ZINDAGI TRUST

A YEAR IN REVIEW

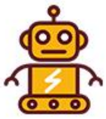
2020

@ZindagiTrust

NEW AT SCHOOL

In the year 2019-2020, we introduced some exciting new modules at our adopted government schools.

Music



Robotics

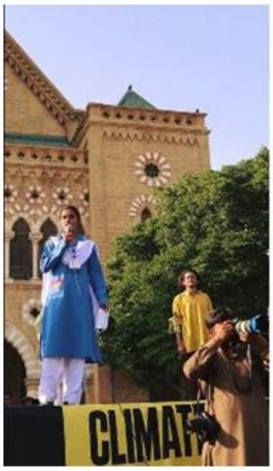
Environmental Acivism

ROBOTICS

We conducted a **Robotics Camp** for 3rd and 4th graders at Khatoon-e-Pakistan Government School over winter break thanks to high school volunteers from Stem Seed Canada.

Our students and 4 government teachers learned how to apply basic science and engineering concepts through Lego WeDo brick sets to solve practical problems like scarcity of energy and clean water in a 6-day workshop that ended in a project showcase.

ENVIRONMENTAL ACTIVISM



2019 was the year children took charge of taking action against Climate Change. We taught a weekly E**nvironment Club** period at KPS through which students learned about environmental pollution and climate change, the benefits of a plant-based lifestyle, how to grow their own food and also did a waste audit.

Students from SMB addressed the Climate March through a speech and slogans, making an impassioned call for action against climate change.

MUSIC

Music classes for students at our government schools started this year with girls learning singing, guitar, violin, drums and tabla. A 70-member student ensemble performed eastern and western classical music, folk, national songs at the Taaruf event in March, wowing the audience.

ADVOCACY – CHILD PROTECTION AND SAFETY:

We filed a petition in the Islamabad High Court to repeal Section 89 – a law in our capital that allows students to be beaten up in schools – and effectively ban and criminalise corporal punishment.

The Chief Justice of the Islamabad High Court, upon hearing our petition on corporal punishment, decided to suspend Section 89, which allowed corporal punishment "in good faith" – and, in doing so, effectively banned corporal punishment across the country.

We also made progress in the biggest province with the formation of a high-powered taskforce to address the issue of child abuse in Punjab which most recently led to the Punjab Curriculum and Textbook Board approving "Meri Hifazat (My Safety)" - a children's book on personal safety by our partners Sahil - as a supplementary reading material to be used in all Punjab schools.

We led an initiative to galvanise support from our partners Group Development Pakistan, Aahung and Sahil to put forward a joint set of demands from the government to Protect our Children from the menace of abuse and rape.

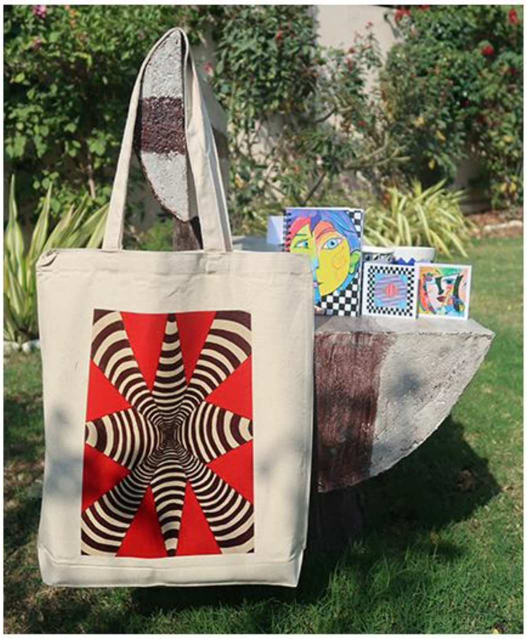
Finally, as soon as COVID19 hit Pakistan, our Founder Shehzad Roy was at the forefront advocating to the government to prioritize health and safety over all else and postpone exams and shut down schools, which could have become a source of transmission of the virus to millions of students' homes.

FUNDRAISING AND OUTREACH:

We showcased our work in school reform through **School Visits.**

The top political leadership – Federal Minister for Planning, Development and Reforms Asad Umar, Sindh Education Minister Saeed Ghani, Punjab Education Minister Murad Raas, former Finance Minister Miftah Ismail; sports and cultural icons like former Pakistan captain Sarfaraz Ahmed, artist Imran Qureshi and writer Mohammed Hanif; leaders in education like Karachi Grammar School Principal Simon Glasson, St Joseph's Convent School Headmistress Naseema Kapadia, LUMS School of Education Dean Professor Tahir Andrabi; diplomats like US Consul General Robert Silberstein and British Deputy Head of Mission Muna Shamsuddin, and many others took the time to visit our adopted government schools.

We launched official Zindagi Trust merchandise designed by our talented government school students at the SAARC Mela in Karachi. Beautiful cards, notebooks and reusable cloth tote bags were printed with original artwork created by budding artists from our schools, helping to increase the trust's outreach and raise funds for our schools.



In early March we hosted Taaruf – an evening of culture and possibility – which served as a fundraiser at our adopted government school where old and new supporters were delighted by an incredible show of local art and a musical performance by our students. **"Out of Blue"** a very special site-specific art installation was created at our adopted Khatoon-e-Pakistan Government Girls School in the days leading up to the event.

This labour of love was painted by **Imran Qureshi**, a master of modern miniature, as his contribution to our cause of brining government schools to life through art as a gateway to other reforms.



In the piece, the blue foliage - representing water and life - flowing out of the classroom windows into the streets of the city represents the artist's hope that the reforms that have transformed our adopted government school can spread to schools across the city and eventually all of Pakistan.

An orchestra of 70 students from our adopted government schools performed in front of a live audience in the school's futsal ground.

The students were coached in their music classes held at the school in the past 6 months leading up to March and performed eastern and western classical music, a jazz solo, folk songs as well as a memorable national song (Mehdi Hasan's Ye Watan Tumhara Hai).

The diverse audience was wowed by the moving performance demonstrating the talent and hard work of our students as well as the potential that children and youth can achieve given the right opportunities.

Our strong partnership with our major corporate donor Lucky Cement continued into the year.

New corporate sponsorships for our work in the past year included those from

PSO Pakistan State Oil | TİKA | UBL | Roche | Jafferjees

Internationally, the following organizations continue to support our work:

IDRF PEOPLE HELPING PEOPLE | GlobalGiving

Individuals continued to form the backbone of our support once again - 850 individual donors supported us this Ramzan with donations varying from Rs 50 to over USD 1000.

STUDENT STORIES AND SUCCESSES:

We featured A Day in the life of a government school Sawaira from SMB as well as the transformation of Rabiya, a new student who first struggled but then flourished at KPS.

In some individual highlights from the past year, 10th grader Rimsha Ali spoke at the Karachi Climate March, passionately advocating for a safer, greener climate for her generation and 10th-grader Bareera Abdul Majeed from SMB bagged the Best Scorer award, finishing the tournament as the highest scorer with a total of 10 goals at the Karachi United Schools Championship for Football.

LEARNING THROUGH THE LOCKDOWN:

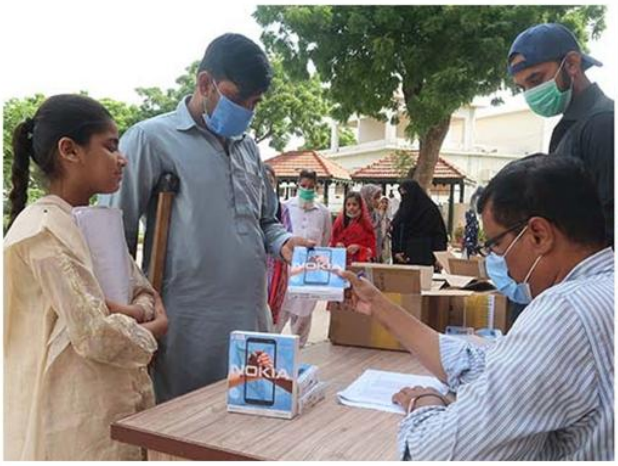
Our schools adapted quickly to continuing learning from a distance post-COVID19. We designed, printed and distributed physical Learning Packs to our students' homes, making sure they included activities that fostered independent and active learning, creativity and mindfulness, including home science experiments using garden waste, art through kitchen materials and learning through stories.

The school management and Professional Development team guided government school teachers who recorded and edited video lessons to share in their **Whatsapp Classrooms,** which allowed for asynchronous learning and also featured instruction, Q&A and peer learning through voice notes, texts and photos of assignments

Our Professional Development team and government teachers prepared the next sets of learning packs for each class, now focusing more on academic content and continuing education. These packs were made for students from Kindergarten to Grade 8, focusing on the revision of topics in English, Mathematics, Science, Social Studies, and Urdu that have already been taught to the students. While some of the exercises in the learning packs were similar to class worksheets, the Science worksheets included a lot of experiments that can be done with material readily available at home. The learning packs were sent to more than 2500 students enrolled in our schools.

The government teachers also went through rigorous training online to get accustomed to conducting online classes via Zoom, developing pre-recorded lessons, and using Knowledge Platform, a Learning Management System that will not only allows student-teacher engagement but also has its own content deployed for English, Mathematics, and Science which our students will be following. The teachers conducted online classes with the students of Grades 9 and 10 via Zoom and assign associated tasks for them on Knowledge Platform.

At Shangla Girls School too, our Subject Leads for Maths, Science and Urdu, along with ECD have been working closely with teachers since April to mentor the academic staff in their respective subjects. Due to the nationwide lockdown, visits to the school and in-person training have had to be postponed but the subject leads have remained connected with the teachers. Their mode of connectivity for coaching has been Whatsapp, weekly Zoom meetings and phone calls. On-ground support and in-person training will be planned and executed after country's social conditions, affected by the outbreak of COVID-19, improve. With the placement of the PD team, academic operations have also been streamlined and teachers have continued to consult with their respective subject experts.



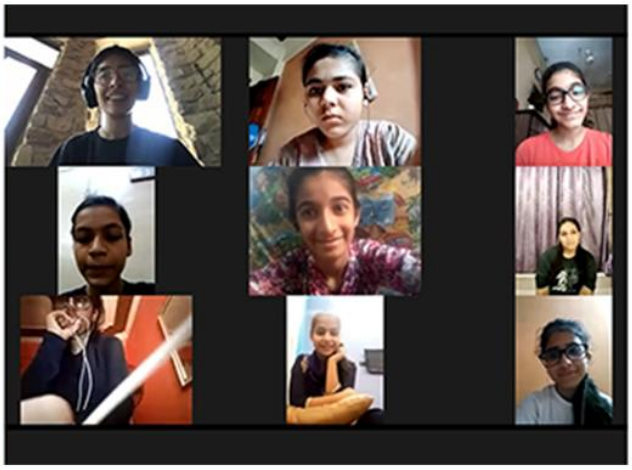
We **distributed smartphones** and data packages to all 220 fifth grade students at our Karachi schools in order to make online learning smooth and accessible for a grade who were able to follow online instruction yet unable to access even Whatsapp at home. Students and parents were called to the school with strict COVID19 prevention protocols (staggered slots, mask compliance and physical distancing) to register, get their phones and attend an orientation/training by the school IT team on how to use their smartphone safely.

A total of 1200 students of Grades 6 through 10 were also engaged in Math, English and Science classes twice a week remotely through a **blended learning program** by the name of Knowledge Platform.

At Shangla Girls School, we distributed smartphones to all 483 students to be able to continue their learning during the school closure. (258 new students were enrolled at SGS in March, completing the second annual enrolment). In addition, we invested in developing digital literacy in teachers at SGS, catalyzed by the lockdown.

HOLISTIC EDUCATION AT SCHOOL AND BEYOND:

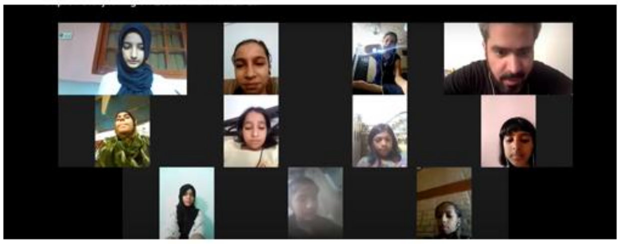

We started off the year with a host of student activity days in our adopted government schools in Karachi – Sports Days and Science Fairs at each school, an Inter-School Math Olympiad (combined), Bazm-e-Adab, and more.

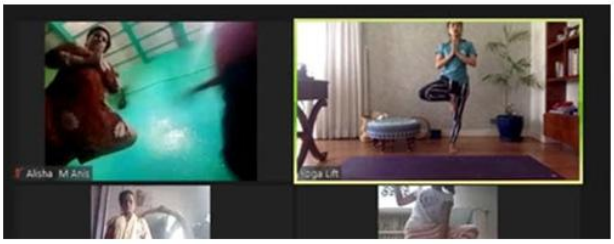



After COVID19, it was clear that education needed to go beyond the basic and traditional. Realising that it was important for us to focus on nourishing our students' body and soul along with keeping them mentally engaged, we introduced weekly online meditation and movement conducted by a certified instructor. Many students, including some girls who were very active in sports at school, attended these classes regularly and felt refreshed after much needed physical exercise.

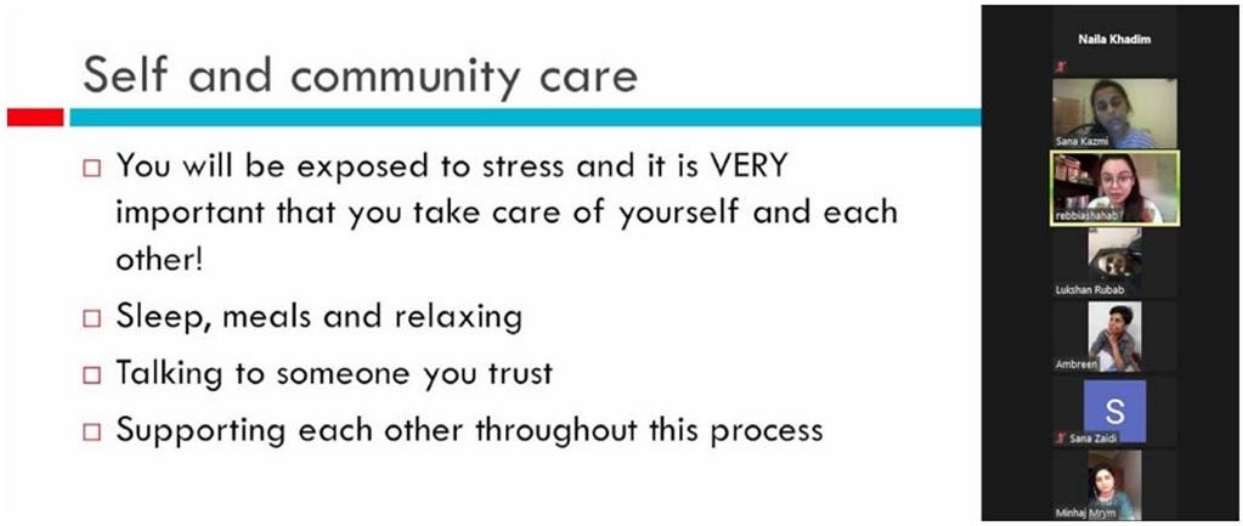
The students learned how being mindful of their breath can help manage feelings of anxiety and anger.

Through art classes in our Whatsapp Classrooms, students learned hand-on activities like how to tie-dye their clothes using kitchen ingredients (vs fancy art supplies) as well as got to participate and win in local art competitions on COVID19 safety and child rights.





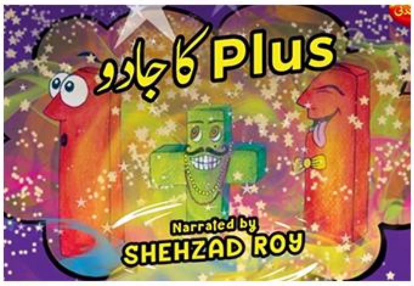
We took our annual Summer Camp online and hosted tens of enriching and empowering talks, and workshops for our students on topics including **architecture in nature**, entrepreneurship, feminism, activism, environmental consciousness, fitness, yoga, solo female travel and even **improv storytelling** for our government school students in Karachi. Students of Shangla Girls School were also sent physical educational (PE) audios and videos were also sent to through Whatsapp and phone calls and art worksheets in their learning packs.



Continuing our focus on the mental wellbeing of our students during these challenging times, our school counselor reached out to students in grades 9 and 10 to check in with them and identify if they needed any help. In addition, we trained our art and sports teachers as **Lay Counselors** after which 10 of them did phone check-ins with students to ensure their mental health and wellbeing, referring any serious concerns to the School Counselor.

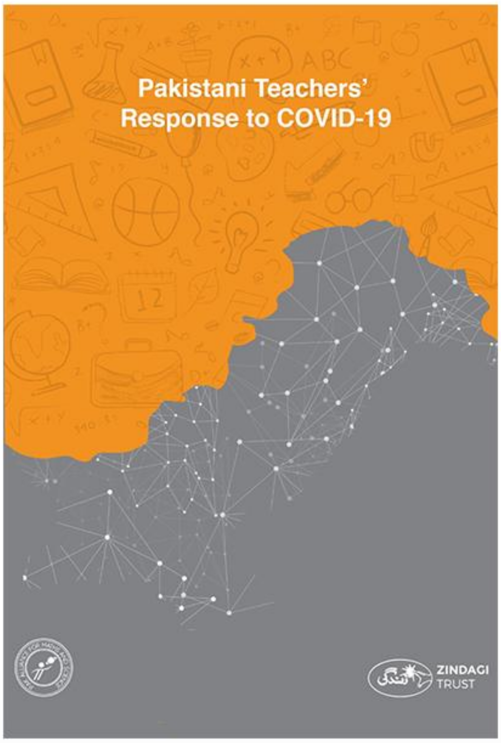
When the lockdown was initially announced, we conducted a survey with our students' families to gauge their immediate needs and their access to technology.

Based on the findings, we distributed **care packages** with food rations and hygiene essentials to our students to take care of their and their families' immediate needs.



We developed and launched **Tiflatoon, a series of original animated children's stories in Urdu** for today's Pakistan, aiming to spark curiosity and bring joy in a time of isolation, to students from our schools and beyond.

Finally, we launched a report along with PAMS on the **Pakistan Teachers' Response to COVID-19,** based on multiple Focus Group Discussions held with 5 different sets of government school teachers

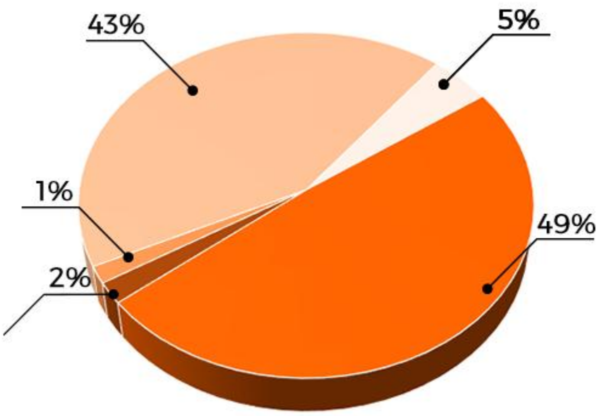


Financial Highlights

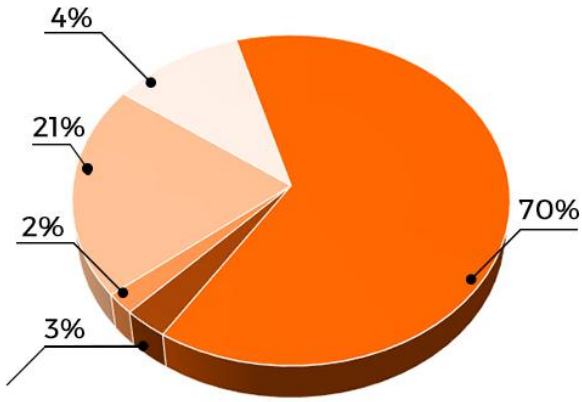
Graphical Presentation of Financial Information

ASSETS

2019-2020



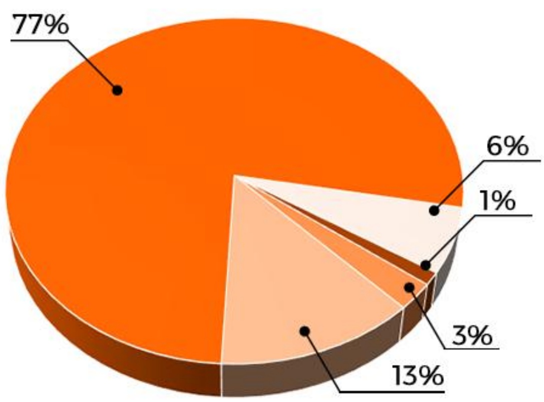
2018 - 2019



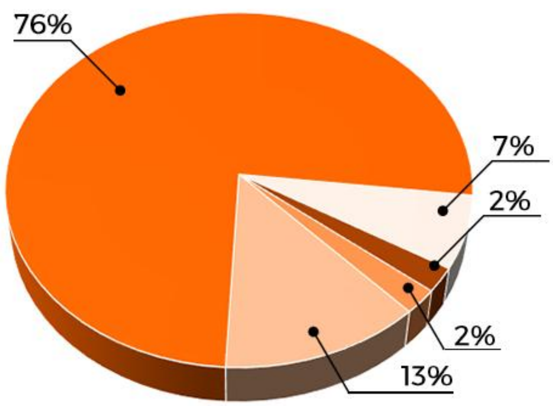
Investments   Advances and Receivables   Accured Interest Income
Cash and Bank Balances   Property and Equipment

REVENUE

2019-2020



2018 - 2019



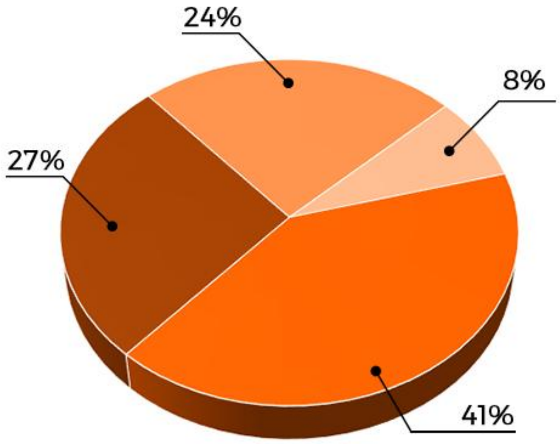
Donations   Bank Profit & Others   Rental Income
Zakat Receipts   Income on Investments

Graphical Presentation of

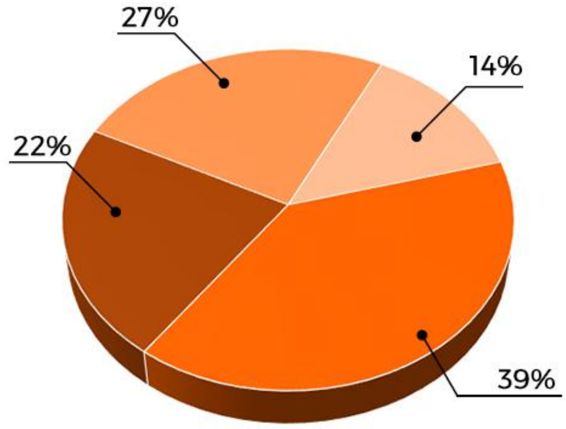
Expenditure & School Reform Expenses

Expenses Breakup - Cost Center wise

2019-2020



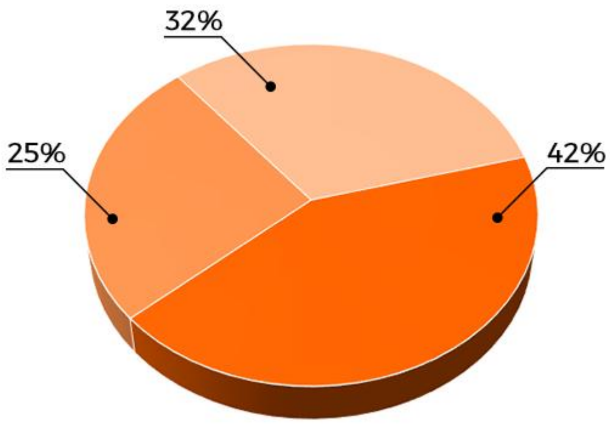
2018 - 2019



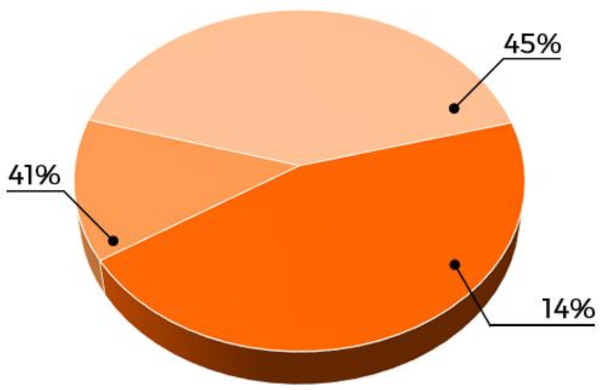
SMB School   KPS School   SGS School   Regional Schools

School Reforms Expenses

2019-2020



2018 - 2019



School Running Expenses

include Management and Administration, School Upkeep, Communication

Teacher and Classroom Support

includes Teacher Professional Development and Training, Technology-Enhanced Classrooms, Handouts and other Learning Aids

Student Development

Health, Nutrition and Wellness, Art, Sports, Mind Sports, Music, Summer Camp and other School Events like Math Olympiad

Zindagi Trust

Annual Financial Statements
For the year ended
30 June 2020

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
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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 2020, 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 2020, 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 Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

Those charge with governance 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Zeeshan Rashid.

KPMG Taseer Hadi & Co.

Date: 11 November 2020

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Zindagi Trust
Balance sheet
As at 30 June 2020

	Note	2020	2019
		(Rupees)	
ASSETS			
Non-current assets			
Property and Equipment	5	**8,974,900**	5,230,851
Intangible assets	6	**1**	1
Investment property	7	**8,065,081**	9,993,975
Investments	8	**86,000,000**	86,000,000
		103,039,982	101,224,827
Current assets			
Security deposits	9	**477,444**	552,150
Loans, advances, prepayments and other receivables	10	**69,191**	248,057
Accrued interest income		**3,052,179**	2,768,646
Taxation receivable		**3,305,910**	3,305,910
Cash and bank balances	11	**81,716,976**	28,408,264
		88,621,700	35,283,027
Total assets		**191,661,682**	136,507,854
FUNDS			
Unrestricted Fund	12	**36,767,590**	21,163,037
Restricted Fund	13	**146,271,307**	108,364,453
		183,038,897	129,527,490
LIABILITIES			
Current liabilities			
Retention money	14	**3,695,458**	3,257,479
Accrued expenses and other liabilities	15	**4,927,327**	3,722,885
		8,622,785	6,980,364
Total funds and liabilities		**191,661,682**	136,507,854
CONTINGENCIES AND COMMITMENTS	16		

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

Trustee

Trustee

Zindagi Trust
Income and Expenditure Account
For the year ended 30 June 2020

	Note	2020	2019
		(Rupees)	
Income			
Unrestricted Funds			
Donations	17	**93,661,161**	40,052,204
Income on investments		**10,647,013**	6,240,411
Rental income	18	**2,066,385**	2,082,244
Profit on bank deposits		**4,095,601**	1,941,753
Others		**313,149**	161,348
		110,783,309	50,477,960
Restricted Funds			
Donations	17	**40,244,085**	31,134,333
Zakat receipts	19	**22,622,778**	11,996,580
		62,866,863	43,130,913
Total income		**173,650,172**	93,608,873
Expenditure			
Unrestricted Funds			
Head office expenditure	20	**17,856,219**	10,621,110
Direct educational expenditure	21	**77,367,603**	62,398,242
		95,223,822	73,019,352
Restricted Funds			
Direct educational expenditure	21.3	**24,960,009**	20,766,460
Total expenditure		**120,183,831**	93,785,812
Other income			
Gain on disposal of property and equipment	5.4	**45,066**	16,017
Surplus / (deficit) for the year before taxation		**53,511,407**	(160,922)
Taxation	22	**-**	-
Surplus / (deficit) for the year		**53,511,407**	(160,922)

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

Trustee

Nazim I. Haji

Trustee

Zindagi Trust
Statement of Comprehensive Income
For the year ended 30 June 2020

	2020	2019
	(Rupees)	
Surplus for the year	**53,511,407**	(160,922)
Other comprehensive income	-	-
Total comprehensive loss for the year	**53,511,407**	(160,922)

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

Trustee

Trustee

Zindagi Trust
Statement of Changes in the Funds
For the year ended 30 June 2020

	Note	Unrestricted Fund	Restricted Fund	Total
		----------------------------	(Rupees)	----------------------------
Balance as at 30 June 2018		11,668,539	118,019,873	129,688,412
Total comprehensive income for the year				
Deficit for the year		(22,525,375)	22,364,453	(160,922)
Other comprehensive income		-	-	-
Transfer from endowment fund	13.1	32,019,873	(32,019,873)	-
		9,494,498	(9,655,420)	(160,922)
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**

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

Trustee

Nazim Y. Haji
Trustee

Zindagi Trust
Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020	2019
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus / (deficit) for the year		**53,511,407**	(160,922)
Adjustment for:			
Depreciation	5	**3,544,380**	1,230,468
Amortization	7	**184,394**	-
Impairment loss on investment property	7	**1,744,500**	-
Gain on disposal of property and equipment	5.4	**(45,066)**	(16,017)
		5,428,208	1,214,451
Surplus before working capital changes		**58,939,615**	1,053,529
WORKING CAPITAL CHANGES			
Decrease / (increase) in current assets			
Loans, advances, prepayments and other receivables		**178,866**	215,952
Accrued interest income		**(283,533)**	746,777
Taxation receivables		**-**	(2)
Security deposits		**74,706**	(35,000)
Increase / (decrease) in current liabilities			
Accrued expenses and other liabilities		**1,204,442**	(1,623,256)
Retention money		**437,979**	930,843
Net cash generated from operating activities		**60,552,075**	1,288,843
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	5	**(7,288,429)**	(4,119,718)
Capital work-in-progress	7	**-**	(9,244,500)
Proceeds from encashment of national saving certificates	8	**-**	10,000,000
Proceeds from disposal of property and equipment	5.4	**45,066**	50,646
Net cash used in investing activities		**(7,243,363)**	(3,313,572)
Net increase / (decrease) in cash and cash equivalents during the year		**53,308,712**	(2,024,729)
Cash and cash equivalent at beginning of the year		**28,408,264**	30,432,993
Cash and cash equivalent at end of the year	11	**81,716,976**	28,408,264

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

Trustee

Nazim Y. Haji

Trustee

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.

The registered office of the Trust is situated at 94-C, Haji Abdul Razak Janoo Street, Faran Housing 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.

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.

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 3.2 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 2020:

- Amendment to IFRS 3 *'Business Combinations'* – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the trust.

- Amendments to IFRS-16- IASB 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. 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:

  - 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 2021; and

  - there is no substantive change to the other terms and conditions of the lease.

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. 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.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise 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.

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- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost 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.

- Annual Improvements to IFRS standards 2018-2020. The following improvements 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.

2.6 CHANGES IN ACCOUNTING POLICIES

There are certain new and amended standards, interpretations and amendments that are mandatory for the trust accounting periods beginning on or after 1 January 2019 but are considered not to be relevant or do not have any significant effect on the trust's financial statements and therefore not detailed in these financial statements except for the following:

On 1 July 2019, the trust adopted IFRS 16 'Leases'. It introduced a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently.

The impact of IFRS 16 on the Trust is primarily where the Trust is a lessee in property lease contracts. The trust has elected to adopt modified retrospective approach on transition and have not restated comparative information.

On 1 July 2019, the trust recognized right-of-use asset of Rs. 2.604 million with a corresponding lease liability after adjustment of prepayments, if any. Right-of-use assets are presented under 'Property and Equipment' and the liability is presented in 'Accrued Expenses and other liabilities'. Also, in relation to leases under IFRS 16, the trust have recognized depreciation and interest costs, instead of operating lease expenses. During the twelve months period to 30 June 2020, the trust recognized depreciation expense of Rs. 1.645 million and interest expense of Rs. 0.278 million on these leases.

The significant judgment in the implementation related to determining if a contract contains a lease, and the determination whether the Trust is reasonably certain that they will exercise extension options present in lease contracts.

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 2019 except as described in note 2.6. 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.

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.

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.

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.

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.

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.

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

		2020			2019		
ASSETS	Note	**Unrestricted Fund**	**Restricted Fund**	**Total**	Unrestricted Fund	Restricted Fund	Total
			(Rupees)			(Rupees)	
Non-current assets							
Property and equipment	5	8,974,900	-	8,974,900	5,230,851	-	5,230,851
Intangible assets	6	1	-	1	1	-	1
Investment property	7	8,065,081	-	8,065,081	9,993,976	-	9,993,976
Investments	8	-	86,000,000	86,000,000	-	86,000,000	86,000,000
		17,039,982	86,000,000	103,039,982	15,224,827	86,000,000	101,224,827
Current assets							
Security deposits	9	477,444	-	477,444	552,150	-	552,150
Loans, advances, prepayments and other receivables	10	69,191	-	69,191	248,057	-	248,057
Accrued interest income		3,052,179	-	3,052,179	2,768,646	-	2,768,646
Taxation receivable		3,305,910	-	3,305,910	3,305,910	-	3,305,910
Current maturity of investments	8	-	-	-	-	-	-
Cash and bank balances	11	21,445,669	60,271,307	81,716,976	6,043,811	22,364,453	28,408,264
		28,350,393	60,271,307	88,621,700	12,918,574	22,364,453	35,283,027
Total assets		45,390,375	146,271,307	191,661,682	28,143,401	108,364,453	136,507,854
FUNDS							
Unrestricted Fund	12	36,767,590	-	36,767,590	21,163,037	-	21,163,037
Restricted Fund	13	-	146,271,307	146,271,307		108,364,453	108,364,453
		36,767,590	146,271,307	183,038,897	21,163,037	108,364,453	129,527,490
LIABILITIES							
Current liabilities							
Retention money	14	3,695,458	-	3,695,458	3,257,479	-	3,257,479
Accrued expenses and other liabilities	15	4,927,327	-	4,927,327	3,722,885	-	3,722,885
		8,622,785	-	8,622,785	6,980,364	-	6,980,364
Total funds and liabilities		45,390,375	146,271,307	191,661,682	28,143,401	108,364,453	136,507,854
CONTINGENCIES AND COMMITMENTS	16						

4.2 Statement of Income and Expenditure Account

		2020			2019		
	Note	**Unrestricted Fund**	**Restricted Fund**	**Total**	Unrestricted Fund	Restricted Fund	Total
			(Rupees)			(Rupees)	
Income							
Donations	17	93,661,161	40,244,085	133,905,246	40,052,204	31,134,333	71,186,537
Zakat receipts	18	-	22,622,778	22,622,778	-	11,996,580	11,996,580
Income on investments		10,647,013	-	10,647,013	6,240,411	-	6,240,411
Rental income	19	2,066,385	-	2,066,385	2,082,244	-	2,082,244
Profit on bank deposits		4,095,601	-	4,095,601	1,941,753	-	1,941,753
Others		313,149	-	313,149	161,348	-	161,348
Total income		110,783,309	62,866,863	173,650,172	50,477,960	43,130,913	93,608,873
Expenditure							
Head office expenditure	20	17,856,219	-	17,856,219	10,621,110	-	10,621,110
Direct educational expenditure	21	77,367,603	24,960,009	102,327,612	62,398,242	20,766,460	83,164,702
Total expenditure		95,223,822	24,960,009	120,183,831	73,019,352	20,766,460	93,785,812
Other income							
Gain on disposal of property and equipment	5.1.4	45,066	-	45,066	16,017	-	16,017
Surplus / (deficit) for the year before taxation		15,604,553	37,906,854	53,511,407	(22,525,375)	22,364,453	(160,922)
Taxation	22	-	-	-	-	-	-
Surplus / (deficit) for the year after taxation		15,604,553	37,906,854	53,511,407	(22,525,375)	22,364,453	(160,922)

5 PROPERTY AND EQUIPMENT

2020

	Cost: As at 01 July 2019	Cost: Additions	Cost: (Disposals) / (write offs)	Cost: As at 30 June 2020	Rate %	Accumulated depreciation: As at 01 July 2019	Accumulated depreciation: For the year	Accumulated depreciation: (Disposals) / (write offs)	Accumulated depreciation: As at 30 June 2020	Written down value as at 30 June 2020 (Rupees)
	(Rupees)					(Rupees)				
Furniture, office equipment and other assets	10,779,849	4,684,482	(413,950)	15,050,381	20%	5,548,998	1,888,782	(413,950)	7,034,830	8,015,551
Right-of-Use assets	-	2,603,947	-	2,603,947		-	1,644,598	-	1,644,598	958,349
Vehicles	-	-	-	-	20%	-	-	-	-	-
Medical equipment	-	-	-	-	20%					
	10,779,848	7,288,429	(413,950)	17,654,328		5,548,998	3,544,380	(413,950)	8,679,428	8,974,900

2019

	Cost: As at 01 July 2018	Cost: Additions	Cost: (Disposals) / (write offs)	Cost: As at 30 June 2019	Rate %	Accumulated depreciation: As at 01 July 2018	Accumulated depreciation: For the year	Accumulated depreciation: (Disposals) / (write offs)	Accumulated depreciation: As at 30 June 2019	Written down value as at 30 June 2019 (Rupees)
	(Rupees)					(Rupees)				
Furniture, office equipment and other assets	7,161,130	4,119,718	(500,999)	10,779,849	20%	4,969,294	1,046,074	(466,370)	5,548,998	5,230,851
Vehicles	-	-	-	-	20%	-	-	-	-	-
Medical equipment	-	-	-	-	20%	-	-	-	-	-
	7,161,130	4,119,718	(500,999)	10,779,849		4,969,294	1,046,074	(466,370)	5,548,998	5,230,851

5.1 The cost of fully depreciated assets as at 30 June 2020 is Rs. 2.970 million (2019: Rs. 2.918 million).

5.2 The cost of assets written off during the year ended 30 June 2020 is Rs. 0.413 million (2019: Rs. 0.5 million).

5.3 Depreciation allocation

	2020	2019
	(Rupees)	
Head office expenditure	1,873,860	102,663
Direct educational expenditure - SMB Fatima Jinnah School	418,480	258,180
Direct educational expenditure - KPS School	974,589	606,141
Direct educational expenditure - SGS School	277,451	79,090
	3,544,380	1,046,074

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	413,950	413,950	-	45,066	45,066	Negotiation	Miscellaneous

6 INTANGIBLE ASSETS

2020

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

2019

	Cost: As at 01 July 2018	Cost: Additions	Cost: (Disposals)	Cost: As at 30 June 2019	Rate %	Accumulated amortization: As at 01 July 2018	Accumulated amortization: For the year	Accumulated amortization: (On disposals)	Accumulated amortization: As at 30 June 2019	Written down value as at 30 June 2019 (Rupees)
	(Rupees)					(Rupees)				
Computer software	80,000	-	-	80,000	33.33%	79,999	-	-	79,999	1

7 INVESTMENT PROPERTY

	Note	2020	2019
		(Rupees)	
Investment property	7.1	8,065,081	749,475
Advance for land		-	9,244,500
		8,065,081	9,993,975

7.1

2020

Note	Cost: As at 01 July 2019	Cost: Addition	Cost: (Disposals)	Cost: As at 30 June 2020	Rate %	Accumulated amortization: As at 01 July 2019	Accumulated amortization: For the year	Accumulated amortization: (On disposals)	Accumulated amortization: As at 30 June 2020	Impairment loss for the year	Written down value as at 30 June 2020 (Rupees)
	(Rupees)					(Rupees)					
Building (7.2)	3,687,875	-	-	3,687,875	5%	2,938,400	184,394	-	3,122,794	-	565,081
Land (7.3)	-	8,244,500	-	8,244,500	0%	-	-	-	-	1,744,500	7,500,000
	3,687,875	8,244,500	-	12,832,375		2,938,400	184,394	-	3,122,794	1,744,500	8,065,081

2019

	Cost: As at 01 July 2018	Cost: Addition	Cost: (Disposals)	Cost: As at 30 June 2019	Rate %	Accumulated amortization: As at 01 July 2018	Accumulated amortization: For the year	Accumulated amortization: (On disposals)	Accumulated amortization: As at 30 June 2019	Impairment loss for the year	Written down value as at 30 June 2019 (Rupees)
	(Rupees)					(Rupees)					
Building	3,687,875	-	-	3,687,875	5%	2,764,006	184,394	-	2,938,400	-	749,475

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7.1 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. 25.46 million as at 30 June 2020 (2019: Rs. 24.252 million).

7.2 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. 7.50 million as at 30 June 2020. The land has been acquired in the name of two trustees.

8 INVESTMENTS

	Note	2020	2019
		(Rupees)	
National Savings Certificates	8.1	**86,000,000**	86,000,000
		86,000,000	86,000,000

8.1 These carrying rates of return varies from 12.7% to 13.9% (2019: 5.8% to 11.4%) per annum with maturity date 20 September 2022.

9 SECURITY DEPOSITS

	Note	2020	2019
		(Rupees)	
Head office building		**450,000**	450,000
Lahore regional office		-	60,000
Rawalpindi regional office		-	20,000
Others	9.1	**27,444**	22,150
	9.2	**477,444**	552,150

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

	Note	2020	2019
Prepaid expenses		**11,303**	126,242
Loans and advances to employees	10.1 & 10.2	**57,886**	66,162
Others		**2**	55,653
		69,191	248,057

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

	2020		2019	
	Executives	**Other Employees**	Executives	Other Employees
	(Rupees)			
Opening balance	**9,998**	**50,379**	-	131,399
Disbursement during the year	**374,741**	**473,305**	52,166	607,733
Receipts during the year	**(384,739)**	**(462,407)**	(42,168)	(688,753)
Closing balance	**-**	**61,277**	9,998	50,379

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	2020	2019
		(Rupees)	
Balances with banks			
Current accounts		**1,412,424**	3,065,499
Deposit accounts	11.1	**80,299,327**	25,278,205
		81,711,751	28,343,704
Cash in hand		**5,225**	64,560
		81,716,976	28,408,264

11.1 Deposit accounts carry a rate of return ranging from 6.5% to 10.25% (2019: 6.5% to 10.25%) per annum.

12 UNRESTRICTED FUND

	Note	2020	2019
		(Rupees)	
Opening balance		**21,163,037**	11,668,539
Surplus / (deficit) for the year		**15,604,553**	(22,525,375)
Transferred from / (to) restricted fund	*13.1*	**-**	32,019,873
		36,767,590	21,163,037

13 RESTRICTED FUND

	Note	2020	2019
Opening balance		**108,364,453**	118,019,873
Surplus for the year		**37,906,854**	22,364,453
Transferred (to) / from unrestricted fund	*13.1*	**-**	(32,019,873)
	13.2	**146,271,307**	108,364,453

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 (2019: Rs. 86 million) relating to Endowment Fund, Rs. 34.6 million (2019: Rs. 12.0 million) relating to Zakat and Rs. 25.7 million (2019: Rs. 10.4 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. 2.374 million (2019: Rs. 2.131 million) and Rs. 1.321 million (2019: Rs. 1.126 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	
		2020	2019	2020	2019	2020	2019
		(Rupees)					
Opening balance		**2,131,037**	1,520,581	**1,126,442**	806,055	**3,257,479**	2,326,636
Deductions made during the year		**729,765**	952,304	**565,835**	524,313	**1,295,600**	1,476,617
Refunded during the year		**(486,942)**	(275,715)	**(370,679)**	(171,355)	**(857,621)**	(447,070)
Written off during the year		**-**	(66,133)	**-**	(32,571)	**-**	(98,704)
Closing balance	*14.1*	**2,373,860**	2,131,037	**1,321,598**	1,126,442	**3,695,458**	3,257,479

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

	2020	2019
	(Rupees)	
Accrued expenses	**80,995**	731,564
Security deposit against investment property	**750,000**	750,000
Lease liability	**1,058,673**	-
Unearned rental income	**748,687**	74,589
Creditors	**2,288,972**	2,166,732
	4,927,327	3,722,885

16 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2020 and 30 June 2019.

17 DONATIONS

	Note	2020	2019
		(Rupees)	
Unrestricted donation		**93,661,161**	40,052,204
Restricted donation		**40,244,085**	31,134,333
		133,905,246	71,186,537

17.1 Donations from:

	Note	2020	2019
Overseas donors	17.2	**71,864,236**	41,192,178
Local donors	17.3	**62,041,010**	29,994,359
		133,905,246	71,186,537

17.2 Overseas donors

	Note	2020	2019
Grant from Malala Foundation		**40,244,085**	31,134,333
Zindagi Trust USA Inc.		**17,806,180**	4,695,120
International Development and Relief Foundation (IDRF) of Canada	17.2.1	**5,165,490**	3,812,618
Global Giving Foundation		**7,753,865**	1,550,107
ZT Cyber source		**894,616**	-
		71,864,236	41,192,178

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 2020:

Prerequisite	**Date of receipt**	**Amount (CAN $)**	**Conversion Rate**	**Amount (Rupees)**
Submission and acceptance of first interim progress report 2019	31-Oct-19	12,000	118.74	**1,424,840**
Submission and acceptance of second interim progress report 2019	26-Dec-19	12,000	116.81	**1,401,669**
Submission and acceptance of third interim progress report 2020	13-Apr-20	20,000	116.95	**2,338,981**
				5,165,490

17.3 Local donors

	Note	2020	2019
		(Rupees)	
Lucky Cement Limited		**26,000,000**	21,903,348
Habib Bank Limited		**10,000,000**	-
United Bank Limited		**2,500,000**	-
Pakistan State Oil		**2,428,724**	-
Bestway Foundation		**2,000,000**	-
Turkish Coordination and Cooperation Agency		**1,310,000**	
Sitara Petroleum Services Private Limited		**1,200,000**	800,000
Hamid D Habib Memorial Trust		**1,000,000**	-
Artistic Fabric Mills Private Limited		**1,000,000**	-
Premium Textile Mills Limited		**1,000,000**	-
Burshane Petroleum Private Limited		-	1,000,000
Arif Lakhani		-	500,000
Salim Aday		-	670,000
ZT Cyber source Portal		**96,500**	1,581,193
Others	17.3.1	**13,505,786**	3,539,818
		62,041,010	29,994,359

17.3.1 This represents donations received from corporate entities and individual donors.

18 RENTAL INCOME

	Note	2020	2019
		(Rupees)	
Income from investment property	18.1	**1,912,277**	1,726,657
Income from SMB canteen		**90,508**	235,587
Income from KPS canteen		**63,600**	120,000
		2,066,385	2,082,244

18.1 Investment property was rented out to Highnoon Laboratories at a monthly rent of Rs. 151,250 till 15th December 2019 and from 16th December 2019 onwards it is Rs. 166,376 per month.

19 ZAKAT RECEIPTS

	Note	2020	2019
		(Rupees)	
Zakat from:			
Overseas	19.1	**18,763,482**	8,229,676
Local		**3,859,296**	3,766,904
		22,622,778	11,996,580

19.1 This represents zakat received from Zindagi Trust USA Inc.

20 HEAD OFFICE EXPENDITURE

	Note	2020	2019
Salaries and wages		**5,171,921**	4,451,495
Marketing and web development expense		**3,263,958**	2,667,118
Fundraiser Expense		**3,091,936**	-
Rent and taxes		**123,882**	1,763,897
Impairment loss on investment property	7	**1,744,500**	-
Depreciation - Right of Use asset	5.3	**1,644,598**	-
Fee and subscription expenses		**398,700**	398,000
Depreciation	5.3	**229,262**	287,057
Finance Cost		**277,658**	-
Travelling and conveyance		**268,889**	82,826
Advocacy Expense		**255,557**	-
Repairs and maintenance		**253,752**	152,607
Amortization	7	**184,394**	-
Others		**128,792**	176,948
Communication		**174,358**	163,496
Auditors' remuneration	21.6	**86,752**	156,000
Insurance		**150,857**	13,343
Utilities		**126,184**	130,303
Software Expense		**124,300**	-
Plantation expenses		**9,950**	91,400
Stores and materials		**62,474**	18,550
Printing and stationery		**30,902**	44,497
Bank charges		**43,548**	2,050
Entertainment expenses		**9,095**	21,523
		17,856,219	10,621,110

21 DIRECT EDUCATIONAL EXPENDITURE

	Note	2020	2019
SMB Fatima Jinnah School	21.1	**41,734,831**	32,653,721
KPS School	21.2	**27,581,510**	18,587,185
SGS School	21.3	**24,960,009**	20,743,960
Lahore Region	21.4	**4,584,154**	6,447,869
Rawalpindi Region	21.5	**3,467,108**	4,731,967
		102,327,612	83,164,702

21.1	SMB Fatima Jinnah Government Girls School	Note	2020	2019
			(Rupees)	
	Salaries and wages		**28,926,298**	24,094,536
	Academic course expenses		**2,452,728**	1,464,317
	Repairs and maintenance		**929,609**	2,171,379
	Covid-19 Relief Expense		**1,621,646**	-
	Insurance		**1,229,909**	40,026
	Marketing and web development expense		**1,214,879**	-
	Security charges		**890,912**	1,030,098
	Breakfast expenses		**692,657**	439,421
	Digital stories expense		**626,091**	-
	Printing and stationery		**454,163**	565,488
	Depreciation	5.3	**418,480**	258,180
	Fee and subscription expenses		**407,745**	350,667
	Incentives to staff		**398,500**	360,000
	Communication		**129,650**	393,652
	Art activities expenses		**123,369**	295,743
	Sports related expenses		**163,348**	260,232
	Auditors' remuneration	21.6	**257,932**	70,000
	Stores and materials		**118,711**	228,980
	Janitorial expenses		**148,667**	79,993
	Festivals and other related expenses		**111,827**	40,168
	Others		**53,440**	93,207
	Plantation expenses		**78,025**	92,650
	Teachers' training expenses		**64,920**	85,535
	Exhibition expenses		**-**	70,797
	Summer/Winter Camp Expense		**55,196**	22,770
	Travelling and conveyance		**50,259**	48,945
	Others		**115,870**	96,937
			41,734,831	32,653,721

21.2	Khatoon-e-Pakistan School (KPS)	Note	2020	2019
	Salaries and wages		**18,901,867**	13,816,820
	Repairs and maintenance		**1,581,829**	1,456,483
	Marketing and web development expense		**1,214,879**	-
	Depreciation	5.3	**974,589**	606,141
	Covid-19 Relief Expense (New)		**737,505**	-
	Digital stories expense		**626,091**	-
	Breakfast expenses		**551,779**	408,632
	Insurance		**514,773**	40,026
	Security charges		**441,900**	109,308
	Academic course expenses		**354,663**	386,686
	Printing and stationery		**355,042**	368,927
	Sports related expenses		**304,817**	124,928
	Communication		**104,038**	210,106
	Plantation expenses		**78,367**	194,405
	Fee and subscription expenses		**166,575**	123,393
	Auditors' remuneration	21.6	**161,632**	70,000
	Art activities expenses		**143,604**	124,479
	Others		**75,400**	135,343
	Stores and materials		**-**	131,350
	Festivals and other related expenses		**104,423**	73,238
	Janitorial expenses		**51,530**	67,272
	Exhibition expenses		**-**	57,571
	Others		**136,207**	82,077
			27,581,510	18,587,185

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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.

	Note	2020	2019
		(Rupees)	
Salaries expense		**11,245,650**	8,982,840
Land ownership transfer		**-**	3,097,600
Students aid expense		**2,901,794**	1,751,181
Security guards expense		**2,079,440**	1,141,397
Salaries expense (KHI Staff)		**1,689,000**	1,124,502
Health / Medical Insurance		**1,641,512**	-
Project allowance (HO Staff)		**705,971**	612,507
Students fee expense		**-**	660,000
Staff Air fare expense (KHI Staff)		**394,359**	488,958
Covid-19 Relief Expense		**444,930**	-
Depreciation expense	*5.3*	**277,451**	79,090
Guest house expense		**-**	257,665
EOBI ZT Contribution expense		**248,950**	157,068
Internet expense		**240,774**	19,710
Repair & maintenance expense		**233,869**	145,949
Daily allowance expense (KHI-Staff)		**225,000**	146,474
Car travelling expense (KHI Staff)		**219,031**	211,272
Electricity & utilities expense		**188,598**	153,322
Auditors remuneration	*21.6*	**188,338**	141,500
Legal adviser fee expense		**180,000**	165,000
General & cleaning expense		**135,745**	94,080
School stationery expense		**126,435**	59,955
Office supplies expense		**47,920**	111,222
Staff travelling expense		**109,927**	72,170
Staff training expense		**109,349**	77,200
Travel & Lodge for fellow expense		**85,942**	94,415
Entertainment expense		**87,137**	32,063
Arts & craft activities expense		**29,027**	86,907
Healthcare room supplies		**85,602**	2,870
Fire Extinguishers Exp - Purchase		**76,901**	-
Staff Lodging in Shangla (SGS KHI)		**75,746**	58,504
Traveling expense		**75,000**	2,946
Advertising & promotion expense		**68,084**	40,800
Online Resource & Data Packages		**65,610**	-
Security equipment rent expense		**61,200**	15,840
Printing stationery expense		**60,105**	5,650
Bank charges expense		**-**	60,023
School car maintenance expense		**59,659**	1,775
Office supplies expense (KHI)		**860**	58,754
Communication plan expense		**21,847**	55,265
Miscellaneous expense		**38,537**	54,105
Guests Travelling Exp		**49,869**	-
Building Repair & maintenance expense		**46,355**	4,640
Library books expense		**44,992**	35,611
Other Expense - Office equipment		**44,000**	41,500
School car fuel expense		**43,150**	43,000
Insurance expense (Head Office Cost)		**29,450**	40,026
Postage expense		**14,349**	37,032
Field Trips Expense		**31,500**	-
Mobile Phone Expense		**30,945**	-
Others		**100,099**	221,572
		24,960,009	20,743,960

21.4 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	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(Rupees)																	
Salaries and wages		2,097,711	2,743,016	108,865	193,346	205,053	165,482	138,225	132,839	104,617	182,487	135,977	171,082	115,486	269,978	83,940	163,334	2,989,874	4,021,584
Rent		255,000	400,227	96,716	108,941	77,286	132,933	77,837	109,283	74,400	100,649	72,628	107,176	77,304	108,042	80,124	103,150	811,405	1,170,381
Student fees expenses		323,600	588,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	323,600	588,800
Academic course expenses		-	-	-	3,502	-	3,502	-	3,502	-	3,503	-	3,503	-	3,503	-	3,503	-	24,518
Stipend to students		-	-	32,700	25,520	26,250	54,755	11,860	33,560	23,575	37,675	21,295	30,385	13,870	22,305	23,270	30,630	152,850	234,830
Auditors' remuneration	21.6	18,772	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,772	70,000
Utilities		75,267	99,615	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,267	99,615
Printing and stationery		12,027	-	-	6,606	-	6,606	-	6,606	-	6,606	-	6,606	-	6,606	-	6,607	12,027	48,243
Communication		49,816	62,624	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,816	62,624
Travelling and conveyance		43,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,750	-
Repairs and maintenance		14,050	42,474	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,050	42,474
Festivals and other related expenses		840	-	-	727	-	727	-	727	-	727	-	727	-	727	-	728	840	5,090
Others		92,103	81,730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92,103	81,730
		2,982,936	4,088,466	238,281	338,642	308,599	384,005	227,852	286,497	202,592	331,647	229,900	319,479	206,660	411,161	187,334	307,952	4,584,154	6,447,869

21.5 Rawalpindi Region

	Note	Rawalpindi Regional Office		Chah Sultan School		Dhamyal School		Dhoke Saidan School		Fauji Colony School		Naseerabad School		Themaspabad School		Total Rawalpindi Region	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(Rupees)															
Salaries and wages		2,247,748	2,763,830	-	142,936	71,675	102,400	75,793	123,843	74,650	121,321	88,075	114,501	73,332	137,670	2,631,273	3,506,501
Rent		227,846	309,128	-	90,772	60,119	82,947	42,512	59,904	66,130	72,027	74,575	91,239	51,528	102,086	522,610	808,100
Auditors' remuneration	21.6	18,774	70,000	-	-	-	-	-	-	-	-	-	-	-	-	18,774	70,000
Student fees expenses		31,200	79,715	-	-	-	-	-	-	-	-	-	-	-	-	31,200	79,715
Communication		40,832	48,554	-	-	-	-	-	-	-	-	-	-	-	-	40,832	48,554
Printing and stationery		7,075	-	-	5,641	-	5,641	-	5,641	-	5,641	-	5,642	-	5,642	7,075	33,648
Stipend to students		-	-	-	29,185	-	4,255	6,310	8,030	11,730	9,910	23,935	15,210	15,120	26,290	57,095	92,880
Utilities		36,617	48,623	-	-	-	-	-	-	-	-	-	-	-	-	36,617	48,623
Travelling and conveyance		29,950	-	-	-	-	-	-	-	-	-	-	-	-	-	29,950	-
Repairs and maintenance		850	370	-	-	-	-	-	-	-	-	-	-	-	-	850	370
Festivals and other related expenses		-	-	-	225	-	225	-	225	-	225	-	225	-	225	-	1,350
Academic course expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others		90,932	42,028	-	-	-	-	-	-	-	-	-	-	-	-	90,832	42,026
		2,731,624	3,362,244	-	266,759	131,794	195,468	124,615	197,643	152,510	209,124	186,585	226,817	139,980	271,912	3,467,108	4,731,967

21.6 Auditors' remuneration

	2020	2019
	(Rupees)	
Annual audit fee	550,000	550,000
Out of pocket expenses	50,000	27,500
	600,000	577,500

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:

	Note	2020	2019
		(Rupees)	
Zindagi Trust USA Inc.			
Donations and zakat received	*18.1 & 19.1*	36,569,662	12,924,795
Trustees			
Donations and zakat received		1,000,000	300,000
Travelling expenses		-	97,100
Key Management Personnel			
Donations and zakat received		1,191,170	-
Salaries and benefits		5,163,316	5,065,788
Travelling expenses		266,395	41,150

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

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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	2020	2019
		(Rupees)	
Security deposits	9.	**477,444**	552,150
Accrued interest income		**3,052,179**	2,768,646
Prepaid expenses	10.	**11,303**	126,242
Other receivables	10.	**2**	55,653
Loans and advances to employees	10.	**57,886**	66,162
Balances with bank	11.	**81,711,751**	28,343,704
		85,310,565	31,912,557

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	2020 (Rupees)	2020 %	2019 (Rupees)	2019 %
Bank Al Habib Limited	PACRA	AA+	A-1+	**80,298,141**	**98.270**	25,365,253	89.49
Telenor Microfinance Bank	PACRA / VIS	A+	A-1	**6,777**	**0.008**	308,345	1.09
Habib Bank Limited	VIS	AAA	A-1+	**1,406,833**	**1.722**	2,670,106	9.42
				81,711,751	**100.000**	28,343,704	100.00

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:

	2020				
	Carrying amount	Contractual cash flows	Less than six months	Seven to twelve months	More than one year
	(Rupees)				
Non-derivative financial liabilities					
Security deposits	**3,695,458**	**(3,695,458)**	**3,695,458**	-	-
Accrued and other liabilities	**4,927,327**	**(4,927,327)**	**4,927,327**	-	-
	8,622,785	**(8,622,785)**	**8,622,785**	-	-

	2019				
	Carrying amount	Contractual cash flows	Less than six months	Seven to twelve months	More than one year
			(Rupees)		
Non-derivative financial liabilities					
Security deposits	3,257,479	(3,257,479)	3,257,479	-	
Accrued and other liabilities	3,722,885	(3,722,885)	3,722,885	-	-
	6,980,364	(6,980,364)	6,980,364	-	-

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.

Fixed rate instrument	*Note*	**2020**	2019
		(Rupees)	
National Savings Certificates	*8.*	**86,000,000**	86,000,000

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 it's ability to continue as a going concern and to maintain a strong fund base to support the sustained development of it's operations.

The Trust was approved by the Commissioner as a non-profit organization under rule 214 and rule 220 of the Income Tax Rules, 2002 dated 27 January 2017. This approval is valid for subsequent three years unless withdrawn.

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:

		Carrying amount					Fair value			
	Note	Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2020		(Rupees)								
Financial assets - not measured at fair value										
Security deposits	26.1.1	-	-	477,444	-	477,444				
Investments	26.1.1	-	-	88,000,000	-	88,000,000				
Accrued interest income	26.1.1	-	-	3,052,179	-	3,052,179				
Prepaid expenses	26.1.1	-	-	11,303	-	11,303				
Loans and advances to employees	26.1.1	-	-	57,886	-	57,886				
Other receivables	26.1.1	-	-	2	-	2				
Cash and bank balances	26.1.1	-	-	81,716,976	-	81,716,976				
		-	-	171,316,790	-	171,316,790				
Financial liabilities - not measured at fair value										
Security deposits	26.1.1	-	-	-	3,695,458	3,695,458				
Accrued expenses and other liabilities	26.1.1	-	-	-	4,927,327	4,927,327				
		-	-	-	8,622,785	8,622,785				

		Carrying amount					Fair value			
	Note	Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2019		(Rupees)								
Financial assets - not measured at fair value										
Security deposits	26.1.1	-	-	552,150	-	552,150				
Investments	26.1.1	-	-	86,000,000	-	86,000,000				
Accrued interest income	26.1.1	-	-	2,768,646	-	2,768,646				
Prepaid expenses	26.1.1	-	-	126,242	-	126,242				
Loans and advances to employees	26.1.1	-	-	66,162	-	66,162				
Other receivables	26.1.1	-	-	55,653	-	55,653				
Cash and bank balances	26.1.1	-	-	28,408,264	-	28,408,264				
		-	-	117,977,117	-	117,977,117				
Financial liabilities - not measured at fair value										
Security deposits	26.1.1	-	-	-	3,257,479	3,257,479				
Accrued expenses and other liabilities	26.1.1	-	-	-	3,722,885	3,722,885				
		-	-	-	6,980,364	6,980,364				

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 0[illegible] NOV 2020

Trustee

Trustee

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