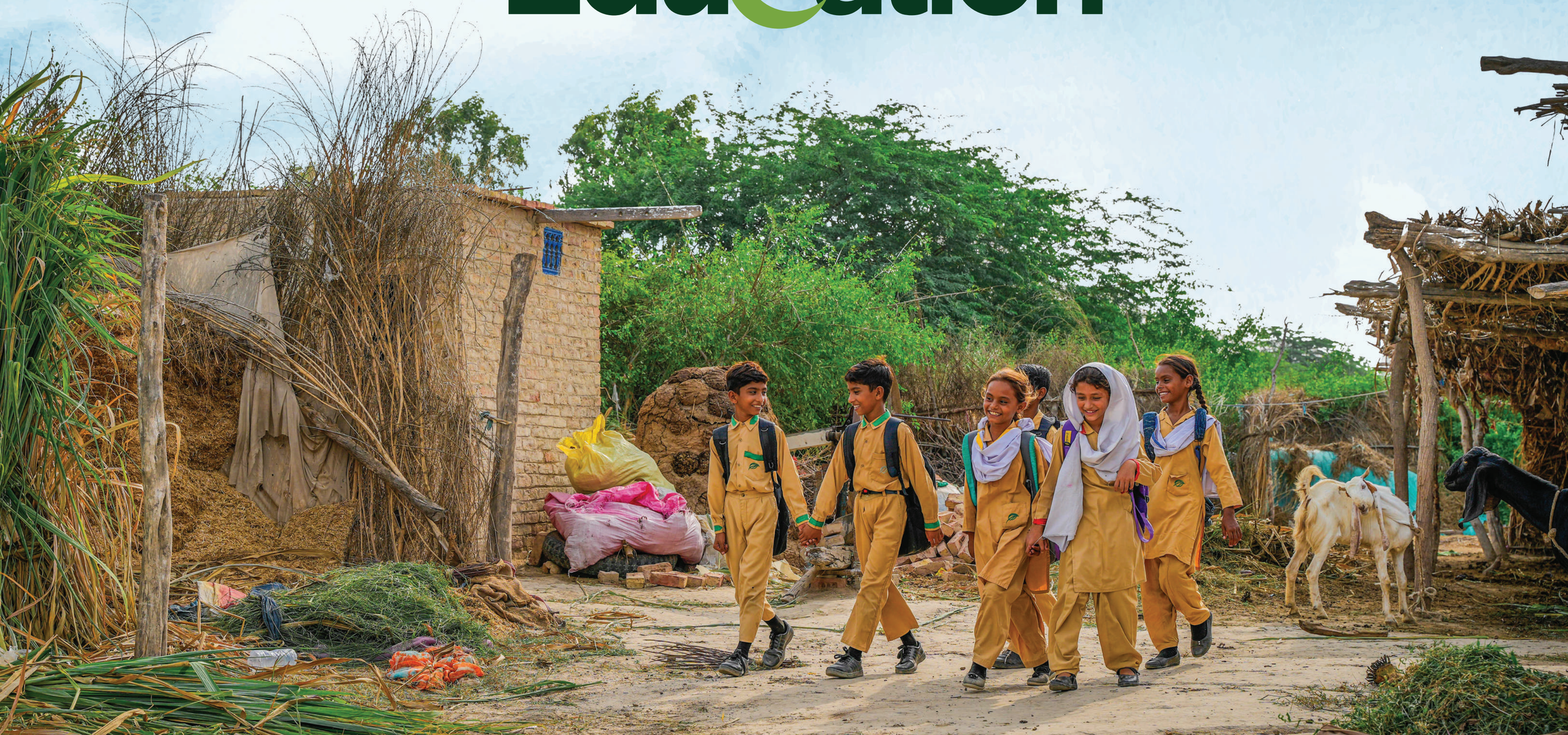
TCF

Change begins with Education

Annual Report 2024





It's a joyful morning at the TCF school, Chamankotli, Azad Kashmir.

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 Education Movement

The Citizens Foundation (TCF) is a non-profit organisation addressing Pakistan's learning crisis. It was founded in 1995 by a group of friends, with a vision to drive positive change through quality education. Today, with 301,000 students enrolled in 2,033 school units, led by its 14,700 female faculty members, TCF is recognised by The Economist as 'perhaps the largest network of independently run schools in the world.'

Beyond developing 21st-century skills through its innovative education model, TCF is enabling access to higher education for its alumni and is collaborating with the State to improve outcomes in the public sector. TCF is uplifting communities by empowering them with literacy, life skills and vocational competencies, particularly focusing on women. By sharing with other stakeholders, the programmes, experience and capabilities it has developed over the last 29 years, TCF is actively working to improve outcomes across Pakistan's education landscape.

The TCF education movement thrives on the commitment of a global community, whose support and efforts help make this impact possible.



TCF School, Khurshid Shams-ud-Deen Campus, Chakwal (Punjab)

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A New Milestone in Our Journey!

We doubled our impact in the last **10 years**.

2,033
School Units

301,000
Students Enrolled

63,000
Graduates

14,700
All-Female Faculty Members

221,000
Aagahi Adult Literacy Learners

3,700
Vocational Trainees

80,700
Beneficiaries receiving clean drinking water every day

Directors' Report

The Board of Directors of The Citizens Foundation (TCF) takes immense pleasure in presenting the Annual Report, along with the audited financial statements, for the year ended June 30, 2024.

Principal Activities of TCF

The Citizens Foundation (TCF) is primary dedicated to establishing and operating primary and secondary educational institutions throughout Pakistan, with a focus on addressing the educational needs of less-privileged children. In addition to this core mission, TCF is engaged in several other initiatives, including providing scholarships to its alumni, fostering socio-economic development within the communities it serves, and offering literacy and life skills programmes for out-of-school children through non-formal education. TCF also promotes quality education in the low-fee private schooling sector by distributing TCF-published books and runs teacher training and certification programmes. Throughout the year, TCF received funding from a wide range of donors, both within Pakistan and internationally, to support the construction and smooth operation of schools and other initiatives across the country.



Operational and Financial Performance

TCF embeds its purpose-built schools in the heart of urban slums and rural communities, and is currently operating a network of 2,033 school units, including 428 government partnership schools, with 301,000 students enrolled in its classes acquiring high quality education.

TCF Schools Programme Integration

In a significant development, TCF's Flagship Schools Programme and Partnership Schools Programme were merged effective February 1, 2024, forming the new "TCF Schools Programme." This strategic consolidation integrates 2,033 school units from both programmes, aligning administrative, programmatic, and cultural elements to enhance operational efficiency and coherence. The merger divides the network into two zones — Southern and Northern — streamlining regional management and operational excellence. This unified approach aims to reinforce our commitment to providing quality education and effectively managing our expanded network of schools. The merger will help TCF build on its success and drive future growth, laying a solid foundation for achieving our mission and vision.

Since the inception of TCF Intermediate College, 1,288 students have graduated from the college and in 2024 it was ranked first in average percentage scores across Karachi by the Board of Intermediate Education Karachi. The college reflects TCF's commitment to helping students transition to higher education by equipping them with aptitudes needed for top tertiary institutions.

TCF's Tertiary Education Support programme made a significant impact by enabling our alumni to pursue higher education both within and outside Pakistan.

TCF's Community Development Unit (CDU) has, since inception, empowered 3,700 participants and 221,000 women through vocational training and literary classes respectively.

Literacy & Life Skills (LLS) programme has covered over 500 communities since its inception by engaging more than 500 facilitators over time. Dastak Teacher Training programme has conducted 13 training cycles and 1900 mentees from 95 different cities across Pakistan have graduated since inception. Under the Publishing House Programme, 460 low fee private schools and 78,500 students are now using TCF books.

TCF continued with the "Rahbar" – Youth Mentorship Programme and "Summer Camp" which is an on-field non-teaching programme based on interactive learning/extra-curricular activities.

Description	2024	2023	Variance
	Rs in million	Rs in million	%
Donations & Fees	11,807	11,321	4%
Income on investment - net	1,612	996	62%
Operating Expenditure	11,556	11,237	3%
Education Programmes	9,484	8,039	18%
Flood Relief	70	1,527	(95%)
Other Programmes	741	483	53%
Marketing, R&D and Administration	1,261	1,188	6%
Total Assets	33,547	25,592	31%
Net Assets	15,094	11,802	28%

The financial performance for the year under review shows commendable progress and prudent resource allocation. Investment income - net significantly boosted TCF's financial inflows, marking a 62% increase from the previous year. This rise was primarily attributed to a larger investment base, a sharp increase in the State Bank of Pakistan's discount rate, and consequent high returns on government securities and bank deposits.

Pakistan experienced significant fluctuations in inflation rates, which directly impacted TCF's financial management. Inflation peaked at 31% in September 2023, with the average hovering around 24%, leading to a substantial increase in costs across all expenditure categories. Despite the high inflation, TCF focused on controlling costs, recognising that the bulk of its educational programme expenses were attributable to salaries and books, copies and uniforms.

TCF's Zakat process, encompassing both collection and utilisation, is subject to regular review by the Shariah Advisor. The findings of these reviews are documented in a report, which 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

Non-Executive Independent Directors
Mr Adnan Asdar
Ms Hajerah A. Saleem
Mr Ishaque Noor

Non-Executive Independent Directors
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 13 and male to female ratio is 10:3

Board Meetings and Attendance
The Board holds regular meetings throughout the year. During the financial year ended June 30, 2024, nine (09) 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 Non-Executive Directors:	Meetings Attended
Mr Ahsan M. Saleem - Chairman	9/9
Mr Ateed Riaz	8/9
Mr Mushtaq K. Chhapra	8/9
Non-Executive Independent Directors:	
Mr Adnan Asdar	7/9
Ms Hajerah A. Saleem	8/9
Mr Ishaque Noor	6/9
Barrister Jahanzeb Awan	8/9
Mr Musadaq Zulqarnain	6/9
Ms Nilofer Saeed	8/9
Mr Rizwan Diwan	2/9
Ms Saima Amin Khawaja	7/9
Mr Tariq Raza Hussain	4/9
Executive Director	
Syed Asaad Ayub Ahmad	8/9

Maintaining Financial Stability

A core element of TCF's strategic plan is the steadfast commitment to maintaining sufficient working capital at all times, which ensures uninterrupted operations and smooth education service delivery. By implementing proactive risk mitigation strategies, we effectively address any potential challenges that may arise, thereby enhancing our financial stability.

Voluntary Adoption of Corporate Governance

TCF complies with the Code of Corporate Governance Regulations 2019 to affirm its dedication to maintaining high standards of accountability, transparency, and ethical conduct. This voluntary adherence highlights our commitment to exemplary governance practices and reinforces trust with our stakeholders.

Investing in Human Capital

This year, we remained steadfast in our dedication to cultivating a culture grounded in our core values of “Sincerity,” “Service,” “Beauty,” and “Positive Conduct.” These guiding principles, introduced last year, serve as the cornerstone of our organisational ethos. To ensure these values are not just recognised but lived, we continually engaged our staff in Community of Practice sessions, reinforcing their importance and encouraging their consistent application in our day-to-day operations.

To measure our success in fostering a positive work environment, we conducted a comprehensive Employee Engagement Survey, encompassing school faculty and management staff. With an impressive response rate of 10,000 participants, the survey revealed an overall engagement score of 85%. The results were then segmented by department and region and shared with each Head of Department (HOD) to identify key areas for improvement, with the goal of further enhancing employee engagement.

In our ongoing efforts to strengthen regional teams and foster collaboration, we hosted the TCF Regional Excellence Academy, bringing together 115 core participants over four days. The first day focused on uniting all HODs across the organisation with the regional teams, emphasising the Care & Growth/MAA model of Schuitema.

The following sessions included Team Building, Communication & Relationship Management, Coaching & Developing People, Data-Driven Problem Solving & Decision Making, as well as functional sessions tailored to specific designations. These sessions further enriched the participants' experience and equipped them with the tools to excel in their roles.

This year, we introduced a Provident Fund as a significant addition to our employee benefits. This new end-of-service benefits is designed to reward long-term commitment by providing employees with a financial sum upon departure, ensuring they have something meaningful to take with them after their service with TCF. The initiative has been well-received and appreciated across the organisation, reflecting our ongoing commitment to supporting our teams' financial well-being.

Effective Compliance and Risk Management

Due to the shifting landscape and evolving regulations, guidelines, and rules governing non-profit organisations, legal and compliance areas necessitate ongoing attention. The Board is aware of these challenges which are assessed and addressed by the Risk & Compliance Committee. The principal risks and uncertainties facing the Foundation are as follows:

Risk	Mitigating Actions
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 a 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.

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 (NPOs) 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 oversight mechanisms. The process of monitoring internal controls will continue on an ongoing basis to further strengthen the controls and bring improvements in the system.

- There are no significant doubts about TCF's ability to continue as a going concern.

- There has been no material departure from the best practices of corporate governance.

Appropriation of Reserves

The Board approved an appropriation of surplus funds to the General Fund Rs 1,993 million and to the fair value of contributed lands/ properties reserve Rs 114 million in 2024-25.

Subsequent Events

No other material changes or commitments affecting TCF's financial position 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 2023-24 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 '000
Donations – Directors, Key Management Personnel & their relatives	88,176
Donations - Associated companies & undertakings	996,596
Payments – Key management personnel	121,842
Payments- Associated Companies	9,751

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

During the year 2023-24, the remuneration of Syed Asaad Ayub Ahmad, Chief Executive Officer was increased from PKR 1,354,000 per month to PKR 1,629,000 per month w.e.f. September 2023. There were no changes in other terms and conditions of his appointment.

Involvement of the Board of Directors

TCF's Board of Directors comprises seasoned and qualified professionals who contribute a broad range of knowledge, skills, and expertise to the organisation. The Board oversees progress towards strategic objectives, fundraising initiatives, resource allocation, governance, performance monitoring, and financial trends to ensure that TCF's operations remain stable and aligned with its core mission. None of the Directors or their relatives received any form of remuneration, payment, or benefit, either directly or indirectly, from TCF.

Additionally, Board members are actively engaged in fundraising efforts for TCF and provide guidance to all functional leaders within the organisation.

Financial Statements

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

TCF Schools Programme Integration

As we look ahead, TCF is poised to make significant strides in advancing its mission to provide quality education and support to underserved communities across Pakistan.

Our strategic focus for the year 2024-25 includes a range of impactful initiatives such as operationalising 149 new school units, increasing alumni support for higher education from 1,705 to 2,066 students and continuous expansion of the Community Development Unit with the establishment of 3,500 new Aagahi centers and 20 water extraction and purification plants. Under the Literacy and Life Skills (LLS) programme, we plan to establish 350 new centers, and aim to enroll 8,500 out-of-school children. Our Dastak – Teachers' Training programme will enrol 2,000 mentees. Through our Publishing House, we will distribute 110,000 TCF Books to 49,000 students across 620 schools, maintaining a 90% retention rate and focusing on developing a brand identity.

To improve efficiencies in our operations we will prioritise enhancing operational efficiency across our educational network throughout Pakistan. By leveraging advanced data analytics, streamlining administrative processes, and optimising resource allocation, we aim to reduce overheads and improve the cost-effectiveness of our programmes. These initiatives will enable us to serve more students with the same or fewer resources, ensuring that every rupee invested in our mission delivers maximum impact, we will continue to focus on talent development, improving supplies management, data accuracy, and RAABTA (our customer care center) turnaround times. Additionally, we will conduct research to refine best practices and strengthen governance and succession planning processes.

Our focus on delivering quality education remains unwavering as we continue to refine our curriculum, invest in teacher training, and implement rigorous assessment standards. By adopting innovative teaching methodologies and expanding our use of technology in classrooms, we are committed to elevating learning outcomes, ensuring our programmes remain impactful and equip students with the skills needed to thrive in a rapidly changing world.

According to TCF's Strategy 2030, our goal is to achieve a cumulative target of over 2 million agents of positive change through three strategic pillars: Educate, Empower, and Enable. Under the Educate pillar, we will continue to enhance the flagship schools programme, scale the partnership schools programme, and support TCF alumni. Under the Empower pillar, we aim to expand the Aagahi and Literacy & Life Skills programmes for adults and out-of-school children respectively and provide skill development opportunities for those in need. Finally, under the Enable pillar, we will promote quality at scale within the low-fee private schooling sector and enhance the teacher training programme.

We deeply acknowledge and appreciate the invaluable contributions and support from our donors, supporters, and staff, which are essential to providing quality education to the less-privileged children of Pakistan and achieving our vision of over 2 million agents of positive change by 2030.

Ahsan M. Saleem
Chairman & Director

Syed Asaad Ayub Ahmad
President & CEO

Date: September 26, 2024



Chairman's Review Report

In 1995 TCF set out to build 1000 schools in the most impoverished communities across Pakistan – the mission: to break barriers of class and privilege and create agents of positive change through quality education and, to work towards a Pakistan where every child has access to education.

It was 1996, when the first five TCF schools opened their doors to five urban slums in Karachi. I am filled with gratitude for what we have accomplished together.

Today, TCF operates 2,033 school units, in 127 distinct towns across Pakistan, providing quality education to 301,000 children, half of whom are female. The TCF family includes 21,000 dedicated employees who work tirelessly to deliver the TCF programme. This includes an all-female faculty of 14,700, of which more than 1,000 are our own children who have come back to teach at a TCF school in their neighbourhood.

This year, we added 112 school units at a rate of two/week to TCF's network of 2,033 school units adding capacity for almost 20,000 students.

So far almost 63,000 students have graduated from the TCF programme (7200 matriculates in academic year 2024).

I recall having thought that some of our children will become our healers, some will guard our borders, some will build our bridges, and some will become our teachers – this must have been back in 2006/2007; Alhamdulilah, many of the TCF children today are doctors, law enforcement officers, technology/engineering professionals, civil servants and more.

I am certain all of them are agents of positive change in the communities where they live. We bow our heads in all humility and are profoundly grateful that we have been able to see this dream come true in our lifetimes.

The TCF journey has been incredibly magical, looking back – this could not have been possible without our supporters and all the people at TCF who work tirelessly for a Pakistan where all children have access to quality education. Our global community of supporters and volunteers brings together people from diverse backgrounds, students and young and senior professionals, who are passionate about Pakistan and about education.

With a sizeable physical footprint across Pakistan and a large number of stakeholders on one hand and an evolving operating landscape, particularly in terms of technology on the other, the next few years will see strategic re-evolution of TCF.

A lot is happening at TCF and across TCF communities, including adult literacy, potable drinking water and more – all of this is covered in more detail in the CEO's note and this annual report.

Financial and Operational Resilience

With a unique donor base of 16,000, TCF raised USD 52 million/PKR 14.5 billion Alongside access to quality education, financial sustainability remains key area of focus. I would like to congratulate TCF management who have managed to contain the expense at 85% of revenue – this is a remarkable achievement particularly in the NGO segment.

The Board

Strong governance underpins how things are done at TCF - TCF is blessed with a leadership team that demonstrates unwavering commitment to the values that bring all of us together at TCF. I am grateful for Board members who volunteer their time to offer invaluable oversight and strategic direction. Their commitment extends beyond individual contributions on fundraising and advocacy to active participation on the Board and through Board Committees, each with specific governance mandates. As a Co-Founder and Board Chair, I draw comfort from the exceptional composition and performance of our Board as a collective.

We seek and induct new members who meet TCF's 'fit and proper' criteria into our General Body. Some of these members are invited to work with select Board Committees; this enables better engagement and provides new members with a better understanding of TCF's Board affairs and operations.

Our Board of Directors comprises 13 members, including the CEO, bringing a diverse range of skills and experience. The current Board includes three founder directors and numerous long-time supporters of TCF. Our CEO is the only Executive Director on the Board and has been leading TCF since 2009, with more than 14 years of industry experience. The Board also includes distinguished legal and finance professionals and prominent business leaders.

Board Affairs and Performance

As Board Chair, I work to ensure Board effectiveness across all its functions, with a strong focus on upholding high standards of governance.

This includes ensuring that Board meetings are held in an open manner where all members are able to contribute, that Directors are well informed and engaged. New Directors receive a comprehensive formal and tailored induction to TCF operations, including an overview of the governance framework, and visits to TCF schools.

Delivering on TCF's promise:

The Board is actively engaged in developing a strategy and steering an operating model that is mission aligned and enables programme delivery. Every year, the Board reviews a rolling 2030 strategic plan alongside the annual budget considering factors including global and local economic conditions, HR needs, challenges from the previous year, and principal risks evaluated for each activity.

Seek to understand and meet stakeholder needs and expectations and maintain a dynamic management framework:

TCF's stakeholder group includes the community of supporters who contribute generously to sustain the TCF programme, the students, everyone working at TCF, suppliers, programme partners, government entities, and the broader community.

The Board reviews the governing principles and code of conduct policies annually. The Audit and Risk and Compliance Committees conduct thorough assessments of the internal control systems and organisational risks. Feedback from internal and external auditors is regularly sought to improve these controls. Employee and donor engagement surveys help connect and better understand stakeholder expectations.

Transparency triggers innovation at TCF and the Board attaches great importance to providing stakeholders with clear information on TCF's activities, strategy, and financial status.

Board members engage where possible in dialogue with major donor groups through both formal and informal gatherings. General Body members, if not attached to a Board Committee and other than informal access have the opportunity to communicate directly with the Board at the Annual General Meeting.

The Board has approved TCF's Vision, Mission, and Values. It also regularly reviews and approves key policies and procedures, which are accessible to Directors on the organisation's SharePoint portal.

Authority is delegated to senior operational management, ensuring appropriate oversight exists at the appropriate level. The executive management team includes the Chief Executive Officer, EVP Finance/CFO and Company Secretary, EVP Development, EVP Formal Schools & CDU Programmes, EVP Outcomes, and EVP HR, IT & Operational Excellence. This team, along with founders and select Board and General Body members, meets regularly. Key issues from these meetings are reported to the Board.

Board Governance

The Board comprises a diverse group of non-executive directors. The Board works collectively to enable independent judgement, decision making and idea generation in a collaborative environment. Regular meetings are scheduled throughout the year to review and approve TCF's strategy/annual budget and monitor progress toward objectives.

Additional meetings are held as needed to address specific matters and updates that require focus. The Board follows a formal schedule for matters requiring its approval, including strategic, operational, and financial issues like proposed acquisitions, new programme investments, CEO performance evaluations, and compensation reviews.

It also approves annual accounts and interim reports, significant transactions, major capital expenditures, and assesses the effectiveness of internal controls and organisational risks. Regular monitoring of financial and other indicators allows the Board to take timely and appropriate actions.

The Board delegates certain responsibilities to Board Committees: the Audit Committee, the Human Resource and Remuneration Committee, the Governance and Nomination Committee, the Education Committee, the Resource Mobilisation Committee, and the Risk and Compliance Committee. Board Committees operate under formal written terms of reference, accessible to all Board members on the organisation's SharePoint portal.

Board members receive the notice, agenda and supporting documents well in advance of meetings to ensure they are well-prepared. While there is a clear division of responsibilities, Board members maintain regular communication with key management personnel outside of formal meetings, are engaged both in fundraising and advocacy efforts and, often visit TCF schools to stay updated with on-ground activities.

This year, the Board conducted a self-assessment and a 360-degree performance evaluation for both the Board as a whole and its individual Committees. These evaluations identified areas for improvement and reinforced existing strengths.

TCF's Investment Committee is an independent management committee and is chaired by an independent external expert. The Board's role is to oversee the monitor performance and returns, which are reviewed at least once every quarter.

The Annual Report aims to present a fair, balanced, and clear overview of TCF's activities and plans. The Operational and Financial Review provides an assessment of TCF's affairs and position.

The report is sent to all major donors and partners and is available on TCF's website. The Board has reviewed the Directors' Report and Financial Statements for the year ending June 30, 2024 and confirms that they accurately reflect fairness, balance, and clarity.

The Journey Ahead

We are committed to contributing to Pakistan's durability and creating lasting change through access to quality education. Pakistan has over 26 million out-of-school children and a similar number in schools receiving subpar education. Our incredible TCF community is at the very core of our mission.

We have an FY25 budget outlay of PKR 16 billion/USD 57 million and an ambitious plan to add 149 school units to our network – this translates into additional capacity for 27,000 students. An estimated 7,000 matric students and 3,000 intermediate students (including 1,500 non-supported TCF Alumni), or K-12, will graduate in FY25. The number of TCF students in top tier schools multiplies each passing year and many are supported through tertiary programmes through TCF. Operational excellence continues to remain a priority, and we will continue to work to leverage technology and automation in our processes to improve overall effectiveness.

TCF is well-positioned to make a meaningful contribution to Pakistan's K-12 education landscape. We have a clear strategy and our focus for the year ahead remains on strengthening access to quality education for the out-of-school children in Pakistan. Other areas of focus include leveraging technology including AI in programme deliverables, enhancing the employability of TCF students by exploring avenues such as the tech track within the K-12 framework and, to secure the financial sustainability of the core TCF mandate.

I would like to thank the Board and its committees for their proactive role in guiding us, and to everyone at TCF for their strong commitment and outstanding contributions to our mission.

Finally, I would like to recognise and thank our key stakeholders—our incredible community of supporters, our partners, and our donors for their support. I look forward to your continued support in our collective journey towards a Pakistan where all children have access to quality education.



Ahsan M. Saleem
Chairman & Director

Education is the Beginning of Positive Change

CEO’s Message

Dear TCF Family,

As I write this message, my heart brims with joy, pride, and deep gratitude. This year, TCF has reached an incredible milestone — 2,033 school units and 301,000 deserving students! Alhamdulillah, we’ve doubled our impact in the last decade, and it is your support that keeps the TCF Movement growing!

Each life transformed reaffirms our belief that education is the beginning of positive change for any society and it reflects the dedication of every supporter, volunteer, employee, and staff member who has fueled this education movement. This achievement belongs to all of you.

Nearly three decades ago, when TCF embarked on its journey, our mission was to bring quality education to the forgotten children of Pakistan, for whom it was once a distant dream. Today, TCF is recognised as ‘perhaps the largest network of independently run schools in the world’ providing a 21st-century to the less-privileged children of Pakistan. Alhamdulillah, the TCF movement now extends beyond the classroom, reaching into communities and influencing both public and private sector education through its programmes across Pakistan. Our achievements and interventions this year highlight what we have accomplished together — for our schools, alumni, communities, and the broader education ecosystem.

Thank you for standing with us, for believing in the power of education, and for being part of this journey to create a brighter future for Pakistan.

Syed Asaad Ayub Ahmad
President & CEO

Programme Updates & Stories

Raising the Academic Bar: TCF transitions to the Federal Board

At TCF, we aim to nurture our students with an education rooted in critical thinking, hard work, and integrity. However, we noticed that the divisional boards overseeing the Matric (Secondary School Certificate) exams in Pakistan weren't meeting these standards. The exams often lacked academic rigour, and unfair practices were common.

To address this, we made a bold decision: we transitioned our Secondary Schools to the Federal Board of Intermediate and Secondary Education (FBISE). The FBISE is known for its strong academic standards and fair examination practices. This shift was a major change for everyone involved, and it raised expectations across the board.

How did we meet these new challenges? Dive into the full story to learn more!



In Pakistan, Matric (Secondary School Certificate) examinations are conducted by various education boards. Divisional boards follow provincial guidelines, while students in schools affiliated with the Federal Board appear for exams administered by the Federal Board of Intermediate and Secondary Education (FBISE). FBISE oversees examinations in the Federal Capital Territory, federal government institutions, embassy-run schools overseas, and recognised private education networks.

Before TCF moved to the Federal Board

For years, TCF students have been taking their exams under **22 different divisional examination boards** across Pakistan. However, there was a nagging truth we couldn't ignore. These boards often had **poor standards** which encouraged rote memorisation and followed **poor examination invigilation practices**, resulting in inconsistent academic standards across regions.

Why did TCF transition to the Federal Board?

The FBISE stands out from divisional boards mainly due to its commitment to **higher academic standards,** emphasising conceptual learning and critical thinking. FBISE typically has **stricter exam protocols,** including better invigilation and control over cheating. Its centralised system guarantees consistent exam quality and curriculum across all schools in Pakistan.

Challenges After the Move

The transition to FBISE was a bold but necessary step for TCF. It raised academic standards and encouraged both students and teachers to embrace a more rigorous, concept-based learning approach. Our teams worked tirelessly to manage the complex operational and academic changes across our Secondary Schools in Pakistan. We also spent time counselling parents, as some worried about lower results under the FBISE system, leading to a few dropouts initially. Despite these challenges, the shift unified our schools under a higher standard, fostering resilience, accountability, and a shared commitment to excellence.

A Promising Start

Last year, we marked a significant milestone as

TCF students achieved a 90%* passing rate

in their first year under the FBISE. This promising start lays a strong foundation for future progress. While we acknowledge there's still a way to go, we are confident that we're on the right track, committed to delivering quality education and upholding high standards.

TCF Annual Matric Exam Results 2023		
7,351 students	**90%** passed	**30%** A1 & A Grades

A Promise Fulfilled:

TCF student from Thar secures an A1-Grade under FBISE.

"I couldn't believe it! I got an A1-Grade in Federal Board — it felt like a dream."

Radha, a graduating student at the TCF school in Mithi, Tharparkar, confidently presenting her ideas in class.

The school was buzzing with the excitement of a new term in the desert village of Mithi in Tharparker. Radha, a student of Grade 9, sat nervously beside her parents in the principal's office. Her heart raced as Ms Pushpa talked them through TCF's transition to the Federal Board - a conversation she was having with many parents. The Board's tough standards were well-known, and the promise Radha had made to her father - to secure an A-grade this year - suddenly felt overwhelming.

From the moment she could understand her father's struggles, Radha's only dream was to make him proud. Sumaar, a rickshaw driver, spends long hours behind the steering in the desert heat every day, driven by one hope: to give Radha and her siblings a future he could only dream of. And for Radha, keeping that hope alive was the most important thing.



"Don't depend on anything but your own effort, Radha," said Ms. Pushpa, her voice filled with reassurance. "We will be here every step of the way."

The calm assurance in her principal's words gave Radha the courage she needed.

From then on, Radha immersed herself in her studies. While some of her batchmates opted to switch schools or take the exams privately, intimidated by the Federal Board's rigourous standards, Radha held her ground, dedicating long hours of study at school and home with the help of her teachers.

Before she set off for her first Federal Board exam, Radha's father said to her,

"I'm praying for your success, dhee (daughter). You've given your best."

In her first year under the Federal Board Grade 9 exam, Radha scored an A grade. The next year, she worked even harder and graduated with an impressive A1 grade - fulfilling the promise she made to her father.

Today, Radha is pursuing her intermediate education and is well on her way to becoming a teacher.



Uplifting Outcomes in Government Schools

In 2016, the foundation was laid for TCF's Partnership Schools Programme when we undertook the challenge of revitalising some of Punjab's most underperforming schools. The situation was dire: classrooms were nearly empty, and children struggled with even basic literacy. Seven years later, public schools under TCF's Partnership Schools Programme are buzzing with students, who are showing impressive learning outcomes that once seemed impossible.

What turned forgotten schools into thriving learning places? It's a story of commitment, hard work and courage. Flip the page to learn more.

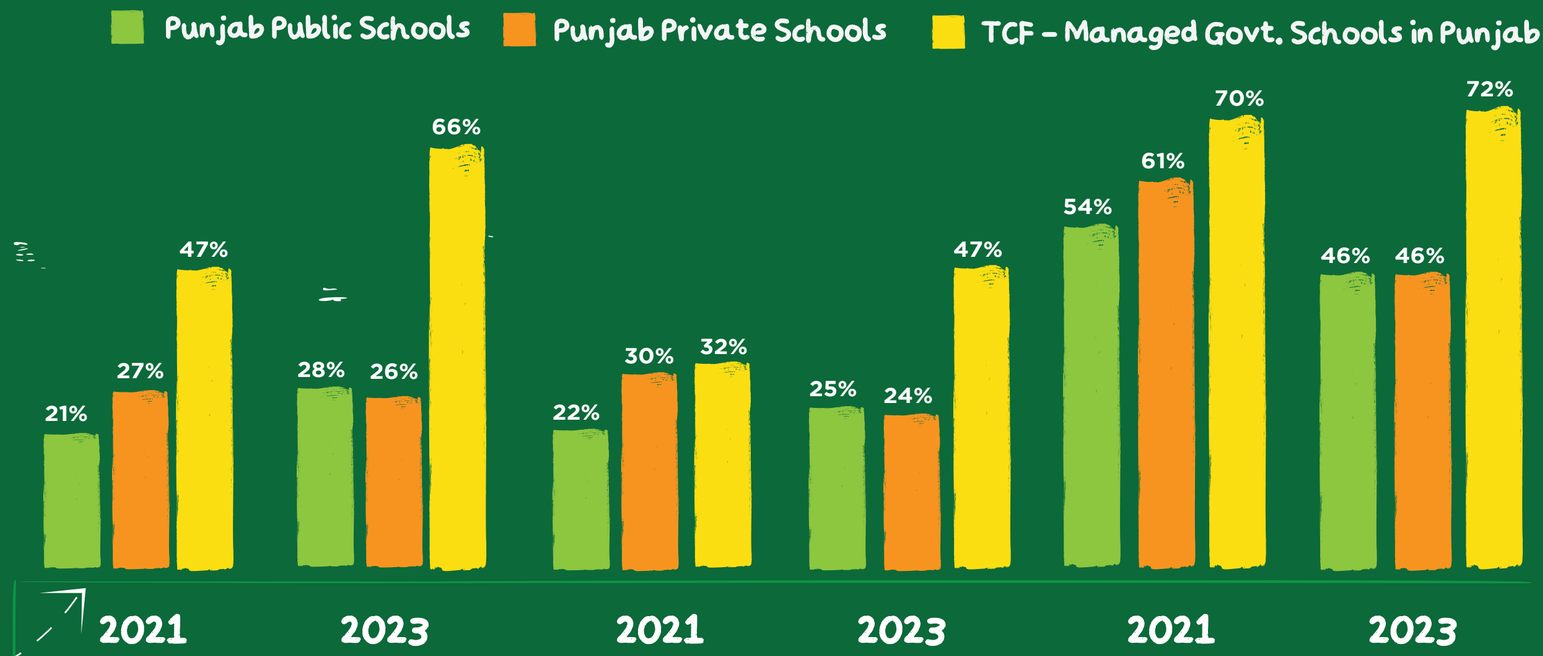


A student engages in learning through play at TCF's Partnership School in Lohan, Punjab, where TCF has implemented its education model.

Hard Work Pays Off!

Students at TCF-Managed Government Schools are outperforming students in Public & Private Schools in Punjab.

Annual Status of Education Report (ASER)



Our interventions

Principal and teacher hiring and development

Focus on Foundational Literacy & Numeracy through remediation

Academic support to multigrade teachers through supplementary materials and teacher guides

Stringent monitoring and evaluation mechanisms

The success of the programme highlights the powerful difference that strategic educational reforms can make in unlocking each student's true capabilities. By transforming struggling schools into thriving learning spaces, we've proven that all children have amazing potential and with careful and thoughtful intervention, they can achieve outstanding progress.

Sujaag
(The Awakening)

A Literacy & Life Skills Programme in Remote Communities

Sujaag is a community-based Literacy and Life Skills Programme designed for out-of-school children aged 8-16 in Pakistan's most inaccessible areas. With over 26 million children out-of-school, many of whom have never been inside a classroom, TCF launched Sujaag to tackle this urgent need for education in places where government schools are non-existent.

At TCF's Sujaag Learning Centre in a remote village of Sanghar (Sindh), out-of-school children aged 8-16 receive basic literacy and life skills education from a local teacher.

The Sujaag Model in Action

How is TCF making learning possible in unreached communities?

Center Identification

Applications are generated through pamphlets circulated in remote communities. Local educators submit their applications via SMS once they receive the pamphlets.

Teacher Hiring

The Sujaag team conducts telephonic verification and performs an online assessment to finalise the selection of educators and students.

Teacher Support

Scheduled in-person trainings before the start of each module take place.

Ongoing Monitoring

Student attendance and progress are tracked online on daily basis for updates, accountability and support.

Community Classrooms

Classrooms are setup locally in the space provided by the local community.

Programme length

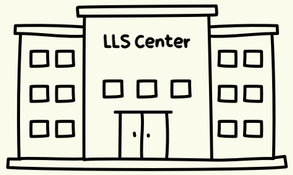
Classes are held for 3 hours, 6 days a week, across 3 modules, each lasting 5 months.



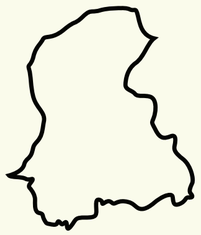
How Far Has Sujaag Come?



11,000
Learners



550+
Centers



20
Districts
Sindh & Balochistan

Currently in its pilot phase, Sujaag is working to establish a resilient model for operations, monitoring, and evaluation that can be scaled nationwide. Sujaag brings children the closest experience to a classroom they've been missing for too long.

Children at TCF's Sujaag learning centre in the remote village of Sanghar (Sindh) are all smiles after a day of learning, playing and laughter.

Hope In the Middle of Nowhere

"Before Sujaag, the children had nothing. Today, the kids in our village can read, write their names and do basic math. Sujaag has opened a window in their lives."

The car suddenly came to a halt after nearly five hours of driving and navigating through swamps and fields. Nestled between trees and wild shrubs, in the middle of nowhere, stood a small bamboo shack. From a distance, we could hear the harmonious voices of students reciting alphabhets in chorus.

The wind was fierce. As we stepped inside, colourful drawings fluttered around the shack, each artwork filled with dreams and hopes. Children of different ages, dressed in vibrant Sindhi attire, sat together – some reading, some writing – all learning happily. At the front of the space, stood a young man, full of passion and energy, writing on a small blackboard mounted on a steel stand.

This is the Sujaag Learning Center in Haji Hamid Shah Village near Sanghar, Sindh. Here, kids as old as sixteen are learning to read and write for the first time because there is no school nearby.



"Last year, I got a message from TCF about opening a Sujaag learning center in our village. I responded right away,"
shared Shahbaz after completing the lesson for the day.
"The villagers came together to set up this space. They were so excited their children will get to learn,"
he recounted, pride shining in his eyes.

Sujaag exists where there is nothing else. For children who don't have access to school or learning, it is the beginning of hope.

Hatim Ali,
a little kid clad in red Sindhi topi (cap), tightly holding onto his book told us how much he enjoys the three hours here,

"I enjoy playing the dice game the most."





Jamzadi,
Confident and full of smiles, shared,

"My teacher is very nice. He teaches us new things. I like to do hisaab (Math) the most!"

Ali Shafa,
a 14-year-old, who works in the fields shared excitedly,

"I've learned to write my name!"





Other Updates

Stanford Social Innovation Review (SSIR) features a case study on TCF: The School System Rebuilding Civil Society:

The Stanford Social Innovation Review (SSIR) featured The Citizens Foundation (TCF) in a case study, 'The School System Rebuilding Civil Society,' authored by Noor Noman. The piece highlights TCF's journey of delivering quality education at scale and its innovative approach to breaking down barriers, particularly for girls, to ensure equitable access to education. It chronicles the inspiring story of Kainat Ansari, a TCF alumna who grew up in the slums of Karachi and went on to graduate from Whitman College and attend Oxford University. The case study sheds light on the essential elements which have shaped TCF into a transformative force for positive change and extended its impact beyond the walls of its schools and into the communities it serves.

TCF College Students Excel in Board Results

TCF College has achieved outstanding success in the latest Board of Intermediate Education Karachi (BIEK) results, boasting an impressive 95% passing rate. This achievement places our college alongside the most prestigious institutions in Karachi, far surpassing the BIEK average of 34%. This success is a testament to the unwavering dedication of our students and faculty.

Optimising TCF's Book Publishing Costs

This year, our Supply Chain team implemented strategic changes to optimise TCF's publishing process. By enhancing sourcing, streamlining distribution, and strengthening logistics, we achieved impressive savings. These efforts led to a substantial cost savings of PKR 200 million rupees — 29% below anticipated costs, despite a 30% year-on-year CPI increase in December 2023.



Principals' Academy Highlights Technology's Role in Education

Great schools start with great leaders. Each year, TCF Principals participate in intensive training at the Principals' Academy, empowering school leaders across Pakistan. Through a meticulous training needs analysis, we identify high-impact growth priorities and tailor the programme accordingly. This year, the training expanded its focus to include the transformative role of technology in education, effective use of teacher guides, and designing higher-order thinking questions to elevate classroom engagement. Armed with these skills, they are ready to empower their teachers and foster a culture of continuous learning and growth in TCF schools.



Dastak: Empowering teachers beyond TCF

Launched in 2019, the Dastak Online Teacher Training Programme has empowered 2400 teachers from low-fee private schools (LFPS) across 100 cities in Pakistan. The programme leverages decades of TCF's teacher development experience by offering a low-cost, 6-week online training, focused on enhancing skills in classroom management, lesson planning and delivery, and teachers' self-development. Dastak is significantly expanding its impact and fostering a community of skilled teachers dedicated to improving educational outcomes.

TCF Publishing House: Expanding Access to High-Quality Books

The Citizens Foundation (TCF) is proud of the curricula and books developed for its schools after years of research and continuous improvement. Now, through the TCF Publishing House, these high-quality materials are being offered to low-fee private schools (LFPS), where substandard curricula have hindered student learning. The initiative aims to provide quality books at affordable prices, and is significantly enhancing educational outcomes for 163,000 students across 400 private schools in Pakistan.

Transforming Women's Lives with the Gift of Literacy

For nearly two decades, TCF's Aagahi Adult Literacy Programme has been a beacon of hope for out-of-school girls and women in communities across Pakistan. The programme empowers them to read and write in Urdu, perform basic Math, and gain essential knowledge about health, hygiene, and sanitation. Since its inception, Aagahi has transformed the lives of over 220,000 women living in disadvantaged communities, who after learning how to read and write, have improved the quality of their lives. In the past year alone, over 46,000 learners successfully gained literacy, opening a world of possibilities.

Aab-e-Rehmat: Expanding Access to Clean Water Across Communities

This year, TCF's Aab-e-Rehmat programme launched 19 new water filtration plants at our school locations. These plants are placed in high-need areas where communities face challenges with contaminated water, providing effective solutions for clean drinking water. With a total of 55 filtration plants now in operation, the programme serves over 85,000 people daily across Punjab, Sindh, and Balochistan, with most plants running on solar power.

Uplifting women through Vocational Skills

TCF's Vocational Training Programme provided vocational training in Tailoring and Fashion Design to 500 women across TCF communities in Karachi, Thatta, Lahore, Kasur, Sheikhupura, Narowal, Chiniot, Jaranwala, Burewala, Khushab, Sargodha, Mianwali, Muzaffarabad, and Rawalpindi. These women have not only gained valuable skills but have also put them into practice. Approximately 400 of our certified trainees have collectively stitched over 27,000 uniforms for TCF students, which has significantly contributed to their household incomes while allowing them to work from home. This initiative is a testament to the transformative power of vocational training in uplifting communities and fostering economic independence.



The Rahbar Programme is transforming young lives!

Since its inception in 2008, TCF's Rahbar Programme has fostered a powerful connection between 16,200 mentors and 59,900 students. This unique initiative for 8th and 9th graders spans six consecutive Saturdays, held three times a year at selected TCF Schools across Pakistan.

The programme's core philosophy, 'Thought to Destiny,' encourages students to envision themselves as architects of their own futures rather than as victims of their circumstances. Rahbar ignites a sense of hope and possibility among students. Through this journey, mentors build deep, trusting relationships with their mentees, helping them uncover their inner strengths and reach their full potential. The impact of Rahbar is profound, empowering students to embrace responsibility and confidently chart their own paths in life.

Another Summer Camp Season Triumphs!

1,300 Summer Camp volunteers and 9,000 TCF students came together this year and made the TCF Summer Camp a tremendous success! Students and volunteers created unforgettable memories through activities like storytelling, theatre, arts and crafts, sports, and games.



Global Fundraising and Support

Members of TCF Family unite at the USA Chapters Conference.

TCF PAKISTAN



TCF and RMAF Launch ‘Greatness of Spirit’

TCF and Ramon Magsaysay Award Foundation (RMAF) celebrated the global launch of ‘Greatness of Spirit: Stories of Love, Courage, and Service,’ a book which chronicles the accomplishments of 348 Ramon Magsaysay Awardees, including TCF Chairperson of Ramon Magsaysay Foundation, Cecilia Lozaro and Chief Minister of Sindh, Syed Murad Ali Shah, joined us for a wonderful evening of celebration and optimism.





141 Schools for Peace: A Pledge to Eradicate Illiteracy

In the aftermath of the tragic APS Peshawar attack in 2014, TCF launched its ‘141 Schools for Peace’ initiative, a solemn pledge to build 141 school in memory of the innocent lives lost. With overwhelming response from supporters around the world, TCF has successfully established 141 school units. This journey was more than building brick and mortar; it was about constructing a foundation for a safer, empowered Pakistan.

Young Baghbaans Lead the Way at Padel Tennis Tournament

TCF’s Baghbaan volunteers are dedicated advocates for education, tirelessly raising support for our cause. This year, our youngest Baghbaan volunteers took the lead by organising the Ramzan Padel Tennis Tournament. The tournament successfully engaged second-generation volunteers through sports, further connecting them with TCF’s Baghbaan Programme.





Islamabad United x TCF

TCF was proud to be the official CSR partner of Islamabad United for HBL PSL 9! Emerging as the champions this year, Islamabad United has consistently supported TCF's mission. Once again, the team stood at the forefront of promoting education for less-privileged children, particularly for girls, in Pakiştan.

TCF USA



UCC 2024: A Hub for Insightful Collaboration

TCF chapters from across the U.S. converged in Houston for the U.S. Chapters Conference! Under the theme ‘Expanding Horizons,’ the UCC brainstormed innovative ideas to propel TCF’s mission and growth initiatives leading up to the year 2030. It was a dynamic exchange of the best practices for education, fundraising, and growth!





Diverse Events & Community Engagement

With over 85 events—from galas to unique gatherings like the Chicago Fashion Show and Austin Pickleball—TCF-USA has rallied nationwide support for education. NYC Comedy Night and LA Suhoor Night were also major successes.

Honored Finalist at .ORG Impact Awards

TCF was named a finalist for the .ORG Impact Awards, selected from nearly 1,000 applicants. This recognition highlights TCF’s dedication to supporting children in Pakistan.



Inaugural Run-for-Education

During Independence Day weekend in August 2023, TCF-USA held its first ‘Run for Education.’ The event was a massive success with over 250 participants and support from 15 states, raising funds and awareness for education.

TCF UK



TCF-UK Annual Gala: Colouring Dreams

TCF-UK’s Annual Fundraising Gala at The National Gallery aimed to ‘Colour the Dreams’ of Pakistan’s out-of-school children by providing the gift of education. With a TCF Alumna, Zaitoon Kareem, the event exceeded expectations, doubling our fundraising target and empowering over 3,000 children to dream in colour.



Mark's Club Gathering with TCF's Founders

TCF’s founders, Mushtaq Chhapra, Ateed Riaz and, Ahsan Saleem met with a group of donors in London to share exciting updates from the ground.





Manchester Inaugural Event

TCF-UK’s newest chapter, the Northwest England Chapter, held an Inaugural Dinner hosted by News Broadcaster, Saima Mohsin, and featured special guests like Pakistani actor, Adnan Siddiqui, and musician, Akhlaq Bashir. The event raised funds to sponsor the education of 433 children for one year.

Runners for Education TCF-UK's 10k

The ASICS London 10k is an annual event for TCF-UK that draws immense support. In 2023, a dedicated group of 15 runners took part raising funds, to provide education for more than 100 children for a year .



TCF CANADA

Established a new chapter

in September 2023, TCF Canada launched its 11th chapter in Edmonton, expanding our reach even further.



Organised over 14 events

including fundraising galas and volunteer appreciation events to engage the community and was attended by over 2,200 people.





TCF Founders' Visit

Three founders engaged with Canadian chapters at the Head Office and participated in several events in Toronto and Montreal.



Calgary Chapter Recognition

The chapter received certificate from the Legislative Assembly of Alberta for its commitment to supporting less-privileged children's education.

Volunteers' Engagement

TCF-Canada hosted golf and cricket tournaments, and a snow ski event to engage the volunteer community.



Outreach Efforts

at various public platforms, which included Festival of South Asia, Johnson & Johnson Medtech event, The Salam Network at KPMG Canada.





TCF-Canada is recognised as Top 10 Impact Charity for 4 consecutive years. Rated Top 10 Impact Charity & Top 10 International Impact Charity with a five-star rating.

TCF UAE



Largest Annual Conference

In February 2024, TCF UAE hosted its largest-ever Annual Supporters Conference and Dinner in Dubai, attracting over 600 supporters and well-wishers! TCF team members, Riaz Kamlani and Zia Akhter Abbas shared progress and impact stories, while alumni, Areej Sultana and Muhammad Usama Khan, inspired guests with how education transformed their lives!



Baghbaan Ambassadors Programme

TCF-UAE's Baghbaan Programme celebrated its fifth year in 2024. A captivating Musical Evening featuring, Aamina Sheikh and Asees Arshad, at the Pakistan Association Dubai drew over 200 supporters! Led by Dr. Naima Alvi Bawany, Ms. Mahvash Kidwai, and Mrs. Sameena Ahmed, Baghbaan volunteers (including 60 Youth Ambassadors) have significantly impacted nearly 9 TCF school units in the UAE!





TCF-UAE Family Nature Hike

The Baghbaan volunteers held community engagement activities during the year, such as a family trek. Under the leadership of Dr. Naima Alvi Bawany and Ms. Mahvash Kidwai, TCF UAE Baghbaan Volunteers, along with the TCF UAE Ladies Group led by Mrs. Sameena Ahmed, supported nearly 9 TCF school units!

TCF UAE Musical Evening

TCF-UAE's Baghbaan Programme celebrated its fifth year in 2024. A Musical Evening featuring, Aamina Sheikh and Asees Arshad in Dubai drew over 200 supporters! Led by Dr. Naima Alvi Bawany, Ms. Mahvash Kidwai, Mrs. Sameena Ahmed, and Baghbaan volunteers, nearly 9 TCF school units have been positively impacted!



TCF EUROPE



TCF-Ireland

The Irish community gathered at the Castleknock Hotel for an annual event filled with exhibitions, auctions, and cultural performances, all aimed at raising awareness and funds for Pakistan's educational crisis. The highlight was a moving speech by TCF alumnus Jamshed, emphasising the transformative power of education. In Ramadan 2024, the spirit of giving was evident during an iftar dinner, where Sheikh Mustifa from ICCI led an insightful session on the Blessed Quran. The event united the community, resulting in a successful fundraiser that showcased the powerful impact of collective generosity.



TCF-Italy

The Italian Friends of TCF (IFTCF) continued their crucial mission to support education. The "Education is the Answer" outreach events began with a prominent gathering at Palazzo Valentini in Rome and continued across various cities, fostering meaningful connections among supporters, local communities, and the Pakistani diaspora. A notable highlight of the year was the Gala at Fondazione Luigi Rovati in Milan, themed "Education is Beauty." This event showcased the transformative power of education through a captivating display of art and ancient goldsmithery.



TCF-Netherlands

In the Netherlands, a TCF volunteer group organised a charity gala featuring qawwali music and an exciting auction.

Thispre-Ramadan event was more than a social gathering;it served as an educational platform, raising awareness about the vital role of Zakat in supporting less-privileged children in Pakistan.

TCF-Norway

TCF Norway hosted an impactful iftar fundraising event that blended spirituality with philanthropy. The event featured Dars and Dua sessions, providing moments of reflection, and raised crucial funds to support TCF's mission in Pakistan.



Board of Directors



Ahsan M Saleem



Ateed Riaz



Mushtaq K Chhapra



Ishaque Noor



Nilofer Saeed



Hajerah Ahsan Saleem



Musadaq Zulqarnain



Saima Amin Khawaja



Adnan Asdar



Barrister Jahanzeb Awan



Tariq Raza Hussain

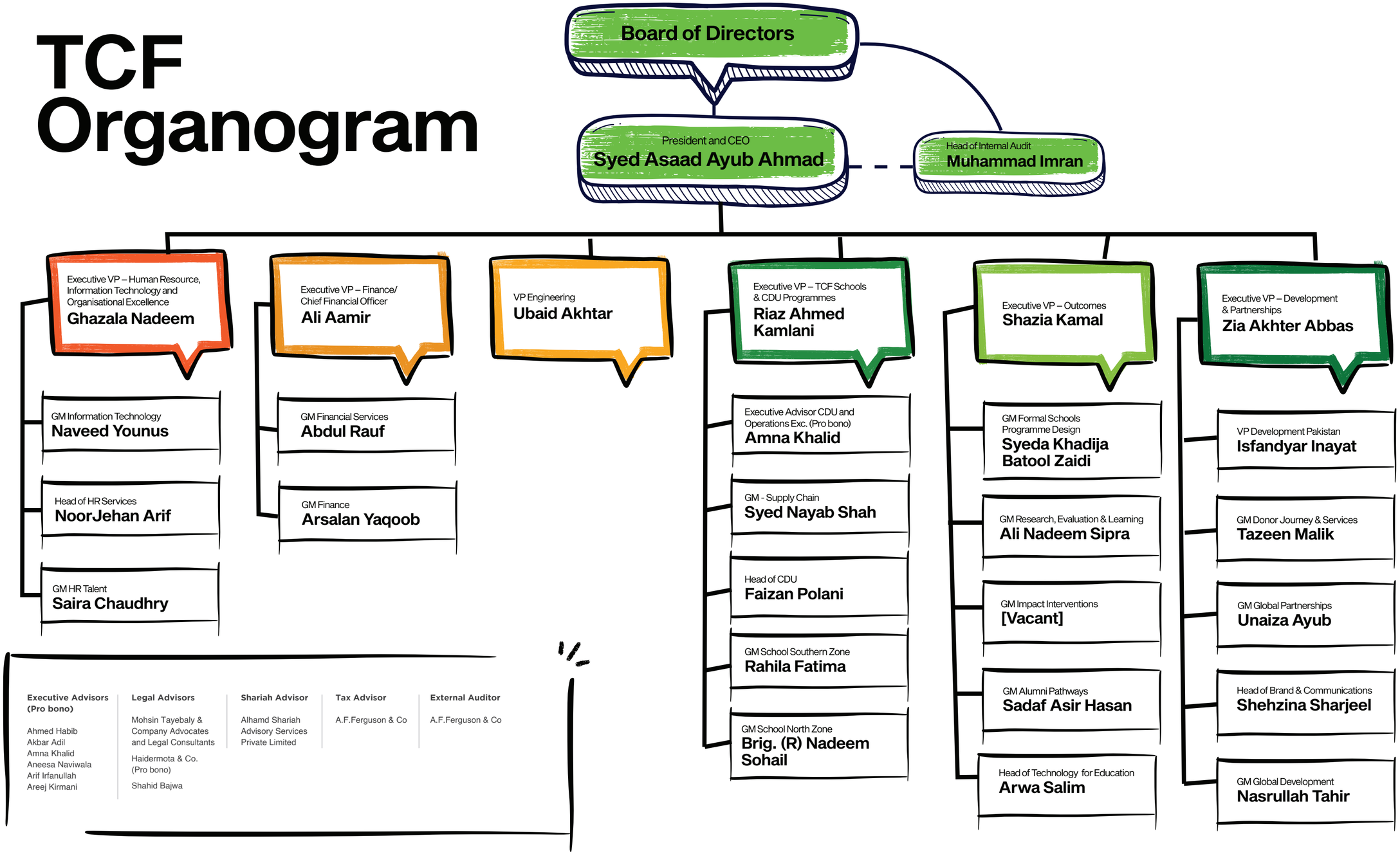


Rizwan Diwan



Syed Asaad Ayub Ahmad

TCF Organogram



Executive Advisors (Pro bono)

Ahmed Habib
Akbar Adil
Amna Khalid
Aneesa Naviwala
Arif Irfanullah
Areej Kirmani

Legal Advisors

Mohsin Tayebaly & Company Advocates and Legal Consultants

Haidermota & Co. (Pro bono)

Shahid Bajwa

Shariah Advisor

Alhamd Shariah Advisory Services Private Limited

Tax Advisor

A.F.Ferguson & Co

External Auditor

A.F.Ferguson & Co



Board Committees & Meetings

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. Eight meetings of the Board of Directors were held during the financial year ended on June 30, 2024. 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 there to;

- to consider any other issue or matter as may be assigned by the Board of Directors.

Four meetings of the committee were held in the financial year ended June 30, 2024.

Members of the Committee are:

Chairman
Mr. Ishaque Noor

Independent Director

Mr. Musadaq Zulqarnain

Non-Executive Member (by invitation)

Mr. Nihal Cassim
Mr. Riyaz Chinoy

Independent Director

Mr. Rizwan Diwan
Mr. Tariq Raza Hussain

Human Resource and Remuneration Committee

The Human Resource & 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.
- Three meeting of the committee was held in the financial year ended June 30, 2024.

Members of the Committee are:

Chairperson
Ms. Nilofer Saeed
Independent Director
Mr. Adnan Asdar Ali
Ms. Hajerah A. Saleem
Mr. Rizwan Diwan
Non-Executive Member (by invitation)
Mr. Shahbaz Yasin Malik

Non-Executive Director
Mr. Ateed Riaz
Mr. Mushtaq K Chhapra
Executive Director
Syed Asaad Ayub Ahmad

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;

Two meeting of the Committee was held in the financial year ended 30 June 2024.

Members of the Committee are:

Chairman

Mr. Ateed Riaz

Independent Director

Mr. Jahanzeb Awan

Non-Executive Director

Mr. Mushtaq K Chhapra
Mr. Ahsan M. Saleem

Non-Executive Member (by invitation)

Mr. Imtiaz Sultanali Dossa

Executive Director

Syed Asaad Ayub Ahmad

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 were held in the financial year ended 30 June 2024.

Members of the Committee are:

Chairman

Mr. Mushtaq K Chhapra

Independent Director

Mr. Ishaque Noor
Mr. Musadaq Zulqarnain
Ms. Nilofer Saeed

Non-Executive Director

Mr. Ahsan M. Saleem
Mr. Ateed Riaz

Non-Executive Member (by invitation)

Ms. Bushra Afzal
Mr. Shahbaz Yasin Malik

Executive Director

Syed Asaad Ayub Ahmad

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 June 30, 2024.

Members of the Committee are:

Chairman

Mr. Ateed Riaz

Independent Director

Mr. Adnan Asdar Ali
Ms. Saima Amin Khwaja

Non-Executive Director

Mr. Ahsan M. Saleem

Non-Executive Member (by invitation)

Mr. Arif Irfan ullah
Dr. Faisal Bari
Ms. Hina Riaz
Mr. Salman Siddiqui
Ms. Nighat Daudi

Executive Director

Syed Asaad Ayub Ahmad

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. Arsalan Yaqoob, General Manager Finance 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.

Two meeting of the committee was held in the financial year ended June 30, 2024.

Members of the Committee are:

Chairman

Mr. Musadaq Zulqarnain

Independent Director

Ms. Hajerah A. Saleem
Mr. Ishaque Noor
Mr. Jahanzeb Awan
Mr. Tariq Raza Hussain

Non-Executive Member (by invitation)

Mr. Riyaz Chinoy

Executive Director

Syed Asaad Ayub Ahmad

Report of the Audit Committee



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 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 2024 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 audit committee.

- Field work of internal audit of Schools in all TCF Regions were conducted through Internal Audit department of the foundation. TCF 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 June 30, 2024, 1240 financial units were audited which represent 95% school financial units as at the beginning of the year i.e. July 01, 2023.

- 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 measures schools/ Region's performance. For improvement as well as for better control in Schools, Area office, and Regional office, several meetings were conducted with Area and Region teams throughout the year.

- Internal Audit Department also conducted internal audit of Regions, Area offices and 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

- PwC A.F. Ferguson & Co, Chartered Accountants (AFF) have completed their audit engagement of the "Foundation's Financial Statements" for the year ended 30 June 2024. The retiring auditors PwC A.F. Ferguson & Co, Chartered Accountants being eligible, offer themselves for reappointment.

- 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

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 June 30, 2023, 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.

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 June 7, 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.

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

Certificate No: ASA/0001/008

باسمہ تعالیٰ

August 07, 2024

Shariah Advisor's Report

For the year ended June 2024

INTRODUCTION:

TCF is a professionally managed, non-profit and philanthropic organization established in 1995 by a group of concerned citizens addressing the education crisis in Pakistan. It has become one of Pakistan's leading organizations in formal education, with a vision to eliminate barriers of class and privilege and empower Pakistanis to drive positive change. TCF believes in universal access to basic education as a fundamental right. Under TCF's administration, numerous schools across Pakistan provide education to thousands of children.

METHOD OF UTILIZATION OF ZAKAT:

TCF's financial needs are primarily met through Zakat contributions and donations received from both individuals and corporate entities, both domestically and internationally. Zakat funds received by TCF are allocated to support deserving students. TCF's management diligently evaluates the financial condition of applicants to determine their eligibility for Zakat assistance. Once eligibility is verified, TCF acts as an agent, collecting Zakat funds on behalf of eligible students. This approach, known as Wakalah (Agency by deserving families), allows TCF to collect Zakat funds and allocate them according to the specific needs of eligible students.

Moreover, it is important to note that all Zakat funds received by TCF are invested exclusively in Shariah-compliant investment avenues when necessary. This ensures that not only the collection and distribution but also the investment of Zakat funds is in strict accordance with Shariah principles.

SHARIAH RULING:

We confirm that The Citizens Foundation meticulously collects and disburses Zakat funds in adherence to Shariah guidelines. It is also affirmed that any individual or entity offering Zakat to this Foundation can be confident that their contributions will be managed in accordance with Shariah principles.

May Allah bestow His blessings upon the management of The Citizens Foundation for their dedicated service and grant them success in their mission. 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 2025

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THE CITIZENS FOUNDATION

NOTICE OF 28th ANNUAL GENERAL MEETING OF MEMBERS

Notice is hereby given to all members of **The Citizens Foundation** that the **28th Annual General Meeting** (AGM) of the Foundation will be held on Friday, **October 25, 2024 at 11:30 am PST** at its registered office Plot No 20, Sector 14, Korangi Industrial Area, Karachi-74900, and on Zoom to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Foundation for the year ended June 30, 2024 together with the auditors' report thereon.

2. To adopt the Chairman's Review and Directors' Reports for the year ended June 30, 2024.

3. To appoint external auditors of the Foundation for the financial year 2024-2025, and to fix their remuneration. The Board of Directors, on the recommendation of the Audit Committee of the Foundation, has proposed the appointment of A.F. Ferguson & Co. PwC, Chartered Accountants as external auditors for the financial year ending on June 30th, 2025, at a fee of Rs. 2,000,000 plus out-of-pocket expenses and applicable sales tax.

By order of the Board.

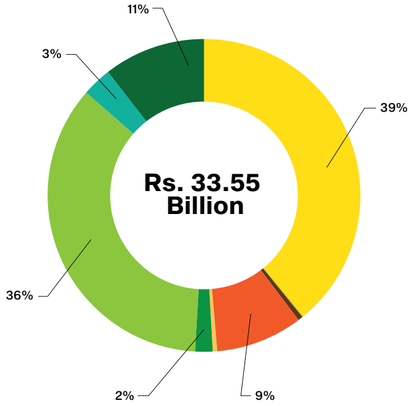
Ali Aamir
Company Secretary

Date: October 4, 2024
Place: Karachi

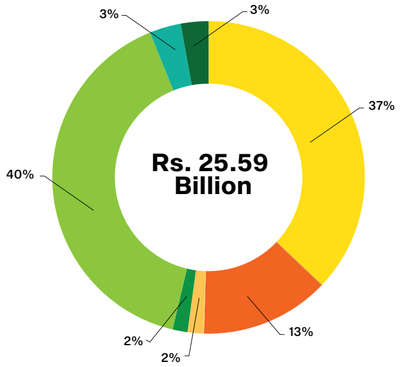
Financial Highlights

Graphical Presentation of Statement of Financial Position

Assets 2024

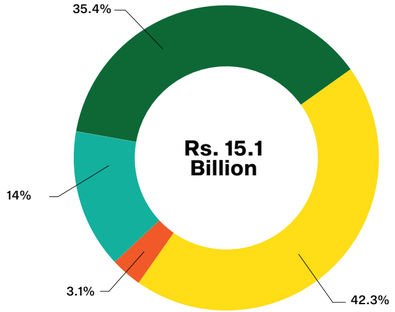


Assets 2023

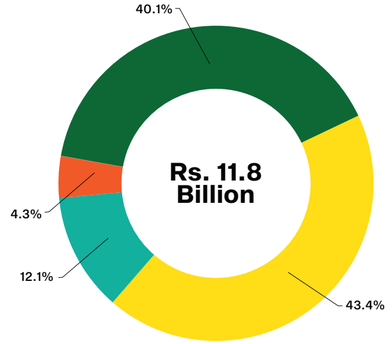


- Property and equipment
- Intangible assets
- Advances and prepayments
- Investment properties
- Right-of-use assets
- Long term investments
- Cash and bank balances
- Books, Copies, uniform and other school supplies
- Long term deposits
- Accrued income and other receivables
- Short term investments

Funds and Reserves 2024



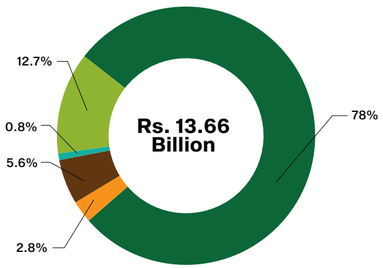
Funds and Reserves 2023



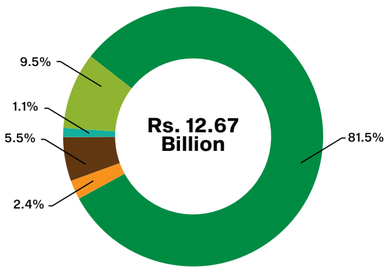
- Capital fund
- Endowment fund - externally restricted
- Foreign currency translation reserve
- General fund
- Surplus / (deficit) of income over expenditure

Graphical Presentation of Statement of Income and Expenditure

Income 2024

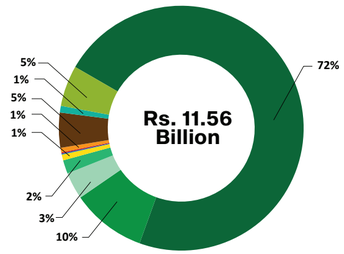


Income 2023

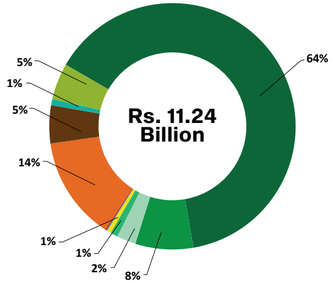


- Support donations
- Contribution from government
- Fair value of contributed lands
- Income on investments - net & other income
- Fees

Operating Expenditure 2024



Operating Expenditure 2023



- Flagship Schools and Colleges
- Community Development Programme
- Dastak Teacher Training
- Marketing, Fund Raising and Outreach Expenses
- Partnership Schools
- Literacy and life skills
- Flood relief
- Research and development expenses
- Alumni Support Programme
- Publishing house
- 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.

	Amount	Growth %
2015	2,864m	23%
2016	3,229m	13%
2017	3,505m	9%
2018	4,106m	17%
2019	4,831m	18%
2020	4,546m	-6%
2021	7,745m	70%
2022	7,371m	-5%
2023	14,782m	101%
2024	16,934m	15%

Six Years Financial and Operating Information at a Glance (2019 to 2024)

Operating Results (Rupees in Million)	2024	2023	2022	2021	2020	2019
Donation and Fees	11,807.3	11,320.9	6,362.5	6,004.6	4,404.8	4,374.6
Fair value of contributed land	114.1	143.4	388.4	23.1	-	122.5
Other income including investment income	1,741.1	1,204.4	453.0	390.7	133.8	75.2
Programme costs	10,294.5	10,049.1	5,240.6	4,182.5	4,196.8	3,901.9
Other costs	1,260.7	1,188.1	807.4	573.0	466.3	381.2
Surplus / (deficit) of Income over expenditure for the year	2,107.3	1,431.5	1,155.9	1,662.9	(124.5)	289.3
Financial Position (Rupees in Million)						
Land and Building	7,803.9	6,069.6	5,046.9	4,587.3	4,615.4	4,432.7
Other Non Current Assets	8,528.8	6,860.4	4,015.0	3,891.7	4,168.8	1,767.2
Current Assets	17,214.2	12,662.2	10,498.6	7,838.4	3,300.9	5,059.2
Total Assets	33,547.0	25,592.2	19,560.5	16,317.4	12,085.1	11,259.1
Non Current Liabilities	14,906.3	10,066.1	8,112.8	7,426.5	5,807.4	5,532.0
Current Liabilities	3,546.8	3,724.3	2,055.3	1,469.6	1,122.2	854.2
Total Liabilities	18,453.0	13,790.3	10,168.0	8,896.1	6,929.6	6,386.2
Net Assets	15,093.9	11,801.8	9,392.5	7,421.3	5,155.5	4,872.9
Capital Fund	3.5	3.5	3.5	3.1	3.1	3.1
General and Other Funds	5,344.6	4,736.5	3,521.0	1,858.1	1,983.6	1,204.3
Endowment fund	6,385.5	5,126.5	4,492.1	3,875.5	3,233.6	2,860.8
Fair value of contributed lands / properties reserve	779.2	-	-	-	-	-
Foreign Currency Translation Reserve	473.8	503.9	1,155.9	21.7	60.8	25.4
Surplus / (deficit) of income over expenditure	2,107.30	1,431.51	1,155.88	1,662.87	(125.52)	779.30
Total Funds	15,093.9	11,801.8	9,392.5	7,421.3	5,155.5	4,872.9
Expenses Pattern						
Programme costs	89.1%	89.4%	86.6%	88.0%	90.0%	91.1%
Marketing, fundraising and outreach	4.6%	5.0%	4.9%	4.0%	3.0%	3.2%
Research and development **	0.9%	0.8%	2.0%	1.5%	1.0%	0.0%
Administration	5.4%	4.8%	6.4%	6.6%	6.1%	5.7%
Summary of Cash Flow Statement (Rupees in Million)						
Cash and Cash Equivalents at beginning of the year	8,816.6	6,748.8	4,635.9	890.7	3,603.8	2,667.2
Cash Flows from Operating Activities	(608.8)	1,061.5	681.8	1,765.0	(324.1)	673.6
Cash Flows from Investing Activities	(10,970.2)	(2,234.)	(276.4)	(69.9)	(3,287.4)	(571.2)
Cash Flows from Financing Activities	6,031.3	2,886.5	1,509.2	2,089.1	863.1	915.1
Increase / (decrease) in cash and cash equivalents	(5,547.7)	1,713.1	1,914.6	3,784.2	(2,748.)3	1,017.5
Currency translation difference on cash and cash equivalents	(30.0)	283.8	198.3	(39.0)	5.4	15.8
Cash and cash equivalents at end of the year	3,238.8	8,745.8	6,748.8	4,635.9	890.7	3,700.5
Other Data (Rupees in Million)						
Foreign Exchange Remittance (Pak Rupee Equivalent) for all donations received	9,075.8	9,499.7	4,221.8	4,975.6	2,314.6	2,602.9
Tax deducted and deposited into Government Treasury as withholding tax agent	777	478	192	154	96	76

Key Financial Ratios

Profitability Ratios	2024	2023	2022	2021	2020	2021
Net Surplus to Income	15%	11%	16%	26%	-3%	6%
Marketing expenses to Income	4%	4%	4%	3%	3%	3%
Total expenses to Income	85%	89%	84%	74%	103%	94%
Zakat inflow to Income	0%	38%	33%	43%	26%	22%
Donation to Income	86%	89%	88%	94%	97%	96%
Liquidity Ratios						
Current Ratio	4.9	3.4	5.1	5.3	2.9	5.9
Quick / Acid test ratio	4.6	3.2	5.0	5.1	2.7	5.8
Cash to Current Liabilities	1.0	0.2	0.4	0.3	0.2	0.7
Cash flow from Operations to Income	(0.04)	0.08	0.09	0.27	(0.07)	0.15
Net Working Capital (Rs in millions)	13,667.5	8,937.9	8,443.4	6,368.9	2,178.8	4,205.0
Activity Ratios						
Total Assets to Income ratio	246%	202%	272%	254%	266%	246%
Fixed Assets to Income ratio	96%	75%	94%	84%	117%	114%
Turnover Ratios						
Inventory turnover	0.28	0.71	0.35	0.12	0.42	0.73
No. of days in inventory	326	129	258	753	215	125
Capital Structure						
Net Assets (Rs in millions)	15,093.9	11,801.8	9,392.5	7,421.3	5,155.5	4,872.9
Debt to Fund ratio	0%	117%	108%	120%	134%	131%

Commentary on Financial Ratios

Profitability Ratios

In 2024, The Citizens Foundation (TCF) continued its positive financial trajectory, reporting a net surplus of 15% of total income, an improvement from 2023's 11%. This recovery suggests improved financial efficiency despite prior challenges. Marketing expenses remained stable at 4% of income, maintaining effective cost control in this area. Total expenses showed a further reduction, accounting for 85% of income in 2024, improving from 89% in 2023 and continuing the downward trend from 2019's 94%. This indicates strong progress in managing operational costs. Zakat inflows grew to 44% of total income, reflecting enhanced donor engagement. Donations remain a vital component of overall income, emphasizing the ongoing importance of donor retention and engagement.

Liquidity ratios

The liquidity ratios for the foundation continue to demonstrate a strong financial position through 2024. The current and quick ratios improved to 4.9 and 4.6, respectively, building on the upward trend observed from 2018 to 2023. This reinforces the company's growing ability to meet short-term obligations. The cash-to-current-liabilities ratio saw a notable increase to 1.0 in 2024, up from 0.2 in 2023, marking a significant improvement in cash reserves. Despite being relatively low in previous years due to the company's significant investments, this jump signals better liquidity coverage. However, the cash flow from operations to income ratio turned slightly negative at -0.04 in 2024 after staying positive in both 2021 and 2022. Net working capital has continued its upward trend, reaching 13,667.5 in 2024, a strong increase from 8,937.9 in 2023. This consistent rise reflects effective management of current assets and liabilities, further enhancing liquidity. Overall, these ratios indicate a financially stable and improving liquidity position for the company.

Inventory turnover ratio

"The inventory turnover ratio quantifies the frequency with which a company sells and replenishes its inventory within a specific timeframe. This ratio gauges the utilization of items like books, copies, and uniforms in relation to the average inventory during that period. We procure inventory on an annual basis, which is subsequently consumed gradually. "

Capital structure

"A leverage ratio encompasses a variety of financial metrics that provide insights into the extent of debt taken on by a business entity in relation to various items in its balance sheet, income statement, or cash flow statement.

We do not utilize any financial support from the banking sector; instead, our operations are entirely sustained through contributions from generous donors. This is the reason why our business model remains completely debt-free."

Activity ratio

"The asset turnover ratio, or the total asset turnover ratio, evaluates the effectiveness of a company in utilizing its assets to generate revenue. This ratio assesses the rupees in earnings generated for each rupee of total assets owned by the company.

Despite these ratios being notably elevated, our assets may not necessarily be actively deployed to increase income. TCF relies solely on contributions from individuals and corporate entities for its financial support."

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, 2024, 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 material accounting policy information 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, 2024 and of the surplus and other comprehensive loss, 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 Directors' Report but does not include the financial statements and our auditor's report thereon.

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

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.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92(21) 32415007/32427938/32424740; <www.pwc.com/pk>

KARACHI LAHORE ISLAMABAD

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.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92(21) 32415007/32427938/32424740; <www.pwc.com/pk>

KARACHI LAHORE ISLAMABAD

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 Osama Moon.

A. F. Ferguson & Co
Chartered Accountants
Karachi

Date: October 7, 2024

UDIN: AR202410056KTwoVJq9L

Statement of Financial Position
AS AT JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property and equipment	4	**13,120,545**	9,480,568
Right-of-use assets	5	**24,657**	23,266
Investment properties	6	**158,734**	-
Intangible assets	7	**9,171**	14,023
Long-term investments	8	**3,006,718**	3,400,807
Long-term deposits		**12,899**	11,344
		16,332,724	12,930,008
Current assets			
Advances and prepayments	9	**143,577**	348,111
Accrued income and other receivables	10	**605,655**	396,289
Short-term investments	11	**11,909,543**	10,280,999
Books, copies, uniforms and other school supplies		**1,025,442**	831,485
Cash and bank balances	12	**3,530,009**	805,283
		17,214,226	12,662,167
TOTAL ASSETS		**33,546,950**	25,592,175
LIABILITIES			
Non-current liabilities			
Deferred income relating to operating fixed assets	13	**12,664,932**	8,353,379
Deferred income relating to school support, grants and children education	14	**2,206,679**	1,679,828
Lease liabilities	5	**34,641**	32,868
		14,906,252	10,066,075
Current liabilities			
Current portion of deferred income relating to school support, grants and children education	14	**1,901,655**	2,272,708
Current portion of lease liabilities	5	**6,279**	5,251
Creditors, accrued and other liabilities	15	**1,638,816**	1,446,292
		3,546,750	3,724,251
TOTAL LIABILITIES		**18,453,002**	13,790,326
NET ASSETS		**15,093,948**	11,801,849
REPRESENTED BY:			
FUNDS AND RESERVES			
Capital fund		**3,500**	3,500
General fund	16	**5,344,585**	4,736,499
Endowment fund - externally restricted use	17	**6,318,484**	5,126,466
Endowment fund - internally restricted use	18	**67,000**	-
Fair value of contributed lands / properties reserve	19	**779,240**	-
Foreign currency translation reserve	20	**473,840**	503,872
Surplus of income over expenditure	21	**2,107,299**	1,431,512
TOTAL FUNDS AND RESERVES		**15,093,948**	11,801,849
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 41 form an integral part of these financial statements.

Chief Executive Officer | Director | Chief Financial Officer

Statement of Income and Expenditure
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
INCOME			
Donations and fees	23	11,807,294	11,320,893
Fair value of contributed lands / properties	4.1.4	114,100	143,440
Income on investments - net	24	1,612,495	995,557
Other income	25	128,593	208,848
		13,662,482	12,668,738
EXPENDITURE			
Programme costs			
Flagship schools and college	26	8,341,857	7,184,657
Partnership schools	26	1,141,959	854,698
Alumni support	26	411,593	281,874
Community development	26	206,892	109,883
Literacy and life skills	26	88,439	63,466
Publishing house	26	15,949	11,691
Dastak Teacher Training	26	18,076	16,158
Flood relief	26	69,725	1,526,654
		10,294,490	10,049,081
Other costs	27	534,604	561,262
Marketing, fund raising and outreach	28	101,238	90,339
Research and development	29	624,851	536,544
Administration		1,260,693	1,188,145
		11,555,183	11,237,226
Surplus of income over expenditure for the year		2,107,299	1,431,512

The annexed notes 1 to 41 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Statement of Comprehensive Income
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	(Rupees in '000)	
Surplus of income over expenditure for the year	2,107,299	1,431,512
Other comprehensive (loss) / income:		
Items that may be reclassified to statement of income and expenditure in subsequent years:		
Foreign exchange (loss) / gain on translation of foreign branch	(30,032)	283,831
Total comprehensive income for the year	2,077,267	1,715,343

The annexed notes 1 to 41 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 JUNE 30, 2024

	Capital fund	General fund	Endowment Fund		Fair value of contributed lands / properties reserve	Foreign currency translation reserve	Surplus of income over expenditure	Total
			Externally restricted use	internally restricted use				
	(Rupees in '000)							
Balance as at July 1, 2022	3,500	3,520,974	4,492,063	-	-	220,041	1,155,875	9,392,453
Addition, reclassification and net return used for accumulation during the year - endowment fund	-	-	634,403	-	-	-	-	634,403
Transfer of surplus of income over expenditure to the general fund	-	1,155,875	-	-	-	-	(1,155,875)	-
Direct increase in net assets due to purchase of non-amortisable capital asset (note 13.2)	-	59,650	-	-	-	-	-	59,650
Surplus of income over expenditure for the year	-	-	-	-	-	-	1,431,512	1,431,512
Other comprehensive income	-	-	-	-	-	283,831	-	283,831
Total comprehensive income for the year	-	-	-	-	-	283,831	1,431,512	1,715,343
Balance as at June 30, 2023	3,500	4,736,499	5,126,466	-	-	503,872	1,431,512	11,801,849
Addition, reclassification and net return used for accumulation during the year - endowment fund	-	-	1,192,018	-	-	-	-	1,192,018
Transfer of surplus of income over expenditure to the general fund	-	1,431,512	-	-	-	-	(1,431,512)	-
Transfer of fair value of contributed land from general fund to Fair value of contributed lands / properties reserve	-	(779,240)	-	-	779,240	-	-	-
Transfer from General Fund to Endowment Fund - internally restricted use (note 19)	-	(67,000)	-	67,000	-	-	-	-
Direct increase in net assets due to purchase of non-amortisable capital asset (note 13.2)	-	22,814	-	-	-	-	-	22,814
Surplus of income over expenditure for the year	-	-	-	-	-	-	2,107,299	2,107,299
Other comprehensive loss	-	-	-	-	-	(30,032)	-	(30,032)
Total comprehensive income for the year	-	-	-	-	-	(30,032)	2,107,299	2,077,267
Balance as at June 30, 2024	3,500	5,344,585	6,318,484	67,000	779,240	473,840	2,107,299	15,093,948

The annexed notes 1 to 41 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Statement of Cash Flows
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations	32	**(2,892,269)**	(3,684,368)
(Increase) / decrease in long-term deposits (assets)		**(1,555)**	(222)
Deferred receipts relating to school support, grants and children education	14	**2,295,038**	4,818,314
Taxes paid during the year		**(10,039)**	(1,440)
Net cash (utilised in) / generated from operating activities		**(608,825)**	1,132,284
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure including intangible assets		**(4,661,835)**	(3,289,099)
Sales proceeds from disposal of property and equipment		**73,254**	197,196
Investments made during the year		**(35,709,508)**	(43,140,015)
Proceeds from sale and maturity of investments during the year		**27,138,231**	42,350,831
Income from deposits with Islamic Banks and other financial institutions		**168,116**	90,515
Return received on investments		**2,021,514**	1,555,660
Net cash utilised in investing activities		**(10,970,228)**	(2,234,912)
CASH FLOWS FROM FINANCING ACTIVITIES			
Addition to endowment fund	18.3	**1,183,639**	570,303
Payments of lease liabilities including interest theron	5.2	**(10,597)**	(8,057)
Deferred receipts relating to operating fixed assets	13	**4,858,295**	2,324,300
Net cash generated from financing activities		**6,031,337**	2,886,546
Net (decrease) / increase in cash and cash equivalents		**(5,547,716)**	1,713,096
Cash and cash equivalents at beginning of the year		**8,816,581**	6,748,832
Foreign exchange gain / (loss) on translation of foreign branch - net		**(30,032)**	283,831
Cash and cash equivalents at end of the year	33	**3,238,833**	8,816,581

The annexed notes 1 to 41 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Notes to the Financial Statements
FOR THE YEAR ENDED JUNE 30, 2024

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 September 24, 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 Office No. 118, Building No. 4. Dubai Humanitarian. Dubai Industrial City Complex, Sheikh Mohammed Bin Zayed Road, P. 0. Box 506007, Dubai. U.A.E, which is registered with Dubai Humanitarian, Dubai, United Arab Emirates (UAE). The principal activity of the UAE branch is to create awareness and support for the Foundation's programmes, initiatives, and achievements.

1.3 Economic Interest In Other Non-Profit Organisations

TCF - USA, TCF - Canada, TCF - UK, TCF - Italy, TCF - Australia and TCF - Norway are entities incorporated and registered as charitable organisations under the respective laws of USA, Canada, UK, Italy, Australia and Norway. 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's school units are present across the country in the following territories:

	As at 30 June 2024		As at 30 June 2023	
	No. of units	%	No. of units	%
Sindh	**1,015**	**50%**	953	49%
Punjab	**824**	**41%**	780	41%
Balochistan	**91**	**4%**	87	4.5%
Khyber Pakhtunkhwa	**88**	**4%**	87	4.5%
Azad Jammu Kashmir	**15**	**1%**	14	1%
	2,033	**100**	1,921	100%

2. BASIS OF PREPARATION

2.1 Basis of measurement

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

2.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved 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 Organizations (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.

2.3 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.

2.4 Change in accounting standards, interpretations and amendments to accounting and reporting standards

2.4.1 Amendments to accounting and reporting standards which became effective during the year ended June 30, 2024:

There were certain amendments that became applicable for the Foundation during the year but are not considered to be relevant or did not have any significant effect on the Foundation's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Foundation which require entities to disclose their material accounting policy information rather than their significant accounting policies.

These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

2.4.2 New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Foundation:

There are certain new standards and amendments that will be applicable to the Foundation for its annual periods beginning on or after July 1, 2024. During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has issued accounting standard on 'Financial Statement Disclosure of Zakat received by an entity' and notified by SECP vide SRO 240(I)/2024 which shall be followed by companies that receive zakat, and are required to prepare their financial statements in conformity with the financial reporting standards as applicable in Pakistan. The new standard is effective for the Foundation effective July 1, 2024.

Further, the new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027 as per IASB. IFRS 18 and 19 will become part of the Foundation's financial reporting framework upon adoption by the Securities and Exchange Commission of Pakistan (SECP). Moreover, the overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability and are applicable effective January 1, 2026. The Foundation's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

2.5 Significant accounting judgements, estimates and assumptions

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 (notes 3.1)
- Impairment of non-financial assets (note 3.4)
- Investments in and impairment of financial assets (note 3.5)
- Provisions (note 3.17)
- Contingent liability (note 3.18)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies used in the preparation of these financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2023.

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 lands and leasehold lands which are stated at cost less accumulated impairment loss, if any. 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 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 contributed 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.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the relevant assets. These are taken to the statement of income and expenditure.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as stated in note 3.4.

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 accumulated impairment losses, if any, and consists of expenditure incurred in respect of operating fixed assets in the course of their acquisition, construction and installation. Assets are transferred to operating fixed assets when they are available for use.

3.2 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, any estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated using the straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Foundation applies recognition exemption towards short-term or low value lease leases.

3.3 Investment properties

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured initially at its cost, including transaction costs. The investment property of the Foundation comprises of land and is valued using the cost method i.e. at cost less impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

The Foundation assesses at each reporting date whether there is any indication that an investment property may be impaired. If such indication exists, the carrying amounts of such properties are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of income and expenditure. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognised in the statement of income and expenditure.

3.4 Impairment of non-financial assets

"The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment losses, if any. An impairment loss is recognized as an expense in the statement of income and expenditure.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount.

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 cashflows.

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 FVTPL 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 the 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 on 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 upto three months or less.

3.11 Lease Liabilities

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.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the Foundation under residual value guarantees, the exercise price of a purchase option if the Foundation is reasonably certain to exercise that option, payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in the determination of the lease term only when the Foundation is reasonably certain to exercise these options.

3.12 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 use.

Donations received for school support and education of students 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 use. Donations received in kind which are below the capitalisation limit are recognised as income for the year.

Donations received to support community affected by flood are deferred and recognised as income on a systematic basis to match them with the related costs that they are intended to compensate.

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, term finance certificates, ijarah sukuks 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.

3.13 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.

3.14 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.

3.15 Expenses

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

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 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, which will not be amortised are recognised directly as an increase in net assets upon purchase 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.

3.22 Allocation of expenses

Expenses incurred by regional offices and area offices are allocated to field supen/ision and monitoring.

Expenses incurred by volunteer and alumni departments, Assessment, community development unit (CDU), Northern, Southern, Operations Excellence, Internal Audit 80% and HR Head Office 60% 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 - Format Schools & CDU is allocated to field supervision and monitoring projects at 100%.

Remuneration of Executive Vice-President - Outcomes is allocated to field supervision and monitoring and training expenses at 47% and 15% respectively.

Remuneration of Chief Executive Officer is allocated to field supervision and monitoring, teachers' training and capital work-in-progress projects at 32%, 2% and 10% 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 - HR/IT/OE is allocated to field supervision and monitoring at 33%.

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

4. PROPERTY AND EQUIPMENT	Note	2024	2023
		(Rupees in '000)	
Operating fixed assets	4.1	**9,840,754**	7,886,781
Capital work in progress	4.2	**2,932,559**	1,305,321
Advance for construction		**278,509**	256,030
Advance against purchase of operating fixed assets		**68,723**	32,436
		13,120,545	9,480,568

4.1 Operating Fixed Assets

	Note	2024								
		Land		Building on		Furniture and fixtures	Vehicles	Electrical equipment	Office and other equipment	Total
		leasehold	freehold	leasehold land	freehold land					
		(Rupees in '000)								
At July 1, 2023										
Cost		733,411	562,179	1,054,319	7,369,794	958,286	1,213,211	307,224	722,970	12,921,394
Accumulated depreciation		-	-	(249,925)	(3,400,188)	(539,811)	(448,957)	(119,681)	(276,051)	(5,034,613)
Net book value		733,411	562,179	804,394	3,969,606	418,475	764,254	187,543	446,919	7,886,781
Year ended June 30, 2024										
Fair value of contributed / donated lands (note 4.1.4)		-	114,100	-	-	-	-	-	-	114,100
Additions including transfers from capital work in progress		-	84,306	237,983	1,924,722	213,820	209,930	242,357	62,713	2,975,831
Transfers to investment properties	(note 6)	(89,357)	(69,377)	-	-	-	-	-	-	(158,734)
Disposals										
Cost		-	-	-	-	(9,113)	(63,266)	(927)	(9,580)	(82,886)
Accumulated depreciation		-	-	-	-	8,066	62,560	820	7,918	79,364
		-	-	-	-	(1,047)	(706)	(107)	(1,662)	(3,522)
Depreciation charge for the year	(note 4.3)	-	-	(60,748)	(407,277)	(77,122)	(225,900)	(77,306)	(125,349)	(973,702)
Net book value as at June 30, 2024		644,054	691,208	981,629	5,487,051	554,126	747,578	352,487	382,621	9,840,754
At June 30, 2024										
Cost		644,054	691,208	1,292,302	9,294,516	1,162,993	1,359,875	548,654	776,103	15,769,705
Accumulated depreciation		-	-	(310,673)	(3,807,465)	(608,867)	(612,297)	(196,167)	(393,482)	(5,928,951)
Net book value		644,054	691,208	981,629	5,487,051	554,126	747,578	352,487	382,621	9,840,754
Depreciation rates (% per annum)		-	-	5	5	10	20	20	20-33.33	

	Note	2023								
		Land		Building on		Furniture and fixtures	Vehicles	Electrical equipment	Office and other equipment	Total
		leasehold	freehold	leasehold land	freehold land					
		(Rupees in '000)								
At July 1, 2022		483,811	463 ,458	786,171	6,570,151	793,853	842,582	151,278	401,778	10,493,082
Cost		-	-	(195,195)	(3,061,500)	(477,077)	(530,732)	(81,345)	(208,565)	(4,554,414)
Accumulated depreciation		483,811	463,458	590,976	3,508,651	316,776	311,850	69,933	193,213	5,938,668
Net book value										
Year ended June 30, 2023										
Fair value of contributed / donated lands (note 4.1.4)		65,000	78,440	-	-	-	-	-	-	143,440
Additions including transfers from capital work in progress		184,600	20,281	268,148	799,643	166,430	616,409	156,649	348,363	2,560,523
Disposals										
Cost		-	-	-	-	(1,997)	(245,780)	(703)	(27,171)	(275,651)
Accumulated depreciation		-	-	-	-	1,656	244,906	703	24,959	272,224
		-	-	-	-	(341)	(874)	-	(2,212)	(3,427)
Depreciation charge for the year	(note 4.3)	-	-	(54,730)	(338,688)	(64,390)	(163,131)	(39,039)	(92,445)	(752,423)
Net book value as at June 30, 2023		733,411	562,179	804,394	3,969,606	418,475	764,254	187,543	446,919	7,886,781
At June 30, 2023										
Cost		733,411	562,179	1,054,319	7,369,794	958,286	1,213,211	307,224	722,970	12,921,394
Accumulated depreciation		-	-	(249,925)	(3,400,188)	(539,811)	(448,957)	(119,681)	(276,051)	(5,034,613)
Net book value		733,411	562,179	804,394	3,969,606	418,475	764,254	187,543	446,919	7,886,781
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 June 30, 2024, the legal formalities and transfer proceedings of 52 (2023: 61) donated / contributed lands by various donors in favour of the Foundation are in process.

4.1.3 The book value of buildings on leasehold land includes:

	Note	2024	2023
		(Rupees in '000)	
School buildings		**908,980**	724,697
Head Office building		**72,649**	79,697
		981,629	804,394

4.1.4 Lands contributed during the year amounting to Rs 114.1 million (2023: Rs 143.44 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	2024	2023
		(Rupees in '000)	
4.2 Capital work in progress			
Opening balance		**1,305,321**	535,990
Additions during the year	4.2.1	**3,800,394**	1,842,209
Amounts charged off during the year		**(10,451)**	-
		5,095,264	2,378,199
Transferred during the year to:			
School buildings		**(2,162,705)**	(1,067,791)
Furniture and fittings		**-**	(5,087)
Closing balance		**2,932,559**	1,305,321

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

	Note	2024	2023
		(Rupees in '000)	
4.3 The depreciation charge on operating fixed assets for the year has been allocated as follows:			
Programme costs	26	**926,302**	716,347
Administration expenses	29	**47,400**	36,076
		973,702	752,423

4.4 The details of the operating fixed assets disposed of during the year having individual net book value exceeding Rs 500,000 are as follows:

2024

Description	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain	Relationship of purchaser with the Foundation or directors, if any	Particulars of buyers
		(Rupees in '000)						
Vehicle	Insurance claim	1,070	429	641	800	159	Third Party	Premier Insurance Limited

2023

Description	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain	Relationship of purchaser with the Foundation or directors, if any	Particulars of buyers
		(Rupees in '000)						
Vehicle	Insurance claim	1,070	345	725	800	75	Third Party	Premier Insurance Limited

5. LEASES

	Note	2024	2023
		Buildings	
		(Rupees in '000)	
5.1 Right-of-use assets			
Opening balance		**23,266**	26,682
Additions during the year		**8,980**	2,572
Depreciation for the year	5.1.1	**(7,589)**	(5,988)
Closing balance		**24,657**	23,266
Annual rate of depreciation (%)		**10 - 50**	10 - 50

5.1.1 The depreciation charge on right-of-use assets for the year amounting to Rs 7.59 million (2023: Rs 5.99 million) has been allocated to programme costs (refer note 26).

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:

	Note	2024	2023
		(Rupees in '000)	
Opening balance		**38,119**	39,514
Additions during the year		**8,980**	2,572
Interest expense	26.5	**4,418**	4,090
Payments		**(10,597)**	(8,057)
Closing balance		**40,920**	38,119
Current		**6,279**	5,251
Non-current		**34,641**	32,868
		40,920	38,119

5.2.1 Lease liabilities are payable as follows:

	Minimum lease payments	Interest expense	Present value of minimum lease payments
	(Rupees in '000)		
Not later than one year	10,516	4,237	6,279
Later than one year but not later than 5 years	41,261	6,620	34,641
	51,777	**10,857**	**40,920**

5.3 The expenses for the year relating to short-term leases aggregated Rs 3.23 million (2023: Rs 12.04 million) and are classified under field supervision and monitoring (programme costs - note 26) as these leases pertain to regional and area offices.

6. INVESTMENT PROPERTIES

	Note	2024	2023
		Land	
		(Rupees in '000)	
Netbook value as at june 30	6.1	**158,734**	**-**

		Note	2024	2023
			Land	
			(Rupees in '000)	
6.1	Reconciliation of carrying amount at the beginning and end of the year is as follows:			
	Opening net book value		-	-
	Transfers during the year	6.2 & 4.1	158,734	-
	Closing net book value		158,734	-

6.2 The Foundation has transferred three plots of land from property and equipment to investment properties as these properties will not be utilised by the Foundation for its operational purpose.

6.3 Details and fair value of the lands held as investment properties:

	Fair value as at June 30, 2024 (Rupees in '000)
Phase 8-C, DHA, Lahore	70,000
Phase VII, DHA, Karachi	58,440
Gulistan-e-Johar, KDA Scheme No. 36, Karachi	35,000
	163,440

Fair values of the investment properties as at the reporting date have been determined by valuer M/s Akbani & Javed Associates on the basis of market value.

		Note	2024	2023
			(Rupees in '000)	
7.	**INTANGIBLE ASSETS**			
	Software programmes	7.1	9,171	14,023
7.1	**Software programmes**			
	Net carrying value			
	Opening balance		14,023	16,189
	Additions during the year		-	2,980
	Amortisation charge for the year	7.1.1 & 7.1.2	(4,852)	(5,146)
	Closing balance		9,171	14,023
	Gross carrying value			
	Cost		39,864	39,864
	Accumulated amortisation		(30,693)	(25,841)
	Net book value		9,171	14,023

7.1.1 This represents various software amortised on straight line basis over a period of 5 years.

7.1.2 The amortisation charge on intangible assets for the year amounting to Rs 4.85 million (2023: Rs 5.15 million) has been allocated to administrative expenses (refer note 29).

		Note	2024	2023
			(Rupees in '000)	
8.	**LONG TERM INVESTMENTS**			
	At amortised cost			
	Government securities			
	Pakistan Investment Bonds (PIBs)	8.1	2,901,119	3,330,902
	At fair value through profit or loss			
	Certificates of closed end funds			
	HBL Growth Fund		96,826	65,014
	HBL Investment Fund		8,773	4,891
			105,599	69,905
			3,006,718	3,400,807

8.1 This represents investment in PIBs having maturities between August 04, 2025 and December 10. 2030 and carrying yield ranging between 12.15% and 13.87% per annum {2023: between 12.15% and 13.99% per annum). The PIBs have face value of Rs 3,284 million (2023: Rs 3,834 million) and market value of Rs 2,665.5 million (2023: Rs 2,975.9 million) determined using PKRV sheet available from Financial Markets Association (Reuters).

		Note	2024	2023
			(Rupees in '000)	
9.	**ADVANCES AND PREPAYMENTS**			
	Advances to staff - considered good	9.1	50,242	132,438
	Advances to suppliers - considered good	9.2	54,269	188,211
	Prepayments		39,066	27,462
			143,577	348,111

9.1 This represents advances given to staff of region offices, area offices and schools for their general expenses.

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

		Note	2024	2023
			(Rupees in '000)	
10.	**ACCRUED INCOME AND OTHER RECEIVABLES**			
	Accrued income on:			
	- Pakistan Investment Bonds		81,532	109,986
	- Treasury Bills		206,816	85,143
	- Term Deposit Receipts		75,106	9,326
	- Term Finance Certificates		-	10,267
	- Ijarah Sukuks		12,590	3,170
	- Dividend on certificates of closed end funds		14,369	17,932
	- Deposit accounts		2,241	3,416
			392,654	239,240
	Tax deducted at source		24,196	14,157
	Receivable against Sindh Basic Education Programme (SBEP)	10.1	89,916	111,521
	Remittance subject to clearance from from Dubai Humanitarian, UAE		35,977	29,828
	Receivable from TCF - USA		34,458	-
	Receivable against Public School Support Programme (PSSP)	10.2	24,278	
	Other receivables		4,176	1,543
			213,001	157,049
			605,655	396,289

10.1 The Foundation has entered into an agreement with the 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 amount of Rs 89.92 million comprises of Rs 82.52 million (2023; Rs 101.04 million) and Rs 7.40 million (2023: Rs 10.48 million) representing the reimbursement claims and management fee receivable, respectively, in connection with SBEP.

10.2 The Foundation has entered into an agreement with the Punjab Education Foundation (PEF), Government of Punjab for implementation of the PSSP which is an integrated programme towards improvement of education in Punjab. Under the terms of the contract the Foundation manages certain schools to provide necessary improvements through better managerial oversight, management practices and improved teaching and learning methods for schools located in the districts of Attock, Chakwal, Kasur, Narowal, Rawalpindi and Sargodha. The Foundation is entitled to a fees for operation of these schools on a monthly basis based on the number of students enrolled in each school. The amount of Rs 24.278 million represents the fees receivable for the month of June 2024 in connection with PSSP.

11. SHORT-TERM INVESTMENTS

	Note	2024	2023
		(Rupees in '000)	
At amortised cost			
Term deposit receipts (TDRs)			
-Local currency			
Dubai Islamic Bank Pakistan Limited		-	1,450,000
Askari Bank Limited		-	166,400
BankIslami (Pakistan) Limited		-	800,000
MCB Islamic Bank Limited		**10,000**	-
MCB Bank Limited		**11,000**	11,000
	11.1	**21,000**	2,427,400
-Foreign currency			
Habib Bank AG Zurich	11.2	**700,489**	854,187
Bank Alfalah Limited	11.3	**2,616,407**	-
Dubai Islamic Bank Pakistan Limited	11.4	**1,691,076**	-
		5,007,972	854,187
-Term Finance Certificates (TFCs)			
Bank Alfalah Limited		-	250,000
Goverment securites - Shariah Compliant			
Ijarah Sukuks	11.5	**333,182**	299,880
Goverment securites - Non Shariah Compliant			
Pakistan Investment Bonds (PIBs)	11.6	**546,507**	761,570
Treasury Bills (T-Bills)	11.7	**4,044,088**	4,300,886
		4,923,777	5,612,336
At fair value through profit or loss			
Units of open end mutual funds			
Meezan Islamic Fund		**93,512**	54,081
Atlas Stock Market Fund		**148,564**	176,869
NBP Islamic Daily Dividend Fund		**160,085**	131,577
Atlas Islamic Stock Fund		**202,387**	107,616
NBP Islamic Stock Fund		**149,957**	86,291
Meezan Rozana Amdani Fund		**160,303**	131,820
Al-Hamra Islamic Money Market Fund		-	124,250
Al-Hamra Islamic Income Fund		**149,837**	-
Al-Ameen Shariah Stock Fund		**301,500**	166,462
NBP Stock Fund		**226,344**	122,290
HBL Equity Fund		**92,881**	86,525
UBL Stock Advantage Fund		**271,424**	141,622
Alfalah GHP Islamic Stock Fund		-	57,673
		1,956,794	1,387,076
		11.909,543	10,280,999

11.1 These represent investments in TDRs maturing up to May 15, 2025 and carrying profit rates ranging from 16.48% to 17% (2023; 12.5% to 20%) per annum. The TDR placed with MCB Islamic Bank Limited amounting to Rs 10 million (2023: Rs nil) is a shariah compliant TDR maturing on December 19, 2024. The TDR placed with MCB Bank Limited amounting to Rs 11 million (2023; Rs 11 million) is a conventional TDR maturing on May 15, 2025.

11.2 This represents investment in a shariah complaint TDR amounting to AED 9.24 million (2023; AED 10.80 million). This TDR is maturing on July 6, 2024 and carries profit of 3.5% (2023: 0.45%) per annum.

11.3 These represent investment in TDRs amounting USD 9.4 million (2023: USD nil). These TDRs are maturing between August 16, 2024 and October 31, 2024. These TDRs carry profit ranging between 8.25% and 9.00% per annum.

11.4 These represent investment in TDRs amounting to USD 4.1 million (2023: USD nil). GBP 1.45 million(2023: GBP nil), and EUR 0.13 million (2023: EUR nil). These TDRs are shariah compliant maturing between August 15, 2024 and December 26, 2024. These carry profit ranging from 5.50% to 7.50% per annum.

11.5 These represent investment in Ijarah Sukuks through Pakistan Stock Exchange Auction maturing on May 9, 2025 carrying yield ranging from 20% to 20.24% per annum (2023: 21.30% to 22.67%). These Ijarah Sukuks are shariah compliant.

11.6 These represent investment in PIBs maturing on August 05. 2024 and September 19, 2024 and carrying yield ranging from 12.37% to 13.99% (2023: 13.62% to 13.77%) per annum. These PIBs have face value of Rs 550 million (2023: Rs 762.9 million) and market value of Rs 541.9 million (2023: Rs 759.3 million) determined using PKRV sheet available from Financial Markets Association (Reuters).

11.7 These represent investment in T-Bills maturing between July 11, 2024 and June 12, 2025 and carrying profit ranging from 18.65% to 21.50% (2023: 21.15% and 21.99%) per annum. These T-Bills have face value of Rs 4,630.9 million (2023: Rs 4,536 million) and market value of Rs 4,240.70 million (2023: Rs 4,377.60 million) determined using PKRV sheet available from Financial Markets Association (Reuters).

12. CASH AND BANK BALANCES

	Note	2024	2023
		(Rupees in '000)	
Cash in hand			
- foreign currency		**1,677**	802
		1,677	802
Cash at bank			
- in current accounts			
- local currency	12.1	**104,366**	89,215
- foreign currency		**2,194,011**	48,152
- in deposit accounts			
- local currency	12.1 & 12.2	**1,178,180**	666,853
- foreign currency	12.2	**51,775**	261
		3,528,332	804,481
		3,530,009	805,283

12.1 These include deposits amounting to Rs 229.46 million and Rs 184.89 million is respect of security deposits and provident fund scheme, respectively. These deposits are restricted along with returns on such deposits for specified purposes and are not available to the Foundation for any other purpose as referred in notes 15.1 and 15.2 to these financial statements.

12.2 Profit rate on savings accounts ranges from 3.50% to 6.50% (2023: 0.10% to 0.45%) per annum for foreign currency savings accounts and 6.77% to 20.50% (2023: 6.60% to 19.50%) per annum for local currency savings accounts.

13. DEFERRED INCOME RELATING TO OPERATING FIXED ASSETS

	Note	2024	2023
		(Rupees in '000)	
Opening balance		**8,353,379**	6,483,534
Donations received during the year	13.1	**4,858,295**	2,324,300
Amortisation for the year		**(547,164)**	(401,513)
Transferred to General Fund	13.2	**(22,814)**	(52,942)
Reclassification from deferred income relating to school support, grants and children education	14	**23,236**	-
Closing balance		**12,664,932**	8,353,379

13.1 This includes receipts amounting to Rs 4,260.22 million (2023: Rs 1,906.84 million) received in foreign currency.

13.2 This represents restricted contribution for the purchase of capital assets i.e. freehold land which will not be amortised. As explained in note 3.21, these are recognised directly as an increase in net assets upon purchase of capital assets.

14. 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, Educate a Child, Community Development Programme and Flood Relief Fund). The movement of these balances is as follows:

	Note	2024 Grants (Note 14.1)	2024 Others (Note 14.3)	2024 Total	2023 Grants	2023 Others	2023 Total
		(Rupees in '000)					
Opening balance		**63,958**	**3,888,578**	**3,952,536**	121,362	2,524,850	2,646,212
Amounts received during the year	14.5	**437,881**	**1,640,728**	**2,078,609**	141,902	4,539,399	4,681,301
Allocation of interest	24	**-**	**216,429**	**216,429**	-	137,013	137,013
Amortised - donations related to school support, grants and children education - other than flood relief	23	**(396,711)**	**(1,641,189)**	**(2,037,900)**	(192,598)	(1,721,930)	(1,914,528)
Amortised - flood relief	14.4	**-**	**(69,725)**	**(69,725)**	-	(1,526,654)	(1,526,654)
Transfer to General Fund	13.2		**-**	**-**	(6,708)	-	(6,708)
Reclassification to endowment fund	18.3	**-**	**(8,379)**	**(8,379)**	-	(64,100)	(64,100)
Reclassification to deferred income relating to operating fixed assets	13	**-**	**(23,236)**	**(23,236)**	-	-	-
		105,128	**4,003,206**	**4,108,334**	63,958	3,888,578	3,952,536
Less: Current portion of deferred income relating to school support, grants and children education		**(105,128)**	**(1,796,527)**	**(1,901,655)**	(63,958)	(2,208,750)	(2,272,708)
Closing balance		**-**	**2,206,679**	**2,206,679**	-	1,679,828	1,679,828

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

Description of Grantors	Note	2024 As at July 01, 2023	2024 Received during the year	2024 Amortisation for the year	2024 As at June 30, 2024
		(Rupees in '000)			
Charities Aid Foundation of America		**-**	**4,170**	**(4,170)**	**-**
Citi Foundation		**-**	**38,684**	**(38,684)**	**-**
Echidna Giving Fund		**17,812**	**139,250**	**(64,179)**	**92,883**
Fondazione San Zeno		**-**	**17,866**	**(17,866)**	**-**
HCD Memorial		**8,133**	**-**	**(8,133)**	**-**
Jazz Foundation	14.2	**23,469**	**-**	**(23,469)**	**-**
Jochnick Foundation		**14,351**	**-**	**(14,351)**	**-**
Merck Family Foundation		**-**	**90,076**	**(90,076)**	**-**
Phoenix Foundation		**-**	**41,160**	**(41,460)**	**-**
Prosolidar		**-**	**76**	**(76)**	**-**
Right to Play		**-**	**1,563**	**(1,563)**	**-**
Sir Ernest Cassel Educational Trust		**-**	**7,181**	**(7,181)**	**-**
UBS Optimus		**-**	**73,065**	**(73,065)**	**-**
Vitol Charitable Foundation		**-**	**24,490**	**(12,245)**	**12,245**
Waterloo Foundation		**193**	**-**	**(193)**	**-**
		63,958	**437,881**	**(396,711)**	**105,128**

Description of Grantors	Note	2023 As at July 01, 2022	2023 Received during the year	2023 Transfer to General Fund	2023 Amortisation for the year	2023 As at June 30, 2023
		(Rupees in '000)				
Charities Aid Foundation of America		12,998	1,584	-	(14,582)	-
Jochnick Foundation		20,200	14,351	-	(20,200)	14,351
Jazz Foundation	14.2	50,252	-	-	(26,783)	23,469
UBS Optimus Foundation	13.2	13,809	-	(6,708)	(7,101)	-
Australian High Commission		4,909	-	-	(4,909)	-
Allan & Nesta Ferguson		1,788	-	-	(1,788)	-
Global 3M Giving		514	-	-	(514)	-
Give Light Foundation		1,573	-	-	(1,573)	-
Queen Anne's Gate Foundation		4,058	-	-	(4,058)	-
Pousaz Philanthropies Foundation		8,220	-	-	(8,220)	-
Waterloo Foundation		3,041	-	-	(2,848)	193
Merck Family Foundation		-	22,850	-	(22,850)	-
IPSOS Foundation		-	6,794	-	(6,794)	-
The Global Fund		-	6,531	-	(6,531)	-
The Randal Charitable Foundation		-	4,307	-	(4,307)	-
Prosolidar		-	2,276	-	(2,276)	-
Global Giving - YourCause LLC		-	597	-	(597)	-
Target Foundation		-	3,315	-	(3,315)	-
HCD Memorial		-	10,845	-	(2,712)	8,133
Bill and Melinda Gates Foundation		-	3,142	-	(3,142)	-
Echidna Giving Fund		-	65,310	-	(47,498)	17,812
		121,362	141,902	(6,708)	(192,598)	63,958

14.2 In accordance with section 42 of the Companies Act, 2017, an agreement dated March 15, 2021 was 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 3 years as per the terms and conditions of the Agreement.

14.3 These include:

(a) Sustainability fund balance of Rs 1,224.19 million (2023: Rs 956.53 million) to meet cash shortfall in the operational support of the schools in future.

(b) Future support fund balance of Rs 2,242.24 million (2023: Rs 2,063.75 million) to support operations in future year.

(c) Educate a child fund balance of Rs 69.29 million (2023: Rs 49.91 million) to meet education expenses of the students of the schools operated by the Foundation.

(d) Scholarship fund balance of Rs 236.98 million (2023: Rs 369.33 million) to support the scholarship programmes in future year.

(e) Flood relief fund aims to provide relief to the families who were affected by the disastrous effects of the flood and the buildings of the schools in the flood affected areas. The movement of the fund is provided in note 14.4.

14.4 Movement of Flood Relief Fund	Note	2024	2023
		(Rupees in '000)	
Opening balance		**299,295**	**-**
Donations received during the year		**1,237**	1,825,949
		300,532	1,825,949
Utilised during the year	23 & 26	**(69,725)**	(1,526,654)
Closing balance		**230,807**	299,295

14.5 This includes receipts amounting to Rs 1,701.63 million (2023: Rs 3,559.73 million) received in foreign currency.

15. CREDITORS, ACCRUED AND OTHER LIABILITIES	Note	2024 (Rupees in '000)	2023
Creditors		**55,265**	225,526
Accrued liabilities		**374,447**	418,852
Security deposits	15.1	**229,460**	178,415
Retention money		**228,561**	113,203
Provision for staff retirement & social security benefits	22	**268,928**	268,928
Provision for compensated absences		**183,877**	139,386
Withholding taxes payable		**85,073**	66,491
Payable to TCF - USA		**-**	10,832
Payable in respect of provident fund scheme	15.2	**184,888**	-
Other liabilities		**28,317**	24,659
		1,638,816	1,446,292

15.1 The security deposits are deducted from the initial salaries of the teachers and are refunded to them at the time of cessation of their employment. The security deposits along with related interest income are kept in a separate bank account as per the requirements of the Act and are not available to the Foundation for any other purpose (refer note 12.1).

15.2 During the year, the Foundation introduced a provident fund scheme for its employees and contributions of employees and the Foundation are kept in a separate bank account including the related interest income as per the requirements of the Act. These balances are not available to the Foundation for any other purpose. The formalities relating to formation of a separate trust are expected to be completed in due course (refer note 12.1).

16. CAPITAL FUND

This represents contribution by the members when they had joined the Foundation in terms of Article '8' of Articles of Association of the Foundation.

17. GENERAL FUND

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

18. ENDOWMENT FUND - EXTERNALLY RESTRICTED USE

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 accumulated as part of the endowment fund balance.

18.1 Names of Endowment Fund Donors	Note	2024 (Rupees in '000)	2023
AKU Class of '97		**30,695**	30,526
Ali A. Moiz		**40,838**	40,838
Ateed Ameed and Naveed Riaz		**110,336**	89,858
Atif Ali & Co.		**30,240**	28,027
Ayza Affan		**150,076**	94,003
Azhar & Farah Hameed		**38,712**	30,904
Bashiruddin Paracha		**28,315**	23,326
Crescent Steel & Allied Products Ltd		**122,895**	92,992
Dallas Fort-Worth Supporters		**160,340**	160,340
Dr. Asma Saleem		**47,964**	45,525
Ejaz Shameem		**142,271**	112,160
Farouq & Shahnaz Ahmed Fund		**46,210**	46,210
Friends & Well wishers of Sultan Mowjee		**56,233**	56,233
HBL Foundation		**71,392**	61,455
Houston Group		**56,297**	77,157
Indus Motor Company Limited		**92,000**	92,000
Interloop Welfare Trust		**635,920**	500,000
Khem Fatimi		**46,832**	46,832
(Late) Cowasjee Minocher Cowasjee & (Late) Mrs. Mani C. Cowasjee		**117,936**	105,973
Masood A. Sheikh		**50,000**	50,000
Munib & Kamila Islam		**71,815**	71,815
Muzammil Hussain		**39,838**	39,838
New Orleans Chapter		**31,152**	31,152
Nilofer Grewe		**28,443**	10,689
Noorani Family		**108,420**	108,420
Nuzhat Ara Qureshi		**40,653**	24,618
Radiant Way		**86,092**	81,967
Towfiq & Zeenat Chinoy		**74,885**	70,885
Saeeda Mazhar Mahmood		**33,100**	33,100
Safdar Feroze Nana		**80,495**	79,595
Sajid Salman		**53,793**	44,314
Samira Zaman & Talal Khan		**56,463**	30,069
Sapphire Scholarship (Abdullah Foundation)		**40,000**	40,000
Seeds of Learning		**92,284**	92,284
Shiraz & Samina Rehmani		**35,499**	49,719
Support a Child		**38,390**	39,338
Syed Mohammad Jafri		**79,011**	32,121
TCF Ghulam Fatima School		**108,881**	81,501
TCF USA		**53,980**	53,980
The Shirin Sultan Dossa Foundation		**2,175,840**	1,523,908
Zain and Sarah Polani Shaheed		**62,784**	40,009
Others	18.2	**851,164**	762,785
		6,318,484	5,126,466

18.2 These represent Endowment Funds of donors not individually exceeding Rs 28 million and also include donors who have requested for anonymity.

18.3 Movement of endowment fund	Note	2024 (Rupees in '000)	2023
Opening balance		**5,126,466**	4,492,063
Addition during the year		**751,141**	536,213
Reclassification from deferred income relating to school support, grants and children education	14	**8,379**	64,100
Balance available for investment		**5,885,986**	5,092,376
Net return used for accumulation of endowment fund	18.4	**432,498**	34,090
Closing balance		**6,318,484**	5,126,466

18.4 Investment income allocated to endowment fund is as follows:

Total investment income allocated to amounts invested from endowment funds		**1,239,519**	570,252
Less: Investment income transferred to support donations	23 & 24.1	**(799,326)**	(532,323)
Less: Investment income transferred to deferred support	14 & 24.3	**(7,695)**	(3,839)
		(807,021)	(536,162)
Net return used for accumulation of endowment fund	24.2	**432,498**	34,090

18.5 The Foundation consolidates all available funds for collective investment, aiming to achieve higher returns. The total investment income generated is then distributed among the endowment funds based on a weighted average rate calculated from the overall returns earned by the Foundation throughout the year.

19. ENDOWMENT FUND - INTERNALLY RESTRICTED USE

In light of the rapidly increasing costs due to inflation and generic growth in school units, the Foundation created TCF General Endowment Fund by transferring Rs 67 million from the General Fund to the Endowment Fund. The internally restricted fund was created to strengthen the future income streams of the Foundation for its core mission.

20. FAIR VALUE OF CONTRIBUTED LANDS / PROPERTIES RESERVE

This represents a reserve created separately from the general fund for fair value of the contributed lands / properties.

21. 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 operations 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.

22. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

22.1 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 February 8, 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 April 25, 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 September 26, 2008. On June 16, 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 November 4, 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 February 2. 2011 including an increase amounting to Rs 11.82 million. The Foundation has filed an appeal on April 16, 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 Punjab Employees Social Security Institution (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.

22.2 On March 15, 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 October 10, 2013 and letter reference Unit -06/WHT/RTO-II/Khi/2012-2013/241 dated November 12, 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 February 27, 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 supports provided by the Foundation. The remanded back proceedings are pending to date. The Foundation is confident of favourable outcome and hence no provision has been made in these financial statements.

Further on May 29, 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 September 7, 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.

22.3 The Foundation received a notice from Employees' Old age Benefit Institution (EOBI) dated March 21, 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 197.49 million has been made in these financial statements with respect to the difference in minimum wages applicable for the period from July 1, 2016 to March 31, 2022 and the rate at which the Foundation has been paying the contribution.

Commitments

22.4 Commitment in respect of capital expenditure amounted to Rs 1,336.15 million (2023; Rs 1,445.62 million).

22.5 Guarantees by banks on behalf of the Foundation, amounting to Rs 11 million (2023: Rs 11 million) and Rs 10 million (2023: Rs nil) were issued in favor of School Education and Literacy Department of Government of Sindh and Pakistan State Oil Company Limited for fleet cards, respectively.

23. DONATIONS AND FEES

	Note	2024	2023
		(Rupees in '000)	
Donations			
Donations received during the year	23.1 & 23.2 & 23.6	**7,207,042**	5,950,301
Income on endowment fund utilised for support operations	23.3	**799,326**	532,323
Contribution from Government	23.4	**379,429**	303,051
Amortised - donations related to operating fixed assets	13	**547,164**	401,513
Amortised - donations related to flood rellef	14	**69,725**	1,526,654
Amortised - donations related to school support, grants and children education - other than flood relief	14	**2,037,900**	1,914,528
		11,040,586	10,628,370
Fees			
Parental contribution	23.5	**760,320**	685,468
Management fee - SBEP	10.1	**6,388**	7,055
		11,807,294	11,320,893

23.1 This includes Zakat amounting to Rs 3,638.82 million (2023: Rs 3,371.97 million).

23.2 Major sources of donations	2024	2023
	(Rupees in '000)	
- By sector		
Donations from corporate sector	**1,112,626**	1,014,427
Donations from other Not-for-Profit organisations	**3,123,637**	2,495,893
Donations from individuals	**2,970,779**	2,439,981
	7,207,042	5,950,301
- By origin		
Local	**2,944,037**	2,424,890
Foreign	**4,263,005**	3,525,411
	7,207,042	5,950,301

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

23.4 Details of contribution from Government	Note	2024	2023
		(Rupees in '000)	
Sindh Education Foundation	10.1	**138,077**	50,392
Punjab Education Foundation	10.2	**241,352**	252,659
		379,429	303,051

The above represent contributions received by the Foundation from the Provincial Government authorities for incurring expenses in running operational management of Government schools.

23.5 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.

23.6 This includes donations received in respect of community development and scholarship programmes amounting to Rs 74.68 million and Rs 266.35 million, respectively. These have been charged directly to the income as these relate to current year only.

24. INCOME ON INVESTMENTS - NET	Note	2024	2023
		(Rupees in '000)	
Income from:			
- Term Deposit Receipts		**168,883**	165,600
- Treasury Bills		**1,254,447**	867,995
- Pakistan Investment Bonds		**447,800**	492,578
- Term Finance Certificates		**12,306**	22,575
- Ijarah Sukuks		**67,076**	3,170
Profit on deposit accounts		**166,941**	93,826
Dividend income on mutual fund units		**225,591**	74,240
Exchange (loss) / gain - net		**(29,187)**	14,565
Unrealised gain / (loss) on re-measurement of financial asset at FVTPL		**585,823**	(35,566)
Realised gain on sale of mutual fund units		**161,068**	-
Total income on investments		**3,060,748**	1,698,983
Transferred during the year to:			
Support Donation	23 & 24.1	**(799,326)**	(532,323)
Endowment Fund	18.3 & 24.2	**(432,498)**	(34,090)
Scholarship Fund	14 & 24.3	**(8,522)**	(27,895)
Sustainability Fund	14 & 24.4	**(207,907)**	(109,118)
		(1,448,253)	(703,426)
Income on investments - net		**1,612,495**	995,557

24.1 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 18.4 to these financial statements.

24.2 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 18.3 to these financial statements.

24.3 This includes income on investments from endowment fund amounting to Rs 7.695 million and (2023; Rs 3.839 million) allocated to scholarship fund at the discretion of donors in accordance with the terms of the respective agreements (refer notes 18.4 and 14).

24.4 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 14 to these financial statements.

25. OTHER INCOME	2024	2023
	(Rupees in '000)	
Gain on disposal of operating fixed assets - net	**69,732**	193,769
Miscellaneous income	**58,861**	15,079
	128,593	208,848

26. PROGRAMME COSTS

		2024							
		Flagship schools and college (Note 23.1)	Partnership schools (Note 23.2)	Alumni support	Community development	Literacy and life skills	Publishing house	Dastak Teacher Training	Total
	Note	(Rupees in '000)							
Direct expenditures	26.3	**4,828,434**	**788,078**	-	**172,931**	**62,914**	**4,405**	**6,738**	**5,863,500**
Books, copies, uniforms and other school supplies		**1,020,609**	**18,720**	-	-	-	-	-	**1,039,329**
Repair and maintenance charges		**435,193**	**64,729**	-	-	-	-	-	**499,985**
School vehicle running and maintenance		**350,347**	**38,894**	-	-	-	-	-	**389,241**
Teachers' training		**85,825**	**37,583**	-	-	-	-	-	**123,408**
Field supervison and monitoring	26.4	**687,688**	**164,656**	**51,833**	**27,521**	**25,525**	**11,544**	**11,338**	**980,105**
Depreciation on operating fixed assets	4.3	**893,387**	**26,475**	-	**6,440**	-	-	-	**926,302**
Depreciation on right-of-use assets	5.1.1	**7,589**	-	-	-	-	-	-	**7,589**
Post matric scholarship - self funded		-	-	**218,614**	-	-	-	-	**218,614**
Post matric scholarship - donor funded		-	-	**141,146**	-	-	-	-	**141,146**
Other expenses	26.5	**32,785**	**2,761**	-	-	-	-	-	**35,546**
		8,341,857	**1,141,959**	**411,593**	**206,892**	**88,439**	**15,949**	**18,076**	**10,224,765**
Flood relief	14								**69,725**
									10,294,490

		2023							
		Flagship schools and college (Note 23.1)	Partnership schools (Note 23.2)	Alumni support	Community development	Literacy and life skills	Publishing house	Dastak Teacher Training	Total
	Note	(Rupees in '000)							
Direct expenditures	26.3	3,685,974	539,903	-	89,543	41,808	-	6,223	4,370,220
Books, copies, uniforms and other school supplies		1,514,490	62,756	-	-	-	-	-	1,577,246
Repair and maintenance charges		536,225	85,547	-	-	-	-	-	621,772
School vehicle running and maintenance		215,938	20,252	-	-	-	-	-	236,190
Teachers' training		64,253	19,519	-	-	-	-	-	83,772
Field supervison and monitoring	26.4	418,608	112,883	41,338	20,340	21,658	4,922	9,935	629,684
Depreciation on operating fixed assets	4.3	704,507	11,840	-	-	-	-	-	716,347
Depreciation on right-of-use assets	5.1.1	5,988	-	-	-	-	-	-	5,988
Post matric scholarship - self funded		-	-	192,391	-	-	-	-	192,391
Post matric scholarship - donor funded		-	-	48,145	-	-	-	-	48,145
Other expenses	26.5	38,674	1,998	-	-	-	-	-	40,672
		7,184,657	854,698	281,874	109,883	63,466	11,691	16,158	8,522,427
Flood relief	14								1,526,654
									10,049,081

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

26.2 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:

	Note	2024	2023
		(Rupees in '000)	
Partnership School expenses		**1,141,959**	854,698
Contribution received	23.4	**(379,429)**	(303,051)
		762,530	551,647

26.3 This includes salaries and other benefits amounting to Rs 5,193.03 million (2023: Rs 3,912.98 million) out of which Rs 67.42 million (2023: Rs nil) pertained to Foundation's contribution in respect of provident fund scheme.

26.4 This includes salaries and other benefits amounting to Rs 671.28 million (2023: Rs 410.74 million) out of which Rs 8.37 million (2023: Rs nil) pertained to Foundation's contribution in respect of provident fund scheme.

26.5 The breakup of other expenses is as follows:

	Note	2024	2023
		(Rupees in '000)	
Schools - general insurance		**30,062**	22,836
Consultancy expenses		**757**	1,359
Interest expense on lease liabilities	5.2	**4,418**	4,090
Other school expenses		**309**	12,387
		35,546	40,672

27. MARKETING, FUND RAISING AND OUTREACH

	Note	2024	2023
		(Rupees in '000)	
Salaries and other benefits	27.1	**184,620**	158,214
Marketing		**249,086**	283,794
Vehicle running and maintenance		**9,142**	7,163
Legal and professional charges		**62,884**	60,653
Fees and subscriptions		**4,476**	16,380
Travelling and conveyance		**13,994**	13,115
Utilities		**341**	271
Communication		**4,396**	4,592
Printing and stationery		**3,711**	7,397
Other expenses		**1,954**	9,683
		534,604	561,262

27.1 This includes the Foundation's contribution in respect of provident fund scheme amounting to Rs 2.46 million (2023: Rs nil).

28. RESEARCH AND DEVELOPMENT

This comprises of costs incurred on research for evaluation & design of curriculum / syllabus, teachers' training, technology for on-line learning and cost incurred on different programmes which are in various stages of development such as multi-grade teaching, mother tongue based multilingual education.

29. ADMINISTRATION

	Note	2024	2023
		(Rupees in '000)	
Salaries and other benefits	29.1	**330,585**	319,213
Vehicle running and maintenance		**24,151**	29,735
Legal and professional charges		**41,496**	29,750
Fees and subscriptions		**23,817**	22,432
Travelling and conveyance		**8,939**	18,710
Utilities		**16,952**	13,655
Communication		**17,559**	20,370
Printing and stationery		**9,736**	15,702
Depreciation on operating fixed assets	4.3	**47,400**	36,076
Amortisation of intangible assets	7.1.2	**4,852**	5,146
Other expenses	29.2	**99,364**	25,755
		624,851	536,544

29.1 This includes the Foundation's contribution in respect of provident fund scheme amounting to Rs 5.66 million (2023: Rs nil).

29.2 OTHER EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Advertisement		**278**	817
Auditor's remuneration	29.2.1	**4,955**	2,607
Bank charges		**5,904**	2,548
Insurance		**1,581**	966
Office expenses		**12,723**	9,879
Repairs and maintenance		**14,022**	8,938
Others		**59,901**	-
		99,364	25,755

29.2.1 AUDITOR'S REMUNERATION

	2024	2023
	(Rupees in '000)	
Audit fee	**2,000**	1,500
Tax and related services	**1,506**	475
	3,506	1,975
Out of pocket expenses and sales tax	**1,449**	632
	4,955	2,607

29.3 ALLOCATION OF EXPENSES

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

Nature of Expense	To	2024	2023
		(Rupees in '000)	
Key executive remuneration	Programme costs	**31,472**	20,909
Key executive remuneration	Property and equipment	**1,900**	3,685
Volunteer and alumni department	Programme costs	**51,833**	41,338
Expenses pertaining to outcomes	Research and development	**101,238**	90,339

30. REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

	Chief Executive Officer		Executives	
	2024	2023	2024	2023
	(Rupees in '000)			
Remuneration	**18,998**	15,823	**576,098**	379,185
Provident fund scheme contribution	**-**	-	**-**	**9,718**
	18.998	15,823	**585,816**	379,185
Number of person	**1**	1	**158**	102

30.1 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.

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

31. NUMBER OF EMPLOYEES

	2024	2023
	(Number)	
Total number of employees as at June 30	**20,959**	19,274
Average number of employees during the year	**20,414**	18,751

32. CASH UTILISED IN OPERATIONS

	Note	2024	2023
		(Rupees in '000)	
Surplus of income over expenditure for the year		**2,107,299**	1,431,512
Adjustments for:			
Depreciation on property and equipment	4.3	**973,702**	752,423
Depreciation on right-of-use assets	5.1.1	**7,589**	5,988
Interest expense on lease liabilities	26.5	**4,418**	4,090
Amortisation of intangible assets	7.1	**4,852**	5,146
Amortisation of deferred income	13 & 14	**(2,654,789)**	(3,842,695)
Income on investments	24	**(3,060,748)**	(1,698,983)
Gain on sale of operating fixed assets	25	**(69,732)**	(193,769)
Fair value of contributed lands / properties	4.1.4	**(114,100)**	(143,440)
Working capital changes	32.1	**(90,760)**	(4,640)
		(2,892,269)	(3,684,368)

32.1 Working capital changes

	2024	2023
	(Rupees in '000)	
(Increase) / decrease in current assets		
Advances, deposits and prepayments	**204,534**	(42,559)
Accrued income and other receivables	**(45,913)**	141,512
Books, copies, uniforms and other school supplies	**(193,957)**	(551,101)
	(35,336)	(452,148)
(Decrease) / Increase in current liabilities		
Creditors, accrued and other liabilties	**(55,424)**	447,508
	(90,760)	(4,640)

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

	2024			
	Lease liabilities (Note 5.2)	Deferred income relating to operating fixed assets (Note 13)	Endowment fund - externally restricted use (Note 18)	Total
	(Rupees in '000)			
Balance as at July 1, 2023	**38,119**	**8,353,379**	**5,126,466**	**13,517,964**
Changes from financing cash flows:				
Deferred receipts relating to operating fixed assets	**-**	**4,858,295**	**-**	**4,858,295**
Additions / transfers in Endowment fund	**-**	**-**	**751,141**	**751,141**
Investment income allocated to Endowment fund	**-**	**-**	**432,498**	**432,498**
Payments of lease liabilities	**(6,179)**	**-**	**-**	**(6,179)**
Interest paid	**(4,418)**	**-**	**-**	**(4,418)**
Total changes from financing activities	**(10,597)**	**4,858,295**	**1,183,639**	**6,031,337**
Other changes:				
Amortisation for the year	**-**	**(547,164)**	**-**	**(547,164)**
Transferred to General Fund	**-**	**(22,814)**	**-**	**(22,814)**
Reclassification	**-**	**23,236**	**8,379**	**31,615**
Addition to lease liabilities	**8,980**	**-**	**-**	**8,980**
Lease terminated during the year	**-**	**-**	**-**	**-**
Interest expense	**4,418**	**-**	**-**	**4,418**
Total other charges	**13,398**	**(546,742)**	**8,379**	**(524,965)**
Balance as at June 30, 2024	**40,920**	**12,664,932**	**6,318,484**	**19,024,336**

	2023			
	Lease liabilities (Note 5.2)	Deferred income relating to operating fixed assets (Note 13)	Endowment fund - externally restricted use (Note 18)	Total
	(Rupees in '000)			
Balance as at July 1, 2022	39,514	6,483,534	4,492,063	11,015,111
Changes from financing cash flows:				
Deferred receipts relating to operating fixed assets	-	2,324,300	-	2,324,300
Additions / transfers in Endowment fund	-	-	600,313	600,313
Investment income allocated to Endowment fund	-	-	536,213	34,090
Payments of lease liabilities	(3,967)	-	34,090	(3,967)
Interest paid	(4,090)	-	-	(4,090)
Total changes from financing activities	(8,057)	2,324,300	-	2,950,646
Other changes:			570,303	
Amortisation for the year	-	(401,513)		(401,513)
Transferred to General Fund	-	(52,942)	-	(52,942)
Reclassification	-	-	-	64,100
Addition to lease liabilities	2,572	-	64,100	2,572
Lease terminated during the year	-	-	-	-
Interest expense	4,090	-	-	4,090
Total other charges	2,572	(454,455)	-	(451,883)
Balance as at June 30, 2023	38,119	8,353,379	64,100	13,517,964
			5,126,466	

33. CASH AND CASH EQUIVALENTS

	Note	2024	2023
		(Rupees in '000)	
Short-term investments having maturity upto three months	12	**123,172**	8,177,698
+Cash and bank balances		**3,530,009**	805,283
		3,653,181	8,982,981
Less: Security deposits held as bank balance		**(229,460)**	(166,400)
Less: Provident fund scheme balance held as bank balance		**(184,888)**	-
		3,238,833	8,816,581

34. 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.

34.1 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
Crescent Steel & Allied Products Limited	Common Director
Ashraf Riaz (Pvt) Limited	Common Director
First Imrooz Modaraba	Common Director
The Searle Company Limited	Common Director
Gurmani Foundation	Common Director
Novatex Limited	Common Director
Interloop Welfare Trust	Common Director
The Citizens Foundation - UK	Common Director
Tarseel (Pvt) Limited	Common Director
Ms Zahra Ahsan Saleem	Relative of Director
Mr Tayyab Ahsan Saleem	Relative of Director
Mr Ameed Riaz	Relative of Director
Ms Hejaab Riaz	Relative of Director
Ms Rabee'aa Riaz	Relative of Director
Ms Mina Ameed Riaz	Relative of Director
Mr Khizer Ateed Riaz	Relative of Director
Mr Naveed Riaz	Relative of Director
Ms Farah Raza Chapra	Relative of Director
Mr Nabil Chapra	Relative of Director
Ms Rija Chapra	Relative of Director
Ms Yasmin Kazmi	Relative of Director
Syed Asaad Ayub Ahmad	President & CEO
Mr Zia Akhter Abbas	Key management personnel
Mr Riaz Ahmed Kamlani	Key management personnel
Ms Ghazala Nadeem	Key management personnel
Mr Ali Aamir	Key management personnel
Mr Isfandyar Inayat Sher Khan	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
Lahore University of Management Science (LUMS)	Common Director
Key Management Personnel	
Syed Asaad Ayub Ahmad	President & CEO
Mr Zia Akhter 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
Ms Shazia Kamal	Key management personnel
Mr Ubaid Hasan Akhtar	Key management personnel
Mr Isfandyar Inayat Sher Khan	Key management personnel

34.2 Transactions with Related Parties

Following are the transactions entered into with related parties.

	2024	2023
	(Rupees in '000)	
Donations - Directors, key management personnel & their close family members	**88,176**	120,523
Donations - Associated companies & undertakings	**996,596**	1,085,499
Key management personnel remuneration	**121,842**	96,230
Payments - Associated companies	**9,751**	6,133

35. 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 mentioned in the following notes.

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.

35.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may 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 and monitoring the investments made by the Foundation.

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 held 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	
	June 30, 2024	June 30 2023
CHF	**31,918**	32,719
EUR	**137,286**	87
GBP	**1,579,837**	88
USD	**20,959,207**	8,001
AED	**11,237,096**	11,319,306
CAD	**-**	105

The following exchange rates were applied during the year for translation of foreign currency balances and transactions:

	Average rate		Reporting date spot rate	
	2024	2023	**2024**	2023
CHF to PKR	**319.54**	270.68	**309.41**	320.34
EUR to PKR	**306.27**	266.64	**297.69**	313.72
GBP to PKR	**356.82**	306.15	**351.92**	364.77
USD to PKR	**283.33**	252.58	**278.34**	286.60
AED to PKR	**77.14**	69.26	**75.78**	78.59
CAD to PKR	**209.21**	188.07	**203.01**	218.35

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 644.05 million (2023; Rs 90.24 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	
	2024	2023	**2024**	2023
Financial Assets	**(in Percent)**		**(Rupees in '000)**	
Fixed Rate Instruments				
Pakistan Investment Bonds	**12.15 - 13.99**	**12.15 - 13.99**	**3,447,626**	4,092,472
Treasury Bills	**18.65 - 21.50**	**21.15 - 21.99**	**4,044,088**	4,300,886
Term Finance Certificates	**-**	**9.03**	**-**	250,000
Ijarah Sukuks	**20.00 - 20.24**	**21.30 - 22.67**	**333,182**	299,880
Foreign currency Term Deposit Receipts	**3.50-9.00**	**0.45**	**5,007,972**	854,187
Local currency Term Deposit Receipts	**16.48 - 17**	**12.5 - 20**	**21,000**	2,427,400

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 103.12 million (2023: Rs 72.8 million) as a result of mark-to-market exercise with the corresponding increase / decrease on the value of investments.

35.2 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	**2024**	2023
		(Rupees in '000)	
Long-term investments	8	**3,006,718**	3,400,807
Long-term deposits		**12,899**	11,344
Short-term investments	11	**11,909,543**	10,280,999
Accrued income and other receivables	10	**581,459**	382,132
Bank balances	12	**3,528,332**	804,482
		19,038,951	14,879,764

None of the above financial assets were considered to be past due or impaired as at June 30, 2024.

Investment in debt and equity securities

At reporting date, the Foundation has invested in Pakistan Investment Bonds, Treasury bill, units of open and closed end mutual funds, term deposit receipts and Ijarah Sukuks. The Foundation manages credit risk arising from term deposit receipts by making investments in financial institutions or counter parties having sound credit ratings, further, as at the reporting date a significant portion of the total investments has been made in Government securities. 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 any credit risk as the counterparty to the instruments is the 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. A significant portion of the Foundation's financial assets are held within a single industry i.e. banks. However, the Foundation considers that all such banks are credit worthy parties hence risk of default is minimal.

35.3 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:

	2024					
	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	1,100,938	1,100,938	1,100,938	-	-	-
Lease liabilities	40,920	51,777	10,516	11,822	29,439	-
	1,141,858	1,152,715	1,111,454	11,822	29,439	-

	2023					
	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	971,487	971,487	971,487	-	-	-
Lease liabilities	38,119	50,790	8,818	7,401	25,051	9,520
	1,009,606	1,022,277	980,305	7,401	25,051	9,520

36. 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 fair value of the investment properties held by the Foundation as at the reporting date are disclosed in these financial statements measured using level 2 inputs determined by a professional valuer based on their assessment of the market values as disclosed in note 6 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

		2024								
		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
	Note	(Rupees in '000)								
Financial assets										
measured at fair value										
Units of open end mutual funds		-	1,956,794	-	-	1,956,794	-	1,956,794	-	1,956,794
Certificates of closed end mutual funds		-	105,599	-	-	105,599	-	105,599	-	105,599
		-	2,062,393	-	-	2,062,393	-	2,062,393	-	2,062,393
Financial assets not										
measured at fair value	36.1									
Cash and bank balances		3,530,009	-	-	-	3,530,009	-	-	-	-
Term deposit receipts		5,028,972	-	-	-	5,028,972	-	-	-	-
Ijarah Sukuks		333,182				333,182		-		-
Treasury Bills		4,044,088	-	-	-	4,044,088	-	4,240,704	-	4,240,704
Pakistan Investment Bonds		3,447,626	-	-	-	3,447,626	-	3,207,427	-	3,207,427
Accrued income and other receivables		581,459	-	-	-	581,459	-	-	-	-
Long-term deposits		12,899	-	-	-	12,899	-	-	-	-
		16,978,235	-	-	-	16,978,235	-	7,448,131	-	7,448,131
Financial liabilities not										
measured at fair value	36.1									
Lease liabilities		-	-	-	40,920	40,920	-	-	-	-
Creditors, accrued and other liabilities		-	-	-	1,100,938	1,100,938	-	-	-	-
		-	-	-	1,009,606	1,141,858	-	-	-	-

On-balance sheet financial instruments

	Note	2023								
		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		-	1,387,076	-	-	1,387,076	-	1,387,076	-	1,387,076
Certificates of closed end funds		-	69,905	-	-	69,905	-	69,905	-	69,905
		-	1,456,981	-	-	1,456,981	-	1,456,981	-	1,456,981
Financial assets not measured at fair value	36.1									
Cash and bank balances		805,283	-	-	-	805,283	-	-	-	-
Term deposit receipts		3,281,587	-	-	-	3,281,587	-	-	-	-
Term finance certificates		250,000	-	-	-	250,000	-	-	-	-
Treasury Bills		4,300,886	-	-	-	4,300,886	-	4,377,664	-	4,377,664
Ijarah Sukuks		299,880	-	-	-	299,880	-	-	-	-
Pakistan Investment Bonds		4,092,472	-	-	-	4,092,472	-	3,735,279	-	3,735,279
Accrued income and other receivables		382,132	-	-	-	382,132	-	-	-	-
Long term deposits		11,344	-	-	-	11,344	-	-	-	-
		13,423,584	-	-	-	13,423,584	-	8,112,943	-	8,112,943
Financial liabilities not measured at fair value	36.1									
Lease liabilities		-	-	-	38,119	38,119	-	-	-	-
Creditors, accrued and other liabilities		-	-	-	971,487	971,487	-	-	-	-
		-	-	-	1,009,606	1,009,606	-	-	-	-

36.1 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 fails 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 classifies it under Level 2 in fair value measurement hierarchy.

37. 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 company limited by guarantee having no share capital and is not exposed to any externally imposed capital requirements.

38. WAQF DEED

During the year ended June 30, 2023, the management entered into an agreement with a donor in accordance with section 3 of the Musalman Waqf Validating Act, 1913, whereby the donor has agreed to waqf a property situated in Karachi to the Foundation.

39. General

39.1 Corresponding figures have been reclassified, wherever necessary, for the purpose of better presentation and comparison. the major being as follows;

Particulars	Reclassified from	Reclassified to	Amount (Rupees in '000)
Balances held in bank accounts	Advances and prepayments	Cash and bank balances	70,822

39.2 This reclassification did not materially impact the opening balances as at July 1, 2022.

Figures in these financial statements have been rounded off to nearest thousand of Pakistan Rupees unless otherwise stated.

40. EVENTS AFTER REPORTING PERIOD

The Board of Directors, in its meeting held on September 26, 2024 approved the transfer of Rs 2,107.299 million (2023: Rs 1,431.512 million) from accumulated surplus to general fund and Rs 114.1 million (2023: Rs nil) from general fund to fair value of contributed lands / properties reserve.

These financial statements do not include the effect of these transfers, which will be accounted for in the financial statements for the year ending June 30, 2025.

41. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors in its meeting held on September 26, 2024.

Chief Executive Officer | Director | Chief Financial Officer

The Citizens Foundation

Six Year's Vertical Analysis (Rs In 000)

Statement of Financial Position	2024	%	2023	%	2022	%	(RESTATED) 2021	%	(RESTATED) 2020	%	(RESTATED) 2019	%
ASSETS												
Non-Current Assets												
Property and equipment	13,120,545	39.1%	9,480,568	37.0%	6,806,859	34.8%	5,370,241	32.9%	5,325,698	44.1%	5,197,260	46.2%
Right-of-use assets	24,657	0.1%	23,266	0.1%	26,682	0.1%	37,292	0.2%	42,723	0.4%	-	0.0%
Investment properties	158,734											
Intangible assets	9,171	0.0%	14,023	0.1%	16,189	0.1%	6,799	0.0%	7,353	0.1%	6,843	0.1%
Long term investments	3,006,718	9.0%	3,400,807	13.3%	2,201,010	11.3%	3,051,930	18.7%	3,396,084	28.1%	983,181	8.7%
Long term deposits	12,899	0.0%	11,344	0.1%	11,122	0.1%	12,743	0.1%	12,322	0.1%	12,658	0.1%
Total Non-Current Assets	16,332,724	48.7%	12,930,008	50.5%	9,061,862	46.3%	8,479,005	52.0%	8,784,181	72.7%	6,199,942	55.1%
Current Assets												
Advances and prepayments	143,577	0.4%	418,933	1.6%	305,552	1.6%	145,911	0.9%	114,608	0.9%	108,848	1.0%
Accrued income and other receivables	605,655	1.8%	396,289	1.5%	462,552	2.4%	201,961	1.2%	279,306	2.3%	110,962	1.0%
Short term investments	11,909,543	35.5%	10,280,999	40.2%	8,717,032	44.6%	6,756,840	41.4%	2,406,844	19.9%	4,145,746	36.8%
Books, copies, uniforms and other school supplies	1,025,442	3.1%	831,485	3.2%	280,384	1.4%	311,022	1.9%	238,340	2.0%	131,553	1.2%
Cash and bank balances	3,530,009	10.5%	734,461	2.9%	733,115	3.7%	422,697	2.6%	261,848	2.2%	562,062	5.0%
Total Current Assets	17,214,226	51.3%	12,662,167	49.5%	10,498,635	53.7%	7,838,431	48.0%	3,300,946	27.3%	5,059,171	44.9%
Total Assets	33,546,950	131%	25,592,175	100%	19,560,497	100%	16,317,436	100%	12,085,126	100%	11,259,113	100%
Non-Current Liabilities												
Deferred income relating to operating fixed assets	12,664,932	49.5%	8,353,379	32.6%	6,483,534	33.1%	5,835,941	35.8%	4,667,670	38.6%	4,518,819	40.1%
Deferred income relating to school support, grants and children education	2,206,679	8.6%	1,679,828	6.6%	1,592,839	8.1%	1,549,081	9.5%	1,094,876	9.1%	1,013,180	9.0%
Lease liabilities	34,641	0.1%	32,868	0.1%	36,399	0.2%	41,523	0.3%	44,861	0.4%	-	0.0%
Total Non-Current Liabilities	14,906,252	58.2%	10,066,075	39.3%	8,112,772	41.5%	7,426,545	45.5%	5,807,407	48.1%	5,531,999	49.1%
Current Liabilities												
Current portion of deferred income relating to school support, grants and children education	1,901,655	7.4%	2,272,708	8.9%	1,053,373	5.4%	679,925	4.2%	436,750	3.6%	402,714	3.6%
Current portion of lease liabilities	6,279	0.0%	5,251	0.0%	3,115	0.0%	4,245	0.0%	2,691	0.0%	-	0.0%
Creditors, accrued and other liabilities	1,638,816	6.4%	1,446,292	5.7%	998,784	5.1%	785,384	4.8%	682,745	5.6%	451,498	4.0%
Total Current Liabilities	3,546,750	13.9%	3,724,251	14.6%	2,055,272	10.5%	1,469,555	9.0%	1,122,186	9.3%	854,212	7.6%
Total Liabilities	18,453,002	72.1%	13,790,326	53.9%	10,168,044	52.0%	8,896,099	54.5%	6,929,593	57.3%	6,386,211	56.7%
Total Net Assets	15,093,948	45.0%	11,801,849	46.1%	9,392,453	48.0%	7,421,337	45.5%	5,155,533	42.7%	4,872,902	43.3%
FUNDS												
Capital fund	3,500	0.0%	3,500	0.0%	3,500	0.0%	3,100	0.0%	3,100	0.0%	3,100	0.0%
General fund	5,344,585	20.9%	4,736,499	18.5%	3,520,974	18.0%	1,858,107	11.4%	1,983,624	16.4%	1,204,325	10.7%
Endowment fund	6,385,484	25.0%	5,126,466	20.0%	4,492,063	23.0%	3,875,525	23.8%	3,233,562	26.8%	2,860,774	25.4%
Fair value of contributed lands / properties reserve	779,240											
Foreign currency translation reserve	473,840	1.9%	503,872	2.0%	220,041	1.1%	21,738	0.1%	60,764	0.5%	25,404	0.2%
(Deficit) / Surplus of income over expenditure	2,107,299	8.2%	1,431,512	5.6%	1,155,875	5.9%	1,662,867	10.2%	(125,517)	-1.0%	779,299	6.9%
Total Funds	15,093,948	59.0%	11,801,849	46.1%	9,392,453	48.0%	7,421,337	45.5%	5,155,533	42.7%	4,872,902	43.3%
Statement of Income and Expenditure												
INCOME												
Donations and concessional tuition fees	11,807,294	163.9%	11,320,893	157.1%	6,362,483	88.3%	6,004,565	93.6%	4,404,789	97.1%	4,374,590	95.7%
Fair value of contributed land	114,100	1.6%	143,440	2.0%	388,400	5.4%	23,050	0.4%	-	0.0%	122,525	2.7%
Income on investments - net	1,612,495	22.4%	995,557	13.8%	387,517	5.4%	339,811	5.3%	99,592	2.2%	184,654	4.0%
Other income / (loss)	128,593	1.8%	208,848	2.9%	65,510	0.9%	50,906	0.8%	34,253	0.8%	(109,436)	-2.4%
Total Income	13,662,482	100%	12,668,738	100%	7,203,910	100%	6,418,332	100%	4,538,634	100%	4,572,333	100%
EXPENDITURE												
Programme Costs												
Flagship schools and College	8,341,857	74.2%	7,184,657	63.9%	4,372,067	72.3%	3,503,860	73.7%	3,502,411	75.1%	3,386,916	79.1%
Partnership schools	1,141,959	10.2%	854,698	7.6%	542,046	9.0%	406,241	8.5%	399,493	8.6%	374,755	8.7%
Alumni support programme	411,593	3.7%	281,874	2.5%	216,063	3.6%	161,112	3.4%	133,485	2.9%	101,551	2.4%
Community development programme	206,892	1.8%	109,883	1.0%	74,798	1.2%	71,785	1.5%	46,978	1.0%	38,638	0.9%
Literacy and life skills	88,439	0.8%	63,466	0.6%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Publishing house	15,949	0.1%	11,691	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Dastak Teacher Training	18,076	0.2%	16,158	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
COVID-19 response appeal	-	0.0%	-	0.0%	35,645	0.6%	39,480	0.8%	114,459	2.5%	-	0.0%
Flood relief	69,725	0.6%	1,526,654	13.6%	-	0.0%	-	0.0%		0.0%	-	0.0%
Total Programme Costs	10,294,490	91.6%	10,049,081	89.4%	5,240,619	86.6%	4,182,478	88.0%	4,196,826	90.0%	3,901,860	91.1%
Other costs												
Marketing, fundraising and outreach expenses	534,604	4.8%	561,262	5.0%	298,508	4.9%	188,133	4.0%	138,070	3.0%	135,613	3.2%
Research and development expenses	101,238	0.9%	90,339	0.8%	119,638	2.0%	71,664	1.5%	44,568	1.0%	-	0.0%
Administration expenses	624,851	5.6%	536,544	4.8%	389,270	6.4%	313,191	6.6%	283,645	5.1%	245,558	5.7%
Total Other Costs	1,260,693	20.8%	1,188,145	19.6%	807,416	13.4%	572,988	12.0%	466,283	10.0%	381,171	8.9%
Total Operating Expenditure	11,555,183	100%	11,237,226	100%	6,048,035	100%	4,755,465	100%	4,663,109	100%	4,283,031	100%
(Deficit) / Surplus of income over expenditure for the year	2,107,299		1,431,512		1,155,875		1,662,867		(124,475)		289,302	

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

The Citizens Foundation

Six Year's Vertical Analysis (Rs In 000)

Statement of Cash Flows	2024	%	2023	%	2022	%	(RESTATED) 2021	%	(RESTATED) 2020	%	(RESTATED) 2019	%
CASH FLOWS FROM OPERATING ACTIVITIES												
Cash utilised in operations	(2,892,269)	475%	(3,755,190)	-354%	(1,206,757)	-18%	123,856	3%	(1,608,515)	-181%	(453,645)	-12%
(Increase) / decrease in long-term deposits (assets)	(1,555)	0%	(222)	0%	1,621	0%	(421)	0%	336	0%	(130)	0%
Deferred receipts relating to school support, grants and children education	-	0%		0%		0%		0%		0%		0%
Taxes (paid) / refunded - net of deductions	2,295,038	-377%	4,818,314	454%	1,891,062	28%	1,616,341	35%	1,286,490	144%	1,128,700	31%
Finance cost paid	(10,039)	2%	(1,440)	0%	(4,159)	0%	29,930	1%	2,095	0%	(1,306)	0%
Net cash generated from operating activities	-	0%	-	0%	-	0%	-	0%	-	0%	(4,462)	-1%
	(608,825)	100.0%	1,061,462	100.0%	681,767	10%	1,769,706	38%	(324,054)	-36%	673,619	18%
CASH FLOWS FROM INVESTING ACTIVITIES												
Capital expenditure including intangible assets	(4,661,835)	42%	(3,289,099)	147%	(1,697,246)	-25%	(507,879)	-11%	(595,223)	-67%	(604,586)	-16%
Sales proceeds from disposal of property and equipment	73,254	-1%	197,196	-9%	128,282	2%	67,738	1%	31,207	4%	26,877	1%
Investments made during the year	(35,709,508)	326%	(43,140,015)	1930%	(29,556,862)	-438%	(12,674,514)	-273%	(8,596,669)	-965%	(10,419,963)	-282%
Proceeds from sale and maturity of investments during the year	27,138,231	-247%	42,350,831	-1895%	30,015,438	445%	12,450,884	269%	5,479,613	615%	10,358,811	280%
(Increase) / decrease in security deposits held as bank balance	-	0%	-	0%	(208)	0%	12,193	0%	(12,193)	-1%	-	0%
Income from deposits with Islamic Banks and other financial institutions	168,116	-2%	90,515	-4%	30,068	0%	21,656	0%	29,300	3%	18,061	0%
Dividends received	-	0%	-	0%	-	0%	10,748	0%	2,413	0%	7,962	0%
Return received on investments	2,021,514	-18%	1,555,660	-70%	804,158	12%	549,313	12%	374,149	42%	41,624	1%
Net cash utilised in investing activities	(10,970,228)	100%	(2,234,912)	100%	(276,370)	-4%	(69,861)	-2%	(3,287,403)	-369%	(571,214)	-15%
CASH FLOWS FROM FINANCING ACTIVITIES												
Addition to endowment fund	1,183,639	20%	570,303	20%	496,209	7%	574,208	12%	372,788	42%	257,982	7%
Payments of lease liabilities	(10,597)	0%	(8,057)	0%	(6,894)	0%	(8,261)	0%	(814)	0%	700	0%
Deferred receipts relating to operating fixed assets	4,858,295	81%	2,324,300	81%	1,019,898	15%	1,518,439	33%	491,076	55%	656,441	18%
Net cash generated from financing activities	6,031,337	100%	2,886,546	100%	1,509,213	22%	2,084,386	45%	863,050	97%	915,123	25%
Net increase in cash and cash equivalents	(5,547,716)	-171%	1,713,096	20%	1,914,610	28%	3,784,231	82%	(2,748,407)	-309%	1,017,528	27%
Cash and cash equivalents at beginning of the year	8,816,581	272%	6,748,832	77%	4,635,919	69%	890,714	19%	3,603,761	405%	2,667,225	72%
Foreign exchange gain / (loss) on translation of foreign branch - net	(30,032)	-1%	283,831	3%	198,303	3%	(39,026)	-1%	35,360	4%	15,778	0%
Cash and cash equivalents at end of the year	3,238,833	100%	8,745,759	100%	6,748,832	100%	4,635,919	100%	890,714	100%	3,700,531	100%

The Citizens Foundation

Six Year's Horizontal Analysis (Rs In 000)

	2024	24Vs23 %	2023	23Vs22 %	2022	22 Vs 21 %	2021	21 Vs 20 %	2020	20 Vs 19%	2019
ASSETS											
Non-Current Assets											
Property and equipment	13,120,545	38%	9,480,568	39%	6,806,859	27%	5,370,241	1%	5,325,698	2%	5,197,260
Right-of-use assets	24,657	6%	23,266	-13%	26,682	-28%	37,292	-13%	42,723	100%	-
Investment properties	158,734	100%	-	0%	-	0%	-	0%	-	0%	-
Intangible assets	9,171	-35%	14,023	-13%	16,189	138%	6,799	-8%	7,353	7%	6,843
Long term investments	3,006,718	-12%	3,400,807	55%	2,201,010	-28%	3,051,930	-10%	3,396,084	245%	983,181
Long term deposits	12,899	14%	11,344	2%	11,122	-13%	12,743	3%	12,322	-3%	12,658
Total Non-Current Assets	16,332,724	26%	12,930,008	43%	9,061,862	7%	8,479,005	-3%	8,784,181	42%	6,199,942
Current Assets											
Advances and prepayments	143,577	-66%	418,933	37%	305,552	109%	145,911	27%	114,608	5%	108,848
Accrued income and other receivables	605,655	53%	396,289	-14%	462,552	129%	201,961	-28%	279,306	152%	110,962
Short term investments	11,909,543	16%	10,280,999	18%	8,717,032	29%	6,756,840	181%	2,406,844	-42%	4,145,746
Books, copies, uniforms and other school supplies	1,025,442	23%	831,485	197%	280,384	-10%	311,022	30%	238,340	81%	131,553
Cash and bank balances	3,530,009	381%	734,461	0%	733,115	73%	422,697	61%	261,848	-53%	562,062
Total Current Assets	17,214,226	36%	12,662,167	21%	10,498,635	34%	7,838,431	137%	3,300,946	-35%	5,059,171
Total Assets	33,546,950	31%	25,592,175	31%	19,560,497	20%	16,317,436	35%	12,085,126	7%	11,259,113
Non-Current Liabilities											
Deferred income relating to operating fixed assets	12,664,932	52%	8,353,379	29%	6,483,534	11%	5,835,941	25%	4,667,670	3%	4,518,819
Deferred income relating to school support, grants and children education	2,206,679	31%	1,679,828	5%	1,592,839	3%	1,549,081	41%	1,094,876	8%	1,013,180
Lease liabilities	34,641	5%	32,868	-10%	36,399	-12%	41,523	-7%	44,861	100%	-
Total Non-Current Liabilities	14,906,252	48%	10,066,075	24%	8,112,772	9%	7,426,545	28%	5,807,407	5%	5,531,999
Current Liabilities											
Current portion of deferred income relating to school support, grants and children education	1,901,655	-16%	2,272,708	116%	1,053,373	55%	679,925	56%	436,750	8%	402,714
Current portion of lease liabilities	6,279	20%	5,251	69%	3,115	-27%	4,245	58%	2,691	100%	-
Accrued and other liabilities	1,638,816	13%	1,446,292	45%	998,784	27%	785,384	15%	682,745	51%	451,498
Total Current Liabilities	3,546,750	-5%	3,724,251	81%	2,055,273	40%	1,469,555	31%	1,122,186	31%	854,212
Total Liabilities	18,453,002	34%	13,790,326	36%	10,168,045	14%	8,896,099	28%	6,929,593	9%	6,386,211
Total Net Assets	15,093,948	28%	11,801,849	26%	9,392,453	27%	7,421,337	44%	5,155,533	6%	4,872,902
FUNDS											
Capital fund	3,500	0%	3,500	0%	3,500	13%	3,100	0%	3,100	0%	3,100
General fund	5,344,585	13%	4,736,499	35%	3,520,974	89%	1,858,107	-6%	1,983,624	65%	1,204,325
Endowment fund	6,385,484	25%	5,126,466	14%	4,492,063	16%	3,875,525	20%	3,233,562	13%	2,860,774
Fair value of contributed lands / properties reserve	779,240		-	0%	-	0%	-	0%	-	0%	-
Foreign currency translation reserve	473,840	-6%	503,872	129%	220,041	912%	21,738	-64%	60,764	139%	25,404
(Deficit) / Surplus of income over expenditure for the year	2,107,299	47%	1,431,512	24%	1,155,875	-30%	1,662,867	-1425%	(125,517)	-116%	779,299
Total Funds	15,093,948	28%	11,801,849	26%	9,392,453	27%	7,421,337	44%	5,155,533	6%	4,872,902
Statement of Income and Expenditure											
INCOME											
Donations and concessional tuition fees	11,807,294	4%	11,320,893	78%	6,362,483	6%	6,004,565	36%	4,404,789	1%	4,374,590
Fair value of contributed lands / properties	114,100	-20%	143,440	-63%	388,400	100%	23,050	0%	-	-100%	122,525
Income on investments - net	1,612,495	62%	995,557	157%	387,517	14%	339,811	241%	99,592	-46%	184,654
Other income / (loss)	128,593	-38%	208,848	219%	65,510	29%	50,906	49%	34,253	-131%	(109,436)
Total income	13,662,482	8%	12,668,738	76%	7,203,910	12%	6,418,332	41%	4,538,634	-1%	4,572,333
EXPENDITURE											
Programme costs	8,341,857	16.1%	7,184,657	64.3%	4,372,067	24.8%	3,503,860	0%	3,502,411	3.4%	3,386,916
Flagship Schools and College	1,141,959	33.6%	854,698	57.7%	542,046	33.4%	406,241	2%	399,493	6.6%	374,755
Partnership Schools	411,593	46.0%	281,874	30.5%	216,063	34.1%	161,112	21%	133,485	31.4%	101,551
Alumni support programme	206,892	88.3%	109,883	46.9%	74,798	4.2%	71,785	53%	46,978	21.6%	38,638
Community development programme	88,439	100.0%	63,466	100%	-	-	-	0%	-	0%	-
Literacy and life skills	15,949	100.0%	11,691	100%	-	-	-	0%	-	0%	-
Publishing house	18,076	100.0%	16,158	100%	-	-	-	0%	-	0%	-
Dastak Teacher Training	-	0.0%	-	-100%	35,645	-9.7%	39,480	-66%	114,459	100%	-
COVID-19 response appeal	69,725	100.0%	1,526,654	100%	-	0%	-	0%	-	0%	-
Flood relief											
Total Programme costs	10,294,490	2.4%	10,049,081	91.8%	5,240,619	25.3%	4,182,478	0%	4,196,826	7.6%	3,901,860
Other costs											
Marketing, fund raising and outreach expenses	534,604	-4.7%	561,262	88.0%	298,508	58.7%	188,133	36.3%	138,070	1.8%	135,613
Research and development expenses	101,238	12.1%	90,339	-24.5%	119,638	66.9%	71,664	61%	44,568	100%	-
Administration expenses	624,851	16.5%	536,544	37.8%	389,270	24.3%	313,191	10.4%	283,645	15.5%	245,558
Total Operating Expenditure	11,555,183	3%	11,237,226	86%	6,048,035	27%	4,755,465	2%	4,663,109	9%	4,283,031
(Deficit) / Surplus of income over expenditure for the year	2,107,299	47%	1,431,512	24%	1,155,875	-30%	1,662,867	-1436%	(124,475)	-143%	289,302

** 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)

	2024	24Vs23 %	2023	23Vs22 %	2022	22 Vs 21 %	2021	21 Vs 20 %	2020	20 Vs 19%	2019
Statement of Cash Flows											
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash utilised in operations	(2,892,269)	-23%	(3,755,190)	211%	(1,206,757)	-1074%	123,856	-108%	(1,608,513)	255%	(453,645)
(Increase) / decrease in long-term deposits (assets)	(1,555)	600%	(222)	-114%	1,621	-485%	(421)	-225%	336	-358%	(130)
Deferred receipts relating to school support, grants and children education	2,295,038	-52%	4,818,314	155%	1,891,062	17%	1,616,341	26%	1,286,490	14%	1,128,700
Taxes (paid) / refunded - net of deductions	(10,039)	597%	(1,440)	-65%	(4,159)	-114%	29,930	1329%	2,095	-260%	(1,306)
Finance cost paid	-	0%	-	0%	-	0%	-	-100%	(4,462)	-100%	
Net cash generated from operating activities	(608,825)	-157.4%	1,061,462	55.7%	681,767	-61%	1,769,706	-646%	(324,054)	-148%	673,619
CASH FLOWS FROM INVESTING ACTIVITIES											
Capital expenditure including intangible assets	(4,661,835)	42%	(3,289,099)	94%	(1,697,246)	234%	(507,879)	-15%	(595,223)	-2%	(604,586)
Sales proceeds from disposal of property and equipment	73,254	-63%	197,196	54%	128,282	89%	67,738	117%	31,207	16%	26,877
Investments made during the year	(35,709,508)	-17%	(43,140,015)	46%	(29,556,862)	133%	(12,674,514)	47%	(8,596,669)	-17%	(10,419,963)
Proceeds from sale and maturity of investments during the year	27,138,231	-36%	42,350,831	41%	30,015,438	141%	12,450,884	127%	5,479,613	-47%	10,358,811
(Increase) / decrease in security deposits held as bank balance	-	0%	-	-100%	(208)	-102%	12,193	100%	(12,193)	-100%	-
Income from deposits with Islamic Banks and other financial institutions	168,116	86%	90,515	201%	30,068	39%	21,656	-26%	29,300	62%	18,061
Dividends received	-	0%	-	0%	-	-100%	10,748	345%	2,413	-70%	7,962
Return received on investments	2,021,514	30%	1,555,660	93%	804,158	46%	549,313	47%	374,149	799%	41,624
Net cash utilised in investing activities	(10,970,228)	391%	(2,234,912)	709%	(276,370)	296%	(69,861)	-98%	(3,287,403)	476%	(571,214)
CASH FLOWS FROM FINANCING ACTIVITIES											
Addition to endowment fund	1,183,639	108%	570,303	15%	496,209	-14%	574,208	54%	372,788	45%	257,982
Payments of lease liabilities	(10,597)	32%	(8,057)	17%	(6,894)	-17%	(8,261)	915%	(814)	-100%	700
Deferred receipts relating to operating fixed assets	4,858,295	109%	2,324,300	128%	1,019,898	-33%	1,518,439	209%	491,076	-25%	656,441
Net cash generated from financing activities	6,031,337	109%	2,886,546	91%	1,509,213	-28%	2,084,386	142%	863,050	-6%	915,123
Net increase in cash and cash equivalents	(5,547,716)	-424%	1,713,096	-11%	1,914,610	-49%	3,784,231	-238%	(2,748,407)	-370%	1,017,528
Cash and cash equivalents at beginning of the year	8,816,581	31%	6,748,832	46%	4,635,919	420%	890,714	-75%	3,603,761	35%	2,667,225
Foreign exchange gain / (loss) on translation of foreign branch - net	(30,032)	-111%	283,831	43%	198,303	-608%	(39,026)	-210%	35,360	124%	15,778
Cash and cash equivalents at end of the year	3,238,833	-63%	8,745,759	30%	6,748,832	46%	4,635,919	420%	890,714	-76%	3,700,531

Calendar of Major Events

Incorporation of the Foundation	September 24, 1996

Financial Calendar

Financial Year 2023-24	Date of Issuance
1st Quarter Results	November 21, 2023
2nd Quarter Results	February 15, 2024
3rd Quarter Results	May 21, 2024
4th Quarter Results	September 26, 2024
27th Annual General Meeting	October 25, 2024

Financial Year 2022-23	Date of Issuance
1st Quarter Results	December 15, 2022
2nd Quarter Results	February 23, 2023
3rd Quarter Results	May 17, 2023
4th Quarter Results	September 07, 2023
27th Annual General Meeting	October 11, 2023

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

Change Begins With Action

Educate a Child

PKR 3,600 (Monthly)
PKR 43,200 (Yearly)

Educate a Child From KG to Matric

PKR 475,000
(One-Time)

Sponsor a Classroom

PKR 95,000 (Monthly)
PKR 1,120,000 (Yearly)

Support a School Unit

PKR 560,000 (Monthly)
PKR 6,700,000 (Yearly)

Build a School

$ 195, 000
(One Time Build Costt)
PKR 33,500,000
(5 Year Support)

General Endowment Fund

PKR 28,000,000
Become a Partner
PKR 70,000,000
Become a Patron

Notes Related to Build-a-School
Costs are for build cycle of 2024/25 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. School construction rates are quoted in dollars as a response to the fluctuating costs of essential construction materials to ensure coverage of build project costs. Real-time exchange rates will be used to calculate the total construction funds for donors paying in PKR.

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

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Transfer your donations into 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.**



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ابھی گرانیِ شب میں کمی نہیں آئی
نجاتِ دیدۂ ودل کی گھڑی نہیں آئی
چلے چلو کہ وہ منزل ابھی نہیں آئی

فیض احمد فیض

Night's heaviness is unlessened still
The hour of mind and spirit's ransom has not struck
Let us go on, our goal is not reached yet

Faiz Ahmed Faiz
Translated by Victor G. Kiernan

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