247,213
Fair value reserve on available-for-sale investments		11,096,452	(5,033,934)
		<u>244,739,981</u>	<u>187,651,467</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred capital grant	13	38,542,084	46,209,063
<b>CURRENT LIABILITIES</b>			
Accrued expenses		3,231,543	275,000
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>286,513,608</u>	<u>234,135,530</u>

The annexed notes from 1 to 28 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, 2021**

	Note	2021 Rupees	2020 Rupees
<b>Unrestricted fund</b>			
Income	15	120,628,440	92,749,371
Program expenses	22	(74,731,527)	(62,829,463)
Administrative expenses	16	(14,231,359)	(9,169,840)
Gross surplus		31,665,554	20,750,068
<b>Restricted funds</b>			
Income transferred from Alumni fund	17	15,184,257	13,331,215
Alumni specific program expenses	18	(15,184,257)	(13,331,215)
Income transferred from DCTO School fund	19	48,701,889	49,798,397
DCTO School specific expenses	20	(48,701,889)	(49,798,397)
Other income	21	6,491,223	4,093,843
Reversal recognised in respect of available-for-sale investment		-	411,771
Surplus for the year		38,156,777	25,255,682

The annexed notes from 1 to 28 form an integral part of these financial statements.

  
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FINANCE SECRETARY

**KIRAN FOUNDATION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
Surplus for the year		38,156,777	25,255,682
Other comprehensive income / (loss) for the year			
Items that will be reclassified to income and expenditure account subsequently			
Unrealized gain / (loss) on revaluation of available-for-sale investments		16,130,386	(169,742)
Total comprehensive income for the year		54,287,163	25,085,940

The annexed notes from 1 to 28 form an integral part of these financial statements.

  
CHAIRPERSON

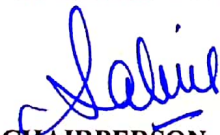
  
GENERAL SECRETARY

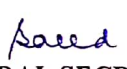
  
FINANCE SECRETARY

**KIRAN FOUNDATION  
CASH FLOWS STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2021**

	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	38,156,777	25,255,682
Adjustments for items not involving movement of funds:		
Depreciation	6,979,737	6,924,152
Incremental depreciation on deferred capital grant	7,666,979	7,666,979
Reversal of impairment	-	(411,771)
Loss on disposal	183,220	36,000
Profit on investments	(2,181,287)	(1,623,305)
Surplus before working capital changes	<u>50,805,426</u>	<u>37,847,737</u>
<b>Decrease / (increase) in current assets</b>		
Loans and advances	312,770	633,531
Short term prepayments	79,139	(46,221)
	391,909	587,310
<b>Increase / (decrease) in current liabilities</b>		
Accrued expenses	2,956,543	(2,101,903)
Cash generated from operations	<u>54,153,878</u>	<u>36,333,144</u>
Taxes paid	(884,091)	(438,381)
Net cash generated from operating activities	<u>53,269,787</u>	<u>35,894,763</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(7,585,797)	(907,145)
Sale proceeds from disposal of property and equipment	96,850	15,000
Capital work in progress	(5,500,000)	(4,000,000)
Long term security deposits	(45,765)	(271,600)
Long term loans	29,320	50,000
Long term investments	(10,000,000)	(8,000,000)
Short term investments	(48,000,000)	(42,000,000)
Profit received on investments	2,181,287	1,623,305
Net cash used in investing activities	<u>(68,824,105)</u>	<u>(53,490,440)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Alumni fund received	(2,163,739)	3,186,121
DCTO School fund received	4,965,090	3,868,582
Deferred capital grant	(7,666,979)	(7,666,979)
Net cash used in financing activities	<u>(4,865,628)</u>	<u>(612,276)</u>
Net decrease in cash and cash equivalents	<u>(20,419,946)</u>	<u>(18,207,953)</u>
Cash and cash equivalents at the beginning of the year	<u>38,492,804</u>	<u>56,700,757</u>
Cash and cash equivalents at the end of the year	<u><u>18,072,858</u></u>	<u><u>38,492,804</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

  
CHAIRPERSON


  
GENERAL SECRETARY

  
FINANCE SECRETARY


**KIRAN FOUNDATION**  
**STATEMENT OF CHANGES IN ACCUMULATED FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	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		
Balance as at July 01, 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
Surplus transferred from income and expenditure account	38,156,777	-	-	-	-	-	38,156,777
Funds received during the year	-	-	12,920,518	100,000	46,000,000	-	59,020,518
Transferred to income and expenditure account	-	-	(15,184,257)	-	(41,034,910)	-	(56,219,167)
Unrealized gain on remeasurement of available for sale investments	-	-	-	-	-	16,130,386	16,130,386
Balance as at June 30, 2021	146,594,965	45,000,000	9,865,634	9,796,995	22,385,935	11,096,452	244,739,981

The annexed notes from 1 to 28 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, 2021**

**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 Street 10, Shah Abdul Latif Bhittai Road, Block A, Nayabad, Lyari Town, 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

**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.



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 profit or loss 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 balance sheet 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

**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 and minimum 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, 2021	
	As at July 01, 2020	Additions	Disposal		As at June 30, 2021	As at July 01, 2020	For the year	Adjustment		As at June 30, 2021
<b>Owned assets</b>										
Land and building	9,685,785	-	-	9,685,785	-	-	-	38,942,901	41,242,081	
Leased hold improvements	80,184,982	-	-	80,184,982	10%	30,924,403	8,018,498	1,247,830	1,016,520	
Solar energy plant	2,264,350	-	-	2,264,350	10%	1,021,395	226,435	-	3,686,858	
Furniture and fixtures	9,804,102	-	-	9,804,102	15%	4,791,004	1,326,240	-	-	
Auditorium equipments	2,117,500	-	-	2,117,500	15%	1,905,750	211,750	-	4,624,506	
Electric equipments	9,407,864	2,091,797	(1,108,440)	10,391,221	15%	5,122,437	1,524,648	(880,370)	1,988,324	
Office equipments	6,621,082	74,000	-	6,695,082	15%	3,768,997	937,761	-	250,900	
Computers	2,646,250	328,000	(565,800)	2,408,450	30%	2,486,200	185,150	(513,800)	20,000	
Computer lab	1,025,000	-	-	1,025,000	15%	900,000	105,000	-	4,597,775	
Vehicles	4,795,500	5,022,000	-	9,817,500	15%	3,234,150	1,363,625	-	5,219,725	
Library books	4,380,382	-	-	4,380,382	15%	3,939,922	440,460	-	-	
Sports equipments	1,977,653	70,000	-	2,047,653	15%	835,414	307,149	-	905,090	
<b>Total rupees - 2021</b>	<b>134,910,450</b>	<b>7,585,797</b>	<b>(1,674,240)</b>	<b>140,822,007</b>		<b>58,929,672</b>	<b>14,646,716</b>	<b>(1,394,170)</b>	<b>72,182,218</b>	<b>68,639,789</b>
<b>Total rupees - 2020</b>	<b>134,079,505</b>	<b>907,145</b>	<b>(76,200)</b>	<b>134,910,450</b>		<b>44,363,742</b>	<b>14,591,131</b>	<b>(25,200)</b>	<b>58,929,672</b>	<b>75,980,778</b>

Allocation of depreciation

	Rupees 2021	Rupees 2020
DCTO School specific expenses	6,979,737	6,924,152
Deferred capital grant	7,666,979	7,666,979
	<u>14,646,716</u>	<u>14,591,131</u>

	Note	2021 Rupees	2020 Rupees
<b>5 CAPITAL WORK IN PROGRESS</b>			
Advance against property		<u>9,500,000</u>	<u>4,000,000</u>
5.1 This represents amount given to supplier against purchase of property.			
<b>6 LONG TERM LOANS</b>			
Qard-e-hasna	6.1	<u>21,000</u>	<u>50,320</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.			
<b>7 LONG TERM DEPOSITS</b>			
Security deposits		<u>791,365</u>	<u>745,600</u>
<b>8 LONG TERM INVESTMENTS</b>			
<b>Available for sale</b>			
Ordinary shares - listed	8.1	30,237,274	21,898,929
Mutual fund units	8.2	30,955,612	22,803,624
Meezan cash fund	8.3	24,151,766	14,511,713
		<u>85,344,652</u>	<u>59,214,266</u>
<b>8.1 Ordinary shares - listed</b>			
At cost		34,731,785	34,731,785
Adjustment arising from remeasurement to fair value		<u>(4,494,511)</u>	<u>(12,832,856)</u>
		<u>30,237,274</u>	<u>21,898,929</u>

Details of investments in listed ordinary shares are as follows:

Number of shares		Name of Company	2021	2020
2021	2020			
1,850	1,850	Abbot Laboratories (Pakistan) Limited	1,465,866	1,226,550
720	720	Attock Petroleum Limited	231,142	219,744
64,000	64,000	Aisha Steel Mills Limited	1,594,240	589,440
850	850	Al-Ghazi Tractors Limited	309,876	298,920
200	200	Akzo Nobel Pakistan Limited	54,000	54,000
950	950	Archroma Pakistan Limited	543,875	559,930
3,000	3,000	Arif Habib Limited	243,360	97,590



Number of shares			2021	2020
2021	2020		Rupees	Rupees
30,000	30,000	Colony Textile Mills Limited	221,400	129,000
1,500	1,500	Clover Pakistan Limited	97,410	142,620
525,000	525,000	Dohnen City Real Estate Investment Trust	5,785,560	5,717,250
4,840	4,840	Engro Corporation Limited	1,425,912	1,417,733
13,699	13,699	Limited	647,141	342,201
30,000	30,000	Fauji Cement Company Limited	690,000	506,400
6,000	6,000	Fauji Foods Limited	108,360	56,700
19,000	19,000	Ghani Global Glass Limited	514,140	227,240
2,000	2,000	Ghandhara Industries	558,040	242,000
10,000	10,000	Golden Arrow Stock Fund	167,500	77,766
27,600	27,600	Gul Ahmed Textile Mills Limited	1,400,148	790,188
2,749	2,749	HASCOL Petroleum Limited	24,549	37,386
1,500	1,500	Limited	518,670	290,520
11,424	11,424	The General Tyre & Rubber Company	1,003,370	679,728
12,000	12,000	International Steels Limited	1,120,920	619,800
50,500	50,500	Kot Addu Power Company Limited	2,239,675	1,017,575
15,000	15,000	Lotte Chemical Pakistan Limited	231,600	149,250
345	314	Meezan Bank Limited	39,816	21,619
277	247	Millat Tractors Limited	299,052	174,422
6,000	6,000	Nishat Mills Limited	559,800	468,060
15,000	15,000	Nishat Chunian Power Limited	225,300	226,800
5,600	5,600	Oil & Gas Development Company Limited	532,168	610,400
9,000	9,000	Pioneer Cement Limited	1,179,630	567,360
700	700	Packages Limited	381,640	243,047
14,000	14,000	Pak Electron Limited	490,840	321,020
1,440	1,440	Pakistan Oilfields Limited	566,006	504,907
6,249	6,249	Limited	1,401,339	988,342
12,000	12,000	Limited	142,080	106,560
2,000	2,000	Pakistan Synthetics Limited	75,900	32,120
8,866	6,820	Sazgar Engineering Works	1,491,350	849,703
13,500	13,500	Sui Northern Gas Pipelines Limited	655,830	737,100
10,000	10,000	Unity Foods	445,200	111,500
2,286	2,286	The Searle Company Limited	554,629	455,439
			<u>30,237,274</u>	<u>21,898,929</u>

## 8.2 Mutual fund units

At cost	42,206,995	42,206,995
Adjustment arising from remeasurement to fair value	(11,251,383)	(19,403,371)
	<u>30,955,612</u>	<u>22,803,624</u>

Details of investment in mutual fund units are as follows:

2021	2020		
Number of units			
<u>488,443</u>	<u>488,443</u>	<u>30,955,612</u>	<u>22,803,624</u>

## 8.3 Meezan cash fund

At fair value	24,500,000	14,500,000
Adjustment arising from remeasurement to fair value	(348,234)	11,713
	<u>24,151,766</u>	<u>14,511,713</u>



## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

There were no contingencies as at the balance sheet date (2020: Nil).

### 14.2 Commitments

There were no commitments as at the balance sheet date (2020: Nil).

	Note	2021 Rupees	2020 Rupees
<b>15 INCOME</b>			
Donation income		<u>120,628,440</u>	<u>92,749,371</u>
<b>16 ADMINISTRATIVE EXPENSES</b>			
Salaries		6,184,226	2,894,117
Utility bills		707,697	447,417
Training and work shops		5,802	29,000
Stationary		186,213	468,032
Repair and maintenance		3,045,835	827,856
Concerts and events		209,500	1,378,632
House keeping		269,620	207,606
Fuel		1,118,653	968,952
Food and kitchen		1,067,767	601,079
Exchange loss		-	200,239
Loss on disposal		183,220	36,000
Auditor's remuneration		150,000	125,000
Consultancy charges		325,000	300,000
Fee and subscription		364,780	484,271
Rent expense		247,000	174,000
Bank charges		446	10,639
Bad debt expense		165,600	17,000
		<u>14,231,359</u>	<u>9,169,840</u>
<b>17 INCOME TRANSFERRED FROM ALUMNI FUND</b>			
Income transferred to income and expenditure account	17.1	<u>15,184,257</u>	<u>13,331,215</u>

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.



	Note	2021 Rupees	2020 Rupees
<b>18 ALUMNI SPECIFIC PROGRAM EXPENSES</b>			
Conveyance charges			
Eid expenses		1,096,950	1,158,313
School fees		1,302,916	20,000
Field trip		10,443,670	9,789,788
School uniforms and course books		34,595	750,510
		<u>2,306,126</u>	<u>1,612,604</u>
		<u>15,184,257</u>	<u>13,331,215</u>
<b>19 INCOME TRANSFERRED FROM DCTO SCHOOL FUND</b>			
Income transferred to income and expenditure account	19.1	41,034,910	42,131,418
Amortization of deferred capital grant	13.1	7,666,979	7,666,979
		<u>48,701,889</u>	<u>49,798,397</u>
19.1 This represents income transferred form 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 DCTO SCHOOL SPECIFIC EXPENSES</b>			
Salaries		27,375,327	28,715,686
Utility bills		226,150	177,880
Training and workshop		634,130	1,500
Stationery		526,781	882,863
Repair and maintenance		2,425,545	1,272,780
Concerts and events		459,888	206,384
Housekeeping		188,111	212,808
Conveyance and travelling		316,877	116,040
Fuel		845,801	1,522,155
Food and kitchen		253,871	88,388
Field trip		10,000	31,320
Depreciation expense		14,646,716	14,591,131
Insurance		196,642	-
Consultancy		213,840	127,777
Fee and subscription		382,210	495,955
COVID-19 response kits		-	1,355,730
		<u>48,701,889</u>	<u>49,798,397</u>
<b>21 OTHER INCOME</b>			
Interest income		987,093	885,274
Profit on investment		2,181,287	1,623,305
Dividend income		3,322,844	1,585,264
		<u>6,491,223</u>	<u>4,093,843</u>

22	SPECIFIC PROGRAM EXPENSES	Note	2021 Rupees	2020 Rupees
	Tuck shop		981,190	53,380
	Kiran Ibtadai school		32,145	207,597
	Community help		18,574,479	10,294,813
	Kiran evening school		2,293,800	2,204,667
	Wellness programs		1,560,267	1,151,416
	Nafeesa forum		681,871	627,819
	Beyond the school		1,245,792	1,555,696
	Scholarships		1,086,838	581,995
	Ayshiana rehabilitation		13,059,985	6,101,140
	COVID-19 ration and suits		8,155,850	40,050,940
	Warm clothes drive		1,818,419	-
	Rozgar Program		957,720	-
	Balochistan drive		15,542,440	-
	Mashal program		4,758,034	-
	Blood banks		3,982,697	-
			<u>74,731,527</u>	<u>62,829,463</u>
<b>23</b>	<b>FINANCIAL INSTRUMENTS RELATED DISCLOSURES</b>			

#### 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:

	2021	2020
<b>Variable rate instruments</b>		
Balances maintained with banks	18,072,858	61,172,436
Short term investments	101,000,000	53,000,000
	119,072,858	114,172,436

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	2021 Rupees	2020 Rupees
Director	Donation received	1,939,250	1,693,000
Associated undertaking	Donation received	-	1,650,000

### 25 NUMBER OF EMPLOYEES

	2021	2020
Number of employees as at June 30,	140	121
Average number of employees during the year	131	128

### 26 DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Foundation authorized these financial statements for issue on 27 DEC 2021.

### 27 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.

28 GENERAL

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

  
CHAIRPERSON

  
GENERAL SECRETARY

  
FINANCE SECRETARY