THE CITIZENS FOUNDATION

Creating Joyful Learning

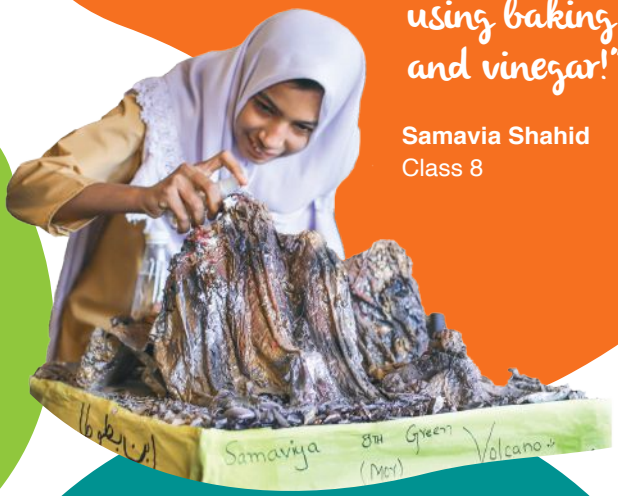


Annual Report 2022

My school is my happy place

"I created this Volcano Science Project and tested chemical reactions using baking soda and vinegar!"

Samavia Shahid
Class 8



"I have the most fun during Choice-Time because we can choose to play with any toy we like."

Abeeha Butt
Kindergarten - Partnership School



"During snack time, we sit together, laugh and share our meals."

Nazia
Class 3





"I enjoy Story Time because my teacher reads in a fun way!"

Malaika Waseem
Class 1

"Reading about our world and discovering new things every day is so fascinating!."

Mubeen Tariq
Class 5 - Partnership School





"I'm learning how to build games and projects using Scratch."

Hooria Batool
Class 7



TCF School, Kamran Siddiqui Campus, Landhi, Karachi.

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Legal Status and Nature of Operations

The Citizens Foundation (the Foundation) was incorporated in Pakistan as a company limited by guarantee on 24 September 1996 under section 42 of the Companies Act 2017. The Foundation is principally engaged in establishing schools to promote education. The Foundation receives funds from cross sections of society within and outside Pakistan for building primary and secondary schools as well as for operation of schools. These donations are made by organisations, institutions and individuals. All donations to TCF by individuals or corporates are eligible for tax credit under section-61 of Income Tax Ordinance 2001.

The registered office of the Foundation is situated at Plot No. 20, Sector No. 14, Near Brookes Chowrangi, Korangi Industrial Area, Karachi, Pakistan.



THE CITIZENS FOUNDATION

The story of The Citizens Foundation (TCF), a nonprofit, began in 1995 with a group of friends united on a single mission: to make quality education accessible to less privileged children in Pakistan. Since then, TCF has evolved into a nationwide network of schools educating 280,000 students across 1,833 school units.

TCF's education model rests upon innovative programme design, gender-balance in classrooms, and an all-female faculty. TCF is also developing programmes to benefit out-of-school children, supporting access to higher education for its alumni, working with government to enable better educational outcomes in the public sector and developing the communities around its schools through a range of programmes.



Vision

Positive Change

To remove barriers of class and privilege, to make the citizens of Pakistan agents of positive change.

Mission

Quality Education

Through the power of quality education, enabling moral, spiritual and intellectual enlightenment.

Better Future

Creating opportunities to improve quality of life.

Values

Sincerity | Service | Beauty | Positive Conduct

TCF has revised its core values which will serve as a guiding principle for TCF Management and school network and strengthen the culture of the organisation as it continues to grow exponentially.



Scaling our Impact

Education Programme

1,833
School Units

280,000
Deserving Students

13,000
All-female Faculty

National Footprint

874
Sindh

779
Punjab

87
Balochistan

72
Khyber Pakhtunkhwa

21
Azaad Kashmir





TCF school, Shirin Sultan Dossa Campus XXVI, Jacobabad.

Alumni Development

53,000

Matriculates empowered through education

Community Upliftment

160,000

Aagahi Adult Literacy Learners

3,000

Vocational Trainees

38,000

Beneficiaries receiving clean drinking water every day

Volunteer Community

13,300

Volunteers have mentored students through Rahbar Programme

9,700

Volunteers have engaged students through Summer Camp Programme

700

Volunteers raised funds through Baghbaan Ambassador Programme



All numbers are projected totals for 2022-23.

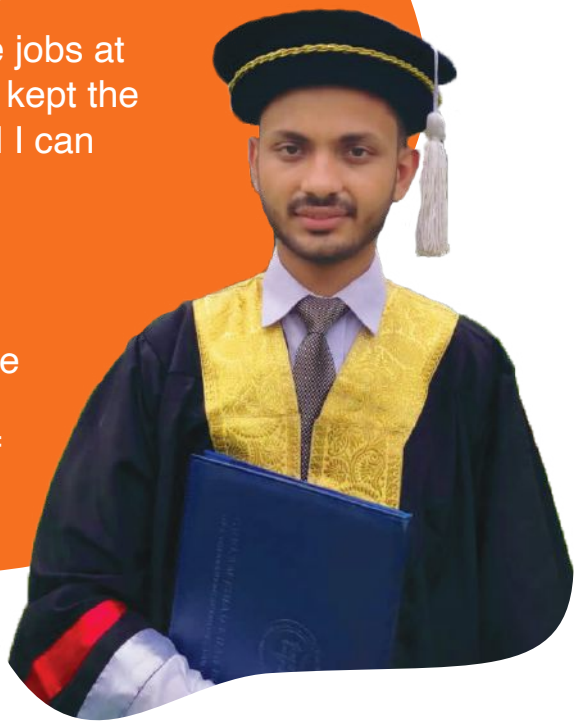
From Khuda Ki Basti to GIKI

Muhammad Ahmad beams with joy as he sets up his pushcart on a dusty street of Khuda Ki Basti, Karachi. Today, more people than usual from his neighbourhood are stopping by his pushcart. But they are not there to buy mangoes; they are congratulating him for his son's graduation from the prestigious Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI).

"With my earnings, I could not have put Asad through a good school, college and university. It is TCF's support that made all this possible," reflects Muhammad Ahmad. "I had to drop out of school at a young age to support my family. It is my dream to educate all my children."

Asad, a TCF school and College alumnus, has already started his first job at a software company. "In our community, boys are expected to take up full-time jobs at a young age. But Baba didn't conform to that and kept the house afloat on his own," shares Asad. "I am glad I can now take that burden off his shoulders."

Two of Asad's younger siblings, Saad and Sadia, are currently first-year students at TCF College while his two other sisters, Haadiya and Tooba are studying in Classes 9 and 7 at the TCF school in their community - all of whom have big dreams of their own!





Asad Raza and his father Muhammad Ahmad seen selling 'Chaunsa,' the sweetest variety of mango, on a pushcart in Khuda ki Basti (Karachi).

Directors' Report



TCF has 22 school units in Machar Colony (Fishermen's Colony), one of the largest slums in Karachi.

The Directors of The Citizens Foundation (TCF) are pleased to present the Annual Report along with the audited financial statements for the year ended 30 June 2022.

Principal Activities of TCF

TCF is principally engaged in establishing and operating primary and secondary schools across Pakistan for less privileged children, providing scholarships to its alumni for pursuing higher education opportunities and developing social and economic activities in the communities it serves. During the year, it received funds from a cross-section of society within and outside Pakistan for building of schools as well as for its operations.

Operational and Financial Performance

The Foundation is currently operating a network of 1,833 school units, including 383 partnership schools, with 280,000 students across the country.

Description	2022	2021	Variance
	PKR in million		%
Donations & Fees	6,362	6,005	6%
Operating Expenditure	6,048	4,755	27%
Education Programme	4,914	3,910	26%
Other Programmes	327	272	20%
Marketing, Research & Development and Administration	807	573	41%
Total Assets	19,560	16,317	20%
Net Assets	9,392	7,421	27%

The Directors are pleased to report that concerted efforts by our Resource Mobilization Team resulted in a collection of donations & fees aggregating Rs 6.4 billion during the year which was 6% higher than the previous year. Fair value of contributed lands, income on investment and other income amounted to Rs 388.4 million, Rs 387.5 million & Rs 65.5 million respectively, resulting in total income for the year of Rs 7.2 billion. After the Covid related disruptions and intermittent closures in 2020-21, school activities resumed to near normal levels in 2021-22.

Escalating costs due to global supply chain issues arising from post-Covid resumption of businesses around the world resulting in a high inflation rate, including in Pakistan, was the other main discerning feature of 2021-22. Operating expenditure of the Foundation increased by 27% and surplus for the year decreased by 30% as compared to last year. Marketing, fundraising and outreach expenses were higher than last year mainly due to overall cost increases, continuing strong focus on growing the portfolio and investing in both digital & print media campaigns. Research & development expenses were also higher than last year mainly due to increased spending on programmes in various stages of development and additional resources to manage expansions in existing programmes.

TCF's Zakat process (both collection and utilization) is regularly reviewed by the Shariah Advisor whose report is annexed as part of this Annual Report.

Directors

At the date of this report, the Directors of TCF are:

Non-Executive Directors

Mr Ahsan M Saleem - Chairman
Mr Ateed Riaz
Mr Mushtaq K Chhapra



In the densely-populated slum, Machar Colony, most families, children in particular, resort to shrimp peeling for nearby port fisheries, to make ends meet.



A large number of children in Machar Colony attend TCF school, for whom it is a a place of learning and joy!

Non-Executive Independent Directors

Mr Adnan Asdar
Ms Hajerah A Saleem
Mr Ishaque Noor
Barrister Jahanzeb Awan
Mr Musadaq Zulqarnain
Ms Nilofer Saeed
Mr Rizwan Diwan
Ms Saima Amin Khawaja
Mr Tariq Raza Hussain

Executive Director

Syed Asaad Ayub Ahmad, President and Chief Executive Officer

Composition of our Board of Directors

The total number of Directors is 12 and male to female ratio is 9:3

Election of Directors

Following the expiry of three years term of the previous Board of Directors, an election was held on 12 April 2022 and a new Board was constituted with effect from 13 April 2022.

The Board would like to thank and place on record its deepest appreciation for the valuable services rendered by the retiring directors:

Ms Farzana Zulqarnain
Mr Imtiaz Sultanali Dossa
Mr Riyaz Chinoy
Lt Gen (R) Sabeeh Qamar uz Zaman
Mr Shahbaz Yasin Malik

The Board would also like to welcome the newly elected directors:
Mr Adnan Asdar
Ms Hajerah A Saleem
Barrister Jahanzeb Awan
Mr Rizwan Diwan
Mr Tariq Raza Hussain

Board Meetings and Attendance

The Board holds regular meetings throughout the year. During the financial year ended 30 June 2022, seven (07) meetings of the Board of Directors were held. None of the meetings were held outside Pakistan. The details of attendance at such Board meetings are as follows:

Name of Director	Meetings Attended
Non-Executive Directors	
Mr Ahsan M Saleem - Chairman	5/7
Mr Ateed Riaz	6/7
Mr Mushtaq K Chhapra	6/7
Lt Gen (R) Sabeeh Qamar uz Zaman*	0/4
Non-Executive Independent Directors	
Mr Adnan Asdar**	3/3
Ms Farzana Zulqarnain*	0/4
Ms Hajerah A Saleem**	3/3
Mr Imtiaz Sultanali Dossa*	4/4
Mr Ishaque Noor	6/7
Barrister Jahanzeb Awan**	2/3
Mr Musadaq Zulqarnain***	2/3
Ms Nilofer Saeed	4/7
Mr Riyaz Chinoy*	3/4
Mr Rizwan Diwan**	2/3
Ms Saima Amin Khawaja	5/7
Mr Shahbaz Yasin Malik*	2/4
Mr Tariq Raza Hussain**	3/3
Executive Director	
Syed Asaad Ayub Ahmad	7/7

*Retiring Directors pursuant to Election of Directors held on 12 April 2022 with effect from 13 April 2022.

** Incoming Directors pursuant to Election of Directors held on 12 April 2022 with effect from 13 April 2022.

*** Appointed before election to fill casual vacancy on 16 February 2022.
Leave of absence was granted to the Directors who did not attend the meetings.

To support the rapid growth of TCF's footprint, we escalated our recruitment efforts to bring onboard talented individuals for both management and schools who can contribute to our cause.

Directors' Orientation Programme

An orientation session was arranged for the new Directors and Members by the CEO to acquaint them with the Foundation itself, the applicable laws, their duties and responsibilities to enable them to effectively guide the Foundation with their specific skill set and acumen.

Maintaining Financial Stability

One of the most significant aspects of TCF's strategic planning is maintenance of sufficient working capital at all times to ensure unhindered operations and seamless service delivery. Through our vigilant and appropriate risk mitigation measures we strive to navigate difficult bottlenecks that may arise from time to time and also to maintain robust financial sustainability.

Voluntary Adoption of Corporate Governance

TCF strives to comply with the requirements of the Code of Corporate Governance Regulations 2019. This is practised voluntarily to ensure good governance.

Investing in Human Capital

To support the rapid growth of TCF's footprint, we escalated our recruitment efforts to bring onboard talented individuals for both management and schools who can contribute to our cause. Furthermore, to keep our employees motivated and strongly connected to TCF's vision in these times of economic and political uncertainty, we initiated a comprehensive annual planning process and operating rhythm, continued with organization wide webinars with our senior management and orchestrated senior management days with all principals to keep them updated with the extensive work through which TCF is trying to create a positive social impact. We rolled out key initiatives to promote succession planning in schools, fairer distribution of rewards, and performance management framework for management employees to focus on their development. We also focused on streamlining the processes to effectively manage TCF's growing operations by simplifying documentation, using e-filing and e-documentation, and utilizing analytics and dashboards to bring focus on key business areas.

Effective Compliance and Risk Management

Owing to the changing landscape and evolving regulations, guidelines and rules for non-profit organizations, legal and compliance areas require constant attention. The Board is cognisant of the matter and has strengthened the Risk & Compliance Committee.

Principal risks and uncertainties of the Foundation are:

Risks	Mitigating Action
Reputational Risk	We manage this through organisational training, implementation of policies and procedures to ensure that all TCF employees know how to act and respond appropriately in any situation.
Regulatory Risk	We keep up with the regulatory changes and create internal policies and procedures to implement them.
Contribution Risk	This is managed by diversifying our financial resources for continuous flow of funds.
Investment Risk	We stay diversified within each type of investment.
Internal Control Risk	We manage this through an independent internal audit function that reports directly to the Board. Other monitoring mechanisms are in place at an organisational and departmental level as well.
Recruitment & Retention Risk	We attract, develop and retain the best talent at all levels of the organisation.
Safeguarding Risk	A set of policies, procedures and practices are in place to ensure that no harm comes to children or other stakeholders as a result of their contact with the organisation, its programmes or people.



At the TCF schools in Machar Colony, children develop the self-assurance and skills necessary to secure a better future for themselves and their community.



This is another TCF school in Machar Colony that is imparting education to children in the neighbourhood.

Statement on Corporate and Financial Reporting Framework

- These financial statements prepared by the management of TCF present fairly its state of affairs, the result of its operations, cash flows and changes in funds and reserves.
- Proper books of accounts of the Foundation have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements.
- Accounting and Reporting Standards as applicable in Pakistan have been followed to prepare the Foundation's financial statements. These comprise of:
    - International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IAS) as notified under the Companies Act 2017;
    - Accounting Standard for Not for Profit Organisations issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017; and
    - The provisions of or directives issued under the Companies Act 2017.
    - Where provisions of and directives issued under the Companies Act, 2017 differ from IFRSs or Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 prevail.
- The internal control systems have been designed and implemented for maximum efficacy. These systems are continuously monitored by Internal Audit and through other monitoring mechanisms. The process of monitoring internal controls will continue as an ongoing process to further strengthen the controls and bring improvements to the system.
- There are no significant doubts about the Foundation's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.

The devastating rains and floods across the country during July and August have impacted many communities in which TCF schools are located.”

Appropriation of Reserves

Members of the TCF Board approved an appropriation of surplus fund of Rs 1,156 million at the end of the year to be transferred to the General Fund in 2022-23.

Subsequent Events

The devastating rains and floods across the country during July and August have impacted many communities in which TCF schools are located. Around 136 schools in Sindh and Southern Punjab were either water logged or were being used as shelters by displaced families. Since most of these locations have only recently become accessible, a damage assessment exercise is currently underway.

The Board has authorized an increase in expenditure to cater for 5 million meals, financial assistance for rebuilding 9000 homes and full rehabilitation of damaged TCF schools.

In order to mitigate the immediate suffering of people living in those areas, TCF launched its relief efforts which originally envisaged raising funds up to Rs 500 million and providing 1 million meals through distribution of food rations, financial assistance in rebuilding 5000 homes and rehabilitation and repair of TCF schools damaged by the floods. Alhamdolillah, TCF's fundraising appeal was overwhelmingly successful and contributions received to date have exceeded Rs 1.50 billion. As a result, the Board has authorized an increase in expenditure to cater for 5 million meals, financial assistance for rebuilding 9000 homes and full rehabilitation of damaged TCF schools. In addition, TCF is partnering with other organizations to provide relief for health, water and livelihood related problems to the affected people.

No other material changes or commitments affecting the financial position of the Foundation have taken place between the end of the financial year and the date of this Report except for the appropriation of a surplus as mentioned above which is a non-adjusting event.

Related Party Information

All related party transactions during the year 2021-22 were placed before the Audit Committee and the Board for their review and approval. These transactions were duly approved. The related party transactions mainly comprised of:

Description	Amounts in PKR
Donations - Directors, Key Management Personnel & Their Relatives	116,067,840
Associated Companies & Undertaking	776,387,607
Payments - Key Management Personnel	60,559,073
Payments - Associated Companies	32,888,565

Abstract under section 213 (1) of the Companies Act, 2017

During the year ended 30 June 2022, the remuneration of Syed Asaad Ayub Ahmad, Chief Executive Officer was increased from PKR 1,033,700 per month to PKR 1,157,744 per month w.e.f. September 2021. There were no changes in other terms and conditions of his appointment.

Involvement of the Board of Directors

TCF's Board of Directors is a group of experienced and qualified professionals who bring their diverse knowledge and skills to the organization. The Board monitors progress against strategic objectives, fundraising plans, financial trends and their implications to ensure that TCF operations are stable and are aligned with its core mission. No Director or their relatives received any remuneration, payment or benefit directly or indirectly from the Foundation.

Further, members of the Board are actively involved in fundraising for TCF and serving as a source of guidance for all functional leaders within the organisation.

Financial Statements

The financial statements of the Foundation have been approved by the Directors and duly audited by A F Ferguson & Co. Chartered Accountants; their report is attached with the financial statements.

Future Outlook

The Board and management's main concern in the immediate aftermath of the devastation caused by the unprecedented rains and floods across the country in July and August is to help alleviate the suffering of the affected communities. The Board has authorized expenditure of Rs 1 billion to be spent on providing 5 million meals, assistance in rehabilitation of 9000 family homes and reconstruction/repair to TCF's damaged schools. The funding for these initiatives has been raised through TCF's relief efforts especially devised for this purpose. Alhamdolillah, we are well on our way to not just meet the target but exceed it and to utilise all possible resources available within and outside TCF to help with the relief effort.

TCF plans to accelerate its expansion programme by adding 100 new schools in 2022-23 of which 50 will be in the Flagship category across the country and 50 in Partnership mainly in

Sindh. The latter will be built through funds donated by a single donor on lands contributed by other donors to TCF. The Sindh Educational Foundation will provide operational expenses to run these schools. However, with the flood and water logging in most areas where these schools are planned to be built, the project may face some delays. The initiative undertaken last year for major expenditure on repairs and maintenance of selected units will continue in 2022-23 to ensure a uniform, consistent and top-quality infrastructure across all TCF schools in Pakistan.

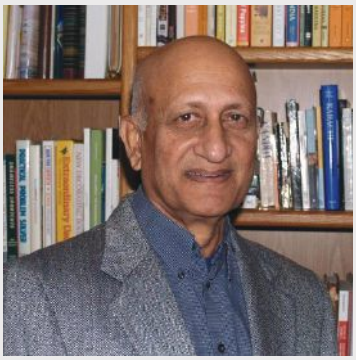
The Foundation's work on making digital literacy a core component of the curriculum and revamping of its computer labs and digital School Management Systems is progressing well and is expected to start delivering results in the current year. Acquisition of 10,355 tablets during 2021-22 and deployment in some schools has enhanced the learning experience of students and we anticipate roll-out across the remaining schools to be completed during 2022-23.

We deeply acknowledge and recognise the contribution and support that came from our donors, supporters and staff in ensuring a difficult but rewarding experience of resuming near normal school operations from September 2021 onwards, which continued mostly uninterrupted during the outgoing year. The rain and floods have unfortunately impacted operations in some of our schools for the new academic year which, with the generous support of donors and our staff working hard in those areas, we have managed to mostly revive. Operations in our remaining schools are continuing on a normal basis and we hope to achieve our primary aim of providing quality education to all our children.

Ahsan M. Saleem
Chairman & Director

Syed Asaad Ayub Ahmad
President & CEO

Date: 25 October 2022



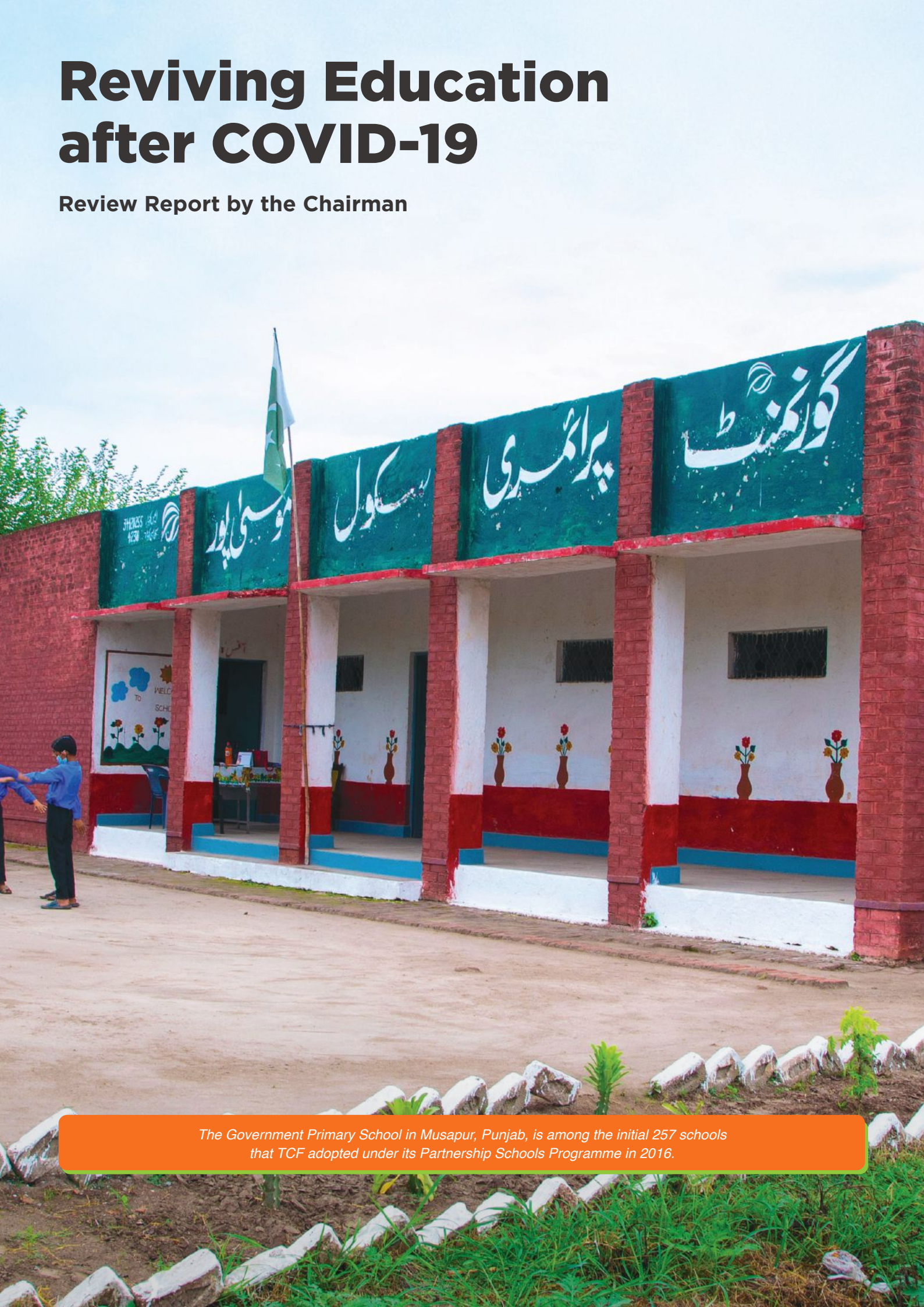
Amjad Noorani | 1947-2022

The Citizens Foundation pays its deepest respects to the life and contribution of Mr Amjad Noorani who passed away on the 3rd of June, 2022. Mr Noorani was an education reform activist, accomplished author and Director on the board of TCF-USA. He dedicated over twenty years of his life to TCF and the cause of education. He co-authored the book Agents of Change - a compilation of personal stories, opinions, and suggested actions for positively changing the education system in Pakistan.

Known for his penchant for perfection, Mr Noorani leaves behind a lasting legacy of dedication and compassion. His relentless efforts and activism toward educating the less privileged children of Pakistan will continue to be a source of inspiration for the entire TCF family.

Reviving Education after COVID-19

Review Report by the Chairman



The Government Primary School in Musapur, Punjab, is among the initial 257 schools that TCF adopted under its Partnership Schools Programme in 2016.

Dear Stakeholders,

I am pleased to present my review report for the year ended 30 June 2022.

This report highlights the performance of the Board and its effectiveness in supporting the organisation's aims and objectives.

TCF managed to increase its footprint to 1,833 school units while its student strength went up to 280,000.

2021-22

After the unprecedented impacts of COVID-19 across the globe during 2020 and 2021, life began to gain some semblance of normality from the second quarter of 2021 onwards. A combination of high-awareness levels emerging within the general population to avoid or minimise infections and development of advanced vaccines, led to a loosening of COVID-19's tight grip and easing of containment measures in most countries including Pakistan. TCF's response during these difficult times of extended school closures was exemplary as elucidated in last year's report. Our focus, therefore, returned to our core mission of educating less privileged children and expanding our footprint across the country. I am pleased to report that, despite, all the challenges, TCF managed to increase its footprint to 1833 school units while its student strength went up to 280,000.

However, one major challenge in the post-pandemic world has been the steep increase in costs driven by a sudden and unforeseen spike in demand for almost all commodities and severe supply chain disruptions on account of transport limitations. Alhamdolillah, TCF has been able to weather this storm through the generosity of its donors and prudent supply chain and cash management strategies.

Various initiatives undertaken during COVID-19 closures to keep our students engaged and revision courses designed to bring them up to speed at the start of the academic year in September 2021, helped enormously in the early resumption of full and normal school activities for which I would like to express my deepest gratitude to Syed Asaad Ayub Ahmad, the President & CEO of TCF, his executive team, members of the staff and our volunteers and partners worldwide for their hard work and commitment to finish another year positively and strongly.

Board Performance

A new Board of Directors was elected on 12 April 2022 after the completion of the statutory three year period of the previous Board. I would like to place on record my special appreciation to the outgoing Chairman, Mr Ateed Riaz, for his zeal and passion in providing outstanding stewardship to the Board and leading from the front during a very tumultuous period for the Foundation. I would also like to thank all the retiring Directors for their unstinted support and guidance during their tenure. I take this opportunity to welcome all the new members of the Board and look forward to their valuable contributions in taking TCF forward with its vision and mission.

All the committees of the Board worked diligently and efficiently in their respective areas of responsibility. The Audit Committee, in addition to its core obligations, addressed areas with regards to financial sustainability, crisis management, business continuity and resilience. The Risk and Compliance Committee assisted the Board with mapping new and emerging risks and compliance with legal and regulatory requirements. The Human Resource and Remuneration Committee oversaw policy matters governing TCF's most precious resource – its employees and assisted the Board in ensuring a fair and equitable rollout of various HR initiatives recommended by the management. The Investment Management Committee, headed by an industry expert, continued to advise on safe and steady returns on TCF's investments. The fast-changing economic realities and heightened uncertainties due to post COVID-19 challenges have been strategically managed under the recommendations of the Committee.

The Board has reviewed the Directors' Report and Financial Statements for the year ended 30 June 2022 and is pleased to confirm that in its view, the report and financial statements taken as a whole are fair, balanced and readily comprehensible.



When TCF assumed responsibility for this school, which is located in a remote village, it was in a state of disrepair, with just 7 students and a single teacher.

Assessing Board Effectiveness

The TCF Board performs three major roles in the organisation – it provides strategic direction, it controls and monitors the management and provides support and advice. The Board evaluation examines these roles of the Board and assesses how effectively these were fulfilled. This assessment by the Board was based on an evaluation of the following integral components:



Over the next six years, TCF set about reforming the school through hiring and training of the principal and teachers, improving enrolment and implementing quality interventions. In 2021, TCF built additional classrooms and made improvements in infrastructure with support from the Foreign, Commonwealth & Development Office (FCDO), UK

Alignment with Vision, Mission and Values
The Board members fully understand the importance of the vision, mission and objectives of TCF.

Engagement in Strategic Planning
The Board is involved in the strategic planning process - laying out critical goals and objectives and advising on operating and financial plans to achieve them.

Policies and Procedures
The Board has approved comprehensive policies and procedures for the smooth conduct of all material activities by the organisation.

Regular Monitoring
The Board periodically reviews the actual result of the organisation vis-à-vis the plans and policies devised earlier and suggests corrective measures if required.

Financial Resource Management
The Board monitors financial and other indicators throughout the year and takes appropriate action as required.

Budgetary Oversight
The Board discusses thoroughly the annual budget of the organisation and its implications before approving it. The Board considers all the recommendations made by the Foundations' external auditor.

Trust and Integrity
The Board is diligent in verifying the integrity of its financial and management controls and systems towards staff, contractors, vendors and any other stakeholder working with TCF.

Positive Public Image
The members of the Board promote a positive public image of the organisation and are aware of TCF's communications with key stakeholders; i.e. media, government, the general public.

Management Interaction
The Board has sufficient formal and informal contact with the President and CEO and other members of the executive team. It receives appropriate advice and counsel from management.

Review of the CEO's performance
The Board appropriately relates the compensation of the President and CEO to performance.

Board Structure and Dynamics
The size and composition of the Board is adequate and consists of a good mix of new and continuing directors. The engagement is active, and the Board meets frequently enough to adequately discharge its responsibilities.



Six years later, the TCF Partnership School in Musapur is bustling with over 70 students in 5 classrooms who are reading, learning and dreaming of a better future through quality education.

TCF has navigated its way well through an eventful year. It is all because of the dedication, capability, and resilience of our people who are part of the TCF movement for education. I look forward to this continued support so that the mission of TCF can grow and prosper and touch many more lives.



Ahsan M. Saleem
Chairman & Director

Together We Make Education a Reality

CEO's Message



TCF School, Kamran Siddiqui Campus, Landhi, Karachi.

Dear TCF Supporter,

The year 2021-22 began with a promise of hope. It brought us to the moment we had been eagerly waiting and praying for. Alhamdolillah, after an interlude, TCF classrooms and corridors were abuzz with joy and laughter once again as our students got back to uninterrupted learning after prolonged school closures caused by the pandemic.

We began the year with an even greater resolve to make quality education accessible to the children of Pakistan. I am humbled to share with you some updates and reflections from the action-packed year we have had and what your support has made possible.

Easing in Back-To-School Transition

As schools reopened, we ensured that the educational journey of our children continues despite the economic hardships faced by their families. Our teachers and principals went door-to-door to visit these families and bring all the children, particularly girls, back to school.

This year, we scaled our ground-breaking digital literacy programme in our schools across Sindh.”

21st-century Learning Calls for Innovative Interventions

This year, we scaled our ground-breaking digital literacy programme in our schools across Sindh. Our secondary learners are now working with tablets as they study a world-class digital literacy curriculum aimed at building digital-age skills. We aim to scale this programme in all our schools across Pakistan in the coming year.

We are continuing to scale our Early Years Programme across our primary schools in Pakistan. Our new model features play-based learning, joyful storytelling, and reflection, to make learning more meaningful for our little learners. In line with our mission to scale quality education, we are also closely working with provincial governments under our Partnership Programme to revamp government schools through quality interventions and infrastructure developments.

Investing in Our National Asset: Our Teachers

Apart from our regular intensive training programmes for our teachers and principals, we at TCF are also benefitting teachers from outside the TCF network through our innovative online teacher training programme, Dastak, for low-cost private school teachers. Through Dastak, we aim to leverage our decades of staff development experience to develop and motivate teachers outside of the TCF network across a large geographic footprint.



To impart quality education in all its schools, TCF invests in extensive, year-round training programmes for its teachers and principals across Pakistan.

Strengthening TCF School Communities

This year marked the launch of Project Ta’aluq - an effort to deepen our school-community relationships and make more insightful interventions. Under this project, we undertook an extensive data collection exercise - interviewing TCF students and their families on several socio-economic dimensions which will serve as a guiding principle as we continue to enhance our programme designs.

TCF’s Community Development Programme continued to create a sustainable impact for the communities we operate in. This year, 22,000+ women from TCF school communities were empowered with essential skills to read, write and do basic math through our adult literacy programme, Aagahi – increasing our impact to 160,000 women to date. We also expanded Aab-e-Rehmat project by installing five more water filtration plants in our schools making drinking water accessible to 38,000 people in our communities.

TCF Alumni Breaking New Ground

Our alumni have continued to be a source of pride for the entire TCF family as they embark on diverse educational opportunities and career paths. With support and guidance from our dedicated Alumni Pathways team, this year 90% of our matriculates enrolled in intermediate colleges and continued their learning journey. I am thrilled to share that this year more than 800 TCF alumni also made their way into tertiary education – many of whom are the first ones in their families to attend university! It was a moment of great pride for all of us as 6 TCF Alumni graduated from Ghulam Ishaq Khan Institute of Engineering Sciences and Technology this year



Students at the TCF school in Mitiari, Sindh, share a heartfelt moment with their friends.

and are now embarking on their career paths. Alhamdulillah, we are already seeing the life-changing impact that education is having on these children as they step into uncharted territories and make their place in the world.

Vision 2030: Advancing Our Mission

For 27 years, TCF has been committed to delivering its promise of quality education for less privileged children in some of the most difficult areas of Pakistan. As we move ahead, our belief, passion and ambition are only getting stronger as we aim to reach 2 million agents of positive change by 2030 through innovative and scalable programmatic interventions and collaborative partnerships.

We aim to reach 2 million agents of positive change by 2030 through innovative and scalable programmatic interventions and collaborative partnerships.”

Nurturing a Values-Driven Organisation

At TCF, our actions are strongly guided by our values as we continue to create impact through our work. Our teams put immense hard work into everything they do with remarkable integrity, accountability, teamwork and passion. To strengthen those values within our teams as we continue to grow at a faster pace, we are working to realign our core values that can serve as a guiding principle at both our office and school level. This year, we are making formal efforts that will help us embed the TCF culture more deeply and help us achieve organisational excellence.

It Takes a Village to Raise a Child

As I close this message, I want to express immense gratitude and respect for each and every one of you – our donors, volunteers, teachers, principals, non-faculty and office staff – without whom TCF would not be able to create the impact that it has today. The 1,833 schools we have created together, the 280,000 deserving students who are finding joy in learning every day and our 53,000 graduates who are already serving as agents of change in their communities are the fruit of your efforts, selfless devotion to our cause and firm belief in the power of education. Truly, there are no words that do justice to your contribution.

With gratitude



Syed Asaad Ayub Ahmad
President & CEO

TCF Programme Highlights



Students learn how to program using the Scratch software during their Computer Science class at the TCF school, Baldia Town, Karachi.



Digital Transformation at TCF Schools



At TCF, we are making digital advances across our schools to help our students build digital literacy skills, develop teachers' capacity within and outside of our network, and create digital platforms to make operating procedures more efficient. Through these initiatives, students can learn how to bring their ideas to life with code.

TCF school, Saya Foundation Campus, Baldia Town, Karachi

Digital Literacy

We have introduced a Digital Literacy Programme (DLP) for our secondary learners to help them build 21st century digital skills and competencies. We have developed a cutting-edge Computer Science curriculum that introduces our students to the fundamentals of computer systems, and aims to develop algorithmic thinking and programming skills. We have also replaced computers with high-performing tablets for practical learning at our secondary schools across Pakistan. TCF students are using modern digital tools such as Scratch, through which they will learn software-based programming as early as Grade 6.

Through these efforts, we want to ensure our students are able to develop tinkering skills - so they can build the confidence to learn new technology on their own - develop logical thinking and learn programming. Through Digital Citizenship, we are also guiding students on how to interact safely and responsibly in the digital space.





Blended Learning: Integrating Technology in the Early Years

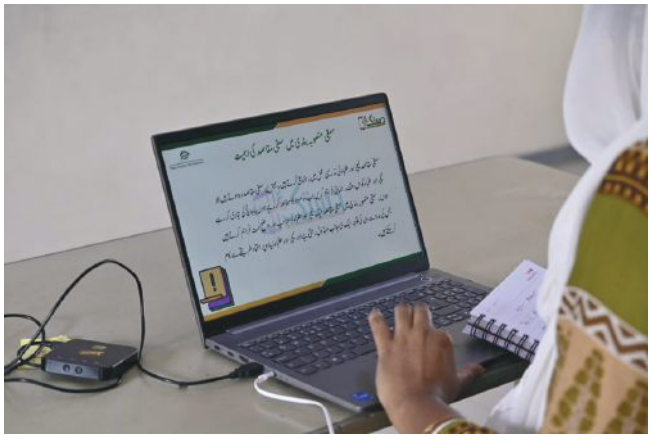
We are engaging with EdTech partners to increase student engagement and improve learning outcomes through high-quality digital content in the early years of a child's learning. Teachers are combining digital educational materials with in-class learning to illustrate concepts described in textbooks. AV (audio-visual) rooms across TCF schools are being equipped with suitable hardware devices to enable blended learning.

Digital Advances for School Management

We are making digital advances in the School Management System to increase efficiency and manage our network better. We are replacing old tablets and phones that TCF teachers and principals use to run the School Management Application to manage student data. This will further enhance transparency, efficiency and monitoring of all schools.

Dastak: Digital Advances for Teacher Training

To magnify its impact and share experience in teacher training with a wider audience, TCF has developed a unique, low-cost, online teacher training programme called Dastak, exclusively for female teachers employed by low-fee private schools. The training focuses on improving teaching skills, content knowledge, pedagogy, self-leadership and classroom management, based on TCF's own experience of training teachers for over 27 years. To date, more than 330 teachers from low-cost private schools have been empowered through Dastak.



Improving Student Well-being & Development



At TCF, we are building an educational environment that places student well-being as an essential objective in our schools. We are bringing well-being into our classrooms through a few interventions that focus on supporting students' physical, emotional, social and mental capabilities. Therefore, students perform physical exercise during a designated Fitness Time.

TCF school OGS Trust Campus, Gadap West, Karachi

Fitness Time

We have introduced 'Fitness Time' as a form of wellness intervention in our Early Years Programme. During this time, students perform physical poses that improve their flexibility, strength and balance; recognise the importance of mindfulness and how to practise it; and learn how to meditate and regulate their emotions. This intervention was scaled after a pilot study conducted by TCF which revealed the significant improvement this intervention had on students' attention and performance.





Khair Maqdam (Welcome)

Khair Maqdam is a dedicated, 15-minute positive start to the day where students and teachers get the opportunity to interact with each other and share their thoughts and opinions. This activity was introduced following COVID-19 and has since become a standard classroom activity. It helps develop a positive classroom environment, builds meaningful relationships, promotes the idea that all voices matter and are heard, helps students express and regulate their feelings as well as practise gratitude.

Student Development Period

Student Development Period is a 40-minute-long structured period that aims to specifically improve students' social-emotional learning. We have designed a development framework with the objective of improving self-awareness, self-management, social awareness, relationship skills and responsible decision-making among our students through structured activities and discussions.



Remediation Programme

TCF's Remediation Programme is an effort to support students in combating the learning loss caused by school closures amid the COVID-19 pandemic. TCF designed a focused and tailored Remediation programme - providing teachers with diagnostic tools to assess the level of learning loss, relevant teacher guides, and additional training to help them take children through the two programmes: Aghaz (The Beginning) - whole-class remediation for collective learning loss - and Uraan (The Flight) - individual or small group remediation.

Other Programme Highlights

Learning in the Mother Tongue: TCF's MTB-MLE Model



TCF's Mother Tongue Based Multilingual Education Model (MTB-MLE) is a research-based initiative being implemented in TCF schools in Tharparkar, Sindh, where children in the early years are being taught in their mother tongue and gradually transitioning to foreign languages. The journey began in 2019 when TCF published its first research report on the model which revealed that children learn better when they are taught in a language that they understand. The MTB-MLE model is now being rolled out in Grade 3 in our schools in Tharpakar, Sindh. We are proud to share that TCF has developed its first Sindhi Language Textbook series for KG and Grade 1 with the ongoing effort to design and publish textbooks for Grade 2 and beyond.

Project Ta'aluq: Strengthening School-Community Relationships



In 2021, TCF rolled out an extensive data collection exercise to profile TCF school students and their families. The initiative, entitled 'Project Ta'aluq,' was conceived in the wake of COVID-19 wherein the importance of strengthening school-community relations became apparent. Teachers interviewed students and their families on social, health and economic dimensions including demographics, spoken languages, education, disabilities, occupation and asset ownership. Findings from 200,000+ student interviews and 100,000+ family interviews were digitised, and PowerBi dashboards were developed to visualise the data. The survey findings will provide student and family-level insights to improve programme design, ensuring continuous mission alignment for TCF.

LIBRARY OF CONGRESS LITERACY AWARD WINNER 2021 BEST PRACTICES HONOREE

TCF's Aagahi Programme conferred Best Practice Honoree

TCF's Adult Literacy Programme, Aagahi bagged yet another award! The Library of Congress selected the Aagahi Programme as a 2021 Best Practice Honoree for their Literacy Award Program. The program recognises non-profit organisations across the world for their implementation of highly successful practices in literacy promotion. Since its inception, Aagahi has empowered over 160,000 women from TCF school communities to read and write.

Maintaining TCF School Infrastructure

Last year, we commenced a massive maintenance drive for TCF schools across Pakistan that were in need of repair and enhancements. The project was carried out after a thorough in-house needs assessment and included paint work, repairing of main gate, doors and cabinet replacements, and maintenance of sanitary facilities. In phase 1 of the project,126 schools have undergone extensive repairs and maintenance worth PKR 210 million while work on the remaining schools will be completed in the year.



Multilateral Partnership Model for Education

In 2019, TCF entered into a public-private partnership with the Sindh Education Foundation (SEF) and Sindh Education and Literacy Department (SELD) to develop a sustainable, multilateral model that would support the provision of educational services across Sindh. We made a commitment to establish 500 schools within ten years in high-need, underperforming districts across Sindh. Under this partnership, TCF is employing its expertise of constructing and managing schools based on its education model, whereas SEF is supporting the efforts through operational subsidy. To date, we have constructed and are operating 28 schools units under this agreement in Karachi, Dadu, Nawabshah and Mirpurkhas.



Ilm Ka Aangan Magazine – the reading fun continues!

When COVID-19 crisis resulted in school closures, we launched an edutainment magazine, Ilm Ka Aangan (The Learning Courtyard), as part of our Distance Learning and Support Programme to keep our students learning. Due to the overwhelming response from our eager young readers, we decided to continue its publication even when schools reopened. Through the magazine, we aim to encourage independent reading among children by providing access to quality reading material. Packed with a variety of fun exercises with a strong focus on socio-emotional learning, promoting leisure reading and student's voices through individual contributions, TCF's Ilm Ka Aangan does it all. It is now published quarterly and is eagerly awaited by our young learners. To date, more than 3 million copies of the magazines have been distributed in TCF and other schools in Pakistan.

TCF Rahbar & Summer Camp - back in action!

This year, we resumed our most-awaited volunteer programmes TCF Rahbar and Summer Camp since the pandemic. Hundreds of volunteers from different walks of life dedicated six consecutive Saturdays to mentor 8th-graders to help them become responsible and productive members of society through our structured volunteering programme, Rahbar. TCF Summer Camp welcomed many young, energetic volunteers who spent 2 weeks of their summer holidays with our students and engaged them in extracurricular activities and game-based learning to enhance their knowledge and social skills.





Global Fundraising Highlights

The TCF-USA Chapter leaders and the leadership team from Pakistan unite for the USA Chapter Conference 2022.


EXIT
Boston Chapter
NY Young Professionals Chapter
Philadelphia Chapter
PROGRAM

Pakistan

TCF 18th Golf Tournament: Let's Dream Again!

More than a hundred golfers participated in TCF's 18th Annual Golf Tournament to keep less privileged children learning amid the COVID-19 education crisis. Our passionate community of golfers, sponsors, and the Karachi Golf Club, played a huge role in making this tournament a success.





TCF Volunteer Shehzeen Rehman Raises Support for 6 TCF Schools!

Renowned social media influencer and blogger, Shehzeen Rehman, held her annual "Mera Pakistan" fundraising during October 2021 to support TCF. Through her social media, Shehzeen successfully raised enough funds to support 6 TCF schools! Being a part of the Baghbaan volunteer community for the 2nd year now, Shehzeen spread awareness among her online community with compassion and the drive to give back to their country, Pakistan.

Mike Nithavrianakis Goes the Extra Mile!

Mr Mike Nithavrianakis, a British Diplomat and TCF supporter, is a strong believer in the importance of education, and its ability to empower individuals. Mike made use of several opportunities to raise funds for TCF. From starting his personal fundraiser to participating in the London and Manchester Marathon to garner support for education, Mike worked tirelessly to make education a reality for many.



Islamabad United Promote Girls' Education in Pakistan

TCF was proud to partner with its longstanding supporter Islamabad United as their official CSR partner once again for the PSL7. Islamabad United's star players including Asif Ali, Hasan Ali and Shadab Khan stepped forward and made use of their starpower to raise awareness and funds for girls' education in Pakistan.

Cycle for Change – STCF Unites Cyclists for a Cause!

Supporters of The Citizens Foundation (STCF) hosted “Cycle for Change” which was a cycling marathon that took place in November 2021. “Cycle for Change” had one goal and that was to celebrate the power of education. This marathon called cyclists from all over Pakistan who helped to fundraise and advocate for children’s education.



Baghbaan Volunteers in Lahore Pedal for TCF

Our passionate group of Baghbaan volunteers in Lahore came together in February 2022 to organise a successful cycling fundraiser ‘Pedal for Change’ to raise funds for the cause of education. The event attracted over 150 enthusiastic cyclists who pedaled from the Cavalry Ground to the TCF school, Phangali Campus to raise awareness and support for education.

Wasif’s Challenge to Build a TCF School

Wasif Khan, founding faculty of the Graduate School of Business, LUMS, and an ardent TCF supporter went a step ahead to support our mission by launching a global, peer-to-peer fundraising campaign. Through his campaign titled 'Wasif's Challenge to Build A TCF School', Wasif and his colleagues took the painstaking effort to connect with their former students and rallied their networks to raise enough support to build a TCF Secondary School in Lahore and cover its operating expense for five years. Wasif is truly an inspiration for all of us!

TCF Baghbaan Continues to Grow its Impact!

339 volunteers, dedicated to the cause of education, once again came together this year to make the Baghbaan Ambassadors Program a great success. Making use of virtual platforms and technology, physical events & gatherings and meaningful conversations within their social & professional networks, the enthusiastic volunteers worked devotedly to fulfill the aim of the Baghbaan programme and brought in supporters from all across the globe to make TCF a household name. Under the programme, TCF employees also volunteered this Ramzan and rallied their network of friends and family raising support for more than 1,300 children this year.





Meray Bhi Hain Kuch Khwaab: TCF's Ramzan Campaign

TCF's Ramzan Campaign highlighted how despite their daily struggles and hardships, every TCF student dreams of a better tomorrow and how education gives them hope for a future full of possibilities. The campaign highlighted the story of TCF student Meer Dadi, a little girl who picks chillies in the fields of Gujjo, Sindh and through a robust campaign encouraged people to support education and help give many such children the life-changing gift of education.

Reigniting Dreams: TCF's Year-end Campaign

TCF's year-end campaign 'Reopening Schools, Reigniting Dreams' highlighted TCF's efforts to bring vulnerable children back to school after the COVID-19 crisis and giving them the joy of reading, learning and dreaming again!



TCF-UK

Run 10k, Raise 10K

Our biggest team of runners, consisting of 14 amazing volunteers, participated in ASICS London 10k run in support of TCF-UK to raise money. The runners were able to successfully raise over £28,000, not to mention a matched funding from a generous TCF donor, before dashing past some of London's iconic landmarks.

Support from TCF-UK only grew further as both our North and South Chapters competed in an inter-chapter cricket tournament in the spirit of raising more money. TCF-UK was able to sponsor a TCF classroom due to the success of the previous year's virtual quiz and live auction night that was hosted by the Staffordshire Chapter.



TCF-Canada



Literacy Challenge Garners Support and Empathy

Counting this as another successful year, TCF-Canada hosted its leading Literacy Challenge to not only raise funds but to raise awareness on crucial skills such as reading and writing that are often taken for granted. Blogger Saqib Jamil participated in this challenge and failed several times, bringing to attention how critical these skills are and the support that TCF requires to ensure children get access to basic education. The literacy challenge amassed funds above the set goal and positively impacted a huge number of children, a number higher than the estimate.



TCF-Canada also hosted multiple fundraising galas in different parts of the country to raise awareness and funds for the education of less privileged children in Pakistan. The galas attracted thousands of supporters from different walks of life who are passionate about the cause of education and stepped up to make a difference.

TCF-Italy

Culture4Edu

Regardless of the uncertainty and restrictions brought by the COVID-19 emergency, TCF-Italy managed to organise several events with the help of supporters and volunteers in order to continue sponsoring a TCF primary school located in the village of Nathoki, Punjab. IFTCF held “Culture4Edu” which essentially enlightens the Milan community on TCF’s education projects in Pakistan. This included the return of the flagship gala event alongside the exhibition "Grand Tour: Dream of Italy from Venice to Pompeii", and their traditional Christmas fundraiser. Setting new records with more and more supporters, IFTCF was able to fund a new project that enabled the installation of solar panels at 4 of TCF’s water plants.





TCF-USA

42 Chapters Unite to Raise Money

With the spread of Covid-19, TCF-USA held a combination of virtual and physical events. Seattle, Boston, New Jersey, Westchester, Washington DC, Houston, and Philadelphia successfully held fundraisers to support TCF. Whilst, multiple chapters organized Iftar nights during Ramadan with the goal of connecting the community along with raising money. TCF-USA launched its Planned Giving Program which offers interested donors resources to help create an impact through gifts of bequests, IRA rollovers, stock & bonds, life insurance policies and more.



For the first time, after two long years, TCF-USA held its USA Chapters Conference this year in May. This conference consisted of all the 42 chapters along with TCF Founders and TCF Pakistan's leadership members. Over the course of two days, sessions were conducted to strategize not only on how to fundraise more money but on how to make quality education more accessible to the less privileged.



TCF-Switzerland

Zakat Campaign

With the power of social media, TCF-Switzerland targeted younger potential donors to raise support for financing a school. Through digital media, telephone calls, and personal contacts, TCF-Switzerland was able to continue their fundraising efforts despite the strict COVID-19 restrictions. The main campaign was known as the "Zakat Campaign" during Ramadan. This campaign not only gained awareness for TCF but used all the social media platforms to promote support for TCF's work.

TCF-Australia



Support Through Social Media

TCF-Australia showcased their efforts to fundraise money through their social media platforms which aided in spreading awareness for the efforts of TCF, and boosted their support from their community which only grew more. TCF-Australia's work, especially during Ramadan, raised enough money to support two TCF schools this year and hope to continue to be able to support more schools in the upcoming years.

TCF-UAE

Expo 2020 Dubai

TCF was selected as one of the top 25 global development projects by an international committee and was featured at the EXPO 2020 Dubai's global best practices programme from September 2021 to March 2022. TCF Team Member, Mr Zia Akhter Abbas, spoke at the panel enlightening many about the work TCF conducts and emphasizing on the importance of education. Alongside this, TCF had the opportunity to speak at many events including Dubai Cares, RewirEd Summit, Sustainable Development Goals (SDG), Bring Knowledge and Learning to the World. These events highlighted the previous work whilst proving an update on TCF's progress so far.

After two years, TCF-UAE was able to resume its Annual Supporters Conference and Dinner. This event featured two TCF alumni, Muskan Amjad and Bakht Noor, who shared heart-warming stories of their experiences at TCF. With over 450 TCF supporters attending, Mike Nithavrianakis, the British Deputy High Commissioner in Karachi, engaged with the audience as the keynote speaker sharing his first-hand experiences of participating in many fundraising events such as the recent London marathon for TCF. The first lady of Pakistan, Samina Alvi also graced the event with her presence.



A Forgotten School Finds Hope

Neglected classrooms, broken toilets and a mere twenty students – this was the sight Ms Shumaila Arshad witnessed on her first day as the newly appointed principal of the Government School in the village Gulab Pura, Punjab. It was among the first 257 government primary schools that had recently come under TCF's management under its Partnership Schools Programme.

"It was no place for a child to learn," recalls Ms Arshad. "Even the fans were broken. We arranged tents and set up classes outside so children could get some air."

Such was the state of the school Ms Arshad was tasked with to reform. But that did not discourage her one bit. For the next six years, she poured herself into building the school from the ground up. Working in close coordination with the TCF team, she led the hiring and training of new teachers, improved learning outcomes through quality interventions, and conducted regular community visits to increase enrolment.

In 2019, TCF was able to secure funds from the Foreign, Commonwealth & Development Office (FCDO), UK which led to the renovation and infrastructural improvements of the school.

"Once a forgotten, grim place, today the TCF Partnership School in Gulab Pura brims with learning and laughter, educating over 150 students," remarks Ms Arshad proudly. "It is what a place of learning should look like."





TCF School GMPS Gulab Pura, Sargodha.

Board of Directors

Profiles



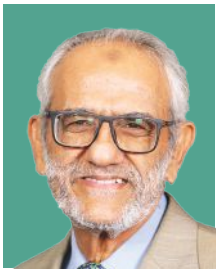
Mr Ahsan M Saleem is one of TCF's Co-Founders and currently serves as the Chairman of the Board. He is the Chief Executive Officer of Crescent Steel & Allied Products Limited. He is also presently serving on the board of several listed companies.



Mr Ateed Riaz, one of TCF's Co-Founders, has served as Chairman of TCF from 2016 till 2022. He also served as Chief Executive Officer of TCF (in honorary capacity) from July 2002 till March 2005. Mr Ateed Riaz has been looking after the operations of the Imrooz Association of Companies which include, First Imrooz Modaraba, Tarseel Private Limited and Atherton Imrooz Company.



Mr Ishaque Noor is the Group Advisor of Albatha Group, United Arab Emirates. He has also served for several years as member of the Executive Committee of the Professionals Wing of Pakistan Association in Dubai.



Mr Mushtaq K Chhapra is one of TCF's Co-Founders and has played a crucial role in nurturing several prominent nonprofit organisations. He serves on the Boards of Patients' Aid Foundation, The Kidney Centre and Institute of Business Administration (IBA) as well. Mr Chhapra was also honoured with the Sitara-i-Imtiaz by the President in 2016.



Ms Nilofer Saeed is an entrepreneur, a successful businesswoman and a member of the Supporters of The Citizens Foundation (STCF). She has been presented with the Woman Entrepreneurship Momentum Award in 2010 and was also awarded the Sitara-i-Imtiaz by the President of Pakistan in 2019.



Ms Hajerah Ahsan Saleem is the Head of Corporate Affairs and Business Unit Head, Investments at Crescent Steel and Allied Products Limited. Prior to joining Crescent Steel, Ms Saleem worked at Barclays Bank PLC Pakistan. She has been an active volunteer and supporter of TCF since its inception.



Ms Saima Amin Khawaja has an LLM from Kings College London, is an accredited Mediator and Master Trainer from (CEDR), UK. She specialises in constitutional, environmental, gender, Alternate Dispute Resolution (ADR) and acquisition laws. She is presently teaching at the Judicial Academy and has been a dedicated TCF volunteer since 1998.



Mr Musadaq Zulqarnain is the Chairman of Interloop Limited, Interloop Holdings (Pvt.) Limited and its subsidiaries. He has served as a member of the CPEC Business Council, Mr Zulqarnain earned his B Sc degree in Mechanical Engineering from the University of Engineering & Technology, Lahore and served Sui Northern Gas Pipelines Limited at senior positions for 14 years before setting up Interloop Limited. Mr Zulqarnain is a development enthusiast and philanthropist.



Mr Adnan Asdar is the Co-Founder and Chief Executive of Multinet Pakistan (Pvt) Limited. Over the past 37 years, he has developed a rich and progressively diverse experience in the fields of entrepreneurship, leadership, management and research. He studied Civil Engineering from the University of Wisconsin and graduated in Forensic Engineering from the University of Minnesota.



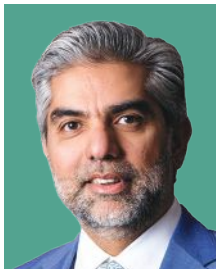
Mr Tariq Raza Hussain is an investment banker and qualified chartered accountant (Scotland) with 27 years of professional experience. Mr Tariq Hussain has had board and investing experience in the education, technology, cyber security and healthcare sectors including TES Education Limited and Neoss Healthcare. He holds an MBA from IMD, Lausanne.



Syed Asaad Ayub Ahmad is the President and CEO of TCF. He has been part of the TCF family since January 2009. Before joining TCF, he served in several senior positions at British Petroleum, Exxon-Mobil and Shell. He holds an MBA from the University of Texas at Austin and a Bachelor's degree in Civil Engineering from NED University of Engineering and Technology, Karachi.

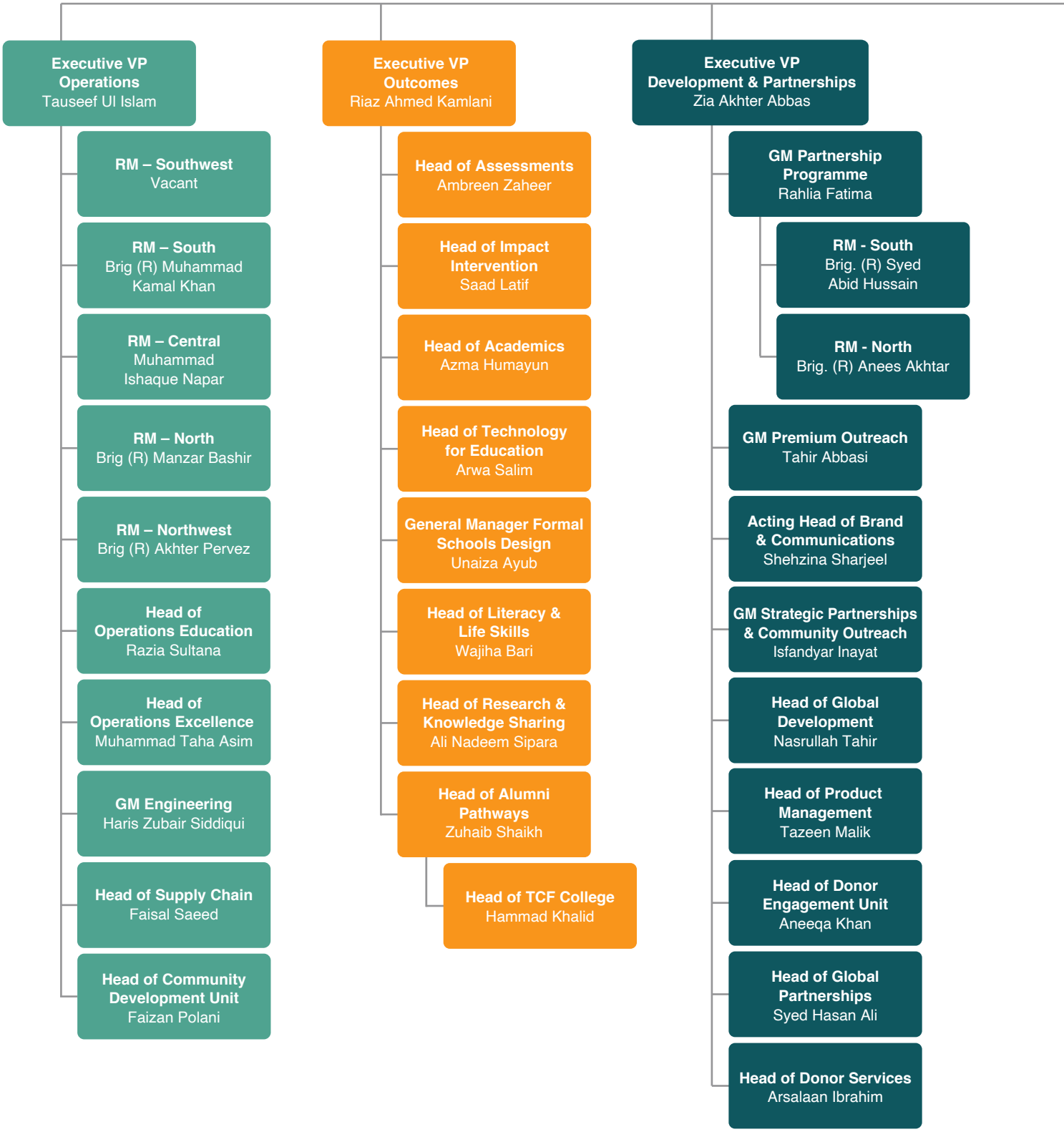


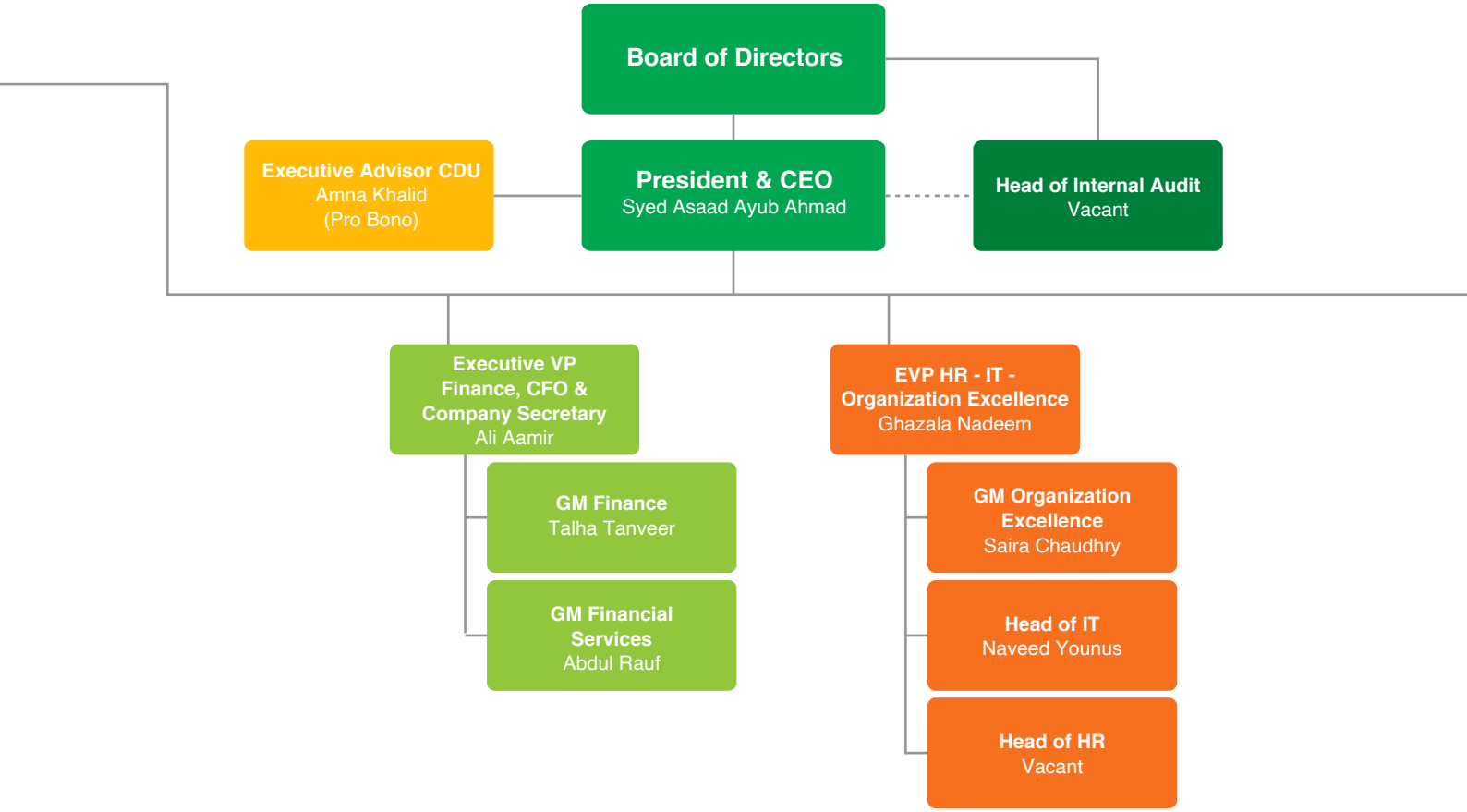
Barrister Jahanzeb Awan, Advocate Supreme Court, has been in practice for 17 years and is a Partner & Head of Litigation at M/s Haidermota & Co. Jahanzeb is the recipient of several awards including the Professional Achievement Award by the British Council. He also serves on the boards of The Indus Valley School of Art and Architecture, The Citizens Archive of Pakistan & The Kidney Centre, Karachi.



Mr Rizwan Diwan is a family member of the Gani & Tayub Group and is the Executive Director of Novatex Ltd. Mr Diwan joined the Board of Directors of Engro Corporation and serves on their Board of Investment as well as Audit Committee. Mr Diwan is also a trustee of the Memon Health & Education Foundation. He holds a Master's Degree from the Institute of Business Administration, Karachi.

TCF Organogram





Executive Advisors (Pro bono)

Ahmed Habib
Akbar Adil
Amna Khalid
Aneesa Naviwala
Arif Irfanullah
Areej Kirmani
Farheen Salman
Samra Muslim

Legal Advisors

Mohsin Tayebaly & Company Advocates and Legal Consultants (Pro bono)

Roshan Zamir & Co.

Haidermota & Co. (Pro bono)

Shariah Advisor

Alhamd Shariah Advisory Services Private Limited

Tax Advisor

A F Ferguson & Co.

External Auditor

A F Ferguson & Co.

Board Committees & Meetings



Student at a TCF Partnership School in Lohan, Punjab, plays with building blocks during Choice-Time.

TCF's Board consists of twelve Directors excluding CEO. Board is headed by Chairman elected amongst the directors who meet regularly to provide guidance and support to the organisation. Seven meetings of the Board of Directors were held during the financial year ended on 30 June 2022. The attendance of the meeting of Board of Directors is presented in the Directors' report included in the Annual Report.

Statutory Committees

Audit Committee

The Audit Committee is established to review the principles, policies and practices adopted in the preparation of the financial statements of the organisation. It aims at ensuring that the Annual Report of the organisation and any other announcement relating to financial performance comply with all statutory requirements. The terms of reference include:

- to determine and monitor compliance with statutory requirements and with the best practices of corporate governance;
- to oversee the process for selecting the external auditors, their appointment, reappointment and removal; to approve the audit fee or any fees in respect of non audit services provided by the external auditors ensuring that the provision of non audit services does not impair the external auditors' independence or objectivity;
- to review quarterly, half year and year end financial statements of TCF, providing information to the Board on organisation's assets, its cash flows, net asset value calculations, any changes in accounting policies and practices and significant related party transactions;
- to ensure coordination between the internal and external auditors of the organisation;
- to review the external auditors' audit report;
- to review the findings of the audit with the external auditors including, but not limited to: a discussion of any major issues which arose during the audit; materiality levels; key accounting and audit judgments; levels of errors identified during the audit; and the effectiveness of the audit process;
- to ensure that the internal audit function has adequate resources and is appropriately placed;
- to determine that the internal control systems including financial and operational controls, accounting systems and reporting structures are adequate and effective;
- to consider major findings of internal investigations of activities characterised by fraud, corruption and abuse of power and management's response thereto;
- to consider any other issue or matter as may be assigned by the Board of Directors.

Four meetings of the committee was held in the financial year ended 30 June 2022.

Members of the Committee are:

Mr Ishaque Noor I Chairman
Mr Rizwan Diwan I Independent Director
Mr Musadaq Zulqarnain I Independent Director
Mr Tariq Raza Hussain I Independent Director
Mr Riyaz Chinoy I Independent Director (by invitation)
Mr Nihal Cassim I Non-Executive Member (by invitation)
Mr Ahsan M Saleem I Non-Executive Director*
Mr Imtiaz Sultanali Dossa I Independent Director*
Ms Nilofer Saeed I Independent Director*
Mr Shamshad Nabi I Non-Executive Member*
Mr S M Estisham Ullah I Non-Executive Member*

*Retiring Director/Members pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2022



Students at the TCF Partnership School in Lohan, Punjab enjoy break-time in their newly renovated school.

Human Resource and Remuneration Committee

The HR & Remuneration Committee assists the Board in fulfilling its obligations relating to human resource matters, through oversight of the internal Human Resource policies and practices that support strong organisational performance and people risk management. The terms of reference include:

- to review and recommend Human Resource Management (HRM) policies to the Board (including recruitment, retention, training, performance and compensation);
- to ensure that the HRM policies are in compliance with applicable laws;
- to review and recommend to the Board, selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO and other senior management;
- to consider major changes in the organisational structure;

- to review the annual salary plan including increments and performance related bonuses of the staff;

- to ensure leadership continuity in the event of an unexpected departure or emergency leave of the CEO or any senior staff member.

One meeting of the committee was held in the financial year ended 30 June 2022.

Members of the Committee are:

Ms Nilofer Saeed I Chairperson
Mr Ateed Riaz I Non-Executive Director
Mr Mushtaq K Chhapra I Non-Executive Director
Ms Hajeera A Saleem I Independent Director
Mr Rizwan Diwan I Independent Director
Mr Adnan Asdar Ali I Independent Director
Mr Shahbaz Yasin Malik I Non-Executive Member (by invitation)
Syed Asaad Ayub Ahmad I Executive Director
Mr Ahsan M. Saleem I Non-Executive Director *
Mr Shahid Rasheed Soorty I Non-Executive Member*

*Retiring Director/Members pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2022

Governance and Nomination Committee

The objective of the committee is to evaluate the effectiveness of the Board and to assist the Board in the discharge of its functions as well as to ensure compliance with the governing principles of TCF. The Committee takes a leadership role in shaping the governing principles for TCF and to keep the organisation aligned with international best practices. The terms of reference include:

- to recommend qualified candidates for Board membership and to structure, monitor and review the collective and individual responsibilities of the Board and its members;

- to evaluate the performance of the Directors; to review the Board structure and organisational architecture;

- to monitor the overall compliance with the SECP's Code of Corporate Governance and governing principles of TCF;

- to recommend CEO's and senior management's compensation and benefits for Board approval, exclusive of what is mandated to the HRRC;

- to oversee the succession planning of the CEO and other senior management;

One meeting of the Committee was held in the financial year ended 30 June, 2022.

Members of the Committee are:

Mr Ateed Riaz I Chairman
Mr Ahsan M Saleem I Non-Executive Director
Mr Mushtaq K Chhapra I Non-Executive Director
Mr Imtiaz Sultanali Dossa I Independent Director
Mr Jahanzeb Awan I Independent Director
Syed Asaad Ayub Ahmad I Executive Director
Ms Saima Amin Khawaja I Independent Director*

*Retiring Director/Members pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2022

Resource Mobilisation Committee

The Resource Mobilisation Committee assists the Board for the purpose of increasing donations and reviewing TCF's fundraising strategy. The terms of reference include:

- to periodically review the fundraising targets set for various support groups and Global Chapters of TCF and evaluate performance;

- to review and report to the Board on business development strategies;

- to review tactical plans developed to achieve business development goals set out in the strategic plan;

- to review, monitor and report to the Board on business development projects, initiatives and potential opportunities;

- to monitor compliance with guidelines established by TCF relating to business development;

- to evaluate donor management standards and the Resource Mobilisation Department's adherence to these standards;

- to review TCF publications and donor reports and recommend changes to the format or information that is being provided;

- to monitor TCF's fundraising campaign related activities and ensure their cost efficiency.

Two meetings of the committee was held in the financial year ended 30 June 2022.

Members of the Committee are:

Mr Mushtaq K Chhapra I Chairman
Mr Ahsan M Saleem I Non-Executive Director
Mr Ateed Riaz I Non-Executive Director
Ms Nilofer Saeed I Independent Director
Mr Ishaque Noor I Independent Director
Mr Musadaq Zulqarnain I Independent Director
Mr Shahbaz Yasin Malik I Non-Executive Member (by invitation)
Ms Bushra Afzal I Non-Executive Member (by invitation)
Syed Asaad Ayub Ahmad I Executive Director
Ms Farzana Zulqarnain I Independent Director*
Mr Shahid Rasheed Soorty I Non-Executive Member*

*Retiring Director/Members pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2022



Learning through play in action at the TCF Partnership School in Lohan, Punjab.

Education Committee

The purpose of the Education Committee, is to assist the Board in overseeing TCF's Education Division management activities. The terms of reference include:

- to prepare multi-year education plan covering quantitative and qualitative parameters with respect to the school system;
- to review and monitor the plan on a half yearly basis;
- to approve major Education Division initiatives and projects and assign implementation priorities;
- to assess HR capacity and recommend capacity building initiatives;
- to assess overall funding requirement for the education for the school system in terms of per student fund allocation;
- to receive quarterly dashboard on Annual Plan KPIs from management;
- to ensure all major project spending of TCF Education Plan have been included in every year OPEX and CAPEX budget of TCF;

No meeting of the committee was held in the financial year ended 30 June 2022.

Members of the Committee are:

Mr Ateed Riaz I Chairman
Mr Adnan Asdar I Independent Director
Mr Ahsan M Saleem I Non-Executive Director
Ms Saima Amin Khawaja I Independent Director
Mr Ishaque Noor I Independent Director*
Ms Farzana Zulqarnain I Independent Director*
Syed Asaad Ayub Ahmad I Executive Director
Mr Riaz Ahmed Kamlani I Executive Member
Ms Nighat Daudi I Non-Executive Member (by invitation)
Ms Hina Riaz I Non-Executive Member (by invitation)
Dr Faisal Bari I Non-Executive Member (by invitation)
Mr Salman Siddiqui I Non-Executive Member (by invitation)
Mr Arif Irfan Ullah I Non-Executive Member (by invitation)

*Retiring Director/Members pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2022

Risk & Compliance Committee

The Risk and Compliance Committee (R&CC) was formed in February 2019. Syed Asaad Ayub Ahmad (Chief Executive and President) has been appointed as the Chief Risk and Compliance Officer (CRCO). Mr Talha Bin Hamid, Head of Internal Audit was appointed as in-charge of Risk & Compliance function with direct reporting to CRCO through Mr Ali Aamir, EVP & CFO as well as Chairman of the Committee. The role and objective of the Committee shall be to assist and support the Board in fulfilling its risk and compliance oversight responsibilities more effectively, by and for & on behalf of the Board:

a. having oversight of the integrity of TCF's statutory risk and compliance framework;

b. monitoring that Management has an appropriate framework in place to identify and effectively manage risk and that Management ensures that TCF operates within the risk appetite set by the Board in protecting TCF's beneficiaries, staff, assets and its public profile;

c. monitoring that Management has an appropriate framework in place to ensure compliance with regulatory, prudential, legal and ethical standards and monitoring the efficacy of that framework and ensuring TCF's operations are conducted within the scope of those frameworks;

d. reviewing compliance with internal guidelines, policies and procedures and other prescribed internal standards of behaviour and ethics; and

e. monitoring, and where applicable taking into consideration, trends on the state of risk and compliance culture globally.

One meeting of the committee was held in the financial year ended 30 June 2022.

Members of the Committee are:

Mr Musadaq Zulqarnain I Chairman
Mr Ishaque Noor I Independent Director
Mr Jahanzeb Awan I Independent Director
Ms Hajera A Saleem I Independent Director
Mr Tariq Raza Hussain I Independent Director
Mr Riyaz Chinoy I Independent Director (by invitation)
Mr Ahsan M Saleem I Non-Executive Director*
Mr Imtiaz Sultanali Dossa I Independent Director*
Ms Saima Amin Khawaja I Independent Director*
Syed Asaad Ayub Ahmad I Executive Director

*Retiring Director/Members pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2022

Report of the Audit Committee



Ahmad Waqar, a kindergartner at TCF school, Shirin Sultan Dossa Campus-XXVI, enjoys using an abacus to practise counting.

The Audit Committee comprises only of Non-Executive Directors and professional members. Details of the Audit Committee are set out in this section which specifies the composition of committees of Board of Directors in this report. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Audit Executive (CAE) and External Auditor attend Audit Committee meeting by invitation. The Committee meets with CAE and External Auditor with and without CEO and CFO being present.

The Committee performs its functions in accordance with the Terms of Reference (TORs) approved by the Board of Directors. Four meetings of the Audit Committee were held during the year ended 30 June 2022 prescribed by the Chairman Board Audit Committee (BAC).

Role of the Committee

The role and responsibilities of the BAC are set out in written terms of reference which are reviewed annually by the Committee taking into account relevant legislation and recommended good practice. The Committee's responsibilities include, but are not limited to, the following matters with a view to bringing any relevant issues to the attention of the Board:

- Oversight of the integrity of Foundation's Financial Statements.
- Review of Foundation's quarterly and annual Financial Statements (including clarity and completeness of disclosure together with Related Party Transactions), and recommend them to the Board of Directors for approval.
- Oversight of Risk Management (through Risk Management Committee) and internal control arrangements.
- Oversight of compliance with legal and regulatory requirements.
- Oversight of the external auditors' performance, objectivity, qualifications and independence; the approval process of non-audit services; recommendation to the Board of their nomination.
- Ensure that proper and adequate accounting records have been maintained by the Foundation in accordance with the Companies Ordinance, 1984/Companies Act, 2017 and external reporting is consistent with the management processes.
- The performance of the Internal Audit Function.

Internal Audit Function

- The internal control framework has been effectively implemented through an independent in-house internal audit function established by the Board, direct reporting to the Audit Committee.
- Field work of internal audit of schools in all TCF Regions were conducted through Internal Audit Department of the Foundation. TCF's Internal Audit Department carries out audit of those financial units which have operated for one year as at the beginning of financial year i.e. 01 July. For the year ending 30 June 2022, 1155 financial units were audited which represent 96% school financial units as at the beginning of the year i.e. 01 July 2021.
- A performance audit score is calculated at the end of the audit for each school audited which is based on the predefined rubrics. This audit score is used to measure schools/Region's performance. For improvement as well as for better control in schools, Area Office and Regional Office, several trainings/meetings were conducted with Principals and Area Managers throughout the year.
- Internal Audit Department also conducted internal audit of all Regions, Area Offices and selected Head Office functions in accordance with internal audit plan duly approved by the Audit Committee. Certain follow-up audits were also conducted for actions taken.
- The Head of Internal Audit has direct access to the Chairman of Audit Committee for discussing any serious matter and for guidance in performing the assigned task professionally and diligently.
- The BAC has ensured achievements of operational, compliance and financial reporting objectives and safeguarding the assets of the Foundation through effective internal control and risk management at all levels within the Foundation.
- Coordination between External and Internal Auditors has facilitated to ensure efficiency and contribution to the Foundation's objective, including a reliable financial reporting system and compliance with laws and regulations.

External Audit

- The Board has appointed M/s A F Ferguson & Co, Chartered Accountants (AFF) as statutory auditors for the year ended 30 June 2022. Previous auditors of the Foundation were also, M/s PWC A F Ferguson & Co, Chartered Accountants, have completed their audit engagement of the "Foundation's Financial Statements" for the year ended 30 June 2021 and reappointed in the 25th Annual General Meeting.
- BAC has reviewed and discussed the auditors' report.
- The Audit Firm has been given a satisfactory rating under the Quality Control Review Program of the ICAP and the Firm is fully compliant with the IFAC Guidelines on the Code of Ethics, as adopted by the ICAP.
- Both TCF and AFF have safeguards in place to avoid the possibility that the external auditors' objectivity and independence could be compromised.

Code of Conduct & Governance Policies



A teacher at the TCF Partnership School, Pindi Kahluwan, Punjab engaging students in learning.

Our code of conduct and governance policies form the framework for all our operations and sets out standards of behaviour for all TCF employees including senior management and directors without exception. Non-adherence to the code of conduct and policies can result in strict disciplinary action. The code of conduct and governance policies have been approved by the Board of Directors.

Whistle-Blowing Policy

TCF has implemented a Whistle-Blowing Policy with effect from 01 July 2014 through which employees can report a violation in the code of conduct and policies. This policy has laid out procedures for lodging, handling and reporting of concerns whilst ensuring protection of the whistle-blower's identity. Monitoring the effectiveness and compliance of the Whistle-Blowing Policy has to be carried out by the Audit Committee. During the year ended 30 June 2021, no complaint was reported.

Operational Continuity Planning & Procedures for Data Protection

As part of the Foundation's efforts to ensure continuity of operations, TCF has formulated detailed standard operation procedures (SOPs) for the backup of its assets including critical data and information in case of interruptions in operations caused by any unexpected event or natural disaster.

Mechanism for Providing Information to the Board

There are six regions and broadly twenty departments of the Foundation, each led by a Head reporting directly to the Vice Presidents/Executive Vice Presidents. The Vice Presidents/ Executive Vice Presidents report to the CEO. Clear lines of authority run from top to bottom of the organisational structure and represent formal communication channels. The CEO is responsible for formally communicating with the Board.

Employees

To promote a culture of openness and freedom of expression, we provide several forums for our employees to bring their valuable suggestions and feedback to the management and the Board. TCF has provided a server based Improvement Opportunity System (IOS) accessible to all employees allowing them to share their feedback, concerns and recommendations directly with the CEO and Head of Departments.

Donors

The Foundation has provided its contact details and other information to facilitate donors on its website www.tcf.org.pk.

Managing Conflict of Interest

As per the provisions of the Companies Act, 2017, every Director is required to provide the Board with complete details regarding any material transaction which may cause a conflict of interest with the Foundation, for prior approval of the Board. The interested Director(s) do not participate in the discussion nor do they vote on such matters.

The transactions with all the related parties are made on an arms-length basis and complete details are provided to the Board for their approval. Furthermore, all transactions with the related parties are fully disclosed in the Financial Statements of the Foundation.

Fit and Proper Criteria

An undertaking has been taken from the Directors in respect of fit and proper criteria as set out under regulation 10 of Associations with Charitable and Not for Profit Objects Regulations, 2018 issued vide S R O 733(I)/2018 dated 7 June 2018.

Quality Control Measures

The Quality Assurance (QA) team reinforces accountability, transparency and organisational learning of all stakeholders through systematic evaluation of educational policies, programmes and processes. To assess the quality of students' learning the team has developed a systematic, centralised assessment system. The QA team conducts two centralised exams (Mid Term and Final Term) in an academic year. Students' results are then entered into the system for report generation and future planning.

Procedures Adopted for Stakeholder Engagement

The Foundation recognises and respects the rights of each and every stakeholder. The Foundation is also cognisant of its legal and constructive obligations towards its stakeholders and takes their input into consideration.

Regulators

TCF continually engages with the Government of Pakistan and other regulatory bodies at local, provincial and federal levels on various educational matters and issues.

Media

TCF engages with media through press releases as and when required.

Other Stakeholders

Other stakeholders include donors, bankers, suppliers and employees. TCF engages with these stakeholders on a regular basis through meetings and other ways of correspondence.

Role of the Chairman & CEO

Role of the Chairman

The Chairman of the Board of Directors ensures that the organisation's trajectory is aligned with its vision, at all times. Providing leadership and direction to the Board, the Chairman ensures that the Board fulfills its responsibilities in a diligent manner. The Chairman's role entails the following:

- to make sure that all members of the Board participate in all meetings and have the opportunity to explain their opinion;
- to act as a liaison between management and the Board;
- to provide independent advice and counsel to the CEO;
- to keep abreast generally of the activities of the organisation and its management;
- to ensure that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments;
- to ensure that dissent of Directors, if any, is properly recorded in the minutes of meetings;
- to assist the Board in fulfilling its role effectively and swiftly in line with regulatory requirements;
- to ensure that the Board subcommittees perform their designated functions with due diligence.

Role of the President & CEO

The role of the President and CEO constitutes an absolutely engaged position, demanding complete involvement in leading the organisation. The role entails the following:

- to ensure execution of the strategy developed by the Board;
- to make sure that the Foundation maintains its business position and brand image as one of the leading non-profit organisations of the country;
- to efficiently allocate and manage organisational resources and budgets, ensuring attainment of its long-term strategic goals;
- to establish systems of checks and controls to support the fast-paced growth of the Foundation;
- to provide liaison between the Board and the Foundation's management to ensure alignment of managerial efforts with Board's directives;
- to foster a culture of professionalism and high ethical standards within the Foundation;
- to facilitate an organisational culture of continuous improvement to ensure quality education outcomes and enhanced donor services.



Students at the TCF school Qayyumabad Campus engage in art activities.

President & CEO's Performance Review

The President and CEO of TCF is responsible for supervising and leading the strategic and managerial affairs of the organisation. Various elements of the President and CEO's performance are monitored and discussed periodically by the Board. As leader of the organisation and executor of its long-term strategy approved by the Board, the President and CEO is evaluated on parameters such as governance and compliance, business processes and policies, financial performance, people management and facilitating the desired organisational culture of integrity, ownership and continuous improvement.

ALHAMD SHARIAH ADVISORY SERVICES
(PVT) LIMITED

بسم الله الرحمن الرحيم

August 24, 2022

نحمده و نصلی علیٰ رسوله الکریم

Shariah Advisor's Report

For the year ended June 2022

INTRODUCTION:

TCF is a professionally managed, non-profit and philanthropic organization set up in 1995 by a group of citizens concerned with the dismal state of education in Pakistan. It is now one of Pakistan's leading organizations in the field of formal education. The vision of TCF is to remove barriers of class and privilege and to make the citizens of Pakistan agents of positive change. TCF believe that access to basic education is the right of each individual and not a privilege. Under the administration of TCF hundreds of schools spread throughout Pakistan are providing education to thousands of children.

METHOD OF UTILIZATION OF ZAKAT:

The organization's financial needs are being covered by zakat and donations that Pakistani individuals and corporate throughout the world contribute towards. Zakat received by TCF is spent on the benefits of deserving students. TCF management checks out the financial condition of applicants in respect of Zakat eligibility and gets zakat agency from the eligible students for the organization. This constructive tamleek (ownership) enables TCF to collect Zakat on their behalf and right to utilize it as per eligible needs of students.

SHARIAH RULING:

It is confirmed that The Citizens Foundation collects and spends Zakat fund in accordance with the instructions of Shariah. It is also confirmed that whosoever will give Zakat to this Foundation; their Zakat will be paid as per Shariah point of view.

May Allah grant the management of The Citizens Foundation best reward for their services, and may give in their mission more blessings and sincerity. Aameen

Mufti Muhammad Ibrahim Essa
Chief Executive Officer
Alhamd Shariah Advisory Services (Pvt.) Limited

Mufti Ubaid ur Rahman Zubairi
Director
Alhamd Shariah Advisory Services (Pvt.) Limited

Alhamd Shariah Advisory Services (Pvt.) Ltd.

NOTE: This certificate is valid till 30th June 2023

+92 322 2671867 | www.alhamdshariahadvisory.com | info@alhamdshariahadvisory.com

Education Powers the Wheels of Hope

As the school bell rings at midday, most students at the TCF school in the village Adilpur, Jacobabad, make their way home. But Dost Ali is not one of them. This eleven-year-old still has a long day ahead of him. In the scorching heat, Dost Ali unfailingly shows up at the bike repair shop, where he is an apprentice. He spends the latter part of his day fixing tire punctures - making seventy rupees which helps light up the stove at home.

“Dost Ali’s father drives around passengers in a donkey-cart for a living and his mother is a homemaker. They are hardly able to make ends meet,” shares Ms Nasima the principal at the TCF school. “Being the eldest son, his father arranged for him to learn a skill so he could lend him a hand. Despite working late in the evening, Dost Ali never misses a day at school.”

In the better part of the day, Dost Ali, a student of Class 3, spends his time learning, laughing and playing at school. “I enjoy playing football and reading aloud in class. When I grow up, I want to be a doctor,” he shares with a sparkle in his eyes.





TCF student, Dost Ali is seen repairing a tire in the garage where he works.

THE CITIZENS FOUNDATION

Notice of 26th Annual General Meeting of Members

Notice is hereby given to all the members of **The Citizens Foundation** that **26th Annual General Meeting** of the Foundation will be held on **Wednesday, 16 November 2022 at 11:30 hours** via Zoom App to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Foundation for the year ended 30 June 2022 together with Auditors' report thereon.

2. To adopt the Directors' Report and Review Report by the Chairman for the year ended 30 June 2022.

3. To appoint External Auditors of the Company for the financial year 2022/23, and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed the appointment of M/s PwC A F Ferguson & Co. Chartered Accountants as external auditors for the financial year ending 30 June 2021, at a fee to be mutually agreed plus out of pocket expenses and applicable sales tax.

By order of the Board.

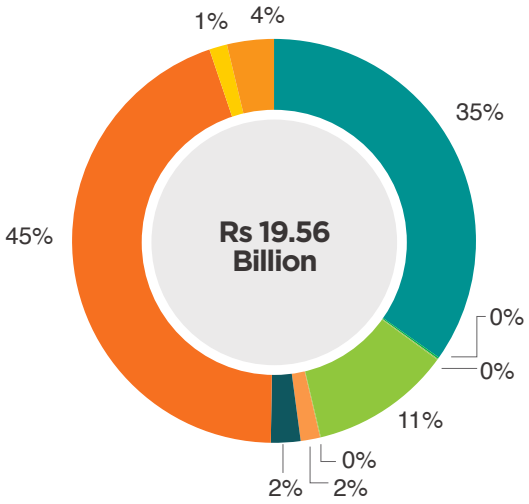
Ali Aamir
Company Secretary - TCF

Date: 6 October 2022
Place: Karachi

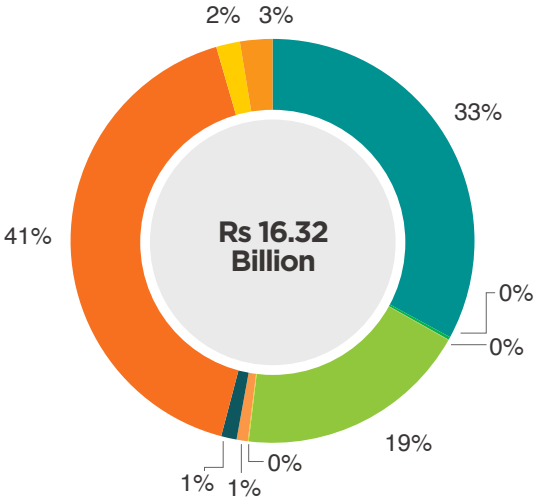
Financial Highlights

Graphical Presentation of Statement of Financial Position

Assets 2022

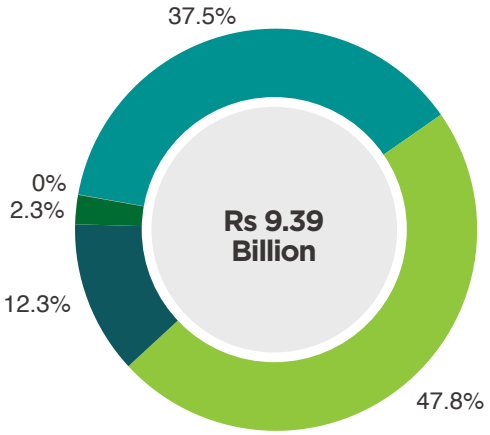


Assets 2021

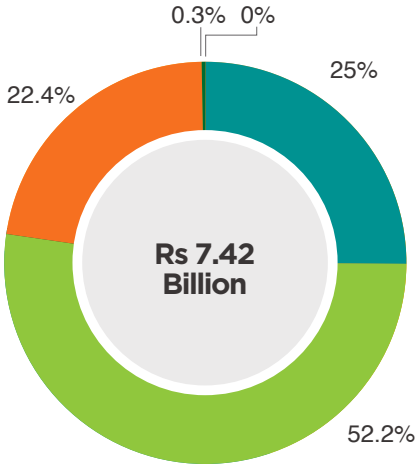


Property and Equipment
Intangible Assets
Long Term Investments
Long Term Deposits
Advances and Prepayments
Accrued Income and Other Receivables
Short Term Investments
Cash and Bank Balances
Books, Copies, Uniforms and Other School Supplies
Right-of-use Assets

Funds and Reserves 2022



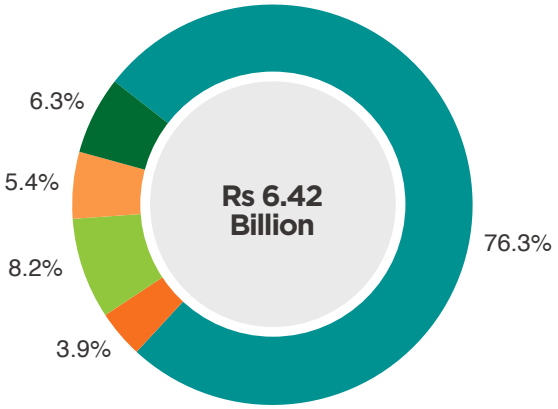
Funds and Reserves 2021



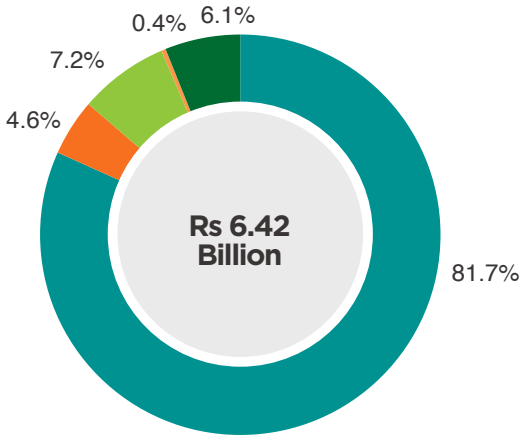
Surplus / (Deficit) of Income Over Expenditure
Capital Fund
Foreign Currency Translation Reserve
Endowment Fund
General Fund

Graphical Presentation of Statement of Income and Expenditure

Income 2022

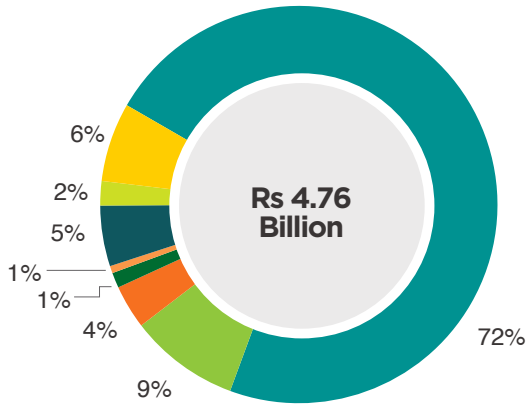


Income 2021

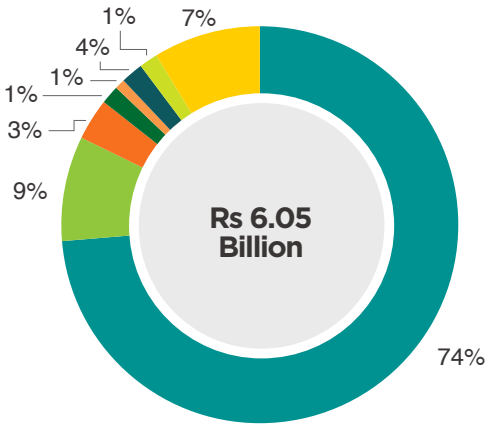


Fair Value of Contributed Land and Assets Related Donations
Support Donations
Contribution from Government
Fees
Income on Investments etc

Operating Expenditure 2022



Operating Expenditure 2021



Flagship Schools and Colleges
Partnership Schools
Alumni Support Programme
Community Development Programme
COVID-19 Response Appeal
Marketing, Fund Raising and Outreach Expenses
Research and Development Expenses
Administration Expenses

Receipts Pattern

This receipts pattern includes donations for school support, students' education (KG to Matric), building schools and other incomes. Donations received for TCF relief operations are not included in this pattern.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Growth %	11%	24%	23%	13%	9%	17%	18%	-6%	70%	-5%
Amount	1,873m	2,321m	2,864m	3,229m	3,505m	4,106m	4,831m	4,546m	7,745m	7,371m

Six Years Financial and Operating Information at a Glance (2017 to 2022)

Operating Results (Rupees in Million)	2022	2021	2020	2019	2018	2017
Donation and Fees	**6,362.5**	**6,004.6**	4,404.8	4,374.6	3,980.0	3,346.5
Fair value of contributed land	**388.4**	**23.1**	-	122.5	519.7	5,101.5
Other income including investment income	**453.0**	**390.7**	133.8	75.2	82.6	95.4
Programme costs	**5,240.6**	**4,182.5**	4,196.8	3,901.9	3,616.0	3,437.1
Other costs	**807.4**	**573.0**	466.3	381.2	307.5	230.2
Surplus / (deficit) of Income over expenditure for the year	**1,155.9**	**1,662.9**	(124.5)	289.3	658.7	4,876.1
Financial Position (Rupees in Million)						
Land and Building	**4,587.3**	**4,587.3**	4,615.4	4,432.7	9,703.5	8,897.9
Other Non Current Assets	**4,474.6**	**3,891.7**	4,168.8	1,767.2	1,268.4	1,509.5
Current Assets	**10,498.6**	**7,838.4**	3,300.9	5,059.2	4,427.4	3,648.9
Total Assets	**19,560.5**	**16,317.4**	12,085.1	11,259.1	15,399.3	14,056.3
Non Current Liabilities	**8,112.8**	**7,426.5**	5,807.4	5,532.0	5,383.7	5,061.9
Current Liabilities	**2,055.3**	**1,469.6**	1,122.2	854.2	774.1	612.3
Total Liabilities	**10,168.0**	**8,896.1**	6,929.6	6,386.2	6,157.8	5,674.2
Net Assets	**9,392.5**	**7,421.3**	5,155.5	4,872.9	9,241.5	8,382.1
Capital Fund	**3.5**	**3.1**	3.1	3.1	2.4	2.4
General and Other Funds	**3,521.0**	**1,858.1**	1,983.6	1,204.3	5,543.1	667.0
Endowment fund - externally restricted	**4,492.1**	**3,875.5**	3,233.6	2,860.8	2,602.8	2,378.7
Foreign Currency Translation Reserve	**1,155.9**	**21.7**	60.8	25.4	9.6	(0.0)
Surplus / (deficit) of income over expenditure	**1,155.88**	**1,662.87**	(125.52)	779.30	971.2	5,188.5
Unrealised gain on remeasurement of available for sale investments	**-**	**-**	-	-	112.4	145.5
Total Funds	**9,392.5**	**7,421.3**	5,155.5	4,872.9	9,241.5	8,382.1
Expenses Pattern						
Programme costs	**86.6%**	**88.0%**	90.0%	91.1%	92.2%	93.7%
Marketing, fundraising and outreach expenses	**4.9%**	**4.0%**	3.0%	3.2%	3.6%	2.8%
Research and development expenses **	**2.0%**	**1.5%**	1.0%	0.0%	0.0%	0.0%
Administration expenses	**6.4%**	**6.6%**	6.1%	5.7%	4.2%	3.5%
Key Financial Ration (in Times)						
Current Ratio	**5.1**	**5.3**	2.9	5.9	5.7	6.0
Cash to Current Liabilities	**0.4**	**0.3**	0.2	0.7	0.4	0.9
Summary of Cash Flow Statement (Rupees in Million)						
Cash and Cash Equivalents at beginning of the year	**4,635.9**	**890.7**	3,603.8	2,667.2	1,703.1	941.9
Cash Flows from Operation Activities	**681.8**	**1,765.0**	(324.1)	673.6	306.2	(146.1)
Cash Flows from Investing Activities	**(276.4)**	**(69.9)**	(3,287.4)	(571.2)	(92.4)	(132.3)
Cash Flows from Financial Activities	**1,509.2**	**2,089.1**	863.1	915.1	740.6	1,039.6
Increase / (decrease) in cash and cash equivalents	**1,914.6**	**3,784.2**	(2,748.4)	1,017.5	954.4	761.2
Currency translation difference on cash and cash equivalents	**198.3**	**(39.0)**	35.4	15.8	9.6	(0.0)
Cash and cash equivalents at end of the year	**6,748.8**	**4,635.9**	890.7	3,700.5	2,667.2	1,703.1
Other Data (Rupees in Million)						
Foreign Exchange Remittance (Pak Rupee Equivalent) for all donations received	**4,221.8**	**4,975.6**	2,314.6	2,602.9	2,192.6	1,660.0
Tax deducted and deposited into Government Teasury as withholding tax agent	**192**	**154**	96	76	77	85

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INDEPENDENT AUDITOR'S REPORT

To the members of The Citizens Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of The Citizens Foundation (the Foundation), which comprise the statement of financial position as at June 30, 2022, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and reserves, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2022 and of the surplus, the changes in funds and reserves and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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KARACHI LAHORE ISLAMABAD

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's business; and

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

The engagement partner on the audit resulting in this independent auditor's report is Khurshid Hasan.

A. F. Ferguson & Co.
Chartered Accountants

Karachi

Date: October 27, 2022

UDIN: AR202210160tiyOWTMP3

Statement of Financial Position

AS AT 30 JUNE 2022

	Note	2022	2021
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property and equipment	4	**6,806,859**	5,370,241
Right-of-use assets	5	**26,682**	37,292
Intangible assets	6	**16,189**	6,799
Long-term investments	7	**2,201,010**	3,051,930
Long-term deposits		**11,122**	12,743
		9,061,862	8,479,005
Current assets			
Advances and prepayments	8	**305,552**	145,911
Accrued income and other receivables	9	**462,552**	201,961
Short-term investments	10	**8,717,032**	6,756,840
Books, copies, uniforms and other school supplies		**280,384**	311,022
Cash and bank balances	11	**733,115**	422,697
		10,498,635	7,838,431
TOTAL ASSETS		**19,560,497**	16,317,436
LIABILITIES			
Non-current liabilities			
Deferred income relating to operating fixed assets	12	**6,483,534**	5,835,941
Deferred income relating to school support, grants and children education	13	**1,592,839**	1,549,081
Lease liabilities	5	**36,399**	41,523
		8,112,772	7,426,545
Current liabilities			
Current portion of deferred income relating to school support, grants and children education	13	**1,053,373**	679,925
Current portion of lease liabilities	5	**3,115**	4,245
Creditors, accrued and other liabilities	14	**998,784**	785,384
		2,055,272	1,469,554
TOTAL LIABILITIES		**10,168,044**	8,896,099
NET ASSETS		**9,392,453**	7,421,337
REPRESENTED BY:			
FUNDS AND RESERVES			
Capital fund	15	**3,500**	3,100
General fund	16	**3,520,974**	1,858,107
Endowment fund - externally restricted	17	**4,492,063**	3,875,525
Foreign currency translation reserve	18	**220,041**	21,738
Surplus of income over expenditure		**1,155,875**	1,662,867
TOTAL FUNDS AND RESERVES		**9,392,453**	7,421,337
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Statement of Income and Expenditure

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		(Rupees in '000)	
INCOME			
Donations and fees	20	**6,362,483**	6,004,565
Fair value of contributed lands / properties		**388,400**	23,050
Income on investments - net	21	**387,517**	339,811
Other income	22	**65,510**	50,906
Total Income		**7,203,910**	6,418,332
EXPENDITURE			
Programme costs			
Flagship schools and college	23	**4,372,067**	3,503,860
Partnership schools	23	**542,046**	406,241
Alumni support programme	23	**216,063**	161,112
Community development programme	23	**74,798**	71,785
COVID-19 response appeal	23	**35,645**	39,480
		5,240,619	4,182,478
Other costs			
Marketing, fundraising and outreach expenses	24	**298,508**	188,133
Research and development expenses	25	**119,638**	71,664
Administration expenses	26	**389,270**	313,191
Total Expenditure		**6,048,035**	4,755,465
Surplus of income over expenditure for the year		**1,155,875**	1,662,867

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	(Rupees in '000)	
Surplus of income over expenditure for the year	**1,155,875**	1,662,867
Other comprehensive income:		
Items that may be reclassified to statement of income and expenditure in subsequent years:		
Foreign exchange gain / (loss) on translation of foreign branch	**198,303**	(39,026)
Other comprehensive income / (loss) for the year	**198,303**	(39,026)
Total comprehensive income for the year	**1,354,178**	1,623,841

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Statement of Changes in Funds & Reserves

FOR THE YEAR ENDED 30 JUNE 2022

	Capital fund	General fund	Endowment fund (Externally restricted)	Foreign currency translation reserve	Surplus / (deficit) of income over expenditure	Total
	(Rupees in '000)					
Balance as at 01 July 2020	3,100	1,983,624	3,233,562	60,764	(125,517)	5,155,533
Addition and net return used for accumulation during the year	-	-	641,963	-	-	641,963
Transfer to surplus of income over expenditure from the general fund	-	(125,517)	-	-	125,517	-
	-	(125,517)	641,963	-	125,517	641,963
Surplus of income over expenditure for the year	-	-	-	-	1,662,867	1,662,867
Other comprehensive loss	-	-	-	(39,026)	-	(39,026)
Total comprehensive income for the year	-	-	-	(39,026)	1,662,867	1,623,841
Balance as at 30 June 2021	3,100	1,858,107	3,875,525	21,738	1,662,867	7,421,337
Addition and net return used for accumulation during the year	**400**	**-**	**616,538**		**-**	**616,938**
Transfer of surplus of income over expenditure to the general fund	**-**	**1,662,867**	**-**	**-**	**(1,662,867)**	**-**
	400	**1,662,867**	**616,538**	**-**	**(1,662,867)**	**616,938**
Surplus of income over expenditure for the year	**-**	**-**	**-**	**-**	**1,155,875**	**1,155,875**
Other comprehensive income	**-**	**-**	**-**	**198,303**	**-**	**198,303**
Total comprehensive income for the year	**-**	**-**	**-**	**198,303**	**1,155,875**	**1,354,178**
Balance as at 30 June 2022	**3,500**	**3,520,974**	**4,492,063**	**220,041**	**1,155,875**	**9,392,453**

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilised in) / generated from operations	29	**(1,206,757)**	123,856
Decrease / (increase) in long term deposits (assets)		**1,621**	(421)
Deferred receipts relating to school support, grants and children education	13	**1,891,062**	1,616,341
Taxes (paid) / refunded - net of deductions		**(4,159)**	29,930
Net cash generated from operating activities		**681,767**	1,769,706
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure including intangible assets		**(1,697,246)**	(507,879)
Sales proceeds from disposal of property and equipment		**128,282**	67,738
Investments made during the year		**(29,556,862)**	(12,674,514)
Proceeds from sale and maturity of investments during the year		**30,015,438**	12,450,884
(Increase) / decrease in security deposits held as bank balance		**(208)**	12,193
Income from deposits with Islamic Banks and other financial institutions		**30,068**	21,656
Dividends received		**-**	10,748
Return received on investments		**804,158**	549,313
Net cash utilised in investing activities		**(276,370)**	(69,861)
CASH FLOWS FROM FINANCING ACTIVITIES			
Addition to endowment fund	17.3	**496,209**	574,208
Payments of lease liabilities		**(6,894)**	(8,261)
Deferred receipts relating to operating fixed assets	12	**1,019,898**	1,518,439
Net cash generated from financing activities		**1,509,213**	2,084,386
Net increase in cash and cash equivalents		**1,914,610**	3,784,231
Cash and cash equivalents at beginning of the year		**4,635,919**	890,714
Foreign exchange gain / (loss) on translation of foreign branch		**198,303**	(39,026)
Cash and cash equivalents at end of the year	30	**6,748,832**	4,635,919

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Notes to the Financial Statements
FOR THE YEAR ENDED 30 JUNE 2022

1. LEGAL STATUS AND NATURE OF OPERATIONS

1.1 The Citizens Foundation ('the Foundation') is a not for profit organisation incorporated in Pakistan as a company limited by guarantee on 24 September 1996 under section 42 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Foundation is principally engaged in establishing and operating schools to promote education, providing scholarships to its alumni for pursuing higher education opportunities and developing social and economic activities in the communities it serves. The Foundation receives funds from a cross section of society within and outside Pakistan for building of schools as well as for its operations. These donations are made by organisations, institutions and individuals.

1.2 The registered address of the Foundation is Plot 20, Sector 14, Korangi Industrial Area, Karachi, Pakistan. The Foundation also has a branch office in Dubai located at Building No. 4, Office No. 118, International Humanitarian City, Dubai Industrial City Headquarters which is registered with International Humanitarian City - Free Zone, Dubai, United Arab Emirates (UAE). The principal activity of the branch is to help fundraising to support the school operations in Pakistan.

1.3 Economic Interest In Other Non-Profit Organisations

TCF-USA, TCF-Canada, TCF-UK and TCF-Italy are entities incorporated and registered as charitable organisations under the respective laws of USA, Canada, UK and Italy. The Foundation has separate agreements with them, by virtue of which, they at their respective discretion, contribute financially and otherwise towards helping the Foundation to build and run educational projects for the less privileged children and communities across Pakistan. TCF-UK is the Foundation's related party by virtue of common directorship.

1.4 School Network

The Foundation school units are present across the country in the following territories:

	No. of units	%
	As at 30 June 2022	
Sindh	874	48%
Punjab	779	42%
Balochistan	87	5%
Khyber Pakhtunkhwa	72	4%
Azad Jammu Kashmir	21	1%
	1,833	**100%**

2. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except otherwise stated.

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Accounting Standard for Not for Profit Organisations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRSs or the Accounting Standard for NPOs, the provisions of and directives issued under the Act have been followed.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Foundation's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees.

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of the Foundation's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements made by the management in the application of accounting and reporting standards, as applicable in Pakistan, that have significant effect on these financial statements are described in the following notes:

- Property and equipment and intangible assets (notes 3.1 and 3.3)
- Lease liabilities and right-of-use assets (note 3.2)
- Impairment of non-financial assets (note 3.4)
- Investments in and impairment of financial assets (note 3.5)
- Provisions (note 3.16)
- Contingent liability (note 3.17)

2.4 Amendments to accounting and reporting standards which became effective during the year

There are certain amendments to the accounting and reporting standards which became effective for the Foundation during the year. However, these are considered not to be relevant or do not have any significant impact on the Foundation's financial reporting and operations therefore, have not been presented in these financial statements.

2.5 Standards and amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Foundation

There are new standards and certain amendments to the accounting and reporting standards that will be effective for the Foundation's annual accounting periods beginning on or after 01 July 2022. However, these are either considered not to be relevant or will not have any significant impact on the financial reporting of the Foundation, therefore, have not been presented in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property and equipment

3.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold and leasehold lands. Cost includes expenditure directly attributable to the acquisition of an asset. The cost of self-constructed asset includes the cost of materials, direct labour and any other costs directly attributable to bring the asset to a working condition for its intended use.

Depreciation is charged to the statement of income and expenditure using the straight-line method at the rates stated in note 4.1. Depreciation is charged on operating fixed assets from the date asset is available for intended use up to the date the asset is disposed off.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. The effect of any adjustments to residual values and useful lives is recognised prospectively as a change in estimate in the statement of income and expenditure.

Assets received as donation in kind are initially recognised at fair value on the date of contribution and are subsequently carried at valuation less accumulated depreciation and impairment, if any, except lands which are subsequently carried at valuation less accumulated impairment, if any.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to statement of the income and expenditure as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gain and loss on disposal or retirement of an item of property and equipment are taken to statement of income and expenditure.

The value assigned to the leasehold land is not depreciated as the cost of renewing lease is nominal and realisable value is higher than cost.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any, and consists of expenditure incurred in the course of their construction and installation. Assets are transferred to operating fixed assets when they are available for intended use.

3.2 Lease liabilities and right-of-use assets

The Foundation is required to recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment loss, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Generally, the Foundation uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. In

determining whether a contract is, or contains, a lease the management assesses whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, management shall assess whether both the below conditions are met:

a) it has the right to obtain substantially all of the economic benefits from use of the identified asset; and

b) it has the right to direct the use of the identified asset.

The Foundation is required to apply judgements to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Foundation is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Generally, right-of-use asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the right-of-use asset value.

The Foundation is required to determine the lease term as the non-cancellable period of a lease, together with both:

a) Period covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

b) Period covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Short-term lease is a lease that, at the commencement date, has a lease term of twelve months or less. A lease that contains a purchase option is not a short-term lease.

The Foundation has elected not to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Foundation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.3 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are amortised on a straight line basis at rate stated in note 6.1.1. Amortisation on additions to intangible assets is charged from the day on which an item is acquired or capitalised.

It also includes advances made in respect of the intangible assets.

Costs that are directly associated with identifiable software products controlled by the Foundation and have probable economic benefit beyond one year are recognised as intangible assets.

Costs associated with maintaining computer software products are recognised as expense as and when incurred in statement of income and expenditure.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The effect of any adjustments to residual values and useful lives is recognised prospectively as a change in estimate in statement of income and expenditure.

3.4 Impairment of non-financial assets

The carrying amount of the Foundation's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the assets or group of assets may be impaired. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment loss is recognised in the statement of income and expenditure.

3.5 Financial instruments

3.5.1 Financial assets

Classification

The Foundation classifies its financial assets in the following three categories:

- to be measured at fair value through other comprehensive income (FVOCI);
- to be measured at fair value through profit or loss (FVTPL); and
- to be measured at amortised cost.

The classification depends on the Foundation's business model for managing the financial assets and the contractual terms of cash flows.

A financial asset is initially measured at fair value plus, for a financial asset not measured at FVTPL, transaction costs that are directly attributable to its acquisition.

Transaction costs of financial assets carried at fair value through profit or loss are charged to the statement of income and expenditure.

Subsequent Measurement

Amortised cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment loss, foreign exchange gain and loss, and gain or loss arising on derecognition are recognised directly in statement of income and expenditure.
Fair value through other comprehensive income	Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Fair value through profit or loss	Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of income and expenditure in the period in which it arises.

Equity investments at fair value through other comprehensive income Equity instrument financial assets are measured at fair value and subsequent to initial recognition, changes in fair value of these financial assets are normally recognised in statement of income and expenditure. Where an irrevocable election is made to present fair value gain and loss on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gain and loss to statement of income and expenditure following the derecognition of the investment. Dividends from such investments continue to be recognised in statement of income and expenditure when the Foundation's right to receive payment is established.

3.5.2 Impairment of financial assets

The Foundation recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Foundation measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for other receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and information.

The Foundation assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Foundation is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Foundation has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Foundation individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Foundation expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Foundation's procedures for recovery of amounts due.

3.5.3 De-recognition

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.

3.5.4 Financial liabilities

Financial liabilities are recognised at the time when the Foundation becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in statement of income and expenditure.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in statement of income and expenditure.

3.5.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle either on a net basis or to realise the asset and to settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Foundation or the counterparty.

3.6 Accrued income and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of ECL.

3.7 Books, copies, uniforms and other school supplies

Books, copies, uniforms and other school supplies are valued at cost using weighted average basis and includes expenditure incurred in acquiring and bringing them to their present location and condition.

3.8 Contribution receivable

A contribution receivable is recognised as an asset only if the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured. Because of the non-reciprocal nature of contributions, there may be considerable uncertainty surrounding collectability. When this uncertainty exists, the Foundation does not recognise a contribution until the contributed asset has been received. The Foundation views that, the larger in the future the contributed assets are expected to be received the greater is the uncertainty associated with collectability.

3.9 Grants

Grants are recognised at the fair value of the consideration received. A grant without specified future performance conditions is recognised as income when the grant proceeds are received. A grant that imposes specified future performance condition is deferred and recognised as income when all those conditions are met. The Foundation does not recognise those forms of assistance for which a reasonable value cannot be placed on them.

3.10 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of statement of cash flows, cash and cash equivalent comprises of cash in hand, balances with banks in current and deposit accounts and other short-term highly liquid investments with original maturities of three months or less.

3.11 Income recognition

Donations for school operations are recognised as income as and when received.

Donations related to operating fixed assets e.g. for building schools etc. received in cash are recognised as deferred income and amortised over the useful lives of asset from the date the asset is available for intended use.

Donations received for school support and education of a child till matriculation are deferred and recognised as income on a systematic basis to match them with the related costs that they are intended to compensate.

Donations received in kind which meet the capitalisation limit are recognised as deferred income and amortised over the useful life of asset from the date the asset is available for intended use. Donations received in kind which are below the capitalisation limit are recognised as income for the year.

Gain or loss on sale of investments are included in statement of income and expenditure on the date on which the transaction takes place.

Dividend income is recognised when the right to receive dividend is established.

Unrealised gain and loss arising on revaluation of securities classified as 'fair value through profit or loss' are included in statement of income and expenditure in the period in which they arise respectively.

Income on Pakistan Investment Bonds is recognised using the effective yield basis.

Income on deposit accounts, term deposits receipts and treasury bills are recognised on time proportion basis taking in to account the effective yield.

Parental contribution is recognised on receipt basis.

The occasional voluntary services from professionals and organisations are not recorded in the financial statements due to impracticality of its measurement.

Contributions from the Government under the Partnership Schools programme are recognised on receipt basis. Contributions from the Government are also recognised as revenue on receivable basis, when the inflows can be reliably measured and the collection is reasonably assured.

Management fees from Government under Sindh Basic Education Programme is recognised as revenue on receivable basis, when the inflows can be reliably measured and the collection is reasonably certain.

Miscellaneous income, if any, is recognised on receipt basis.

3.12 Provision for compensated absences

The Foundation accounts for the liability in respect of employees' compensated absences for the year in which it is earned. The Foundation provides for its estimated liability towards leaves accumulated by employees on an accrual basis using current salary levels. The amount is based on the management's best estimate and no actuarial services are obtained in this regard.

3.13 Creditors, accrued and other liabilities

Liabilities for creditors, accrued and other liabilities payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.14 Expenses

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

3.15 Taxation

Any income derived by the Foundation is exempt from tax in accordance with clause (66) of Part I of Second Schedule to the Income Tax Ordinance, 2001. Consequently, no provision for taxation has been made in these financial statements.

3.16 Provisions

Provisions are recognised in the statement of financial position when the Foundation has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.17 Contingent Liability

A contingent liability is disclosed when the Foundation has a possible obligation as a result of past events, whose existence will be confirmed only by occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Foundation; or the Foundation has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.18 Foreign currency transactions and balances

Foreign currency transactions are translated to Pakistan Rupees at exchange rates prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies at the reporting date are translated into Pakistan Rupees at the rates of exchange prevailing on the reporting date. Exchange differences, if any, are included in statement of income and expenditure.

The results and financial position of foreign operations are translated into the presentation currency as follows:

- assets and liabilities are translated into Pakistan Rupees at the exchange rate at the reporting date;

- income and expenses are translated at monthly average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income and accumulated in foreign currency translation reserve.

3.19 Transfer to general fund

The Foundation transfers surplus / (deficit) of income over expenditure to the general fund in the year in which it is approved.

3.20 Restricted contributions

A contribution which is subject to externally imposed stipulations that specify the purpose for which the contributed asset or fund is to be used is called externally restricted donations. Externally restricted contributions for expenses of one or more future periods are accumulated in the statement of financial position as deferred contributions and recognised as revenue in the statement of income and expenditure in the same period or periods as the related expenses are recognised. Restricted contributions for the purchase of capital assets that will be depreciated are deferred and recognised as revenue in the statement of income and expenditure on the same basis as the depreciation expense related to the acquired capital assets. Restricted contributions for the purchase of capital assets / contribution of capital assets, which will not be amortised are recognised directly as an increase in net assets upon purchase of capital assets / contribution of capital assets.

The net investment income earned, to the extent attributable to restricted contributions including endowment contribution / fund, are recognised as increase or decrease in the deferred contribution balance and endowment fund as the case may be.

3.21 Allocation of expenses

Expenses incurred by regional offices and area offices are allocated to field supervision and monitoring.

Expenses incurred by volunteer and alumni departments, quality assurance (QA), HR schools, Partnership Schools, Community Development Unit (CDU) and operation departments are allocated to field supervision and monitoring.

Expenses incurred by training department are allocated to training cost.

Expenses incurred by engineering department are allocated to capital work-in-progress projects on pro-rata basis per additional amount incurred on each project.

Remuneration of Executive Vice-President - Operations is allocated to field supervision and monitoring and capital work-in-progress projects at 80% and 20% respectively. Allocation to capital-work-in progress projects is on pro-rata basis per additional amount incurred on each project.

Remuneration of Executive Vice-President - Outcomes is allocated to field supervision and monitoring, and research and development expenses at 80% and 4.8% respectively.

Remuneration of Chief Executive Officer is allocated to field supervision and monitoring and capital work-in-progress projects at 24% and 10% respectively. Allocation to capital work-in-progress projects is on pro-rata basis per additional amount incurred on each project.

Expenses incurred by departments in respect of research and development are allocated to research and development expenses.

	Note	2022	2021
		(Rupees in '000)	
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	**5,938,668**	5,047,666
Capital work in progress	4.2	**535,990**	293,584
Advance for construction		**97,474**	12,870
Advance against purchase of operating fixed assets		**234,727**	16,121
		6,806,859	5,370,241

4.1 Operating Fixed Assets

	Note	Land		Building on		Furniture and fittings	Vehicles	Electrical equipment	Office and other equipment	Total
		leasehold	freehold	leasehold land	freehold land					
						(Rupees in '000)				
2022										
At 01 July 2021										
Cost		**90,506**	**421,521**	**733,815**	**6,251,071**	**738,649**	**614,074**	**106,552**	**227,343**	**9,183,531**
Accumulated depreciation		**-**	**-**	**(157,701)**	**(2,751,952)**	**(420,390)**	**(578,086)**	**(62,955)**	**(164,781)**	**(4,135,865)**
Net book value		**90,506**	**421,521**	**576,114**	**3,499,119**	**318,259**	**35,988**	**43,597**	**62,562**	**5,047,666**
Fair value of contributed / donated lands	4.1.4	**346,500**	**41,900**	**-**	**-**	**-**	**-**	**-**	**-**	**388,400**
Additions including transfers from capital work in progress		**148,607**	**37**	**52,356**	**319,080**	**55,204**	**341,473**	**44,726**	**174,435**	**1,135,918**
Disposals										
Cost		**(101,802)**	**-**	**-**	**-**	**-**	**(112,965)**	**-**	**-**	**(214,767)**
Accumulated depreciation		**-**	**-**	**-**	**-**	**-**	**112,965**	**-**	**-**	**112,965**
		(101,802)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(101,802)**
Depreciation for the year	4.3	**-**	**-**	**(37,494)**	**(309,548)**	**(56,687)**	**(65,611)**	**(18,390)**	**(43,784)**	**(531,514)**
Closing net book value		**483,811**	**463,458**	**590,976**	**3,508,651**	**316,776**	**311,850**	**69,933**	**193,213**	**5,938,668**
At 30 June 2022										
Cost		**483,811**	**463,458**	**786,171**	**6,570,151**	**793,853**	**842,582**	**151,278**	**401,778**	**10,493,082**
Accumulated depreciation		**-**	**-**	**(195,195)**	**(3,061,500)**	**(477,077)**	**(530,732)**	**(81,345)**	**(208,565)**	**(4,554,414)**
Net book value		**483,811**	**463,458**	**590,976**	**3,508,651**	**316,776**	**311,850**	**69,933**	**193,213**	**5,938,668**
Depreciation rates (% per annum)		**-**	**-**	**5**	**5**	**10**	**20**	**20**	**20-33.33**	

	Note	Land		Building on		Furniture and fittings	Vehicles	Electrical equipment	Office and other equipment	Total
		leasehold	freehold	leasehold land	freehold land					
						(Rupees in '000)				
2021										
At 01 July 2020										
Cost		107,646	395,468	660,528	6,025,694	661,716	681,267	84,201	196,058	8,812,578
Accumulated depreciation		-	-	(122,779)	(2,451,152)	(372,608)	(617,086)	(50,845)	(136,828)	(3,751,298)
Net book value		107,646	395,468	537,749	3,574,542	289,108	64,181	33,356	59,230	5,061,280
Fair value of contributed / donated lands	4.1.4	-	23,050	-	-	-	-	-	-	23,050
Additions including transfers from capital work in progress		3,051	3,003	73,287	225,377	80,037	6,575	24,732	32,007	448,069
Disposals										
Cost		(20,191)	-	-	-	(3,104)	(73,768)	(2,381)	(722)	(100,166)
Accumulated depreciation		-	-	-	-	2,982	73,766	2,377	708	79,833
		(20,191)	-	-	-	(122)	(2)	(4)	(14)	(20,333)
Depreciation for the year	4.3	-	-	(34,922)	(300,800)	(50,764)	(34,766)	(14,487)	(28,661)	(464,400)
Closing net book value		90,506	421,521	576,114	3,499,119	318,259	35,988	43,597	62,562	5,047,666
At 30 June 2021										
Cost		90,506	421,521	733,815	6,251,071	738,649	614,074	106,552	227,343	9,183,531
Accumulated depreciation		-	-	(157,701)	(2,751,952)	(420,390)	(578,086)	(62,955)	(164,781)	(4,135,865)
Net book value		90,506	421,521	576,114	3,499,119	318,259	35,988	43,597	62,562	5,047,666
Depreciation rates (% per annum)		-	-	5	5	10	20	20	20-33.33	

4.1.1 Land includes school lands procured by the Foundation as well as received as donations.

4.1.2 As of 30 June 2022, the legal formalities and transfer proceedings of 82 (2021: 111) donated / contributed lands by various donors in favour of the Foundation were in process.

4.1.3 The book value of building on leasehold land includes:

	Note	2022	2021
		(Rupees in '000)	
School buildings		**504,250**	499,065
Head Office building		**86,726**	77,049
		590,976	576,114

4.1.4 Lands contributed during the year amounting to Rs 388.40 million (2021: Rs 23.05 million) were recognised at the fair value (level 2) determined by an external professional valuer M/s Akbani & Javed Associates on the basis of prevailing market value.

	Note	2022	2021
		(Rupees in '000)	
4.2 Capital work in progress			
At beginning of the year		**293,584**	236,038
Additions during the year	4.2.1	**598,343**	356,210
		891,927	592,248
Transferred during the year to:			
School buildings		**(355,937)**	(298,664)
At end of the year		**535,990**	293,584

4.2.1 This represents civil works and related cost for the construction of schools and office buildings.

	Note	2022	2021
		(Rupees in '000)	
4.3 The depreciation charge on operating fixed assets for the year:			
Programme costs	23	**504,973**	441,482
Administration expenses	26	**26,541**	22,918
		531,514	464,400

4.4 Details about the assets disposed of during the year having individual net book value exceeding Rs 500,000 are as follows:

Description	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sales proceeds	Loss	Relationship of purchaser with the Foundation	Particulars of buyers
		(Rupees in '000)						
Leasehold Land	Negotiation	101,802	-	101,802	92,500	(9,302)	None	Mr Muhammad Suleman Chawla
		101,802	-	101,802	92,500	(9,302)		

4.4.1 Out of the total sales proceeds an aggregate amount of Rs 33.72 million has been recognised as receivable in these financial statements which has been received by the Foundation subsequent to the year end.

	Note	2022	2021
		(Rupees in '000)	

5. LEASES

5.1 Right-of-use assets

At beginning of the year		**37,292**	42,723
Additions during the year		**2,007**	1,787
Lease terminated during the year		**(6,279)**	-
Depreciation for the year	5.1.1	**(6,338)**	(7,218)
At end of the year		**26,682**	37,292

5.1.1 The depreciation charge on right-of-use assets for the year has been allocated as follows:

	Note	2022	2021
		(Rupees in '000)	
Programme costs	23	**6,338**	7,218

5.2 Lease liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of the Foundation and lessor. Wherever practicable the Foundation seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the carrying amount of lease liabilities and the movements during the year:

	2022	2021
	(Rupees in '000)	
At beginning of the year	**45,768**	47,552
Additions during the year	**2,007**	1,788
Lease terminated during the year	**(5,581)**	-
Interest expense	**4,214**	4,689
Payments	**(6,894)**	(8,261)
At end of the year	**39,514**	45,768
Current	**3,115**	4,245
Non-current	**36,399**	41,523
	39,514	45,768

Lease liabilities are payable as follows:

	Minimum lease payments	Finance cost	Present value of minimum lease payments
	(Rupees in '000)		
Not later than one year	6,959	3,844	3,115
Later than one year but not later than 5 years	30,204	10,860	19,344
Later than five years	18,678	1,623	17,055
	55,841	**16,327**	**39,514**

5.3 The expenses for the year relating to short term leases aggregated Rs 10.36 million (2021: Rs 9.3 million) and are classified under field supervison and monitoring (programme costs - note 23) as these leases pertain to regional and area offices.

		Note	2022	2021
6.	**INTANGIBLE ASSETS**		**(Rupees in '000)**	
	Software programmes	6.1	**16,189**	5,246
	Advance against purchase of software programmes		**-**	1,553
			16,189	6,799
6.1	**Software programmes**			
	Net carrying value			
	At beginning of the year		**5,246**	7,353
	Additions during the year		**15,712**	100
	Amortisation charge for the year	6.1.1	**(4,769)**	(2,207)
	At end of the year		**16,189**	5,246
	Gross carrying value			
	Cost		**36,884**	21,172
	Accumulated amortisation		**(20,695)**	(15,926)
	Net book value		**16,189**	5,246

6.1.1 This represents various softwares amortised on straight line basis over a period of 5 years.

6.1.2 The amortisation charge on intangible assets for the year has been allocated as follows:

	Note	2022	2021
		(Rupees in '000)	
Administration expenses	26	**4,769**	2,207

		Note	2022	2021
7.	**LONG TERM INVESTMENTS**		**(Rupees in '000)**	
	At amortised cost			
	Term Deposit Receipts (TDRs)			
	Bank Al Habib Limited	7.1	**500,000**	500,000
	Government securities			
	Pakistan Investment Bonds (PIBs)	7.2	**1,373,156**	2,176,845
	Term Finance Certificates (TFCs)			
	Bank Alfalah Limited	7.3	**250,000**	250,000
			2,123,156	2,926,845
	At fair value through profit or loss			
	Certificates of closed end funds			
	HBL Growth Fund		**71,543**	115,302
	HBL Investment Fund		**6,311**	9,783
			77,854	125,085
			2,201,010	3,051,930

7.1 This represents investment in local currency TDRs maturing on 19 September 2024 and carrying profit rate of 12.5% per annum (2021: 12.5% per annum).

7.2 This represents investment in PIBs having maturities between 12 July 2023 and 19 September 2029 and carrying yield ranging between 12.15% to 13.95% per annum (2021: between 9.10% to 13.77% per annum). The PIBs have face value of Rs 1,529.90 million (2021: Rs 2,382.90 million) and market value of Rs 1,368.50 million (2021: Rs 2,367.17 million) determined using PKRV sheet available from Financial Markets Association (Reuters).

7.3 This represents investment in TFCs maturing on 15 January 2024 and carrying profit rate of 9.03% per annum (2021: 9.03% per annum).

8. ADVANCES AND PREPAYMENTS

	Note	2022	2021
		(Rupees in '000)	
Advances to staff - considered good		**166,126**	92,872
Advances to suppliers - considered good	8.1	**121,859**	29,915
Prepayments		**17,567**	23,124
		305,552	145,911

8.1 This represents advances given to various suppliers and vendors in respect of purchase of books, copies, uniforms and other goods and services.

9. ACCRUED INCOME AND OTHER RECEIVABLES

	Note	2022	2021
		(Rupees in '000)	
Accrued income on:			
- Pakistan Investment Bonds		**85,497**	76,111
- Treasury Bills		**68,792**	30,502
- Term Deposit Receipts		**778**	12,386
- Term Finance Certificates		**10,259**	10,267
- Deposit accounts		**105**	471
		165,431	129,737
Tax deducted at source		**12,717**	8,558
Receivable against Sindh Basic Education Programme (SBEP)	9.1	**69,629**	39,113
Receivable against disposal of land	4.4	**33,720**	-
Remittance subject to clearance from International Humanitarian City, UAE	9.2	**100,140**	-
Receivable from TCF-USA		**12,485**	-
Other receivables		**68,430**	24,553
		462,552	201,961

9.1 The Foundation has entered into an agreement with School Education and Literacy Department, Government of Sindh for implementation of SBEP which is an integrated programme towards improvement of education in Sindh. The Foundation has been awarded management of schools located in the districts of Qamber Shahdadkot and Dadu. As per the terms of the contract the Foundation has incurred expenses for operation of schools which are reimbursable. The Foundation is also entitled to management fee for operation of these schools. The other receivables comprise amounts of Rs 63.08 million (2021: Rs 36.62 million) and Rs 6.55 million (2021: Rs 2.49 million) representing the reimbursement claims and management fee receivable, respectively, in connection with SBEP.

9.2 This represents AED 2.216 million remitted by Dubai branch to International Humanitarian City (IHC), UAE before 30 June 2022, which has been received by the Foundation on 04 August 2022. As per IHC Regulations all remittances from Dubai branch to the Foundation are required to be remitted through IHC and the UAE Consulate in Karachi.

10. SHORT-TERM INVESTMENTS	Note	2022	2021
		(Rupees in '000)	
At amortised cost			
Term deposit receipts			
Local currency			
Dubai Islamic Bank Pakistan Limited		**600,000**	75,000
Askari Bank Limited	14.1	**142,436**	132,576
BankIslami (Pakistan) Limited		**400,000**	615,000
MCB Bank Limited		**11,000**	11,000
MCB Islamic Bank Limited		**-**	200,000
Meezan Bank Limited		**-**	555,000
	10.1	**1,153,436**	1,588,576
Foreign currency			
Habib Bank AG Zurich	10.2	**734,136**	606,394
Government securities			
Pakistan Investment Bonds (PIBs)	10.3	**1,197,800**	-
Treasury Bills (T-Bills)	10.4	**4,273,273**	3,297,885
At fair value through profit or loss			
Units of open-end mutual funds			
Meezan Islamic Fund		**55,491**	62,541
Atlas Stock Market Fund		**183,330**	148,494
NBP Islamic Daily Dividend Fund		**112,598**	102,746
Atlas Islamic Stock Fund		**111,362**	80,127
NBP Islamic Stock Fund		**88,121**	105,811
Meezan Rozana Amdani Fund		**112,976**	102,804
Al-Hamra Islamic Money Market Fund		**-**	102,839
Al-Ameen Shariah Stock Fund		**169,684**	144,603
NBP Stock Fund		**125,047**	130,504
HBL Equity Fund		**94,518**	172,089
UBL Stock Advantage Fund		**142,134**	111,427
Alfalah GHP Islamic Stock Fund		**56,955**	-
MCB Cash Management Optimizer		**106,171**	-
		1,358,387	1,263,985
		8,717,032	6,756,840

10.1 These represent investments in local currency TDRs maturing on various dates upto 21 April 2023 and carry profit rate ranging between 10.6% to 15% per annum (2021: 6% to 7.15% per annum). The TDRs placed with BankIslami (Pakistan) Limited amounting to Rs 400 million (2021: 615 million) and with Dubai Islamic Bank Pakistan Limited amounting to Rs 600 million (2021: 75 million) are shariah compliant TDRs maturing on 13 July 2022 and 16 July 2022, respectively.

10.2 This represents investment in a TDR amounting to AED 13 million along with accumulated profit amounting to AED 28,000. The TDR shall mature on 29 September 2022 and carries profit of 0.10% per annum (2021: 0.10% per annum).

10.3 This represents investment in PIBs maturing on 19 September 2022 and carrying yield ranging between 7.66% to 12.87% per annum (2021: Nil). The PIBs have face value of Rs 1,203 million (2021: Nil) and market value of Rs 1,189.40 million (2021: Nil) determined using PKRV sheet available from Financial Markets Association (Reuters).

10.4 This represents investment in T-Bills maturing between 14 July 2022 and 22 September 2022 and carrying profit ranging between 13% and 15.08% per annum (2021: between 6.54% and 7.67% per annum). The T-Bills have face value of Rs 4,400 million (2021: Rs 3,380.23 million) and market value of Rs 4,340.80 million (2021: Rs 3,329 million) determined using PKRV sheet available from Financial Markets Association (Reuters).

11. CASH AND BANK BALANCES

	Note	2022	2021
		(Rupees in '000)	
Cash in hand			
- foreign currency		**305**	353
Cash at bank			
- in current accounts			
- local currency		**19,831**	4,811
- foreign currency		**68,144**	110,353
- in deposit accounts			
- local currency	11.1	**644,653**	305,618
- foreign currency	11.1	**182**	1,562
		732,810	422,344
		733,115	422,697

11.1 Profit rate on deposit accounts ranges from 0.10% to 0.30% (2021: 0.10% to 0.30%) per annum for foreign currency deposit accounts and 9.75% to 12.25% (2021: 3.50% to 6.00%) per annum for local currency deposit accounts.

12. DEFERRED INCOME RELATING TO OPERATING FIXED ASSETS

	2022	2021
	(Rupees in '000)	
Opening balance	**5,835,941**	4,667,670
Donations received during the year	**1,019,898**	1,518,439
Amortisation for the year	**(372,305)**	(350,168)
Closing balance	**6,483,534**	5,835,941

13. DEFERRED INCOME RELATING TO SCHOOL SUPPORT, GRANTS AND CHILDREN EDUCATION

This includes grants and other funds (i.e., Future Support Fund, Sustainability Fund, Scholarship Fund, Community Development Programme and COVID-19 Fund). The movement of these balances is as follows:

	2022			2021		
	(Rupees in '000)					
	Grants (Note 13.1)	**Others (Note 13.3)**	**Total**	Grants	Others	Total
Opening balance	**114,921**	**2,114,085**	**2,229,006**	34,742	1,496,884	1,531,626
Grants received during the year	**317,474**	**1,513,763**	**1,831,237**	506,187	1,110,154	1,616,341
Allocation of interest (note 21)	**-**	**59,825**	**59,825**	-	74,046	74,046
Amortisation for the year	**(311,033)**	**(1,011,920)**	**(1,322,953)**	(426,008)	(566,999)	(993,007)
Reclassification to endowment fund	**-**	**(150,903)**	**(150,903)**	-	-	-
	121,362	**2,524,850**	**2,646,212**	114,921	2,114,085	2,229,006
Less: Current portion of deferred income relating to school support, grants and children education	**(87,223)**	**(966,150)**	**(1,053,373)**	(47,366)	(632,559)	(679,925)
Closing balance	**34,139**	**1,558,700**	**1,592,839**	67,555	1,481,526	1,549,081

13.1 Details of grants received during the year is as follows:

Description of Grantors	**Note**	**2022**			
		As at 01 July 2021	**Received during the year**	**Amortisation for the year**	**As at 30 June 2022**
		(Rupees in '000)			
Foreign Commonwealth and Development Office (formerly Department for International Development)		**-**	**39,619**	**(39,619)**	
Charities Aid Foundation of America		**-**	**31,194**	**(18,196)**	**12,998**
Sir Ernest Cassel		**-**	**19,943**	**(19,943)**	**-**
Merck Family Foundation		**-**	**35,375**	**(35,375)**	**-**
Jochnick Foundation		**-**	**20,200**	**-**	**20,200**
Jazz Foundation	13.2	**112,369**	**-**	**(62,117)**	**50,252**
UBS Optimus Foundation		**2,552**	**110,547**	**(99,290)**	**13,809**
Australian High Commission		**-**	**6,136**	**(1,227)**	**4,909**
Allan & Nesta Ferguson		**-**	**3,577**	**(1,789)**	**1,788**
Global 3M Giving		**-**	**4,111**	**(3,597)**	**514**
Avery Dennison		**-**	**1,282**	**(1,282)**	**-**
Give Light Foundation		**-**	**3,145**	**(1,572)**	**1,573**
Queen Anne's Gate Foundation		**-**	**6,087**	**(2,029)**	**4,058**
Mercy USA		**-**	**3,319**	**(3,319)**	**-**
Pousaz Philanthropies Foundation		**-**	**17,810**	**(9,590)**	**8,220**
Waterloo Foundation		**-**	**15,129**	**(12,088)**	**3,041**
		114,921	**317,474**	**(311,033)**	**121,362**

Description of Grantors	2021			
	As at 01 July 2020	Received during the year	Amortisation for the year	As at 30 June 2021
	(Rupees in '000)			
Foreign Commonwealth and Development Office (formerly Department for International Development)	335	319,784	(320,119)	-
Target Foundation	-	1,594	(1,594)	-
The Trafigura Foundation	-	2,726	(2,726)	-
Merck Family Foundation	-	31,599	(31,599)	-
Jochnick Foundation	7,942	-	(7,942)	-
The Skoll Foundation	-	24,715	(24,715)	-
Jazz Foundation	-	112,369	-	112,369
UBS Optimus Foundation	17,695	-	(15,143)	2,552
Citi Foundation	5,170	13,400	(18,570)	-
Australian High Commission	3,600	-	(3,600)	-
	34,742	506,187	(426,008)	114,921

13.2 Section 42 of the Companies Act, 2017 (the Act) states as follows:

'In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Companies Act, 2017, preferably having similar or identical objects to those of the company.'

Accordingly, an agreement dated 15 March 2021 had been entered into between the Foundation and Jazz Foundation (JF) for transfer of surplus assets of JF amounting to Rs 112.3 million to the Foundation in the form of grant which shall be amortised over a period of 2-3 years as per the terms and conditions of the Agreement.

13.3 These include:

(a) Sustainability Fund balance of Rs 808.10 million (2021: Rs 722.489 million) to meet cash shortfall in the operational support of the schools in future.

(b) Community Development Programme balance of Rs 101.99 million (2021: Rs 69.571 million) representing funds for overall community welfare.

(c) COVID-19 Fund which aims to provide relief to families facing extreme economic hardship, ensure continuity of the learning process, support frontline healthcare professionals and volunteers as well as support towards faculty staff salaries. The movement of the Fund is as follows:

Movement of COVID-19 Fund	**2022**	2021
	(Rupees in '000)	
Opening balance	**131,283**	98,766
Donations received during the year	**199**	10,936
Foundation's contribution during the year	**-**	61,061
	131,482	170,763
Utilised during the year	**(131,482)**	(39,480)
Closing balance	**-**	131,283

	Note	2022	2021
		(Rupees in '000)	

14. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		**217,316**	204,519
Accrued liabilities		**139,305**	27,396
Security deposits	14.1	**141,661**	128,438
Retention money		**67,563**	91,012
Provision for EOBI, SESSI and PESSI	19	**286,048**	220,210
Provision for compensated absences		**107,947**	87,027
Withholding taxes payable		**30,988**	13,853
Other liabilities		**7,956**	12,929
		998,784	785,384

14.1 The security deposits are obtained mainly from teachers and are refunded to them at the time of cessation of their employment. The security deposits are kept in a separate bank account as per the requirements of the Act and are not available for utilisation for the Foundation's operations. The funds available in a separate bank account have been invested in TDRs with Askari Bank Limited (refer note 10.1).

	2022	2021
	(Rupees in '000)	

15. CAPITAL FUND

Opening balance	**3,100**	3,100
Additions during the year	**400**	-
Closing Balance	**3,500**	3,100

15.1 This represents contribution by the members when they joined the Foundation in terms of Article '8' of Articles of Association of the Foundation. In pursuance to the requirements of the Associations with Charitable and Not-for-Profit Objects Regulations, 2018, the Foundation made amendments in clause VII of the Memorandum of Association, thereby increasing the liability of each of its members to Rs 0.1 million.

16. GENERAL FUND

This comprises of transfer from accumulated surplus as and when approved by the Board of Directors.

17. ENDOWMENT FUND

This represents contribution received from donors with the stipulation of principal amount to be kept intact while the income earned on related investments could be used for specific or general purpose as per arrangements with the donors. Income on endowment is mainly recognised in statement of income and expenditure. However, in some cases, as per donor requirements, income may be cumulated as part of the endowment fund balance.

17.1 Names of Endowment Fund Donors	Note	2022	2021
		(Rupees in '000)	
		17,851	17,851
Adnan Husain Family		**21,489**	21,338
AKU Class of '94 Group		**22,546**	18,086
AKU Class of '97		**80,659**	60,297
Ateed Ameed and Naveed Riaz		**22,674**	18,269
Atif Ali & Co.		**22,417**	22,417
Austin Group		**17,754**	17,754
Aziza Noorani		**20,950**	20,950
Bashiruddin Peracha		**10,000**	10,000
Bushra and Rashed Waheed		**24,003**	24,003
Chicago Chapter		**12,007**	12,007
Connecticut Group		**82,294**	66,114
Crescent Steel & Allied Products Ltd		**108,210**	105,731
Dallas Fort-Worth Supporters		**37,868**	36,635
Dr Asma Saleem		**64,177**	51,514
Ejaz Shameem		**20,352**	20,000
EMAAN		**13,967**	13,728
Eternity Fund		**11,426**	11,426
Fezaan Group		**56,233**	56,233
Friends & well wisher of Sultan Mowjee		**56,111**	53,693
HBL Foundation		**76,587**	76,587
Houston Group		**92,000**	92,000
Indus Motor Company Limited		**400,000**	318,000
Interloop Welfare Trust		**12,280**	12,280
Kansas Donors		**15,951**	15,951
Keith Dunleavy		**46,832**	21,512
Khem Fatimi		**101,994**	100,117
(Late) Cowasjee Minocher Cowasjee & (Late) Mrs Mani C Cowasjee		**18,556**	18,556
Los Angeles Group		**20,001**	19,615
M I Naseem		**50,000**	50,000
Masood A Sheikh		**18,374**	18,374
Microsoft Ever Green Campus		**15,520**	14,607
Mrs Qaisari Ehtishamullah		**60,931**	60,768
Munib & Kamila Islam		**20,860**	20,860
Murtaza Hussain		**39,838**	39,838
Muzammil Hussain		**17,800**	17,800
National Bank of Pakistan Limited		**25,354**	18,748
New Orleans Chapter		**21,918**	21,918
New York Youngs Professional Chapter		**108,194**	21,119
Noorani Family		**17,500**	17,500
Pakistan State Oil Company Limited		**20,863**	20,863
Pennsylvania Chapter		**15,255**	14,155
Qudsia & Saeedullah Khan		**81,967**	80,943
Radiant Way		**21,903**	21,903
Rashid & Zarfeshan Sharaf		**70,885**	47,850
Riyaz Chinoy		**33,100**	33,100
Saeeda Mazhar Mahmood		**79,595**	79,595
Safdar Feroze Nana		**44,314**	44,314
Sajid Salman		**20,000**	20,000
Salman Rashid		**21,924**	21,924
San Antonio Supporters		**40,000**	40,000
Sapphire Scholarship (Abdullah Foundation)		**17,935**	17,935
Seattle Group		**92,284**	92,284
Seeds of Learning		**26,287**	26,287
Shahid Jalal		**49,719**	49,719
Shiraz & Samina Rehmani		**111,617**	16,132
Support a Child		**45,978**	37,528
TCF Ghulam Fatima School		**53,980**	53,980
TCF-USA		**20,638**	20,638
USA Austin Chapter		**1,413,164**	1,305,994
The Shirin Sultan Dossa Foundation		**12,300**	12,300
Thera & Munir Ahmed Khan Memorial Fund		**14,944**	14,944
Uzma Arif Scholarship		**10,130**	10,130
Wahid Maskatiya		**22,665**	22,665
Westchester Chapter		**29,590**	17,129
Zain and Sarah Polani Shaheed		**11,869**	11,869
Zainab Bai ,HA Suraiya, Humaira Bai, H Moosa Ch.		**12,000**	12,000
Zulekhabai VM Gany Rangoonwala Trust		**34,940**	-
Farouq & Shahnaz Ahmed Fund		**10,042**	8,284
Overseas Pakistan Education Foundation		**40,838**	-
Ali A Moiz	17.2	**107,859**	86,864
Others		**4,492,063**	3,875,525

17.2 These represent Endowment Funds of donors not individually exceeding Rs 10 million and also include donors who have requested for anonymity.

17.3 Movement of endowment fund	**Note**	**2022**	2021
		(Rupees in '000)	
Opening balance		**3,875,525**	3,233,562
Addition during the year		**496,209**	574,208
Reclassification from deferred income relating to school support, grants and children education	13	**150,903**	-
Balance available for investment		**4,522,637**	3,807,770
Net return used for (reduction) / accumulation of endowment fund	21	**(30,574)**	67,755
Closing balance		**4,492,063**	3,875,525

18. FOREIGN CURRENCY TRANSLATION RESERVE

This represents the translation of the balances and transactions of the Dubai branch. The assets and liabilities of Dubai branch are translated into presentation currency at the exchange rate prevailing at the reporting date. The income and expenses of Dubai operation are translated into presentation currency at the exchange rate at the dates of the transaction and monthly average exchange rate respectively. The resultant net foreign currency gain / loss is recognised in other comprehensive income.

19. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

19.1 The Foundation received a notice in June 2003 from Sindh Employees' Social Security Institution (SESSI) demanding a payment of Rs 0.48 million as arrears of social security contribution for the period from May 2003 to September 2003 vide Sindh Government Gazette Notification No. L-II-5-9/2002 dated 8 February 2003. The Foundation filed a petition with Honourable High Court of Sindh challenging SESSI's application of Social Security Scheme on Educational Units. The High Court of Sindh on 25 April 2008 adjudicated the case against the Foundation on the ground that the services of the employees should be secured in case of sickness, maternity, employment injury or death and for matters ancillary thereto. The Foundation filed an appeal with the Honourable Supreme Court of Pakistan against High Court of Sindh's dismissal of the petition which was admitted by the Supreme Court on 26 September 2008. On 16 June 2010, the Supreme Court of Pakistan up-held the decision of the High Court of Sindh and dismissed the petition. The Foundation filed a review petition on 04 November 2010 with the Supreme Court of Pakistan against its judgement and has booked the provision there against. The decision on review petition is pending adjudication.

Further, the SESSI demanded a payment of Rs 35.47 million on 2 February 2011 including an increase amounting to Rs 11.82 million. The Foundation has filed an appeal on 16 April 2011 against the said increase with the Commissioner of SESSI, which is pending adjudication. However, on prudent basis, Foundation has maintained a provision in the financial statements against the alleged demand. Similarly, the Foundation has also made a provision of Rs 35.97 million in the financial statements against PESSI contribution on the basis of SESSI's demand as the number of employees eligible for PESSI contribution were approximately the same as in the case of SESSI.

19.2 On 15 March 2013 the Foundation received a notice from Inland Revenue Officer of Federal Board of Revenue (FBR) reference no. Unit-06/WHT/RTO-II/Khi/2012- 2013/438 under section 161(1A) of the Income Tax Ordinance , 2001 on account of non / short deduction of Withholding Tax relating to Tax Year 2012 amounting to Rs 64.19 million. The Foundation through its tax advisor submitted detailed explanations, paid challans and various communications to FBR from time to time. Resultantly, Officer Inland Revenue (OIR) through its letter reference Unit -06/WHT/RTO-II/ 'Khi/2012-2013/140 dated 10 October 2013 and letter reference Unit -06/WHT/RTO-II/Khi/2012-2013/241 dated 12 November 2013 accepted the Foundation's justifications for all the line items of non / short deduction of withholding tax mentioned in previous notice except for the withholding tax on construction work on Head Office Building of Rs 77.55 million with the corresponding withholding tax amount of Rs 4.65 million and construction work on other buildings of Rs 359.65 million with the corresponding withholding tax amount of Rs 21.58 million, aggregating the total short fall of withholding tax to Rs 19.71 million (net of withholding tax deducted on the above construction work amounting to Rs 6.52 million). Further default surcharge, under section 205 of Income Tax Ordinance 2001, amounting to Rs 3.55 million was also levied by OIR making a total demand of Rs 23.26 million. The Foundation through its tax advisor filed an appeal to Commissioner Inland Revenue against the demand and submitted all the relevant supports and evidences. The Commissioner in his order reference No. 34 dated 27 February 2015 disposed the appeal and remanded back the recovery

order under section 129 of Income Tax Ordinance 2001 to the concerned department for re-assessment of the same taking into account the support provided by the Foundation. The remanded back proceeding are pending to date. The Foundation is confident of favourable outcome and hence no provision has been made in these financial statements.

Further on 29 May 2017, the Foundation received a notice for tax year 2016 from Deputy Commissioner Inland Revenue (DCIR) Federal Board of Revenue (FBR) reference No. OIR/E&C-Unit-04 / Zone-1/ CRTO/KHI/2017/811 under section 161(A) of the Income Tax Ordinance 2001. The notice sets out a show cause on short deduction of withholding tax of Rs 356 million. The Foundation through its tax advisor submitted detailed explanations and reconciliations to FBR. DCIR vide order dated 7 September 2017 raised demand amounting to Rs 7.32 million. The Foundation through its tax advisor has filed an appeal against the order of Rs 7.32 million with Commissioner Inland Revenue Appeals - CIR (A). The CIR (A) has remanded back the order passed by the DCIR. The Foundation through its tax advisor have submitted all information requested under remand back proceeding, however, no order has been passed by the tax authorities. The Foundation is confident of a favourable outcome of the same, therefore, no provision has been recognised in this respect.

19.3 The Foundation received a notice from Employees' Old age Benefit Institution (EOBI) dated 21 March 2016 raising an additional demand of EOBI contribution amounting to Rs 30.04 million, for the period from July 2012 to June 2015 on the basis of enhancement of minimum wages by Government of Pakistan through Minimum Wages for Unskilled Workers (Amendment) Act, 2016 with retrospective effect. The Foundation along with the Employers' Federation of Pakistan and 101 other petitioner companies filed a constitutional petition numbering 2085/2016 in the Honourable High Court of Sindh challenging the demand. The Learned Division Bench of the High Court of Sindh heard the petition on 14 April 2016 and has passed an injunctive order whereby EOBI has been restrained from resorting to coercive measures. The Foundation is confident of a favourable outcome of this case, based on legal opinion it has received; therefore, no provision has been made in these financial statements.

Further, the Foundation paid contribution for the period July 2015 to June 2016 based on the minimum wage applicable for that period. Since then, the Foundation has been paying the contribution as per the minimum wage applicable for the period July 2015 to June 2016. As a matter of abundant caution and without prejudice to the merits of the case currently pending in the High Court of Sindh, a provision of Rs 214.61 million has been made in these financial statements with respect to the difference in minimum wages applicable for the period from 01 July 2016 to 30 June 2022 and the rate at which the Foundation has been paying the contribution.

Commitments

19.4 Commitment in respect of capital expenditure amounted to Rs 605.29 million (2021: Rs 231.94 million).

19.5 Guarantees by bank on behalf of the Foundation, amounting to Rs 11 million (2021: Rs 11 million) were issued in favor of School Education and Literacy Department of Government of Sindh.

20. DONATIONS AND FEES	**Note**	**2022**	2021
		(Rupees in '000)	
Donations			
Donations received during the year	20.1 & 20.2	**3,579,848**	3,631,642
Income on endowment fund utilised for support operations	20.3	**215,299**	271,220
Contribution from Government	20.4	**277,814**	293,427
Amortised - donations related to operating fixed assets	12	**372,305**	350,168
Amortised - donations related to school support, grants and children education	13	**1,322,953**	993,007
		5,768,219	5,539,464
Fees			
Parental contribution	20.5	**587,715**	462,613
Management fee - SBEP	9.1	**6,549**	2,488
		6,362,483	6,004,565

20.1 This includes Zakat amounting to Rs 1,839.09 million (2021: Rs 1,373.03 million).

20.2 Major sources of donations	2022	2021
	(Rupees in '000)	
- By sector		
Donations from corporate sector	**774,436**	751,080
Donations from other Not-for-Profit organisations	**1,170,575**	1,525,619
Donations from individuals	**1,634,837**	1,354,943
	3,579,848	3,631,642
- By origin		
Local	**1,853,396**	1,477,895
Foreign	**1,726,452**	2,153,747
	3,579,848	3,631,642

20.3 This represents income on investments from endowment fund utilised for support operations at the discretion of donor.

20.4 Details of contribution from Government	2022	2021
	(Rupees in '000)	
Punjab Education Foundation	**234,561**	254,353
Sindh Education Foundation	**43,253**	39,074
	277,814	293,427

The above represent contribution received by the Foundation from the Provincial Governments and other Government Authorities for incurring expenses in running operational management of Government schools.

20.5 This represents contribution received from parents of students enrolled in the schools managed by the Foundation as per agreed slabs keeping in view the affordability of the students.

21. INCOME ON INVESTMENTS - NET	Note	2022	2021
		(Rupees in '000)	
Income from:			
- Term Deposit Receipts		**186,395**	117,398
- Treasury Bills		**345,527**	163,271
- Pakistan Investment Bonds		**285,721**	283,367
- Term Finance Certificates		**22,575**	13,483
Profit on deposit accounts		**29,702**	22,127
Dividend income on units of mutual funds		**34,952**	10,677
Exchange gain / (loss) - net		**3,381**	(191)
Unrealised (loss) / gain on re-measurement of financial asset at FVTPL		**(276,186)**	110,073
Net gain on disposal of investments		**-**	32,627
Total income on investments		**632,067**	752,832
Transferred during the year to:			
Support Donation	20 & 21.1	**(215,299)**	(271,220)
Endowment Fund	17.3 & 21.2	**30,574**	(67,755)
Scholarship Fund	13 & 21.3	**(7,027)**	(8,943)
Sustainability Fund	13 & 21.4	**(52,798)**	(65,103)
		(244,550)	(413,021)
Income on investments - net		**387,517**	339,811

21.1 This represents income on investments from endowment fund and current account utilised for supporting operations at the discretion of donor. The amount is transferred to donation as referred in note 20.3 to these financial statements.

21.2 This represents income on investments from endowment fund accumulated in endowment at the discretion of donor. The amount is transferred to endowment fund as referred in note 17.3 to these financial statements.

21.3 This represents income on investments from endowment fund allocated to scholarship fund at the discretion of donor.

21.4 This represents income on investments from sustainability fund accumulated in sustainability fund at the discretion of management. The amount is transferred to sustainability fund as referred in note 13.3 to these financial statements.

22. OTHER INCOME

	2022	2021
	(Rupees in '000)	
Gain on disposal of operating fixed assets - net	**61,480**	47,405
Miscellaneous income	**4,030**	3,501
	65,510	50,906

24. PROGRAMME COSTS

	Note	2022				
		Flagship Schools and College (Note 23.1)	**Partnership Schools (Note 23.2)**	**Alumni Support Programme**	**Community Development Programme**	**Total**
		(Rupees in '000)				
Direct school expenditures	23.3	**2,783,628**	**411,408**	**-**	**-**	**3,195,036**
Books, copies, uniforms and other school supplies		**409,750**	**8,070**	**-**	**-**	**417,820**
Repair and maintenance charges		**205,059**	**11,978**	**-**	**-**	**217,037**
School vehicle running and maintenance		**128,890**	**11,838**	**-**	**-**	**140,728**
Teachers' training		**33,924**	**5,466**	**-**	**-**	**39,390**
Field supervison and monitoring		**296,289**	**81,684**	**31,914**	**16,678**	**426,565**
Depreciation on operating fixed assets	4.3	**493,638**	**11,335**	**-**	**-**	**504,973**
Depreciation on right-of-use assets	5.1.1	**6,338**	**-**	**-**	**-**	**6,338**
Post matric scholarship - self funded		**-**	**-**	**120,555**	**-**	**120,555**
Post matric scholarship - donor funded		**-**	**-**	**63,594**	**-**	**63,594**
Community development programme		**-**	**-**	**-**	**58,120**	**58,120**
Other expenses	23.4	**14,551**	**267**	**-**	**-**	**14,818**
		4,372,067	**542,046**	**216,063**	**74,798**	**5,204,974**
COVID-19 response appeal						**35,645**
						5,240,619

	Note	2021				
		Flagship Schools and College (Note 23.1)	Partnership Schools (Note 23.2)	Alumni Support Programme	Community Development Programme	Total
		(Rupees in '000)				
Direct school expenditures	23.3	2,374,460	296,951	-	-	2,671,411
Books, copies, uniforms and other school supplies		116,327	16,803	-	-	133,130
Repair and maintenance charges		240,475	25,747	-	-	266,222
School vehicle running and maintenance		65,138	5,811	-	-	70,949
Teachers' training		12,677	343	-	-	13,020
Field supervison and monitoring		239,004	44,712	23,313	13,687	320,716
Depreciation on operating fixed assets	4.3	426,267	15,215	-	-	441,482
Depreciation on right-of-use assets	5.1.1	7,218	-	-	-	7,218
Post matric scholarship - self funded		-	-	56,356	-	56,356
Post matric scholarship - donor funded		-	-	81,443	-	81,443
Community development programme		-	-	-	58,098	58,098
Other expenses	23.4	22,294	659	-	-	22,953
		3,503,860	406,241	161,112	71,785	4,142,998
COVID-19 response appeal						39,480
						4,182,478

23.1 This represents expenses incurred on schools and college owned and operated by the Foundation.

23.2 This represents expenses incurred by the Foundation for the Government Schools whose operational management has been taken over by the Foundation. The net deficit incurred by the Foundation on Partnership Schools is as follows:

	2022	2021
	(Rupees in '000)	
Partnership School expenses	**542,046**	406,241
Contribution received	**(277,814)**	(293,428)
	264,232	112,813

23.3 This includes salaries and other benefits amounting to Rs 2,883.61 million (2021: Rs 2,536.76 million).

23.4 The breakup of other expenses is as follows:

	Note	2022	2021
		(Rupees in '000)	
Schools - general insurance		**6,201**	4,087
Consultancy expenses		**2,508**	698
Finance cost on lease liability		**4,214**	4,689
Loss on termination of lease		**698**	-
Other school expenses		**1,197**	13,479
		14,818	22,953

24. MARKETING, FUNDRAISING AND OUTREACH EXPENSES

Salaries and other benefits		**107,603**	74,976
Marketing		**135,473**	86,001
Vehicle running and maintenance		**3,734**	2,178
Legal and professional charges		**35,527**	1,894
Fees and subscriptions		**3,616**	15,890
Travelling and conveyance		**4,333**	242
Utilities		**178**	135
Communication		**2,826**	1,918
Printing and stationery		**4,010**	3,372
Other expenses	26.1	**1,208**	1,527
		298,508	188,133

25. RESEARCH AND DEVELOPMENT EXPENSES

This comprises of costs incurred on research for evaluation and design of curriculum / syllabus, teachers' training, technology for online learning and cost incurred on different programmes which are in various stages of development such as multi-grade teaching, mother tongue based multilingual education, literacy and life skills for out of school children and training for non-TCF teachers (Dastak).

26. ADMINISTRATION EXPENSES

	Note	2022	2021
		(Rupees in '000)	
Salaries and other benefits		**251,059**	215,460
Vehicle running and maintenance		**16,666**	9,273
Legal and professional charges		**23,263**	13,491
Fees and subscriptions		**6,914**	2,458
Travelling and conveyance		**8,700**	2,239
Utilities		**7,722**	5,090
Communication		**9,026**	7,479
Printing and stationery		**10,840**	553
Depreciation on operating fixed assets	4.3	**26,541**	22,918
Amortisation of intangible assets	6.1.2	**4,769**	2,207
Other expenses	26.1	**23,770**	32,023
		389,270	313,191

		Note	2022	2021
			(Rupees in '000)	
26.1	**Other expenses**			
	Advertisement		**900**	866
	Auditor's remuneration	26.1.1	**4,580**	7,878
	Bank charges		**6,348**	6,287
	Insurance		**1,034**	189
	Office expenses		**6,498**	8,237
	Repairs and maintenance		**5,618**	10,093
			24,978	33,550
26.1.1	**Auditor's remuneration**			
	Audit Services			
	Audit fee		**1,000**	600
	Tax and related services		**2,937**	7,096
			3,937	7,696
	Out of pocket expenses and sales tax		**643**	182
			4,580	7,878

26.2 ALLOCATION OF EXPENSES

The portion of administration expenses incurred during the year have been allocated to:

Nature of Expense	To	2022	2021
		(Rupees in '000)	
Key executive remuneration	Programme costs	**18,438**	13,779
Key executive remuneration	Property and equipment	**3,311**	3,129
Volunteer and alumni department	Programme costs	**32,182**	23,313
Expenses pertaining to outcomes	Research and development	**119,638**	71,664

27. REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

	Chief Executive Officer		Executive	
	2022	2021	**2022**	2021
	(Rupees in '000)			
Remuneration	**13,645**	12,404	**256,331**	182,271
Number of person	**1**	1	**72**	53

27.1 The Chief Executive Officer, Executive Vice Presidents, Vice Presidents, General Managers, Head of Departments and Senior Managers are provided with free use of Foundation's maintained cars in accordance with the prescribed limits.

27.2 The Foundation provides its employees with life insurance and medical insurance coverage in accordance with the prescribed limits.

28. NUMBER OF EMPLOYEES	2022	2021
	(Number)	
Total number of employees as at 30 June	**18,117**	18,759
Average number of employees during the year	**18,128**	18,728

29. CASH (UTILISED IN) / GENERATED FROM OPERATIONS

	Note	2022	2021
		(Rupees in '000)	
Surplus of income over expenditure for the year		**1,155,875**	1,662,867
Adjustments for:			
Depreciation on property and equipment	4.3	**531,514**	464,400
Depreciation on right-of-use assets	5.1.1	**6,338**	7,218
Finance cost on lease liabilities	23.4	**4,214**	4,689
Loss on termination of lease	23.4	**698**	-
Net gain on disposal of investments	21	**-**	(32,627)
Amortisation of intangible assets	6.1	**4,769**	2,207
Amortisation of deferred income	12 & 13	**(1,695,258)**	(1,343,175)
Income on investments		**(628,686)**	(578,595)
Gain on sale of operating fixed assets	22	**(61,480)**	(47,405)
Fair value of contributed lands		**(388,400)**	(23,050)
Working capital changes	29.1	**(136,341)**	7,327
		(1,206,757)	123,856

29.1 Working capital changes

(Increase) / decrease in current assets		
Advances, deposits and prepayments	**(159,641)**	(31,303)
Accrued income and other receivables	**(220,738)**	8,673
Books, copies, uniforms and other school supplies	**30,638**	(72,682)
	(349,741)	(95,312)
Increase in current liabilities		
Creditors, accrued and other liabilties	**213,400**	102,639
	(136,341)	7,327

29.2 Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2022			
	Lease liabilities	Deferred income relating to operating fixed assets	Endowment fund	Total
	(Rupees in '000)			
Balance as at 01 July 2021	**45,768**	**5,835,941**	**3,875,525**	**9,757,234**
Changes from financing cash flows:				
Deferred receipts relating to operating fixed assets	**-**	**1,019,898**	**-**	**1,019,898**
Additions / transfers in Endowment fund	**-**	**-**	**647,112**	**647,112**
Investment income allocated to Endowment fund	**-**	**-**	**(30,574)**	**(30,574)**
Payments of lease liabilities	**(2,680)**	**-**	**-**	**(2,680)**
Total changes from financing activities	**(2,680)**	**1,019,898**	**616,538**	**1,633,756**
Other changes:				
Amortisation for the year	**-**	**(372,305)**	**-**	**(372,305)**
Addition to lease liabilities	**2,007**	**-**	**-**	**2,007**
Lease terminated during the year	**(5,581)**	**-**	**-**	**(5,581)**
Finance cost	**4,214**	**-**	**-**	**4,214**
Finance cost paid	**(4,214)**	**-**	**-**	**(4,214)**
Total other charges	**(3,574)**	**(372,305)**	**-**	**(375,879)**
Balance as at 30 June 2022	**39,514**	**6,483,534**	**4,492,063**	**11,015,111**

	2021			
	Lease liabilities	Deferred income relating to operating fixed assets	Endowment fund	Total
	(Rupees in '000)			
Balance as at 01 July 2020	47,552	4,667,670	3,233,562	7,948,784
Changes from financing cash flows:				
Operating fixed assets	-	1,518,439	-	1,518,439
Additions in Endowment fund	-	-	574,208	574,208
Investment income allocated to Endowment fund	-	-	67,755	67,755
Payments of lease liabilities	(3,572)	-	-	(3,572)
Total changes from financing activities	(3,572)	1,518,439	641,963	2,156,830
Other changes:				
Addition to lease liabilities	1,788		-	1,788
Amortisation for the year		(350,168)		(350,168)
Finance cost	4,689	-	-	4,689
Finance cost paid	(4,689)	-	-	(4,689)
Total other charges	1,788	(350,168)	-	(348,380)
Balance as at 30 June 2021	45,768	5,835,941	3,875,525	9,757,234

30. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		(Rupees in '000)	
Short-term investments having maturity upto three months		**6,160,845**	4,341,661
Cash and bank balances	11	**733,115**	422,697
		6,893,960	4,764,358
Less: Security deposits invested in TDRs / held as bank balance		**(145,128)**	(128,439)
		6,748,832	4,635,919

31. RELATED PARTY TRANSACTIONS

Related parties include associated undertakings having common directors, directors and key management personnel. No director (other than chief executive officer) or their relatives received any remuneration, payments or benefits directly or indirectly from the Foundation.

31.1 Name of Related Parties and Relationships

Following are the names of associated companies or related parties or undertakings, with whom the Foundation had entered into transactions or had agreements and / or arrangements in place during the year:

Name of Related Parties	Relationship
Donations	
Mr Ahsan M Saleem	Chairman
Ms Hajerah Ahsan Saleem	Director
Mr Ateed Riaz	Director
Mr Musadaq Zulqarnain	Director
Barrister Jahanzeb Awan	Director
Ms Farzana Zulqarnain	Director
Mr Riyaz Chinoy	Director
Crescent Steel & Allied Products Limited	Common Director
CSAP Foundation	Common Director
Ashraf Riaz (Private) Limited	Common Director
Tarseel (Private) Limited	Common Director
First Imrooz Modaraba	Common Director
Hilton Pharma (Private) Limited	Common Director
Indus Motors Company Limited	Common Director
Gurmani Foundation	Common Director
The Searle Company Limited	Common Director
Engro Corporation Limited	Common Director
Interloop Welfare Trust	Common Director
The Citizens Foundation - UK	Common Director
Ms Shahnaz Ahsan Saleem	Relative of Director
Ms Zahra Ahsan Saleem	Relative of Director
Mr Tayyab Ahsan Saleem	Relative of Director
Mr Abdullah Ahsan Saleem	Relative of Director
Mr Ameed Riaz	Relative of Director
Ms Mina Ameed Riaz	Relative of Director
Mr Khizer Riaz	Relative of Director
Ms Farah Raza Chapra	Relative of Director
Ms Rija Chapra	Relative of Director
Ms Farheen Saeed	Relative of Director
Ms Yasmin Kazmi	Relative of Director
Syed Asaad Ayub Ahmad	President & CEO
Mr Zia Akhtar Abbas	Key management personnel
Mr Riaz Ahmed Kamlani	Key management personnel
Ms Ghazala Nadeem	Key management personnel
Payments - Associated Companies	
Pakistan Centre for Philanthropy	Common Director
Indus Valley School of Art and Architecture	Common Director
Multinet Pakistan (Private) Limited	Common Director
Jubilee General Insurance Company Limited	Common Director
Lahore University of Management Sciences (LUMS)	Common Director
Key Management Personnel	
Syed Asaad Ayub Ahmad	President & CEO
Mr Zia Akhtar Abbas	Key management personnel
Mr Riaz Ahmed Kamlani	Key management personnel
Mr Ali Aamir	Key management personnel
Mr Tauseef Ul Islam	Key management personnel
Ms Ghazala Nadeem	Key management personnel

31.2 Transactions with Related Parties

Following are the transactions entered into and balances with related parties.	**2022**	2021
Donations - Directors, key management personnel & their close family members	**116,068**	151,591
Donations - Associated companies & undertakings	**776,388**	529,137
Key management personnel remuneration	**60,559**	64,113
Payments - Associated companies	**32,889**	17,677
Payable - Associated companies	**-**	20,081

32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Foundation has overall responsibility for the establishment and oversight of the Foundation's risk management framework. The Board is also responsible for developing and monitoring the Foundation's risk management policies. The Foundation's risk management policies are established to identify and analyse the risk faced by the Foundation, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Foundation's activities.

The Foundation currently finances its operations mainly through donations and contributions and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk. The Foundation's risk management policies and objectives are as follows:

The Foundation's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

32.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

The Foundation manages market risk by monitoring exposure in marketable securities by following the investment guidelines approved by the Board of Directors. The Investment Committee is responsible for making investment decisions.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies with foreign supporters or volunteers. At reporting date, the Foundation holds foreign currency bank accounts, foreign currency cash in-hand and Term Deposit Receipts maintained with reputable financial institutions leading to primarily foreign currency exposures in the following currencies:

	Exposure	
	30 June 2021	**30 June 2022**
CHF	**33,539**	44,377
EUR	**88**	313
GBP	**87**	88
USD	**8,562**	118,580
AED	**14,086,714**	16,059,290
CAD	**5**	227

The following exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2022	2021	**2022**	2021
EUR to PKR	**192.46**	175.97	**215.43**	171.32
GBP to PKR	**201.28**	191.30	**215.23**	188.12
USD to PKR	**236.86**	216.24	**249.31**	218.58
CHF to PKR	**179.24**	159.82	**205.50**	157.8
AED to PKR	**49.15**	43.53	**56.35**	43.27
CAD to PKR	**141.50**	124.80	**159.45**	127.31

Sensitivity Analysis

As at the reporting date, if Pakistan Rupee depreciated / appreciated by 10% against USD, EUR, GBP, AED, CHF and CAD with all other variables held constant, the Foundation's surplus for the year would have been higher / lower by Rs 80.28 million (2021: Rs 71.98 million) as a result of exchange gain / (loss) on translation of foreign currency denominated financial assets.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Foundation's significant interest bearing financial instruments were as follows:

	Effective interest rate		Carrying amount	
	2022	2021	**2022**	2021
Financial Assets	**(in Percent)**		**(Rupees in '000)**	
Fixed Rate Instruments				
Pakistan Investment Bonds	**7.66 - 13.96**	9.10 - 13.77	**2,570,956**	2,176,845
Treasury Bills	**13 - 15.08**	6.45 - 7.43	**4,273,273**	3,297,885
Term Finance Certificate	**9.03**	9.03	**250,000**	250,000
Foreign Currency Term Deposit Receipts	**0.10**	0.10	**734,136**	606,394
Local Currency Term Deposit Receipts	**10.6 - 15**	9.38	**1,653,436**	2,088,576

Fair value sensitivity analysis for fixed rate instruments

The Foundation does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, any change in interest rates at the reporting date would not have affected statement of income and expenditure.

Price risk

Price risk is the risk that the fair value of a financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Price risk arises from the Foundation's investment in units of mutual funds classified at fair value through profit or loss (FVTPL). To manage its price risk arising from aforementioned investments, the Foundation diversifies its portfolio and continuously monitors developments in capital markets.

As at the reporting date, if redemption price is increased / decreased by 5%, the Foundation's surplus for the year would have been higher / lower by Rs 71.8 million (2021: Rs 69.4 million) as a result of mark-to-market exercise with the corresponding increase / decrease on the value of investments.

32.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or other counter parties to fulfil their contractual obligations resulting in financial loss to the Foundation.

The credit risk of the Foundation arises from its investments in debt securities representing failure of the investee companies in repayment of principal and / or the return due on such investments, as well as deposits with financial institutions, investment in units of mutual funds, long term deposits, accrued income, advances and prepayments and other receivable balances.

Credit risk management

The Foundation assesses all counterparties for credit risk before contracting with them. It is the Foundation's policy to enter into financial contracts with reputable and creditworthy counterparties. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Foundation uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery.

The carrying amount of financial assets represents the maximum credit exposure at the reporting date, which is:

	Note	2022	2021
		(Rupees in '000)	
Long term investments	7	**2,201,010**	3,051,930
Long term deposits		**11,122**	12,743
Short term investments	10	**8,717,032**	6,756,840
Accrued income and other receivables		**449,835**	193,403
Bank balances	11	**732,810**	422,344
		12,111,809	10,437,260

None of the above financial assets were considered to be past due or impaired as at 30 June 2022.

Investment in debt and equity securities

At reporting date, the Foundation has invested in Pakistan Investment Bonds, units of open and closed end mutual funds, term deposit receipts and term finance certificates. The Foundation manages credit risk arising from term deposit receipts by making investments in financial institutions or counter parties having sound credit ratings. The Foundation assesses at each reporting date whether credit risk on a financial instrument has increased significantly since initial recognition by analysing the changes in the risk of default and the expected life of the financial instrument. While making the estimate the management considers historical data and forward looking information with respect to the counterparty. The management considers that the financial instruments in which the Foundation has invested, are low risk and have not experienced a significant increase in credit risk. Further, based on macro-economic factors and best estimate, the management does not expect any default events in respect of its financial assets within 12 months after the reporting date. Accordingly, the probability of occurrence of default event is remote and the impairment calculated using the ECL method is minimal, hence, no impairment has been recognised in these financial statements. With respect to units of open-end mutual funds the management manages credit risk by investing in funds having good performance record and reviewing their performance and stability ratings assigned by the rating agencies.

The management believes that investment in Pakistan Investment Bonds and Treasury bills does not expose the Foundation to credit risk as the counterparty to the instrument is Government of Pakistan, having very low risk of default and strong capacity to discharge its obligation. Accordingly, no expected credit loss (ECL) has been calculated on these investments.

Bank balances

The Foundation kept surplus liquidity with banks having long term credit rating from A- to AAA. The rating of the banks is monitored by the management.

Long term deposits

The Foundation has deposited various amounts as security to suppliers against provisioning of different services. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective suppliers.

Concentration of credit risk

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Foundation's performance to developments affecting a particular industry.

32.3 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the Foundation's reputation.

The following are the contractual maturities of the financial liabilities:

	2022					
	Carrying amount	**Contractual cash flows**	**Up to one year**	**One to two years**	**Two to five years**	**After five years**
	(Rupees in '000)					
Financial Liabilities						
Creditors, accrued and other liabilities	**573,801**	**573,801**	**573,801**	**-**	**-**	**-**
Lease liabilities	**39,514**	**55,841**	**6,959**	**7,551**	**22,653**	**18,678**
	613,315	**629,642**	**580,760**	**7,551**	**22,653**	**18,678**

	2021					
	Carrying amount	Contractual cash flows	Up to one year	One to two years	Two to five years	After five years
	(Rupees in '000)					
Financial Liabilities						
Creditors, accrued and other liabilities	459,894	459,894	459,894	-	-	-
Lease liabilities	45,768	66,375	8,539	7,594	23,526	26,716
	505,662	526,269	468,433	7,594	23,526	26,716

33. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets i.e. units of closed-end mutual funds are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Foundation is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurement' requires the Foundation to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

Lands contributed / donated during the year are recognised at fair value (level 2 measurement) determined by a professional valuer based on their assessment of the market values as disclosed in note 4 to these financial statements.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments

		2022								
		Carrying amount					Fair value			
	Note	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value										
Units of open-end funds		-	1,358,387	-	-	1,358,387	-	1,358,387	-	1,358,387
Certificates of closed-end funds		-	77,854	-	-	77,854	-	77,854	-	77,854
		-	1,436,241	-	-	1,436,241	-	1,436,241	-	1,436,241
Financial assets not measured at fair value	33.1									
Cash and bank balances		732,810	-	-	-	732,810	-	-	-	-
Term deposit receipts		2,387,572	-	-	-	2,387,572	-	-	-	-
Term finance certificates		250,000				250,000				
Treasury Bills		4,273,273	-	-	-	4,273,273	-	4,273,273	-	4,273,273
Pakistan Investment Bonds		2,570,956	-	-	-	2,570,956	-	2,570,956	-	2,570,956
Accrued income and other receivables		449,835	-	-	-	449,835	-	-	-	-
Long term deposits		11,122	-	-	-	11,122	-	-	-	-
		10,675,568	-	-	-	10,675,568	-	6,844,229	-	6,844,229
Financial liabilities not measured at fair value	33.1									
Lease liabilities		-	-	-	39,514	39,514	-	-	-	-
Creditors, accrued and other liabilities		-	-	-	573,801	573,801	-	-	-	-
		-	-	-	613,315	613,315	-	-	-	-

On-balance sheet financial instruments

	Note	2021								
		Carrying amount					Fair value			
		Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets										
measured at fair value										
Units of open-end funds		-	1,263,985	-	-	1,263,985	-	1,263,985	-	1,263,985
Certificates of closed-end funds		-	125,085	-	-	125,085	-	125,085	-	125,085
		-	1,389,070	-	-	1,389,070	-	1,389,070	-	1,389,070
Financial assets not										
measured at fair value	33.1									
Cash and bank balances		422,697	-	-	-	422,697	-	-	-	-
Term deposit receipts		2,694,970	-	-	-	2,694,970	-	-	-	-
Term finance certificates		250,000	-	-	-	250,000	-	-	-	
Treasury Bills		3,297,885	-	-	-	3,297,885	-	3,329,008	-	3,329,008
Pakistan Investment Bonds		2,176,845	-	-	-	2,176,845	-	2,367,171	-	2,367,171
Accrued income and other receivables		193,403	-	-	-	193,403	-	-	-	-
Long term deposits		12,743	-	-	-	12,743	-	-	-	-
		9,048,543	-	-	-	9,048,543	-	5,696,179	-	5,696,179
					-					
Financial liabilities not										
measured at fair value	33.1									
Lease liabilities		-	-	-	45,768	45,768	-	-	-	-
Creditors, accrued and other liabilities		-	-	-	459,894	459,894	-	-	-	-
		-	-	-	505,662	505,662	-	-	-	-

33.1 The Foundation has not disclosed the fair value for these financial assets and financial liabilities other than Treasury Bills and Pakistan Investment Bonds, as these are either short term in nature or re-priced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

Management uses redemption value notified by respective asset management companies for valuing units of open ended mutual funds which are also quoted in stock exchange and quoted price from stock exchange for valuing units of closed ended mutual funds at the measurement date. Management considers that it falls under level 2 in fair value hierarchy as the redemption value of open-end fund is a proportionate of the net assets value of respective funds and value of closed end funds are quoted on stock exchange. For valuation of government securities, foundation uses PKRV sheet available from Financial Markets Association (Reuters) and classifying it under Level 2 in fair value measurement hierarchy.

34. FUND MANAGEMENT

The Foundation is funded by contributions received from its members and donors from different sections of society within and outside Pakistan. The Foundation is a foundation limited by guarantee having no shared capital and is not exposed to any externally imposed capital requirements.

35. CORRESPONDING FIGURES

During the year for better presentation reclassification of last year balances / transactions was performed in respect of the following the impact of which is not considered material:

Description	From	To	2021
Salaries and other benefits	Administration expenses	Marketing, fundraising and outreach expenses	74,976
Vehicle running and maintenance	----do----	----do----	2,178
Legal and professional charges	----do----	----do----	1,894
Fees and subscriptions	----do----	----do----	15,890
Travelling and conveyance	----do----	----do----	242
Utilities	----do----	----do----	135
Communication	----do----	----do----	1,918
Printing and stationery	----do----	----do----	3,372
Other expenses	----do----	----do----	1,527
			102,132

36. EVENTS AFTER REPORTING PERIOD

36.1 The impact of the devastating floods, across the country, continues to intensify in terms of its geographic spread as well as the intensity of misery it inflicts. Numerous schools being operated by the Foundation in these communities are now flooded and serving as a refuge for displaced families. A number of students, staff members and neighbours have lost their homes, and livelihoods across the communities have been swept away by the advancing waters. The flood has not only endangered human lives but has also adversely impacted the infrastructure present in affected areas.

According to the management's assessment, 136 school units and books, copies, uniforms and other school supplies have been affected by the flood. These financial statements do not include the effect of the above, which will be accounted for in the period in which they occured.

36.2 The Board of Directors, in its meeting held on 25 October 2022 approved the transfer of Rs 1,156 million (2021: Rs 1,663 million) from accumulated surplus to general fund.

These financial statements do not include the effect of the transfer, which will be accounted for in the financial statements for the year ending 30 June 2023.

37 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors in its meeting held on 25 October 2022.

Chief Executive Officer | **Director** | **Chief Financial Officer**

The Citizens Foundation

Six Year's Vertical Analysis (Rs In 000)

Statement of Financial Position	2022	%	2021	%	(RESTATED) 2020	%	(RESTATED) 2019	%	(RESTATED) 2018	%	(RESTATED) 2017	%
ASSETS												
Non-Current Assets												
Property and equipment	6,806,859	34.8%	5,370,241	32.9%	5,325,698	44.1%	5,197,260	46.2%	10,475,388	68.0%	9,862,453	70.2%
Right-of-use assets	26,682	0.1%	37,292	0.2%	42,723	0.4%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	16,189	0.1%	6,799	0.0%	7,353	0.1%	6,843	0.1%	5,092	0.0%	6,544	0.0%
Long term investments	2,201,010	11.3%	3,051,930	18.7%	3,396,084	28.1%	983,181	8.7%	478,910	3.1%	525,739	3.7%
Long term deposits	11,122	0.1%	12,743	0.1%	12,322	0.1%	12,658	0.1%	12,528	0.1%	12,666	0.1%
Total Non-Current Assets	9,061,862	46.3%	8,479,005	52.0%	8,784,181	72.7%	6,199,942	55.1%	10,971,918	71.2%	10,407,402	74.0%
Current Assets												
Advances and prepayments	305,552	1.6%	145,911	0.9%	114,608	0.9%	108,848	1.0%	63,535	0.4%	110,636	0.8%
Accrued income and other receivables	462,552	2.4%	201,961	1.2%	279,306	2.3%	110,962	1.0%	159,502	1.0%	117,537	0.8%
Short term investments	8,717,032	44.6%	6,756,840	41.4%	2,406,844	19.9%	4,145,746	36.8%	3,796,355	24.7%	2,850,472	20.3%
Books, copies, uniforms and other school supplies	280,384	1.4%	311,022	1.9%	238,340	2.0%	131,553	1.2%	83,823	0.5%	-	0.0%
Cash and bank balances	733,115	3.7%	422,697	2.6%	261,848	2.2%	562,062	5.0%	324,154	2.1%	570,280	4.1%
Total Current Assets	10,498,635	53.7%	7,838,431	48.0%	3,300,946	27.3%	5,059,171	44.9%	4,427,369	28.8%	3,648,925	26.0%
Total Assets	19,560,497	100%	16,317,436	100%	12,085,126	100%	11,259,113	100%	15,399,287	100%	14,056,327	100%
Non-Current Liabilities												
Deferred income relating to operating fixed assets	6,483,534	33.1%	5,835,941	35.8%	4,667,670	38.6%	4,518,819	40.1%	4,687,134	30.4%	4,464,479	31.8%
Deferred income relating to school support, grants and children education	1,592,839	8.1%	1,549,081	9.5%	1,094,876	9.1%	1,013,180	9.0%	696,561	4.5%	597,408	4.3%
Lease liabilities	36,399	0.2%	41,523	0.3%	44,861	0.4%	-	0.0%	-	0.0%	-	0.0%
Total Non-Current Liabilities	8,112,772	41.5%	7,426,545	45.5%	5,807,407	48.1%	5,531,999	49.1%	5,383,695	35.0%	5,061,887	36.0%
Current Liabilities												
Current portion of deferred income relating to school support, grants and children education	1,053,373	5.4%	679,925	4.2%	436,750	3.6%	402,714	3.6%	340,364	2.2%	217,086	1.5%
Current portion of lease liabilities	3,115	0.0%	4,245	0.0%	2,691	0.0%	-	0.0%	-	0.0%	-	0.0%
Creditors, accrued and other liabilities	998,784	5.1%	785,384	4.8%	682,745	5.6%	451,498	4.0%	433,778	2.8%	395,231	2.8%
Total Current Liabilities	2,055,272	10.5%	1,469,555	9.0%	1,122,186	9.3%	854,212	7.6%	774,142	5.0%	612,317	4.4%
Total Liabilities	10,168,044	52.0%	8,896,099	54.5%	6,929,593	57.3%	6,386,211	56.7%	6,157,837	40.0%	5,674,204	40.4%
Total Net Assets	9,392,453	48.0%	7,421,337	45.5%	5,155,533	42.7%	4,872,902	43.3%	9,241,450	60.0%	8,382,123	59.6%
FUNDS												
Capital fund	3,500	0.0%	3,100	0.0%	3,100	0.0%	3,100	0.0%	2,400	0.0%	2,400	0.0%
General fund	3,520,974	18.0%	1,858,107	11.4%	1,983,624	16.4%	1,204,325	10.7%	5,543,078	36.0%	667,019	4.7%
Endowment fund	4,492,063	23.0%	3,875,525	23.8%	3,233,562	26.8%	2,860,774	25.4%	2,602,792	16.9%	2,378,663	16.9%
(Deficit) / Surplus of income over expenditure	1,155,875	5.9%	1,662,867	10.2%	(125,517)	-1.0%	779,299	6.9%	971,194	6.3%	5,188,504	36.9%
Foreign currency translation reserve	220,041	1.1%	21,738	0.1%	60,764	0.5%	25,404	0.2%	9,626	0.1%	(9)	0.0%
Unrealised gain on remeasurement of available for sale investments	-	0.0%	-	0.0%	-	0.0%	-	0.0%	112,360	0.7%	145,546	1.0%
Total Funds	9,392,453	48.0%	7,421,337	45.5%	5,155,533	42.7%	4,872,902	43.3%	9,241,450	60.0%	8,382,123	59.6%
Statement of Income and Expenditure												
INCOME												
Donations and concessional tuition fees	6,362,483	88.3%	6,004,565	93.6%	4,404,789	97.1%	4,374,590	95.7%	3,979,976	86.9%	3,346,480	39.2%
Fair value of contributed land	388,400	5.4%	23,050	0.4%	-	0.0%	122,525	2.7%	519,742	11.3%	5,101,530	59.7%
Income on investments - net	387,517	5.4%	339,811	5.3%	99,592	2.2%	184,654	4.0%	52,823	1.2%	79,876	0.9%
Other income / (loss)	65,510	0.9%	50,906	0.8%	34,253	0.8%	(109,436)	-2.4%	29,765	0.6%	15,548	0.2%
Total Income	7,203,910	100%	6,418,332	100%	4,538,634	100%	4,572,333	100%	4,582,306	100%	8,543,434	100%
EXPENDITURE												
Programme Costs												
Flagship schools and College	4,372,067	72.3%	3,503,860	73.7%	3,502,411	75.1%	3,386,916	79.1%	3,117,888	79.5%	2,916,647	68.1%
Partnership schools	542,046	9.0%	406,241	8.5%	399,493	8.6%	374,755	8.7%	399,624	10.2%	446,195	12.2%
Alumni support programme	216,063	3.6%	161,112	3.4%	133,485	2.9%	101,551	2.4%	58,211	1.5%	27,337	0.7%
Community development programme	74,798	1.2%	71,785	1.5%	46,978	1.0%	38,638	0.9%	40,298	1.0%	46,961	1.3%
COVID-19 response appeal	35,645	0.6%	39,480	0.8%	114,459	2.5%	-	0.0%	-	0.0%	-	0.0%
Total Programme Costs	5,240,619	86.6%	4,182,478	88.0%	4,196,826	90.0%	3,901,860	91.1%	3,616,021	92.2%	3,437,140	93.7%
Other costs												
Marketing, fundraising and outreach expenses	298,508	4.9%	188,133	4.0%	138,070	3.0%	135,613	3.2%	140,453	3.6%	101,980	2.8%
Research and development expenses **	119,638	2.0%	71,664	1.5%	44,568	1.0%	-	0.0%	-	0.0%	-	0.0%
Administration expenses	389,270	6.4%	313,191	6.6%	283,645	5.1%	245,558	5.7%	167,083	4.3%	128,255	3.5%
Total Other Costs	807,416	13.4%	572,988	12.0%	466,283	10.0%	381,171	8.9%	307,536	7.8%	230,235	6.3%
Total Operating Expenditure	6,048,035	100%	4,755,465	100%	4,663,109	100%	4,283,031	100%	3,923,557	100%	3,667,375	100%
(Deficit) / Surplus of income over expenditure for the year	1,155,875		1,662,867		(124,475)		289,302		658,749		4,876,059	

** Research and development expenses are disclosed seperately this year. For previous years, these are included in administration expenses.

The Citizens Foundation

Six Year's Horizontal Analysis (Rs In 000)

	2022	22Vs21 %	2021	21Vs20 %	(RESTATED) 2020	20Vs19 %	(RESTATED) 2019	19Vs18 %	(RESTATED) 2018	18Vs17 %	(RESTATED) 2017
Statement of Financial Position											
ASSETS											
Non-Current Assets											
Property and equipment	6,806,859	27%	5,370,241	1%	5,325,698	2%	5,197,260	-50%	10,475,388	6%	9,862,453
Right-of-use assets	26,682	-28%	37,292	-13%	42,723	100%	-	0%	-	0%	-
Intangible assets	16,189	138%	6,799	-8%	7,353	7%	6,843	34%	5,092	-22%	6,544
Long term investments	2,201,010	-28%	3,051,930	-10%	3,396,084	245%	983,181	105%	478,910	-9%	525,739
Long term deposits	11,122	-13%	12,743	3%	12,322	-3%	12,658	1%	12,528	-1%	12,666
Total Non-Current Assets	9,061,862	7%	8,479,005	-3%	8,784,181	42%	6,199,942	-43%	10,971,918	5%	10,407,402
Current Assets											
Advances and prepayments	305,552	109%	145,911	27%	114,608	5%	108,848	71%	63,535	-43%	110,636
Accrued income and other receivables	462,552	129%	201,961	-28%	279,306	152%	110,962	-30%	159,502	36%	117,537
Short term investments	8,717,032	29%	6,756,840	181%	2,406,844	-42%	4,145,746	9%	3,796,355	33%	2,850,472
Books, copies, uniforms and other school supplies	280,384	-10%	311,022	30%	238,340	81%	131,553	57%	83,823	100%	-
Cash and bank balances	733,115	73%	422,697	61%	261,848	-53%	562,062	73%	324,154	-43%	570,280
Total Current Assets	10,498,635	34%	7,838,431	137%	3,300,946	-35%	5,059,171	14%	4,427,369	21%	3,648,925
Total Assets	19,560,497	20%	16,317,436	35%	12,085,126	7%	11,259,113	-27%	15,399,287	10%	14,056,327
Non-Current Liabilities											
Deferred income relating to operating fixed assets	6,483,534	11%	5,835,941	25%	4,667,670	3%	4,518,819	-4%	4,687,134	5%	4,464,479
Deferred income relating to school support, grants and children education	1,592,839	3%	1,549,081	41%	1,094,876	8%	1,013,180	45%	696,561	17%	597,408
Lease liabilities	36,399	-12%	41,523	-7%	44,861	100%	-	0%	-	0%	-
Total Non-Current Liabilities	8,112,772	9%	7,426,545	28%	5,807,407	5%	5,531,999	3%	5,383,695	6%	5,061,887
Current Liabilities											
Current portion of deferred income relating to school support, grants and children education	1,053,373	55%	679,925	56%	436,750	8%	402,714	18%	340,364	57%	217,086
Current portion of lease liabilities	3,115	-27%	4,245	58%	2,691	100%	-	0%	-	0%	-
Accrued and other liabilities	998,784	27%	785,384	15%	682,745	51%	451,498	4%	433,778	10%	395,231
Total Current Liabilities	2,055,273	40%	1,469,554	31%	1,122,186	31%	854,212	10%	774,142	26%	612,317
Total Liabilities	10,168,045	14%	8,896,099	28%	6,929,593	9%	6,386,211	4%	6,157,837	9%	5,674,204
Total Net Assets	9,392,453	27%	7,421,337	44%	5,155,533	6%	4,872,902	-47%	9,241,450	10%	8,382,123
FUNDS											
Capital fund	3,500	13%	3,100	0%	3,100	0%	3,100	29%	2,400	0%	2,400
General fund	3,520,974	89%	1,858,107	-6%	1,983,624	65%	1,204,325	-78%	5,543,078	731%	667,019
Endowment fund	4,492,063	16%	3,875,525	20%	3,233,562	13%	2,860,774	10%	2,602,792	9%	2,378,663
(Deficit) / Surplus of income over expenditure for the year	1,155,875	-30%	1,662,867	-1425%	(125,517)	-116%	779,299	-20%	971,194	-81%	5,188,504
Foreign currency translation reserve	220,041	912%	21,738	-64%	60,764	139%	25,404	164%	9,626	-107056%	(9)
Unrealised gain on remeasurement of available for sale investments	-	0%	-	0%	-	0%	-	-100%	112,360	-23%	145,546
Total Funds	9,392,453	27%	7,421,337	44%	5,155,533	6%	4,872,902	-47%	9,241,450	10%	8,382,123
Statement of Income and Expenditure											
INCOME											
Donations and fees	6,362,483	6%	6,004,565	36%	4,404,789	1%	4,374,590	10%	3,979,976	19%	3,346,480
Fair value of contributed land	388,400	100%	23,050	0%	-	-100%	122,525	-76%	519,742	-90%	5,101,530
Income on investments - net	387,517	14%	339,811	241%	99,592	-46%	184,654	250%	52,823	-34%	79,876
Other income	65,510	29%	50,906	49%	34,253	-131%	(109,436)	-468%	29,765	91%	15,548
Total Income	7,203,910	12%	6,418,332	41%	4,538,634	-1%	4,572,333	0%	4,582,306	-46%	8,543,434
EXPENDITURE											
Programme Costs											
Flagship schools and College	4,372,067	24.8%	3,503,860	0%	3,502,411	3.4%	3,386,916	8.6%	3,117,888	6.9%	2,916,647
Partnership schools	542,046	33.4%	406,241	2%	399,493	6.6%	374,755	-6.2%	399,624	-10.4%	446,195
Alumni support programme	216,063	34.1%	161,112	21%	133,485	31.4%	101,551	74.5%	58,211	112.9%	27,337
Community development programme	74,798	4.2%	71,785	53%	46,978	21.6%	38,638	-4.1%	40,298	-14.2%	46,961
COVID-19 response appeal	35,645	-9.7%	39,480	-66%	114,459	100%	-	0.0%	-	0.0%	-
Total Programme Costs	5,240,619	25.3%	4,182,478	0%	4,196,826	7.6%	3,901,860	7.9%	3,616,021	5.2%	3,437,140
Other Costs											
Marketing, fundraising and outreach expenses	298,508	58.7%	188,133	36.3%	138,070	1.8%	135,613	-4.6%	142,226	39.5%	101,980
Research and development expenses **	119,638	66.9%	71,664	61%	44,568	100%	-	0%	-	0%	-
Administration expenses	389,270	24.3%	313,191	10.4%	283,645	15.5%	245,558	48.5%	165,310	28.9%	128,255
Total Operating Expenditure	6,048,035	27%	4,755,465	2%	4,663,109	9%	4,283,031	9%	3,923,557	7%	3,667,375
(Deficit) / Surplus of income over expenditure for the year	1,155,875	-30%	1,662,867	-1436%	(124,475)	-143%	289,302	-56%	658,749	-86%	4,876,059

** Research and development expenses are disclosed seperately this year. For previous years, these are included in administration expenses.

Calendar of Major Events

Incorporation of the Foundation	24 September 1996

Financial Calendar

Financial Year 2021-22	Date of Issuance
1st Quarter Results	10 November 2021
2nd Quarter Results	16 February 2022
3rd Quarter Results	19 May 2022
4th Quarter Results	Scheduled on 06 October 2022
26th Annual General Meeting	Scheduled on 16 November 2022

Financial Year 2020-21	Date of Issuance
1st Quarter Results	12 November 2020
2nd Quarter Results	17 February 2021
3rd Quarter Results	26 May 2021
4th Quarter Results	15 September 2021
25th Annual General Meeting	29 October 2021

Glossary of Selective Terms

Abbreviation	Description
AFS	Available For Sale
Board	Board of Directors
CDC	Central Depository Company of Pakistan
CCG	Code of Corporate Governance
ERP	Enterprise Resource Planning
FBR	Federal Board of Revenue
GoP	Government of Pakistan
IAS	International Accounting Standards
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
KIBOR	Karachi Inter-Bank Offer Rate
NBV	Net Book Value
NRV	Net Realisable Value
SECP	Securities and Exchange Commission of Pakistan
TFC	Term Finance Certificate

Reach Out to Us



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Help us Educate



Students enjoy a slide during break-time at the TCF school Kamran Siddiqui Campus, Landhi, Karachi.



Create Lasting Change

Every contribution that you make goes towards empowering the less privileged through quality education. Make a gift to create an impact that lasts forever!



Educate-a-Child

PKR 2,000 (Monthly)
PKR 24,000 (Yearly)



Educate-a-Child KG to Matric

PKR 260,000 (One-Time)



Sponsor-a-Classroom

PKR 52,000 (Monthly)
PKR 630,000 (Yearly)



Support-a-School Unit

PKR 350,000 (Monthly)
PKR 4,200,000 (Yearly)



Build-a-School

PKR 41,500,000 (One-Time Build Cost)
PKR 23,100,000 (5-Year Support)



Alumni Scholarships

PKR 18,000 for Intermediate Student (One-Time)
PKR 1,400,000 for a Tier A University Student (One-Time)
PKR 600,000 for Tier B University (One-Time)



Support an Adult Literacy Learner

PKR 3,000 (One-Time)

Notes Related to Build-a-School
Costs are for build cycle of 2022/23 and are subject to revision. Rates are calculated on average construction costs and may vary for different locations. A school construction project can only be taken up with the provision of school support for a minimum of five years (included in the figures cited above). All school construction projects in earthquake zones will take into account additional costs for special earthquake resistant architecture.

Giving Made Easy

There are so many ways to make a meaningful contribution with your Zakat, Sadqah or general donations. Choose what works best for you.



Give Online

Visit www.tcf.org.pk to make a one-time or recurring donation online.



Schedule a Pick-up

Call us at 0800 00 823 to have your donation cash or cheque picked up from your doorstep, anywhere in Pakistan.



Courier a Cheque

Send us your donation cheque in favour of 'The Citizens Foundation' at Plot No. 20, Sector 14, Korangi Industrial Area, Karachi - Pakistan



Deposit or Bank Transfer

Transfer your Zakat and Sadqah to one of our bank accounts mentioned on our website www.tcf.org.pk/donation-information.

You can request a donation receipt by emailing us at info@tcf.org.pk.



Donate via SMS

Write your name and send it to 8232 to donate PKR 20 plus charges.



Fundraise for us

Start fundraising by creating your own digital campaign at tcfglobal.org

We are grateful to all our volunteers for making contributions to this Annual Report.

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