



ZINDAGI
TRUST

A YEAR IN REVIEW

2021

f @ZindagiTrust





The journey to transform schools has not been linear, and the advent of Covid demonstrated the need for Zindagi Trust to adapt and respond to changing circumstances.

At the end of it all, our vision is still the same, transforming schools and the lives of children in Pakistan.

Safe Schools

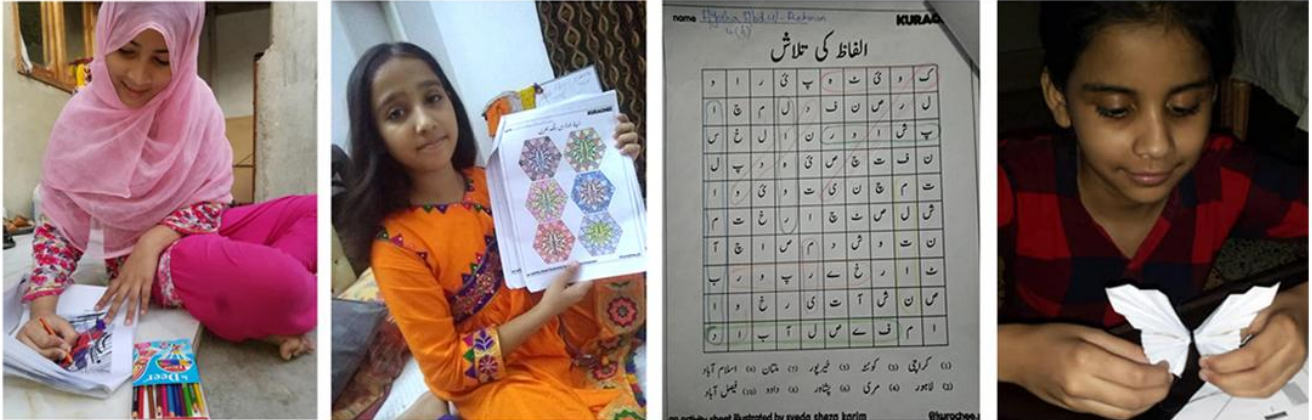
The start of January 2021 was an uncertain time of school reopening in hybrid formats coupled with frequent closures.

The Zindagi Trust team worked ceaselessly to adapt to this format, while ensuring the safety and development of our students and teachers. For campus safety we developed floor plans, signs and consistent health checks.



This took the form of temperature checks for everyone entering the school in the morning. In addition to this sanitization stations were set up throughout the schools, as well as clear signs with detailed SOPs to be followed.

As part of our distance learning programs, we introduced a new module called Social and Emotional Learning. This module was designed to help students cope with the anxiety and emotions brought forth because of the pandemic. Through art based activities and expression journals, these students were encouraged to become more emotionally aware of not just themselves, but also others.



We also pushed forward with our vision to create model government schools, by conducting Mental Health Awareness workshops for all of the teachers at our schools in Karachi.

These were led by our counsellor, who designed the workshops to be informative and interactive. The objective of these workshops was to sensitize our teachers to mental health and how it can affect the behavior and motivations of teachers and students alike.

With this awareness teachers were asked to consider how they could be more empathetic towards one another in order to foster a healthy and positive learning environment.



Reinvigorating Art

After a long lull in structured art classes Zindagi Trust was able to transition towards organized lesson plans and formal online classes for students in March. With a new Head of Art on board our art program has been able to deliver fun activities and experiences for our students. This allowed students to once more explore their creative energies, even while at home.



Digital Excellence



With the generous cooperation of the **Sindh Sui Gas Corporation (SSGC)** our digital labs for junior students have been completely overhauled.

While students were away for their summer break the labs were transformed into state-of-the-art facilities equipped with the tools to help Zindagi Trust deliver the best possible education to our students.

Vaccinated Campuses

With schools slated to initially open on the 8th of August, 2021, an exponential rise in covid cases delayed this till the 1st of September.

Teachers, students and administration members have been dealing with sporadic school closures and 50% attendance for almost 2 years. In October 2021, our schools finally opened their gates the receive students back at full capacity.

With the cooperation of the government we have been able to begin vaccination drives, starting with our senior students. School operations are now returning to normal, and admittedly there is a long journey ahead to content with the learning losses that have been caused by the pandemic.

But we are overjoyed to have our students and teachers back on campuses, so that they can grow to new heights.



Holistic Growth



Reintegrating students into school life is of paramount importance, especially to help get them attuned to the process of growth through learning, reading, writing and exploring new topics.

To help them along this path Zindagi Trust has conducted various sessions for students to introduce them to a broad range of topics such as robotics, space, activism and so on. With schools back in session this practice has now resumed with workshops conducted by Dar-ul-Sukoon, the Hunar Foundation and SeedVentures.

Critical Thinking and Learning



A long standing critique of Pakistan's education systems is the lack of attention payed to critical thinking and reasoning skills, which are often eschewed in favor of rote memorization.

To meet this challenge Zindagi Trust designed and introduced a Critical Thinking module, created with the help of our Social Studies lead.

This module is being piloted for students of grade 6, in a specially redesigned classroom to begin training them in using cognitive skills, reasoning abilities and critical reading.

Competition and Collaboration



A core part of the Zindagi Trust ethos is encouraging inter- and intra-school activities that allow government school students to interact with one other in friendly competitions and collaboration.

Accordingly, our academic and extra-curricular plans for this academic term include various competitions and shows such as a Maths Olympiad, Spelling Bee, Faiz Festival, Science Fair, Art Show and Sports Day. Alongside this our sports department has scheduled multiple inter-school matches between KPS and SMB where students will engage each other on different fields for different sports.

Our Achievements

At the Ambareen Khan Jabeen Karachi Chess Championship held in University of Karachi, 11 students participated from our schools and 5 won. Mehak Mehboob stood 1st in the under-14 category, Sumbul Yousuf placed 3rd in the same category.

Our alumni Areej Maqsood, Almirah, Bushra Maqsood, stood 1st, 2nd and 3rd respectively in the open category.

We ended this year on a high note with our flagship school, SMB Fatima Jinnah Government Girls School, being declared winner of the International School Award (ISA) 2021-2024 by the British Council, for their contribution in adding international dimensions to the school curriculum and inculcating civic responsibility amongst the students.

At the award ceremony, our teacher Lale Erum was also recognized for her efforts in integrating international learning in classrooms.



Our Achievements

Our students were also invited by Idara-e-Taleem-o-Aagahi (ITA) to showcase their stunning artwork at the Children's Learning Festival at the Arts Council of Pakistan in December 2021.

Their artwork, which included symbolic portraits, lippan art, pop art, silhouette paintings, and hand-painted pots, was praised by the eager visitors who also commended the introduction of the Arts Program at government schools.

Our team of competent cricketers from SMB Fatima Jinnah Government Girls' School secured the runner-up position in the Apna Karachi Inter-District Women Cricket League and were presented with a shield and cash prize money for their meritorious performance.

Khatoon-e-Pakistan Government Girls school's team secured 3rd position in the league and were awarded medals for their outstanding performance.



Advocacy

While our school activities may have been somewhat restricted for the early months of 2021, our advocacy with the government continued at its full scale, which resulted in a number of wins for the teachers and students of Pakistan.



Prohibiting Corporal Punishment



Zindagi Trust has been advocating for an end to corporal punishment for over 3 years, with a successful petition in 2018 which suspended Section 89 of the Pakistan Penal Code. This had previously given legal backing to the use of corporal punishment, and was suspended in the Islamabad Capital Territories (ICT). However, this was not the end of our journey,

Zindagi Trust then embarked on a campaign to legislate and prohibit all forms of corporal punishment in education institutions. After a sustained effort, on the 22nd of February 2021, the National Assembly of Pakistan unanimously passed the ICT Prohibition of Corporal Punishment Bill.

This Bill now remains to be passed by the Senate, and will hopefully become a part of legislation.

Bringing about an end to corporal punishment is a key part of safeguarding child rights and creating safe schools in Pakistan, for which Zindagi Trust will continue to work and advocate for implementing positive change.



Teacher Performance Evaluation Overhaul



On June 2nd 2021, the Sindh Government approved a new teacher performance evaluation format for government teachers, with the performance evaluation metrics now examining factors directly related to teaching and content mastery. Prior to this, government teachers were annually audited under a generic Annual Confidential Report (ACR) template which was applicable to all civil servants of that grade.

Zindagi Trust began lobbying for a revamped ACR in 2018, after they identified a significant disconnect between the actual responsibilities of teachers and how their performance was being evaluated. The previous system took into account factors such as typing speed, financial integrity and observance of security measures, which have no link to a teacher's role or scope. This has created a lack of accountability for under-performing teachers, as well as an under appreciation of exceptional teachers.

“

All the metrics, in the **Annual Confidential Report**, based on which the teachers were judged, had little to no connection to a modern teacher's role or scope.

Shehzad Roy
Founder - Zindagi Trust



“

I am sure that the final version of PER through the intellect & exertion of teams, **Zindagi Trust + Sindh Education and Literacy Department**, shall open many avenues for holistic educational development in Sindh.

Mirza Arshad Baig
District Education Officer



With the help of stakeholders from the Sindh Education and Literacy Department (SELD), Zindagi Trust officials and government representatives, a customized ACR was formulated to address this shortfall.

The new rubric will incorporate standards such as 'Classroom Management', 'Planning and Instruction' and 'Professional Outlook'. This paradigm entails that teachers will be evaluated on their lesson plans, using student-centered activities, maintaining regular feedback through assessments, encouraging a positive classroom environment, to name a few categories.

Child Protection Action Conference



On 15th June 2021, Zindagi Trust had a meeting with IG Sindh Police Mushtaq Ahmed Mahar at Khatoon-e-Pakistan (KPS) Government Girls Schools. As a follow up to this meeting, the Sindh Police collaborated with Zindagi Trust to hold an open discussion with relevant stakeholders about how children can be safe guarded. This Child Protection Action Dialogue took place on the 28th of July, 2021 at KPS.

Zindagi Trust, presented the organization's experience and findings in prohibition of corporal punishment as well as promotion of life skills based education (LSBE). The attendees included members of the National Commission on the Rights of Child, the Sindh Child Protection Authority and the Social Welfare Department and various civil society organizations.

The meeting focused on creating coordination between child protection authorities and strengthening their relationship with law enforcement agencies.



Outreach:

The evolution of Zindagi Trust's model is crucial for the well-being of the students at our schools. However, another equally essential branch of our work is to raise awareness about the potential in government schools that needs to be harnessed to achieve similar results across the country.

Our outreach efforts continued with the same vigor this year, with several notable visits to our schools.



Partnerships in 2021:

We would like to acknowledge our collaborators for their dedicated support throughout the year and help us provide quality education to our students through improvements in **School Infrastructure, Program Interventions and Advocacy.**

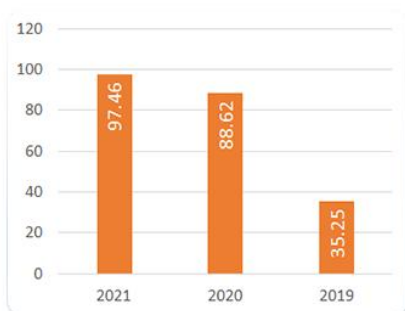
			
			
			
			

Financial Highlights

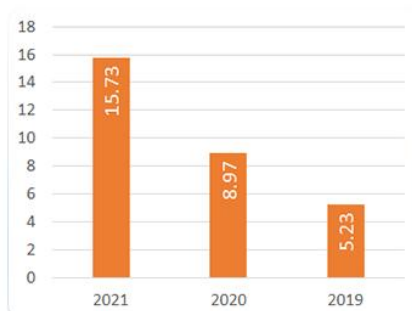
Graphical Presentation of Financial Information



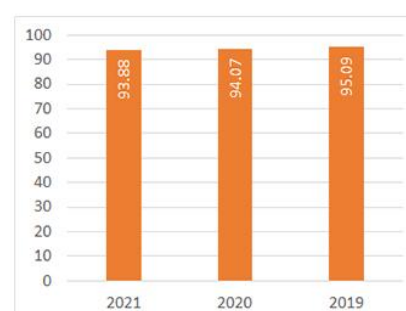
Revenue Highlights (In Millions)



Current Assets



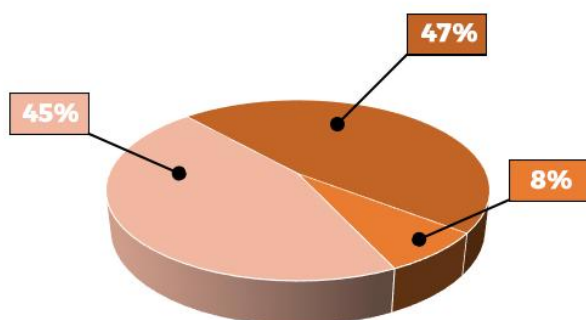
Property & Equipments



Investments

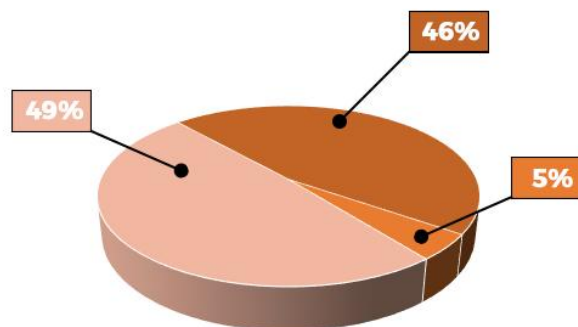
A S S E T S

2021



- Current Assets
- Property & Equipments
- Investments

2020



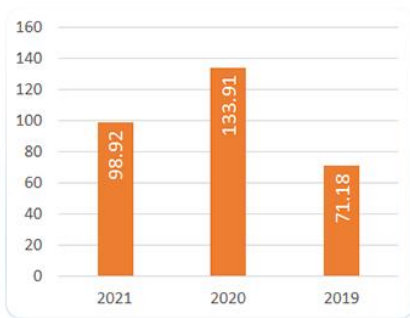
- Current Assets
- Property & Equipments
- Investments

Financial Highlights

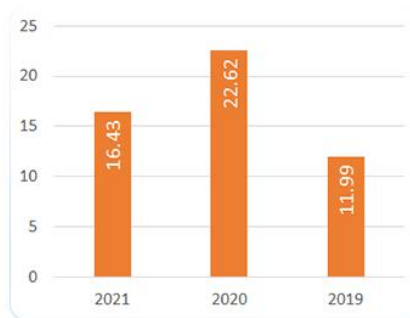
Graphical Presentation of Financial Information



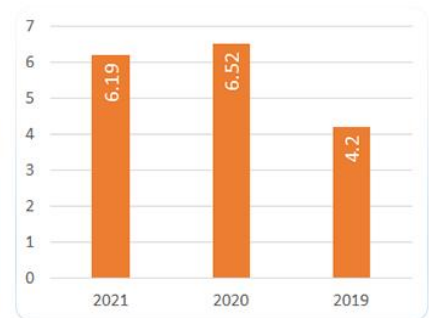
Revenue Highlights (In Millions)



Donations



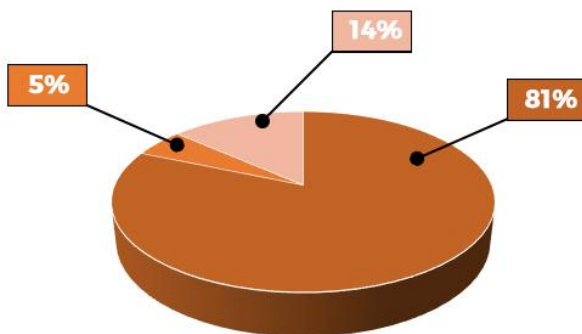
Zakat



Other Income

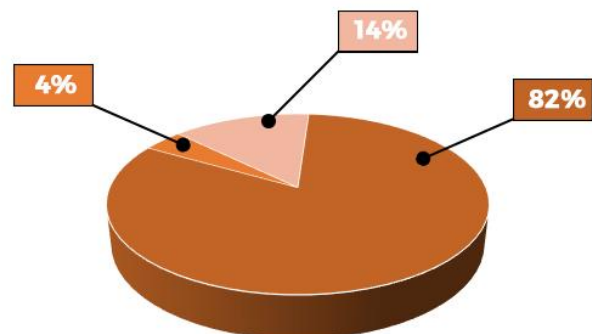
R E V E N U E

2021



- Donations
- Other Income
- Zakat Receipts

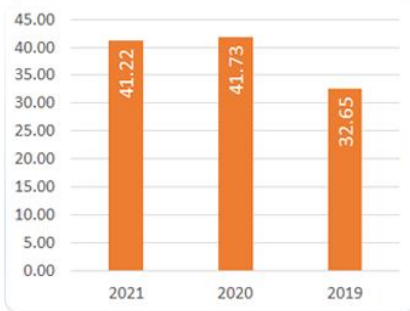
2020



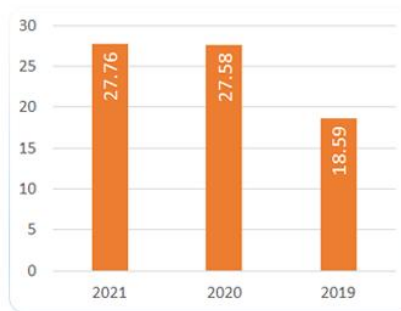
- Donations
- Other Income
- Zakat Receipts

Graphical Presentation of Expenditure & School Reform Expenses

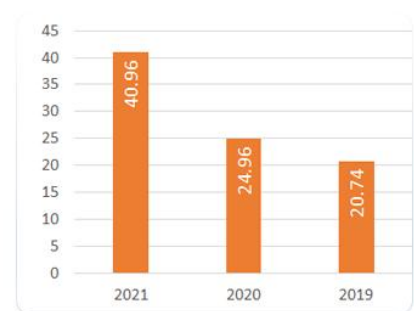
Expenses Highlights (In Millions)



SMB Fatima Jinnah
Government Girls School

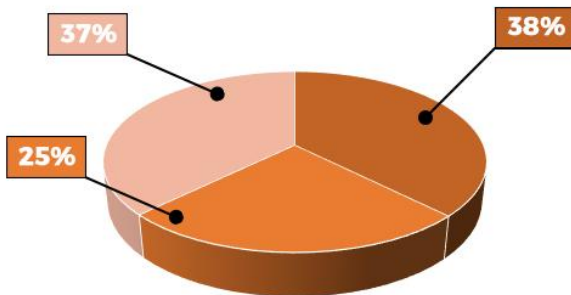


Khatoon-e-Pakistan
Government Girls School



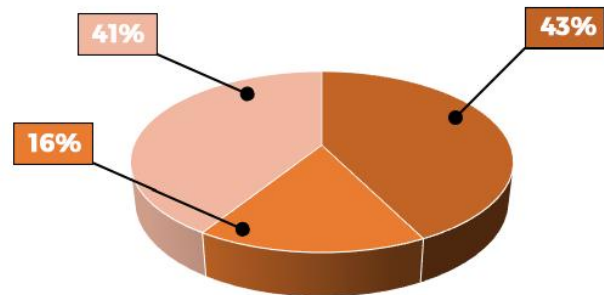
Shangla Girls School

Breakdown of Cost Centers



- SMB Fatima Jinnah School
- Khatoon-e-Pakistan School
- Shangla Girls School

School Reform Expenses



- School Running
- Students Development
- Teacher & Classroom



Zindagi Trust

Annual Financial Statements
For the year ended
30 June 2021



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

**Independent Auditors' Report to the Trustees of
Zindagi Trust**

Opinion

We have audited the financial statements of **Zindagi Trust** ("the Trust"), which comprise the balance sheet as at 30 June 2021, and the income and expenditure account, the statement of comprehensive income, the statement of changes in the funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust 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.

Responsibilities of Management and Board of Trustees for the Financial Statements

The 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 for such internal control as the 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.



KPMG Taseer Hadi & Co.

Board of Trustees are responsible for overseeing the Trust's financial reporting process.

Auditors' 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 auditors' 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 Trust'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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.



KPMG Taseer Hadi & Co.

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

We communicate with the Trustees 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.

Date: 28 October 2021

Karachi

A handwritten signature in purple ink, appearing to read 'Zeeshan Rashid', written over a horizontal line.

KPMG Taseer Hadi & Co.
Chartered Accountants

Zeeshan Rashid

Zindagi Trust

Balance sheet

As at 30 June 2021

	Note	2021	2020
		(Rupees)	
ASSETS			
Non-current assets			
Property and Equipment	5	15,733,870	8,974,900
Intangible assets	6	1	1
Investment property	7	7,881,193	8,065,081
Investments	8	86,000,000	86,000,000
		<u>109,615,064</u>	<u>103,039,982</u>
Current assets			
Security deposits	9	664,800	477,444
Loans, advances, prepayments and other receivables	10	390,873	69,191
Accrued interest income		3,037,215	3,052,179
Taxation receivable		3,360,562	3,305,910
Cash and bank balances	11	90,013,511	81,716,976
		<u>97,466,961</u>	<u>88,621,700</u>
Total assets		<u><u>207,082,025</u></u>	<u><u>191,661,682</u></u>
FUNDS			
Unrestricted Fund	12	58,590,533	36,767,590
Restricted Fund	13	132,309,070	146,271,307
		<u>190,899,603</u>	<u>183,038,897</u>
LIABILITIES			
Non-current liabilities			
Non current portion of lease liability		5,302,758	-
Current liabilities			
Retention money	14	3,705,463	3,695,458
Accrued expenses and other liabilities	15	5,460,372	3,868,654
Lease liability		1,713,829	1,058,673
		<u>10,879,664</u>	<u>8,622,785</u>
Total funds and liabilities		<u><u>207,082,025</u></u>	<u><u>191,661,682</u></u>
CONTINGENCIES AND COMMITMENTS			
	16		

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

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Trustee



Trustee

Zindagi Trust
Income and Expenditure Account
For the year ended 30 June 2021

	Note	2021	2020
		(Rupees)	
Income			
Unrestricted Funds			
Donations	17	72,853,762	93,661,161
Income on investments		11,347,586	10,647,013
Rental income	18	2,223,798	2,066,385
Profit on bank deposits		3,741,540	4,095,601
Others		542,162	313,149
		<u>90,708,848</u>	<u>110,783,309</u>
Restricted Funds			
Donations	17	26,071,185	40,244,085
Zakat receipts	19	16,434,111	22,622,778
		<u>42,505,296</u>	<u>62,866,863</u>
Total income		<u>133,214,144</u>	<u>173,650,172</u>
Expenditure			
Unrestricted Funds			
Head office expenditure	20	15,415,142	17,856,219
Direct educational expenditure	21.1 & 21.2	53,482,648	77,367,603
		<u>68,897,790</u>	<u>95,223,822</u>
Restricted Funds			
Direct educational expenditure	21.1, 21.2 & 21.3	56,467,532	24,960,009
Total expenditure		<u>125,365,322</u>	<u>120,183,831</u>
Other income			
Gain on disposal of property and equipment	5.4	11,884	45,066
Surplus for the year before taxation		<u>7,860,706</u>	<u>53,511,407</u>
Taxation	22	-	-
Surplus for the year		<u>7,860,706</u>	<u>53,511,407</u>

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



Trustee



Trustee

Zindagi Trust
Statement of Comprehensive Income
For the year ended 30 June 2021

	2021	2020
	(Rupees)	
Surplus for the year	7,860,706	53,511,407
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>7,860,706</u></u>	<u><u>53,511,407</u></u>

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

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Trustee



Trustee

Zindagi Trust
Statement of Changes in the Funds
For the year ended 30 June 2021

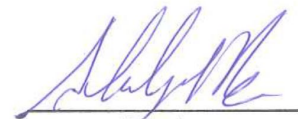
	Note	Unrestricted Fund	Restricted Fund (Rupees)	Total
Balance as at 30 June 2019		21,163,037	108,364,453	129,527,490
Total comprehensive income for the year				
Surplus for the year		15,604,553	37,906,854	53,511,407
Other comprehensive income		-	-	-
Transfer from endowment fund	13.1	-	-	-
		15,604,553	37,906,854	53,511,407
Balance as at 30 June 2020		36,767,590	146,271,307	183,038,897
Total comprehensive income for the year				
Surplus for the year		21,822,943	(13,962,237)	7,860,706
Other comprehensive income		-	-	-
Transfer from endowment fund	13.1	-	-	-
		21,822,943	(13,962,237)	7,860,706
Balance as at 30 June 2021		58,590,533	132,309,070	190,899,603

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

in witness



Trustee



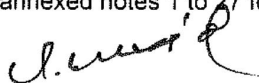
Trustee

Zindagi Trust
Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021	2020
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		7,860,706	53,511,407
Adjustment for:			
Depreciation	5 & 7	3,644,543	3,728,774
Impairment loss on investment property	7	-	1,744,500
Gain on disposal of property and equipment	5.4	(11,884)	(45,066)
Finance cost	20	70,969	277,658
Rentals paid		(1,745,267)	(1,822,932)
Rental income		(2,223,798)	(2,066,385)
Income on investments		(11,347,586)	(10,647,013)
		(11,613,023)	(8,830,464)
(Deficit) / Surplus before working capital changes		(3,752,317)	44,680,943
WORKING CAPITAL CHANGES			
<i>Decrease / (increase) in current assets</i>			
Security deposits		(187,356)	74,706
Taxation receivables		(54,652)	-
Loans, advances, prepayments and other receivables		(321,682)	178,866
<i>Increase / (decrease) in current liabilities</i>			
Accrued expenses and other liabilities		2,065,888	(528,329)
Retention money		10,005	437,979
Net cash generated from operating activities		(2,240,114)	44,844,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	5	(2,660,529)	(4,684,482)
Rent received		1,749,628	2,740,483
Proceeds from disposal of property and equipment	5.4	85,000	45,066
Net cash used in investing activities		(825,901)	(1,898,933)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest received		11,362,550	10,363,480
Net increase in cash and cash equivalents during the year		8,296,535	53,308,712
Cash and cash equivalent at beginning of the year		81,716,976	28,408,264
Cash and cash equivalent at end of the year	11	90,013,511	81,716,976

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

www



Trustee


Trustee

Zindagi Trust

Notes to the Financial Statements

For the year ended 30 June 2021

1 LEGAL STATUS AND OPERATIONS

- 1.1 Zindagi Trust ("the Trust") is a charitable trust formed under a Trust Deed dated April 12, 2002 with an objective to provide educational, medical and other social assistance to all persons, in general, and to children in particular, regardless of religion, race, color, caste, or sect, on humanitarian grounds with the aim to help and assist persons who have no source of income to avail medical and other social assistance, and to acquire, establish, maintain, and manage medical dispensaries, clinics, hospitals and health care centres, nurseries, rehabilitation centres, training centres, playgrounds, schools and institutions. The Panel of Pakistan Centre for Philanthropy (PCP) certified the Trust on 12 August 2016 and was further renewed on 18 June 2020.

The registered office of the Trust is situated at Block 7/8, 8A, 3rd Street, near Amir Khusro Road, Bahadur Yaar Jung Society, Karachi.

- 1.2 The financial statements of Zindagi Trust USA Inc. and Zindagi Trust UK have not been consolidated in these financial statements as they are separate entities incorporated in respective countries, not controlled by Zindagi Trust Pakistan.

1.3 Impact of COVID - 19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Many governments are still taking stringent steps to help contain the spread of the virus, including vaccination campaigns, requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. Subsequent to the reporting date, the provincial government imposed complete lockdown in Sindh amid increasing COVID-19 cases in the province. This would result in disruption in business activities due to uncertainties created by the fourth wave of COVID-19 which could affect the overall operations and the business in future requiring close monitoring by the management as it is an alarming situation for overall economy of Pakistan. The management of the Trust is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders. The management of the Trust expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that would be no significant impact that will adversely affect the operations and financial position of the Trust in future periods.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan.
- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan.

Where the provisions of and directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of IFRS Standards, the provisions and directives issued by the Securities and Exchange Commission of Pakistan have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is also the functional currency of the Trust and has been rounded off to the nearest Rupee.

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2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and 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 judgments about 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 recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Trust's accounting policies, management has made the following accounting estimates and judgments which are significant to the financial statements and estimates with a significant risk of material adjustment in future years are discussed below:

- Property and equipment (note 3.1 and 5.1)
- Leases (note 3.2 and 5.1)
- Intangible assets (note 3.3 and 6)
- Investment property (note 3.4 and 7)
- Taxation (note 3.14 and 22)
- Contingencies and Commitments (note 16)

2.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. These amendments are not likely to affect the financial statements of the Trust.
- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. These amendments are not likely to affect the financial statements of the Trust.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022. These amendments are not likely to affect the financial statements of the Trust.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

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- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
 - there is no substantive change to the other terms and conditions of the lease.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. These amendments are not likely to affect the financial statements of the Trust.
- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:
 - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
 - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
 - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. These amendments are not likely to affect the financial statements of the Trust.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. These amendments are not likely to affect the financial statements of the Trust.
- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. These amendments are not likely to affect the financial statements of the Trust.

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- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. These amendments are not likely to affect the financial statements of the Trust.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. These amendments are not likely to affect the financial statements of the Trust.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. These amendments are not likely to affect the financial statements of the Trust.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2020. The significant accounting policies applied in the preparation of these financial statements are set out below:

3.1 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

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Subsequent expenditure

Subsequent expenditure incurred is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Trust and the cost can be measure reliably. The costs relating to day-to-day servicing of property and equipment are recognized in income and expenditure account as incurred;

Depreciation

Depreciation is charged to income and expenditure account on a straight line method at the rates specified in note 5.1 to these financial statements. Depreciation on additions to property and equipment is charged from the date on which an asset is available for use upto the date prior to the date of disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposal

Any gain or loss on disposal of an item of property and equipment is recognized in income and expenditure account.

3.2 Leases

Right-of-Use Asset

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The trust mainly lease properties for its operations and recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at present value of future lease payments, and subsequently reduced by any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of the right-of-use asset or end of lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the trust's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

3.3 Intangible assets

Recognition and measurement

Intangible assets with finite useful lives, such as software that are acquired by the Trust are measured at cost less accumulated amortization and impairment losses, if any.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets using straight line method at the rates specified in note 6 to these financial statements and is recognized in income and expenditure account. Amortization on additions is charged from the date on which the intangible asset is available for use upto the date prior to the date of disposal.

Amortization methods and useful lives are reviewed at each reporting date and are adjusted, if appropriate.

3.4 Investment property

Investment property is property held either to earn rental income and / or for capital appreciation, but not for use in services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and impairment losses, if any.

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Depreciation is charged to income and expenditure account on a straight line method at the rates specified in note 7 to these financial statements. Depreciation on additions is charged from the date on which an asset is available for use upto the date prior to the date of disposal.

3.5 Financial assets

i. Classification

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Trust may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Trust may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Trust makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Trust's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Trust's stated objectives for managing the financial assets are achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

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In assessing whether the contractual cash flows are SPPI, the Trust considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Trust considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Trust's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

ii. Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit are recognised in statement of profit or loss account.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective yield method. The amortised cost is reduced by impairment losses. Interest / profit and impairment are recognised in statement of profit or loss account.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective yield method. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss account.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Other net gains and losses are recognised in statement of other comprehensive income and are never reclassified to statement of profit or loss account.

The fair value of financial assets are determined as follows:

a) Government securities

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

iii. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Trust changes its business model for managing financial assets.

iv. Impairment of financial assets

Financial assets at amortised cost

The Trust recognises loss allowances for ECLs on financial assets measured at amortised cost.

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

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Trust 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 Trust's historical experience and informed credit assessment and including forward-looking information.

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The Trust assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Trust considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Trust in full, without recourse by the Trust to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-months 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 Trust is exposed to credit risk.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset as the Trust holds financial asset with bank with no event of default in the past and high quality of credit rating. Remaining financial asset are either way short term or invested in Government saving certificates which are of sovereign nature and whom the trust does not consider there is any risk of default.

3.6 Financial liabilities - Measurement

Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

3.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when, and only when the Trust has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

3.8 Accrued expenses and other liabilities

These are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.9 Loans, advances, prepayments and other receivables

Loans, advances, prepayments and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Trust will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is charged to income and expenditure account. Trade receivable and other receivables considered irrecoverable are written off.

3.10 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and deposits held with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.11 Income recognition

- Income from fund raising activities and rental income are recognized on accrual basis.
- Donations and zakat are recognized when the entitlement of the Trust is established, i.e. when the amount is received.
- Interest income on deposit accounts is recognized on time apportioned basis using effective interest method.

3.12 Grants

Grants are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Trust will comply with the conditions associated with the grants, they are then recognized in income and expenditure account on a systematic basis over the useful life of the assets.

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Grants that compensate the Trust for expenses incurred are recognized in income and expenditure account on a systematic basis in the periods in which the expenses are recognized.

3.13 Provision

A provision is recognized in the statement of financial position when the Trust has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision reflects the best estimate of the expenditure to settle the present obligation at the reporting date.

3.14 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the income and expenditure account, except to the extent that it relates to item recognized directly in other comprehensive income in which case it is recognized in other comprehensive income.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments / developments made during the year, if any.

Deferred

Deferred tax is recognized using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Trust recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The provision for current and deferred tax has not been recognized on the basis disclosed in note 22 to these financial statements.

3.15 Unrestricted Fund

This is an unrestricted fund used to meet the general revenue and capital expenditure requirements of the Trust.

3.16 Restricted Fund

The Trust has created a restricted fund where the resources allocated can not be spent and treated as revenue during the year due to any obligation placed by either the donor or the trustees.

Donation - Malala Fund

Grant received from Malala Fund (MF) is a restricted fund for Shangla Girls School, which is being managed by Zindagi Trust since August 24, 2018 as per the Grant Agreement. All grants received from MF can only be used for the operations and management of Shangla Girls School.

Zakat Fund

Zakat received by the Trust is categorized as restricted fund as the Trust follows a Wakalah Model. In this model, zakat is received on behalf of zakat eligible students and is only spent on direct educational expenses of those students. These expenses are adjusted with the zakat fund according to the procedure advised by the Shariah Advisor of Trust.

Endowment Fund

This fund was created for the sustainability of operations of the Trust. The principal objective of this fund is to make investments in schemes where the principal amount is not depreciated. A certain amount can be transferred from this fund to operations account, when required, after approval from Board of Trustees.

4 DETAILS OF THE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF INCOME AND EXPENDITURE ACCOUNT

4.1 Statement of Financial Position

Note	2021			2020		
	Unrestricted Fund	Restricted Fund	Total	Unrestricted Fund	Restricted Fund	Total
(Rupees)						
ASSETS						
Non-current assets						
5	15,733,870	-	15,733,870	8,974,900	-	8,974,900
6	1	-	1	1	-	1
7	7,881,193	-	7,881,193	8,065,081	-	8,065,081
8	-	86,000,000	86,000,000	-	86,000,000	86,000,000
	<u>23,615,064</u>	<u>86,000,000</u>	<u>109,615,064</u>	<u>17,039,982</u>	<u>86,000,000</u>	<u>103,039,982</u>
Current assets						
9	664,800	-	664,800	477,444	-	477,444
10	390,873	-	390,873	69,191	-	69,191
	3,037,215	-	3,037,215	3,052,179	-	3,052,179
	3,360,562	-	3,360,562	3,305,910	-	3,305,910
8	-	-	-	-	-	-
11	43,704,441	46,309,070	90,013,511	21,445,689	60,271,307	81,716,976
	<u>51,157,891</u>	<u>46,309,070</u>	<u>97,466,961</u>	<u>28,350,393</u>	<u>60,271,307</u>	<u>88,621,700</u>
Total assets	<u>74,772,955</u>	<u>132,309,070</u>	<u>207,082,025</u>	<u>45,390,375</u>	<u>146,271,307</u>	<u>191,661,682</u>
FUNDS						
12	58,590,533	-	58,590,533	36,767,590	-	36,767,590
13	-	132,309,070	132,309,070	-	146,271,307	146,271,307
	<u>58,590,533</u>	<u>132,309,070</u>	<u>190,899,603</u>	<u>36,767,590</u>	<u>146,271,307</u>	<u>183,038,897</u>
LIABILITIES						
Non Current liabilities						
	5,302,758	-	5,302,758	-	-	-
Current liabilities						
14	3,705,463	-	3,705,463	3,695,458	-	3,695,458
15	5,460,372	-	5,460,372	4,927,327	-	4,927,327
	1,713,829	-	1,713,829	-	-	-
	<u>10,879,664</u>	<u>-</u>	<u>10,879,664</u>	<u>8,622,785</u>	<u>-</u>	<u>8,622,785</u>
Total funds and liabilities	<u>74,772,955</u>	<u>132,309,070</u>	<u>207,082,025</u>	<u>45,390,375</u>	<u>146,271,307</u>	<u>191,661,682</u>

CONTINGENCIES AND COMMITMENTS 16

4.2 Statement of Income and Expenditure Account

Note	2021			2020		
	Unrestricted Fund	Restricted Fund	Total	Unrestricted Fund	Restricted Fund	Total
(Rupees)						
Income						
17	72,853,762	26,071,185	98,924,947	93,661,161	40,244,085	133,905,246
19	-	16,434,111	16,434,111	-	22,622,778	22,622,778
	11,347,586	-	11,347,586	10,647,013	-	10,647,013
18	2,223,798	-	2,223,798	2,066,385	-	2,066,385
	3,741,540	-	3,741,540	4,095,601	-	4,095,601
	542,162	-	542,162	313,149	-	313,149
Total income	<u>90,708,848</u>	<u>42,505,296</u>	<u>133,214,144</u>	<u>110,783,309</u>	<u>62,866,863</u>	<u>173,650,172</u>
Expenditure						
20	15,415,142	-	15,415,142	17,856,219	-	17,856,219
21	53,482,648	56,467,532	109,950,180	77,367,603	24,960,009	102,327,612
Total expenditure	<u>68,897,790</u>	<u>56,467,532</u>	<u>125,365,322</u>	<u>95,223,822</u>	<u>24,960,009</u>	<u>120,183,831</u>
Other income						
5.4	11,884	-	11,884	45,066	-	45,066
Surplus / (deficit) for the year before taxation	<u>21,822,942</u>	<u>(13,962,236)</u>	<u>7,860,706</u>	<u>15,604,553</u>	<u>37,906,854</u>	<u>53,511,407</u>
22	-	-	-	-	-	-
Surplus / (deficit) for the year after taxation	<u>21,822,942</u>	<u>(13,962,236)</u>	<u>7,860,706</u>	<u>15,604,553</u>	<u>37,906,854</u>	<u>53,511,407</u>

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5 PROPERTY AND EQUIPMENT

	2021									
	Cost				Rate %	Accumulated depreciation				Written down value as at 30 June 2021 (Rupees)
	As at 01 July 2020	Additions	(Disposals) / (write offs)	As at 30 June 2021		As at 01 July 2020	For the year	(Disposals) / (write offs)	As at 30 June 2021	
Furniture, office equipment and other assets	15,050,381	2,660,529	(269,329)	17,441,581	20%	7,034,830	2,398,168	(196,213)	9,236,785	8,204,796
Right-of-Use assets	2,603,947	7,632,212	(2,603,947)	7,632,212		1,644,598	1,062,487	(2,603,947)	103,138	7,529,074
	17,654,328	10,292,741	(2,873,276)	25,073,793		8,679,428	3,460,655	(2,800,160)	9,339,923	15,733,870

	2020									
	Cost				Rate %	Accumulated depreciation				Written down value as at 30 June 2020 (Rupees)
	As at 01 July 2019	Additions	(Disposals) / (write offs)	As at 30 June 2020		As at 01 July 2019	For the year	(Disposals) / (write offs)	As at 30 June 2020	
Furniture, office equipment and other assets	10,779,849	4,684,482	(413,950)	15,050,381	20%	5,548,998	1,899,782	(413,950)	7,034,830	8,015,511
Right-of-Use assets	-	2,603,947	-	2,603,947		-	1,644,598	-	1,644,598	959,349
	10,779,849	7,288,429	(413,950)	17,654,328		5,548,998	3,544,380	(413,950)	8,679,428	8,974,900

5.1 The cost of fully depreciated assets as at 30 June 2021 is Rs. 4.780 million (2020: Rs. 2.970 million).

5.2 The cost of assets written off during the year ended 30 June 2021 is nil (2020: Rs. 0.413 million).

5.3 Depreciation allocation

	2021 (Rupees)	2020 (Rupees)
Head office expenditure	1,662,530	1,873,860
Direct educational expenditure - SMB Fatima Jinnah School	490,266	418,480
Direct educational expenditure - KPS School	847,335	974,589
Direct educational expenditure - SGS School	460,524	277,451
	3,460,656	3,544,380

5.4 The details of property and equipment disposed off during the year are as follows:

Particulars	Cost	Accumulated depreciation	WDV	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyers
	(Rupees)						
Furniture, office equipment and other assets	269,329	196,213	73,116	85,000	11,884	Negotiation	Miscellaneous

6 INTANGIBLE ASSETS

	2021									
	Cost				Rate %	Accumulated amortization				Written down value as at 30 June 2021 (Rupees)
	As at 01 July 2020	Additions	(Disposals)	As at 30 June 2021		As at 01 July 2020	For the year	(On disposals)	As at 30 June 2021	
Computer software	80,000	-	-	80,000	33.33%	79,999	-	-	79,999	1

	2020									
	Cost				Rate %	Accumulated amortization				Written down value as at 30 June 2020 (Rupees)
	As at 01 July 2019	Additions	(Disposals)	As at 30 June 2020		As at 01 July 2019	For the year	(On disposals)	As at 30 June 2020	
Computer software	80,000	-	-	80,000	33.33%	79,999	-	-	79,999	1

7 INVESTMENT PROPERTY

	Note	2021 (Rupees)	2020 (Rupees)
Investment property	7.1	7,881,193	8,065,081
		7,881,193	8,065,081

7.1 Investment property

Note		2021										
		Cost				Rate %	Accumulated amortization				Impairment loss for the year	Written down value as at 30 June 2021 (Rupees)
		As at 01 July 2020	Addition	(Disposals)	As at 30 June 2021		As at 01 July 2020	For the year	(On disposals)	As at 30 June 2021		
		(Rupees)										
Building	7.1.1	3,687,875	-	-	3,687,875	5%	3,122,794	183,888	-	3,306,682	-	381,193
Land	7.1.2	7,500,000	-	-	7,500,000	0%	-	-	-	-	-	7,500,000
		11,187,875	-	-	11,187,875		3,122,794	183,888	-	3,306,682	-	7,881,193

		2020										
		Cost				Rate %	Accumulated amortization				Impairment loss for the year	Written down value as at 30 June 2020 (Rupees)
		As at 01 July 2019	Addition	(Disposals)	As at 30 June 2020		As at 01 July 2019	For the year	(On disposals)	As at 30 June 2020		
		(Rupees)										
Building	7.1.1	3,687,875	-	-	3,687,875	5%	2,938,400	184,394	-	3,122,794	-	565,081
Land	7.1.2	-	9,244,500	-	9,244,500	0%	-	-	-	-	1,744,500	7,500,000
		3,687,875	9,244,500	-	12,932,375		2,938,400	184,394	-	3,122,794	1,744,500	8,065,081

7.1.1 This represents Office No. 201, Second Floor, "Anum Empire" building measuring 2425.25 square feet, constructed on Plot No. ZCC-1, Block No. 7/8, K.C.H.S., Union Limited, Karachi. Currently, the property has been rented out to Highnoon Laboratories. The fair value of the investment property is Rs. 29.103 million as at 30 June 2021 (2020: Rs. 25.46 million).

7.1.2 This represents Plot no.26, Sector 5, Sub Sector B, DHA City, Karachi measuring 500 square yards. The fair value of the investment property is Rs. 9.50 million as at 30 June 2021 (2020: Rs. 7.50 million). The land has been acquired in the name of two Trustees. Based on the legal opinion obtained by the Trust, there is no impediment to the property in the name of Trustees.

8	INVESTMENTS	Note	2021	2020
(Rupees)				
At amortised cost				
	National Savings Certificates	8.1	86,000,000	86,000,000
			<u>86,000,000</u>	<u>86,000,000</u>

8.1 These carrying rate of return of 12.7% (2020: 12.7% to 13.9%) per annum with maturity date 20 September 2022.

9	SECURITY DEPOSITS	Note	2021	2020
(Rupees)				
	Head office building		645,000	450,000
	Lahore regional office		-	-
	Rawalpindi regional office		-	-
	Others	9.1	19,800	27,444
			<u>664,800</u>	<u>477,444</u>

9.1 This represents deposits given to suppliers for telecommunication services.

9.2 These are receivable on demand and therefore have been classified to current assets.

10	LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		2021	2020
(Rupees)				
	Prepaid expenses		219,173	11,303
	Loans and advances to employees	10.1 & 10.2	171,700	57,886
	Others		-	2
			<u>390,873</u>	<u>69,191</u>

10.1 Reconciliation of carrying amount of loans and advances to executives and other employees is as follows:

	2021		2020	
	Executives	Other Employees	Executives	Other Employees
(Rupees)				
Opening balance	-	61,277	9,998	50,379
Disbursement during the year	-	618,969	374,741	473,305
Receipts during the year	-	(508,546)	(384,739)	(462,407)
Closing balance	-	<u>171,700</u>	<u>-</u>	<u>61,277</u>

10.2 This includes interest free loans provided to executives and other employees for the purpose of car leasing, marriage expenses, medical treatment etc. which are repayable within 12 months in equal installments.

11	CASH AND BANK BALANCES	Note	2021	2020
(Rupees)				
Balances with banks				
	Current accounts		257,775	1,412,424
	Deposit accounts	11.1	89,743,160	80,299,327
			<u>90,000,935</u>	<u>81,711,751</u>
Cash in hand			<u>12,576</u>	<u>5,225</u>
			<u>90,013,511</u>	<u>81,716,976</u>

11.1 Deposit accounts carry a rate of return ranging from 6% to 6.5% (2020: 6.5% to 10.25%) per annum.

12	UNRESTRICTED FUND	Note	2021	2020
			(Rupees)	
	Opening balance		36,767,590	21,163,037
	Surplus / (deficit) for the year		21,822,943	15,604,553
	Transferred from / (to) restricted fund	13.1	-	-
			<u>58,590,533</u>	<u>36,767,590</u>

13	RESTRICTED FUND		2021	2020
	Opening balance		146,271,307	108,364,453
	(Deficit) / Surplus for the year		(13,962,237)	37,906,854
	Transferred (to) / from unrestricted fund	13.1	-	-
		13.2	<u>132,309,070</u>	<u>146,271,307</u>

13.1 The Trust allocates a certain amount to the Restricted Fund (Endowment Fund) every year. Allocation to this fund is based on pre-determined percentages, as approved by the Trustees, applied to different sources of income derived by the Trust.

13.2 This includes Rs. 86 million (2020: Rs. 86 million) relating to Endowment Fund, Rs. 35.5 million (2020: Rs. 34.6 million) relating to Zakat and Rs. 10.74 million (2020: Rs. 25.7 million) relating to Malala Fund. Zakat fund shall be utilized under the guidelines of Shariah Advisor appointed by the Trust.

14 RETENTION MONEY

This represents retention money and profit thereon for staff of SMB Fatima Jinnah School and KPS School amounting to Rs. 2.562 million (2020: Rs. 2.374 million) and Rs. 1.143 million (2020: Rs. 1.321 million) respectively.

This amount is deducted at 10% of gross salaries for ten months so as to retain one gross salary of every employee of SMB Fatima Jinnah School and KPS School. The said amount is deposited in the bank and earns profit thereon. The gross amount and the profit earned is refunded to employee in his / her retirement / resignation. If the employee leaves without prior information to the management then the said amount is withheld by the Trust and is recorded in other income.

The reconciliation of the said amount is given below:

	Note	SMB Fatima Jinnah		KPS School		TOTAL	
		2021	2020	2021	2020	2021	2020
		(Rupees)					
Opening balance		2,373,860	2,131,037	1,321,598	1,126,442	3,695,458	3,257,480
Deductions made during the year		447,254	729,765	276,873	565,835	724,127	1,295,600
Refunded during the year		(236,020)	(486,942)	(429,751)	(370,679)	(665,771)	(857,621)
Written off during the year		(22,721)	-	(25,630)	-	(48,351)	-
Closing balance	14.1	<u>2,562,373</u>	<u>2,373,860</u>	<u>1,143,090</u>	<u>1,321,598</u>	<u>3,705,463</u>	<u>3,695,458</u>

14.1 These are payable on demand and therefore have been classified to current liabilities. The corresponding figures have also been reclassified for the purpose of better presentation.

15	ACCRUED EXPENSES AND OTHER LIABILITIES	2021	2020
		(Rupees)	
	Accrued expenses	255,098	80,995
	Security deposit against investment property	750,000	750,000
	Unearned rental income	274,517	748,687
	Creditors	4,048,210	2,288,972
	Others	132,547	-
		<u>5,460,372</u>	<u>3,868,654</u>

16 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2021 and 30 June 2020.

17	DONATIONS	Note	2021	2020
			(Rupees)	
	Unrestricted donation		72,853,762	93,661,161
	Restricted donation		26,071,185	40,244,085
			<u>98,924,947</u>	<u>133,905,246</u>
17.1	Donations from:			
	Overseas donors		62,879,175	71,864,236
	Local donors		36,045,772	62,041,010
			<u>98,924,947</u>	<u>133,905,246</u>
17.2	Overseas donors			
	Grant from Malala Foundation		26,071,185	40,244,085
	Zindagi Trust USA Inc.		22,227,696	17,806,180
	International Development and Relief Foundation (IDRF) of Canada	17.2.1	5,724,973	5,165,490
	Global Giving Foundation		7,734,411	7,753,865
	ZT Cyber source		1,120,910	894,616
			<u>62,879,175</u>	<u>71,864,236</u>

17.2.1 A project agreement was entered between International Development and Relief Foundation (IDRF) and the Trust for supporting learning innovations at Khatoon-e-Pakistan (KPS) Girls Campus. Through this agreement, IDRF Canada will disburse the funds on receipt of reports related to progress of the said project. Agreement includes a detailed Payment and Reporting Schedule. Following payments were received during the year ended 30 June 2021:

Prerequisite	Date of receipt	Amount (CAN \$)	Conversion Rate	Conversion (Rupees)
Submission and acceptance of fifth interim progress report 2020	9 July 2020	20,000	122.43	2,448,580
Submission and acceptance of sixth interim progress report 2020	19 Nov 2020	15,000	119.90	1,798,561
Submission and acceptance of seventh interim progress report 2021	4 Mar 2021	12,000	123.15	1,477,832
				<u>5,724,973</u>

17.3	Local donors	Note	2021	2020
			(Rupees)	
	Lucky Cement Limited		24,000,000	26,000,000
	Habib Bank Limited		-	10,000,000
	United Bank Limited		-	2,500,000
	Pakistan State Oil Limited		-	2,428,724
	Bestway Foundation		2,000,000	2,000,000
	Turkish Coordination and Cooperation Agency		-	1,310,000
	Sitara Petroleum Services Private Limited		-	1,200,000
	Hamid D Habib Memorial Trust		-	1,000,000
	Artistic Fabric Mills Private Limited		-	1,000,000
	Premium Textile Mills Limited		-	1,000,000
	M/s Rouche Pakistan Limited		500,000	-
	ZT Cyber source Portal		201,598	96,500
	TPL Insurance Limited		1,000,000	-
	Samba Bank Limited		966,000	-
	Jafferjees		-	300,000
	BGP Trust		-	126,000
	Pak Mineral Water		-	100,000
	Saztex Private Limited		175,000	-
	Infaq Foundation		60,000	-
	MS Pharmagen		15,000	-
	Jade E Services		9,859	-
	ZR Bazaar		200	-
	Others	17.3.1	7,118,115	12,979,786
			<u>36,045,772</u>	<u>62,041,010</u>

17.3.1 This represents donations received from individual donors.

18	RENTAL INCOME	Note	2021	2020
			(Rupees)	
	Income from investment property	18.1	2,121,278	1,912,277
	Income from SMB canteen		72,600	90,508
	Income from KPS canteen		29,920	63,600
			<u>2,223,798</u>	<u>2,066,385</u>

18.1 Investment property was rented out to Highnoon Laboratories at a monthly rent Rs. 166,376 till 15th November 2020 and Rs.183,012 from 16th November 2020 and onwards.

19	ZAKAT RECEIPTS	Note	2021	2020
			(Rupees)	
	Zakat from:			
	Overseas	19.1	7,184,329	18,763,482
	Local		9,249,782	3,859,296
			<u>16,434,111</u>	<u>22,622,778</u>

19.1 This represents zakat received from Zindagi Trust USA Inc.

20 HEAD OFFICE EXPENDITURE

	Salaries and wages		5,791,398	5,171,921
	Marketing and web development expense		2,838,458	3,263,958
	Fundraiser Expense		-	3,091,936
	Rent and taxes		696,573	123,882
	Impairment loss on investment property		-	1,744,500
	Depreciation - right of use asset		1,062,487	1,644,598
	Fee and subscription expenses		106,189	398,700
	Depreciation		600,043	229,262
	Finance Cost		70,969	277,658
	Travelling and conveyance		12,383	268,889
	Advocacy Expense		104,746	255,557
	Repairs and maintenance		1,859,265	253,752
	Amortization		183,888	184,394
	Others		402,433	128,792
	Communication		348,796	174,358
	Auditors' remuneration	21.6	166,398	86,752
	Insurance		216,090	150,857
	Utilities		614,571	126,184
	Software Expense		-	124,300
	Plantation expenses		38,900	9,950
	Stores and materials		-	62,474
	Printing and stationery		91,477	30,902
	Bank charges		136,630	43,548
	Entertainment expenses		73,448	9,095
	Un-Restricted		<u>15,415,142</u>	<u>17,856,219</u>

21 DIRECT EDUCATIONAL EXPENDITURE

	SMB Fatima Jinnah School		41,229,074	41,734,831
	KPS School		27,760,160	27,581,510
	SGS School		40,960,946	24,960,009
	Lahore Region		-	4,584,154
	Rawalpindi Region		-	3,467,108
			<u>109,950,180</u>	<u>102,327,612</u>

21.1 SMB Fatima Jinnah Government Girls School	Note	2021	2020
		(Rupees)	
Salaries and wages		12,214,805	15,334,414
Teaching Staff Expense		11,918,571	13,591,884
Academic course expenses		280,882	2,452,728
Repairs and maintenance		2,317,284	929,609
Mobile Phone Expense		1,708,279	
Covid-19 Relief Expense		93,429	1,621,646
Insurance		670,333	1,229,909
Marketing and web development expense		35,000	1,214,879
Security charges		230,220	890,912
Breakfast expenses		68,679	692,657
Digital stories expense		-	626,091
Printing and stationery		664,527	454,163
Depreciation	5.3	490,267	418,480
Fee and subscription expenses		-	407,745
Incentives to staff		-	398,500
Communication		75,025	129,650
Art activities expenses		16,770	123,369
Sports related expenses		80,338	163,348
Auditors' remuneration	21.6	151,212	257,932
Janitorial expenses		171,633	148,667
Stores and materials		-	118,711
Festivals and other related expenses		-	111,827
Plantation expenses		-	78,025
Teachers' training expenses		32,889	64,920
Exhibition expenses		60,000	-
Summer/Winter Camp Expense		-	55,196
Travelling and conveyance		68,295	50,259
Others		176,479	169,310
Un-Restricted		31,524,917	41,734,831
Salaries paid from Zakat		9,021,220	-
Other Zakat Expenses		682,937	-
Restricted		9,704,157	41,734,831
Total		41,229,074	41,734,831
21.2 Khatoon-e-Pakistan School (KPS)			
Salaries and wages		7,879,932	9,220,129
Teaching Staff Expense		9,354,904	9,681,738
Repairs and maintenance		1,018,464	1,581,829
Marketing and web development expense		65,000	1,214,879
Mobile Phone Expense		847,672	-
Depreciation	5.3	847,335	974,589
Covid-19 Relief Expense		67,960	737,505
Digital stories expense		-	626,091
Academic course expenses		644,072	354,663
Breakfast expenses		66,977	551,779
Insurance		299,635	514,773
Security charges		5,340	441,900
Printing and stationery		168,961	355,042
Sports related expenses		34,737	304,817
Communication		92,266	104,038
Plantation expenses		-	78,367
Fee and subscription expenses		-	166,575
Auditors' remuneration	21.6	145,691	161,632
Art activities expenses		138,136	143,604
Festivals and other related expenses		-	104,423
Janitorial expenses		144,033	51,530
Teachers' training expenses		15,128	-
Others		121,488	211,607
Un-Restricted		21,957,731	27,581,510
Salaries paid from Zakat		5,512,567	-
Other Zakat Expenses		289,862	-
Restricted		5,802,429	-
Total		27,760,160	27,581,510

21.3 Shangla Girls School (SGS)

Zindagi Trust (ZT) and Malala Fund (MF) have entered into an agreement effective August 2018. As part of the agreement, Zindagi Trust has taken charge of the management of Shangla Girls School, (SGS), located Barkana, Shahpur, Shangla, KP, Pakistan. As per agreement, MF is responsible to acquire and discharges funds for SGS to ZT and ZT is the sole manager of the project. The school land has been transferred in the name of ZT only for the purpose of conducting operations and ZT does not have the rights and obligations over this land, and ZT is obliged to transfer the land in the name of any party on the instruction of MF upon expiry or early termination of this agreement. The financial agreement between both the parties is of three years. Although the agreement is expiring in August 2021, both MF and ZT are confident enough to continue this partnership till 30 June 2022.

	Note	2021	2020
		(Rupees)	
Salaries expense		13,898,819	11,245,650
Distance Learning Expense		9,689,808	-
Land ownership transfer		-	-
Students aid expense		5,929,042	2,901,794
Security guards expense		2,369,511	2,079,440
Salaries expense (KHI Staff)		1,971,376	1,689,000
Health / Medical Insurance		1,057,689	1,641,512
Project allowance (HO Staff)		2,298,228	705,971
Staff Air fare expense (KHI Staff)		239,064	394,359
Covid-19 Relief Expense		99,508	444,930
Depreciation expense	5.3	460,524	277,451
EOBI ZT Contribution expense		312,650	248,950
Internet expense		89,951	240,774
Repair & maintenance expense		197,580	233,869
Daily allowance expense (KHI-Staff)		191,500	225,000
Car travelling expense (KHI Staff)		241,330	219,031
Electricity & utilities expense		209,641	188,598
Auditors remuneration	21.6	371,099	188,338
Legal adviser fee expense		180,000	180,000
General & cleaning expense		122,284	135,745
School stationery expense		113,207	126,435
Office supplies expense		50,249	47,920
Staff travelling expense		144,070	109,927
Staff training expense		-	109,349
Travel & Lodge for fellow expense		-	85,942
Entertainment expense		145,441	87,137
Arts & craft activities expense		29,397	29,027
Healthcare room supplies		1,686	85,602
Fire Extinguishers Exp - Purchase		-	76,901
Staff Lodging in Shangla (SGS KHI)		-	75,746
Traveling expense		-	75,000
Advertising & promotion expense		-	68,084
Online Resource & Data Packages		-	65,610
Security equipment rent expense		-	61,200
Printing stationery expense		7,820	60,105
School car maintenance expense		19,110	59,659
Office supplies expense (KHI)		1,600	860
Communication plan expense		-	21,847
Miscellaneous expense		15,201	38,537
Guests Travelling Exp		39,000	49,869
Building Repair & maintenance expense		137,500	46,355
Library books expense		-	44,992
Other Expense - Office equipment		-	44,000
School car fuel expense		44,300	43,150
Insurance expense (Head Office Cost)		-	29,450
Postage expense		41,485	14,349
Field Trips Expense		-	31,500
Mobile Phone Expense		-	30,945
Others		241,276	100,099
Restricted		40,960,946	24,960,009

4 Lahore Region

Note	Lahore Regional Office		Chungi School		Ibrahim Colony School		Nazimabad School		Peco Road School		Pindi Stop School		Shahdrah School		Walton School		Total Lahore Region	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	-	2,087,711	-	108,885	-	205,053	-	138,225	-	104,617	-	135,877	-	115,486	-	83,940	-	2,989,874
	-	255,000	-	96,716	-	77,296	-	77,937	-	74,400	-	72,628	-	77,304	-	80,124	-	811,405
	-	323,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	323,600
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	32,700	-	26,250	-	11,680	-	23,575	-	21,295	-	13,870	-	23,270	-	152,650
21.6	-	18,772	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,772
	-	75,267	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,267
	-	12,027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,027
	-	49,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,816
	-	43,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,750
	-	14,050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,050
	-	840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	840
	-	92,103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92,103
	-	2,982,936	-	238,281	-	308,599	-	227,852	-	202,592	-	229,900	-	206,660	-	187,334	-	4,584,154

5 Rawalpindi Region

Note	Rawalpindi Regional Office		Chah Sultan School		Dhamyal School		Dhoke Saidan School		Fauji Colony School		Naseerabad School		Themaspad School		Total Rawalpindi Region	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	-	2,247,748	-	-	-	71,675	-	75,793	-	74,650	-	88,075	-	73,332	-	2,651,273
	-	227,846	-	-	-	60,119	-	42,512	-	66,130	-	74,575	-	51,528	-	522,510
21.6	-	18,774	-	-	-	-	-	-	-	-	-	-	-	-	-	18,774
	-	31,200	-	-	-	-	-	-	-	-	-	-	-	-	-	31,200
	-	40,832	-	-	-	-	-	-	-	-	-	-	-	-	-	40,832
	-	7,075	-	-	-	-	-	-	-	-	-	-	-	-	-	7,075
	-	-	-	-	-	-	6,310	-	-	11,730	-	23,935	-	15,120	-	57,095
	-	36,617	-	-	-	-	-	-	-	-	-	-	-	-	-	36,617
	-	29,950	-	-	-	-	-	-	-	-	-	-	-	-	-	29,950
	-	850	-	-	-	-	-	-	-	-	-	-	-	-	-	850
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	90,932	-	-	-	-	-	-	-	-	-	-	-	-	-	90,932
	-	2,731,824	-	-	-	131,794	-	124,615	-	162,510	-	186,565	-	139,980	-	3,467,108

21.6 Auditors' remuneration	2021	2020
	(Rupees)	
Annual audit fee	750,000	550,000
Out of pocket expenses	<u>84,400</u>	<u>50,000</u>
	<u>834,400</u>	<u>600,000</u>

22 TAXATION

22.1 In accordance with the provisions of Section 100 C of the Income Tax Ordinance 2001, the income of non-profit organizations, trusts or welfare institutions, shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable under any of the provision of the Income tax Ordinance 2001, subject to the following conditions, namely:

- (a) return has been filed;
- (b) tax required to be deducted or collected has been deducted or collected and paid;
- (c) withholding tax statements for the immediately preceding tax year have been filed; and
- (d) the administrative and management expenditure does not exceed 15% of the total receipts;

"Provided that clause (d) shall not apply to a non-profit organization, if;

- (a) charitable and welfare activities of the non-profit organization have commenced for the first time within last three years; and
- (b) total receipts of the non-profit organization during the tax year are less than one hundred million Rupees."

The Trust has not commenced operations for the first time within last three years and total receipts of the Trust are more than one hundred million Rupees. Therefore clause (d) will be applicable in this case. The Trust complies with the provisions of clause (a) to (d) and is therefore entitled for a tax credit equal to one hundred percent of the tax payable including minimum tax and final taxes payable under any of the provision of the Income Tax Ordinance, 2001.

22.2 Further, sub-section (1A) of section 100 C of the Income Tax Ordinance, 2001 provides that the surplus funds of non-profit organization shall be taxed at a rate of ten percent.

For the purpose of sub-section (1A), surplus funds means funds or monies:

- (a) not spent on charitable and welfare activities during the tax year;
- (b) received during the tax year as donations, voluntary contributions, subscriptions and other incomes;
- (c) which are more than twenty-five percent of the total receipts of the non-profit organization received during the tax year; and
- (d) are not part of restricted funds.

For the purpose of this sub-section, "restricted funds" mean any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor.

The Trust has not recognized any provision for current or deferred tax in respect of its surplus funds under sub-section (1A) of section 100 C of the Income Tax Ordinance 2001, as surplus did not exceed twenty-five percent of the total receipts.

23 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of trustees of the Trust, their close family members and other key management personnel. Details of transactions and balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

23.1 Details of transactions with related parties during the year are as follows:

	<i>Note</i>	2021	2020
		(Rupees)	
Zindagi Trust USA Inc.			
Donations and zakat received	17.1 & 19.1	<u>27,368,122</u>	<u>36,569,662</u>
Trustees			
Donations and zakat received		<u>-</u>	<u>1,000,000</u>
Travelling expenses		<u>-</u>	<u>-</u>
Key Management Personnel			
Donations and zakat received		<u>1,144,901</u>	<u>1,191,170</u>
Salaries and benefits		<u>5,835,200</u>	<u>5,163,316</u>
Travelling expenses		<u>21,090</u>	<u>266,395</u>

23.2 Balances with related parties at the year end are Nil.

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Trustees has overall responsibility for the oversight of financial risk management for the Trust. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Trust's financial risk exposures.

24.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to credit risk

Credit risk of the Trust arises principally from short term investment and bank deposits. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2021 (Rupees)	2020 (Rupees)
Security deposits	9	664,800	477,444
Accrued interest income		3,037,215	3,052,179
Prepaid expenses	10	219,173	11,303
Other receivables	10	-	2
Loans and advances to employees	10	171,700	57,886
Balances with bank	11	90,013,511	81,711,751
		<u>94,106,399</u>	<u>85,310,565</u>

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 Trust's performance to developments affecting a particular industry. The Trust is not significantly exposed to concentration of credit risk.

Bank balances

Bank balances are only held with reputable banks having sound credit ratings. The credit quality of Trust's bank balances can be assessed with reference to external credit ratings as follows:

Bank name	Rating Agency	Long Term Rating	Short Term Rating	2021		2020	
				(Rupees)	%	(Rupees)	%
Bank Al Habib Limited	PACRA	AAA	A-1+	64,295,975	71.43%	80,298,141	98.3%
Telenor Microfinance Bank Limited	PACRA / VIS	A+	A-1	6,844	0.01%	6,777	0.0%
Habib Bank Limited	VIS	AAA	A-1+	257,594	0.29%	1,406,833	1.7%
BankIslam Pakistan	PACRA	A+	A-1	25,440,522	28.27%	-	0.0%
				<u>90,000,935</u>	<u>100.00%</u>	<u>81,711,751</u>	<u>100.00%</u>

24.2 Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Trust could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Trust's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

Maturity analysis of financial liabilities

The table below analyses the Trust's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

www

	2021				
	Carrying amount	Contractual cash flows	Less than six months	Seven to twelve months	More than one year
----- (Rupees) -----					
Non-derivative financial liabilities					
Retention money	3,705,463	(3,705,463)	3,705,463	-	-
Accrued and other liabilities	5,460,372	(5,460,372)	5,460,372	-	-
	<u>9,165,835</u>	<u>(9,165,835)</u>	<u>9,165,835</u>	<u>-</u>	<u>-</u>
	2020				
	Carrying amount	Contractual cash flows	Less than six months	Seven to twelve months	More than one year
----- (Rupees) -----					
Non-derivative financial liabilities					
Retention money	3,695,458	(3,695,458)	3,695,458	-	-
Accrued and other liabilities	3,868,654	(3,868,654)	3,868,654	-	-
	<u>7,564,112</u>	<u>(7,564,112)</u>	<u>7,564,112</u>	<u>-</u>	<u>-</u>

24.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

24.3.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Trust, at present, is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

24.3.2 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. The interest rate exposure arises from National Savings Certificates.

	Note	2021	2020
(Rupees)			
Fixed rate instrument			
National Savings Certificates	8	<u>86,000,000</u>	<u>86,000,000</u>

24.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). At reporting date, the Trust does not have financial instruments exposed to other price risk.

24.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Trust's operations either internally within the entity or externally at the Trust's service providers, from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Trust's activities.

25 FUND MANAGEMENT

The Trust receives donations from corporate entities and individual donors including Trustees, related parties. The Trust's objective when managing funds is safeguard its ability to continue as a going concern and to maintain a strong fund base to support the sustained development of its operations.

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 Trust is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Trust measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

26.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value:

30 June 2021	Note	Carrying amount				Total	Fair value			
		Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
----- (Rupees) -----										
Financial assets - not measured at fair value										
	26.1.1	-	-	664,800	-	664,800				
	26.1.1	-	-	86,000,000	-	86,000,000				
	26.1.1	-	-	3,037,215	-	3,037,215				
	26.1.1	-	-	219,173	-	219,173				
	26.1.1	-	-	171,700	-	171,700				
	26.1.1	-	-	-	-	-				
	26.1.1	-	-	90,013,511	-	90,013,511				
		-	-	180,106,399	-	180,106,399				
Financial liabilities - not measured at fair value										
	26.1.1	-	-	-	3,705,463	3,705,463				
	26.1.1	-	-	-	5,460,372	5,460,372				
		-	-	-	9,165,835	9,165,835				
30 June 2020										
30 June 2020	Note	Carrying amount				Total	Fair value			
		Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
----- (Rupees) -----										
Financial assets - not measured at fair value										
	26.1.1	-	-	477,444	-	477,444				
	26.1.1	-	-	86,000,000	-	86,000,000				
	26.1.1	-	-	3,052,179	-	3,052,179				
	26.1.1	-	-	11,303	-	11,303				
	26.1.1	-	-	57,886	-	57,886				
	26.1.1	-	-	2	-	2				
	26.1.1	-	-	81,716,976	-	81,716,976				
		-	-	171,315,790	-	171,315,790				
Financial liabilities - not measured at fair value										
	26.1.1	-	-	-	3,695,458	3,695,458				
	26.1.1	-	-	-	4,927,327	4,927,327				
		-	-	-	8,622,785	8,622,785				


26.1.1 The Trust has not disclosed fair values for these financial assets and financial liabilities as their carrying amounts are reasonable approximation of the fair value.

27 GENERAL

These financial statements were authorized for issue in the meeting of the Board of Trustees held on 5 OCT 2021



Trustee



Trustee



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