

READ FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Read Foundation

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Read Foundation ("the Company") which comprise the statement of financial position as at June 30, 2021 and the statement of income and expenditure and other comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the surplus and other comprehensive income, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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


GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Islamabad

October 03, 2021

READ FOUNDATION

(A Company licensed under section 42 of the Companies Act, 2017)

STATEMENT OF FINANCIAL POSITION**AS AT JUNE 30, 2021**

	Note	2021 (Rupees)	2020 (Rupees)
Funds and reserves			
General fund		223,262,884	139,806,087
Endowment fund		<u>1,188,000</u>	<u>1,188,000</u>
		224,450,884	140,994,087
Non-current liabilities			
Lease liability	4	8,325,866	11,133,083
Deferred capital grant	5	729,545,355	670,957,318
Non-monetary capital grant	6	15,035,914	19,158,191
Restricted grant	7	<u>616,609,187</u>	<u>331,444,407</u>
		1,369,516,322	1,032,692,999
Current liabilities			
Current portion of lease liability	4	6,733,432	6,207,772
Trade and other payables	8	<u>19,127,230</u>	<u>52,413,301</u>
		25,860,662	58,621,073
		<u>1,619,827,867</u>	<u>1,232,308,159</u>
Assets			
Non-current assets			
Property and equipment	10	1,148,951,092	943,641,767
Intangible asset	11	2,500,000	-
Long term investment	12	60,264	44,976
Long term security deposits		1,023,799	1,012,799
Long term receivable from employees	13	<u>6,052,791</u>	<u>7,117,296</u>
		1,158,587,946	951,816,838
Current assets			
Advances, prepayments and other receivables	14	26,639,836	14,742,956
Receivable from school - considered good	15	15,686,128	-
Tax refund due from government	16	7,751,404	7,574,693
Cash and bank balances	17	<u>411,162,553</u>	<u>258,173,672</u>
		461,239,921	280,491,321
		<u>1,619,827,867</u>	<u>1,232,308,159</u>
Contingencies and commitments	9		

The annexed notes 1 to 29 form an integral part of these financial statements.



Chief Executive Officer


Director

READ FOUNDATION**(A Company licensed under section 42 of the Companies Act, 2017)****STATEMENT OF INCOME AND EXPENDITURE AND****OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED JUNE 30, 2021**

		<u>2021</u>	<u>2020</u>
	<u>Note</u>	<u>(Rupees)</u>	<u>(Rupees)</u>
Income	18	993,400,169	925,131,736
Expenditure			
Programme activities	19	833,634,303	796,506,875
General and administrative expense	20	58,723,155	93,741,556
Fund raising	21	14,491,284	31,131,853
Financial charges	22	3,109,918	3,105,422
		<u>909,958,660</u>	<u>924,485,706</u>
Surplus for the year - before taxation		<u>83,441,509</u>	<u>646,030</u>
Taxation		-	-
Surplus for the year - after taxation		<u>83,441,509</u>	<u>646,030</u>
Other comprehensive income		15,288	1,456
Total comprehensive income for the year		<u><u>83,456,797</u></u>	<u><u>647,486</u></u>

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The annexed notes 1 to 29 form an integral part of these financial statements.



Chief Executive Officer

Director

READ FOUNDATION**(A Company licensed under section 42 of the Companies Act, 2017)****STATEMENT OF CHANGES IN FUND****FOR THE YEAR ENDED JUNE 30, 2021**

	General fund	Endowment fund	Total
 (Rupees)		
Balance as at July 01, 2019	139,158,601	1,188,000	140,346,601
Total comprehensive income for the year	647,486	-	647,486
Balance as at June 30, 2020	139,806,087	1,188,000	140,994,087
Balance as at July 01, 2020	139,806,087	1,188,000	140,994,087
Total comprehensive income for the year	83,456,797	-	83,456,797
Balance as at June 30, 2021	223,262,884	1,188,000	224,450,884

The annexed notes 1 to 29 form an integral part of these financial statements.


Chief Executive Officer


Director

READ FOUNDATION

(A Company licensed under section 42 of the Companies Act, 2017)

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

	<u>2021</u> <u>(Rupees)</u>	<u>2020</u> <u>(Rupees)</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	83,441,509	646,030
Adjustment for non- cash items:		
Depreciation and amortization	48,775,644	44,961,101
(Gain)/loss on disposal of asset	(385,722)	348,389
Amortization of deferred capital grant	(35,234,705)	(30,533,943)
Amortization of non monetary capital grant	(4,122,277)	(1,420,823)
Transferred to deferred capital grant - depreciable assets	(93,822,742)	(139,991,144)
Service fee	(77,718,393)	(99,866,933)
Amortization of restricted grant	(693,388,134)	(643,302,148)
Provision for doubtful debts	-	9,128,120
Debts written-off	13,332	-
	<u>(855,882,997)</u>	<u>(860,677,381)</u>
Operating deficit before working capital changes	(772,441,488)	(860,031,351)
(Increase)/decrease in current asset		
Advances, prepayments and other receivables	(11,896,880)	(14,801,706)
Receivable from school - considered good	(15,699,460)	(9,128,120)
	<u>(27,596,340)</u>	<u>(23,929,825)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	(33,286,071)	31,051,616
CASHFLOW AFTER WORKING CAPITAL CHANGES	(833,323,899)	(852,909,561)
Grant received during the year	1,150,094,050	997,183,800
Income tax paid/withheld	(176,711)	(1,683,191)
Net cash generated from operating activities	316,593,440	142,591,048
Cash flow from investing activities		
Purchase of property and equipment- net	(155,037,313)	40,481,737
Purchase of intangible asset-net	(2,500,000)	-
Sale proceeds of property and equipment	1,830,000	-
Long term deposits and receivables	1,053,505	-
Net cash used in investing activities	(154,653,808)	40,481,737
Cash flow from financing activities		
Lease liability	(8,950,750)	(6,900,749)
NET CASH GENERATED FROM FINANCING ACTIVITIES	(8,950,750)	(6,900,749)
Net (decrease)/increase in cash and cash equivalents	152,988,881	176,172,036
Cash and cash equivalents at the beginning of the year	258,173,672	82,001,636
Cash and cash equivalents at the end of the year	411,162,553	258,173,672

The annexed notes 1 to 29 form an integral part of these financial statements.



Chief Executive Officer


Director

READ FOUNDATION

(A Company licensed under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

READ Company ("the Company") is a not-for-profit organization established on August 28, 2006 under Section 42 of the Companies Act, 2017 with the main object to take over existing business and acquire all assets and properties, liabilities and obligations of whatever kind of "READ Company" registered on January 30, 1997 with Joint Stock Companies, Muzaffarabad under the Pakistan Societies Act, 1860 as applicable to Azad Government of the State of Jammu & Kashmir and another entity with the name "READ Company" a Trust registered on August 02, 1997 with Joint Sub Registrar, Islamabad under the Registration Act, 1908. The other objectives of the Company are to organize, formulate and execute projects of schools, vocational institutions, technical training colleges / schools for increasing the literacy rate and educational level in rural areas and adjoining locations on no profit, no loss basis. The registered office of the Company is located at Al- Farooq Plaza, 3rd Floor, Bahria Enclave, (Kurri) Road, Chak Shahzad, Islamabad.

The branches of the Company are registered with the Companies' registration office, Azad Jammu and Kashmir (AJK) on June 25, 2010 under AJK Companies Act 1992 (the Companies Act, 2017) as applicable in AJK. The branch office of the Company has not carried on any business activity as of the close of the financial year.

These financial statements represent the financial activities of head office while financial activities of schools have not been consolidated in these accounts due to the fact that all area schools are separate and independent entity for the purposes of financial control. These schools are also running on no profit and no loss basis.

The Company's program activities includes providing financial assistance to orphans and needy students by paying their school fees direct to respective schools and by providing food, uniforms, shoes, school books and other stationery items direct to orphans. The Company conducts the teachers' training programme and monitors the educational standards, develops special programmes for the students' capacity building and takes various steps for the development of schools.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Company as notified under the Companies Act 2017;
- Accounting Standards for Not for Profit Organisations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the 'historical cost convention' except as otherwise stated in the respective accounting policies notes.

2.3 Functional and presentation currency

These financial statements have been presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

The estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

2.4.1 Property and equipment and intangible asset

The Company reviews the useful lives and residual values of property and equipment and intangible assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

READ FOUNDATION

(A Company licensed under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2.4.2 Leased assets

The Company applies IFRS 16 to account for its right-of-use assets and the related lease liabilities. The Company assesses whether or not a rental contract contains a lease, whether or not an extension option will be exercised, whether or not a termination option will not be exercised. The Company calculates the appropriate discount rate to use and estimate the lease term. The Company uses its judgement when making these assessments and considers all facts and circumstances.

2.4.3 Impairment of financial asset

The Company measures loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost after considering the pattern of receipts and future financial outlook of the counterparty and is reviewed by the management on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of assets with a corresponding effect on the statement of income and expenditure.

2.4.4 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events.

2.5 Changes in accounting standards and interpretation

2.5.1 Accounting standards, interpretations and amendments applicable during the year

There are certain amendments to standards that are mandatory for accounting periods beginning July 01, 2020 and are considered not relevant or have any significant effect on the Company's financial statements and are therefore not detailed here.

2.5.2 Standards, interpretations and amendments to existing standards 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 from the dates mentioned below:

Standard, Interpretation or Amendment		Effective date (annual periods beginning on or after)
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities and Amendments regarding the disclosure of accounting policies	January 1, 2023
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations	January 1, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates	January 1, 2023
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include then assessing whether a contract is onerous	January 1, 2022
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
IFRS 7	Financial Instruments: Disclosures- Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial	January 1, 2022
IFRS 16	Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

Following standard and interpretation has been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First time Adoption of International Financial Reporting Standards

The following interpretation issued by IASB have been waived of by SECP:

IFRIC 12 Service concessions arrangements

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Taxation

No provision for taxation has been made in these financial statements as the income/donation of the Company is eligible for tax credit equal to one hundred percent under sub-section 2(d) and 2(f) of section 100C of the Income Tax Ordinance, 2001 being an educational and charitable institution solely for educational and charitable purposes and not for the purposes of making profit.

Further provision of minimum tax under section 113 of the Income Tax Ordinance shall not be applicable in view of the fact that the Company was granted approval under section 2(36) of the Income Tax Ordinance, 2001 by Federal Board of Revenue which remain valid upto June 30, 2023.

Tax deducted at source is recognized as refundable.

3.2 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses (if any) except land. Cost comprises of acquisition cost, non-refundable indirect taxes and any other directly attributable costs.

Depreciation is charged on assets using the reducing balance method, at the rates stated in note 10. A full month's depreciation is charged in the month of acquisition of an asset, while no depreciation is charged in the month of an assets' retirement.

Useful lives are determined by the management based on the expected usage of an asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. The effects of adjustments to residual values, useful lives and methods are recognized prospectively as a change in accounting estimates.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income and expenditure in the year the asset is derecognized.

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property and equipment is recognized in the income and expenditure statement as incurred.

3.3 Capital work in progress

Capital work-in-progress is stated at cost and consists of expenditures incurred and advances made in respect of tangible fixed assets during the course of its construction. Transfers are made to relevant assets category as and when assets are available for intended use.

3.4 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Subsequent cost on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the statement of income and expenditure on a straight line basis over the estimated useful life of intangible assets unless such life is indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist than the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

3.5 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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 Company's incremental borrowing rate.

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

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of income and expenditure if the carrying amount of right-of-use asset has been reduced to zero.

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

3.6 Foreign currency translation


Transactions in foreign currencies are converted at the rate prevailing at the date of transaction. Monetary assets and liabilities at the year end are translated at the exchange rate, prevailing at reporting date.

3.7 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks and highly liquid short term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

3.8 Staff retirement benefits

The Company provides its permanent employees a salary saving corporate plan with Pak-Qatar Family Takaful Limited/Meezan Investment Fund effective December 1, 2012. The Company is paying 10% of basic salary of its employees to Pak Qatar Takaful Limited (Takaful) under salary saving corporate plan which is charged to statement of income and expenditure while employees shall share 40% of the total payments to Takaful and amount is payable on termination of employment, due to death, withdrawal, becoming lapse or paid up or any other reason.



READ FOUNDATION

(A Company licensed under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

3.9 Income recognition

Income from schools is recognised when or as performance obligations are satisfied by transferring control of a promised service over time to schools at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Profit on bank deposit is accrued using the effective interest rate method.

Grants and donations

The Company follows deferral method of accounting for contributions which include donations and government grants.

Restricted grant

Grants received for specific purposes are classified as restricted grants. Such grants are transferred to income as grant to the extent of actual expenditure incurred there against. Expenditures incurred against committed grants but not received is accrued and recognized in income and is reflected as grant receivable only if condition of agreement are met. Unspent portion of such grant are reflected as restricted grant under liability side in the statement of financial position.

Unrestricted grants

Grants received without any conditions are recognized as income during the year of receipt.

Deferred capital grants

Grants utilized for depreciable capital assets are transferred from the restricted grants to deferred capital grants and are amortized over the useful life of the respective assets and recognized as income.

Grants for purchase of non-depreciable asset are recognized as income upon purchase.

Other donations

General donations are recognized as income on receipt basis.

Non-monetary capital grant

Non-monetary capital grant is recognized in the statement of financial position at fair value.

Grants of non-depreciable asset are recognized as income upon receipt.

Fair value is estimated by the Company at the time goods are received from donor, in case value is not provided by donor.

3.10 General fund and Endowment fund

Surplus and deficit for the year is accumulated and presented in general fund.

The endowment fund has been established from the donation received from donor with the object to utilize the funds for promotion of the objects of the Company. Management shall review the financial status of the Company from time to time and accordingly increase the amount of endowment fund. The return on funds are utilized to cater the administrative cost related to the programmes.

3.11 Advances, deposits and other receivables

Trade receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful, a provision is made and charged to the statement income and expenditure. These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of Expected Credit Loss.

3.12 Trade and other payables

Creditors and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not provided to the Company.

3.13 Provision

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

READ FOUNDATION

(A Company licensed under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

3.14 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of income and expenditure.

i Financial assets

Classification

Financial assets are classified in following three categories:

- a. amortized cost where the effective interest rate method will apply.
- b. fair value through other comprehensive income (FVTOCI).
- c. fair value through profit or loss (FVTPL).

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

For assets measured at fair value, gains and losses will either be recorded in statement of income and expenditure or other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of income and expenditure.

Debt instruments

The Company subsequently measures all debt instruments at amortized cost as assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of income and expenditure and presented in other income / (loss).

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's arrangement has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in statement of profit or loss.

ii Financial liabilities


Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss. 

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b) Amortized cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of income and expenditure, when the liabilities are derecognized as well as through effective interest rate

iii Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts, and the Company either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized in the statement of income and expenditure.

3.15 Impairment

i Financial assets

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

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

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

Loss allowances for receivable from schools are always measured at an amount equal to lifetime ECLs.

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

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

In case of fund receivable from schools, the Company considers that default has occurred when a financial asset is more than 12 months past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

ii Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income and expenditure statement.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less cost to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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An impairment loss recognized in the prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



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FOR THE YEAR ENDED JUNE 30, 2021

		<u>2021</u>	<u>2020</u>
4 Lease liability	Note	(Rupees)	(Rupees)
Balance as at July 01,		17,340,855	12,511,136
Addition		6,541,433	-
Interest expenses relating		2,417,316	2,292,031
Payments during the year		(8,950,750)	(6,900,749)
Remeasurement during the year		(2,289,556)	9,438,438
Balance as at June 30, 2021	4.1	<u>15,059,298</u>	<u>17,340,855</u>
Lease liability is presented on the statement of financial position as follows:			
Current		6,733,432	6,207,772
Non-current		8,325,866	11,133,083
		<u>15,059,298</u>	<u>17,340,855</u>

4.1 Future minimum lease payments as at June 30, 2021 are as follows:

	1 Year	2 - 5 Years	Total
	-----Rupees-----		
June 30, 2021			
Lease payments	8,374,406	9,256,051	17,630,457
Finance cost	<u>(1,640,974)</u>	<u>(930,185)</u>	<u>(2,571,159)</u>
Net present value	<u>6,733,432</u>	<u>8,325,866</u>	<u>15,059,298</u>
	1 Year	2 - 5 Years	Total
	-----Rupees-----		
June 30, 2020			
Lease payments	8,446,790	12,915,789	21,362,580
Finance cost	<u>(2,239,018)</u>	<u>(1,782,706)</u>	<u>(4,021,724)</u>
Net present value	<u>6,207,772</u>	<u>11,133,083</u>	<u>17,340,855</u>

4.2 The Company has no commitment to leases which have not yet commenced and as such no future cash outflows have been disclosed in this regard.

		<u>2021</u>	<u>2020</u>
5 Deferred capital grant	Note	(Rupees)	(Rupees)
Opening balance		670,957,318	561,500,117
Transferred from restricted grant	7	93,822,742	139,991,144
Amortization credited to income	5.1	<u>(35,234,705)</u>	<u>(30,533,943)</u>
		<u>729,545,355</u>	<u>670,957,318</u>

5.1 This represents depreciation for the year on related items of property and equipment.

6 Non monetary capital grant		<u>2021</u>	<u>2020</u>
Opening balance		19,158,191	20,579,014
Non monetary asset received during the year		-	-
Transferred to income - non-depreciable assets		-	-
WDV of non monetary asset disposed off during the year		(1,444,278)	-
Amortization		<u>(2,677,999)</u>	<u>(1,420,823)</u>
Balance at year end		<u>15,035,914</u>	<u>19,158,191</u>

7 Restricted grant	Note		
Opening balance		331,444,407	217,420,832
Funds received during the year		1,150,094,050	997,183,800
Transferred to deferred capital grant - depreciable assets		<u>(93,822,742)</u>	<u>(139,991,144)</u>
Service fee		<u>(77,718,393)</u>	<u>(99,866,933)</u>
Transferred to grant income for projects		<u>(693,388,134)</u>	<u>(643,302,148)</u>
Balance at year end	7.1	<u>616,609,187</u>	<u>331,444,407</u>

7.1 Restricted grants

	School land & building	Orphan Sponsorship Programme - Education	Water Sanitation and Hygiene (WASH) Programme	Orphan Sponsorship Programme - Sustenance Support	School Opening Programme	Emergency Relief Programme	Capacity Building- Teachers Training	Qurbani Welfare Programme	Staff Welfare Programme	School Enhancement Programme	Scholarship Programme	Zakat Project	Winter clothing for orphans	Other programme	Sadaqaat- Aqeeqa	Eid gifts	Ramadan Programme	Feeding the Poor	Total
June 30, 2021																			
Grant payable at July 01 2020	158,003,203	10,103,484	37,790,599	48,602,304	16,184,961	9,295,173	13,764,915	831,035	20,244,212	1,698,279	899,441	6,162,238	1,694,186	585,514	3,897,938	-	894,926	792,000	331,444,407
Funds received during the year	222,871,750	409,234,103	54,300,182	97,108,923	27,203,112	83,287,456	11,550,086	127,329,022	9,274,506	18,244,982	5,000,000	-	8,178,192	16,265,319	7,989,075	3,138,560	21,567,919	27,550,864	1,150,094,050
Grants available for spending	380,874,953	419,337,587	92,090,781	145,711,227	43,388,073	92,582,629	25,315,001	128,160,057	29,518,718	19,943,261	5,899,441	6,162,238	9,872,378	16,850,833	11,887,013	3,138,560	22,462,845	28,342,864	1,481,538,458
Less: expenses against grants	-	258,210,750	31,641,333	110,529,683	8,744,406	56,588,733	2,201,693	102,878,397	19,776,433	12,488,026	-	2,794,945	7,450,116	16,357,816	10,932,395	2,938,950	21,557,322	28,707,253	693,798,251
Less: service fee	4,954,266	45,202,446	4,120,672	-	1,171,526	5,881,373	1,089,679	12,406,506	-	458,895	-	-	755,920	-	703,214	22,646	951,251	-	77,718,393
Transferred to deferred capital grant	93,822,742	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93,822,742
Receivable	282,097,945	115,924,391	56,328,776	35,181,544	33,472,140	30,112,523	22,023,629	12,875,154	9,742,285	6,996,340	5,899,441	3,367,293	1,666,342	493,017	251,404	176,963	(45,728)	(364,389)	616,199,071
Closing balance	282,097,945	115,924,391	56,328,776	35,181,544	33,472,140	30,112,523	22,023,629	12,875,154	9,742,285	6,996,340	5,899,441	3,367,293	1,666,342	493,017	251,404	176,963	-	364,389	616,609,187

	School land & building	Orphan Sponsorship Programme - Education	Water Sanitation and Hygiene (WASH) Programme	Orphan Sponsorship Programme - Sustenance Support	School Opening Programme	Emergency Relief Programme	Capacity Building- Teachers Training	Qurbani Welfare Programme	Staff Welfare Programme	School Enhancement Programme	Scholarship Programme	Zakat Project	Winter clothing for orphans	Other programme	Sadaqaat- Aqeeqa	Eid gifts	Ramadan Programme	Feeding the Poor	Total
June 30, 2020																			
Grant payable at July 01 2019	112,075,641	7,975,952	4,777,064	68,864,050	(2,175,344)	-	15,902,395	(512,041)	-	1,894,711	2,599,875	-	1,845,723	-	2,559,280	-	1,613,526	-	217,420,832
Funds received during the year	204,512,890	318,429,307	50,453,869	63,785,428	26,634,787	76,066,187	112,238,285	82,281,686	20,484,212	10,062,436	8,452,800	15,629,653	4,302,947	960,000	2,889,315	-	-	-	997,183,798
Grants available for spending	316,588,531	326,405,259	55,230,933	132,649,478	24,459,443	76,066,187	128,140,680	81,769,645	20,484,212	11,957,147	11,052,675	15,629,653	6,148,670	960,000	5,448,595	-	1,613,526	-	1,214,604,631
Less: expenses against grants	7,475,257	254,263,047	14,917,788	84,047,101	5,861,077	58,579,747	111,379,515	72,723,155	240,000	9,366,823	9,173,916	7,904,449	4,164,166	960,000	1,527,508	-	718,600	-	643,302,147
Less: service fee	11,118,927	61,246,728	2,532,546	-	2,413,479	8,191,267	2,996,250	8,215,455	-	892,045	393,804	1,562,965	243,900	-	67,567	-	-	-	99,866,933
Transferred to deferred capital grant	139,991,144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	139,991,144
Balance as at June 30, 2020	158,003,203	10,895,484	37,790,599	48,602,377	16,184,887	9,295,173	13,764,915	831,035	20,244,212	1,698,279	1,484,955	6,162,238	1,738,604	-	3,853,521	-	894,926	-	331,444,407

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	2021	2020
	(Rupees)	(Rupees)
8 Trade and other payables		
Audit fee	765,600	2,146,000
Utilities payable	204,279	-
Staff salaries payable	143,005	6,972,231
Payable to schools against tuition fee and others	1,040,940	29,341,746
Account payables to suppliers	27,931	18,148
Payable against projects	19,394	747,369
Payable to employees against expenses	661,414	189,949
Payable to regional offices	575,707	184,898
Payable to AFAQ - related party	-	2,830,428
Unclassified donations	15,688,960	9,907,024
Other payables	-	75,508
	19,127,230	52,413,301
9 Contingencies and commitments		

9.1 Contingencies

Tax status in respect of any assessment proceeding is discussed in ensuing paragraphs:

Tax Year 2017 and 2018:

The Company was charged with income tax demand of Rs. 36,692,202 and Rs. 890,202 for tax year 2018 and tax year 2017 respectively on account of alleged default in withholding of income tax while making payments to different vendors. Both the assessments have, tax year 2018 completely and tax year 2017 majorly, been remanded back by the first appellate authority.

Subsequently, the assessing officer issued new show cause notice pertaining to tax year 2017 after the case remanded back by the Commissioner Appeal Inland Revenue (the "CIRA") and passed assessment order creating impugned demand amounting Rs. 13,819,537 vide order bearing No. 9/01 dated June 30, 2020 without providing opportunity of being heard to the taxpayer. The taxpayer filed an appeal against the aforesaid assessment order before the CIRA. However during hearing CIRA has remanded back the case to the assessing officer and no further notice is issued by the assessing officer.

Tax year 2019:

A Show cause notice bearing barcode No. 100000068475611 dated February 21, 2020 under Section 161/205 of the Income Tax Ordinance, 2001 read with Rule 44(4) of the Income Tax Rules 2002 (the "Rules") was issued for alleged default in withholding of tax against payment made to various parties by the Read Foundation. The notice was duly complied. Subsequently the assessing office without providing opportunity of being heard to the taxpayer issued assessment order by creating income tax demand amounting Rs. 123,221,318. Resultantly the taxpayer filed an appeal against said order before Commissioner Appeals (CIRA). However during hearing CIRA has remanded back the case to the assessing officer and no further notice is issued by the assessing officer.



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		<u>2021</u>	<u>2020</u>
	Note	(Rupees)	(Rupees)
10 Property and equipment			
Operating assets			
- Assets held with head office	10.5	93,058,383	81,061,181
- Assets held with schools	10.6	825,739,397	770,953,824
		918,797,780	852,015,005
- Capital work in progress	10.2	217,010,680	75,777,771
-Right of use asset	10.4	13,142,632	15,848,991
		<u>1,148,951,092</u>	<u>943,641,767</u>
10.1 Depreciation has been allocated as follows:			
Programme activities	19	41,295,636	35,044,818
General and administrative expense	20	6,980,008	9,916,283
		<u>48,275,644</u>	<u>44,961,101</u>
10.2 Capital work in progress			
Advances to parties for:			
- Permanent buildings construction		17,145,186	11,233,570
- Purchase of land		26,615,010	8,945,010
		43,760,196	20,178,580
Construction expenses			
- Permanent buildings construction		173,250,484	55,599,191
		<u>217,010,680</u>	<u>75,777,771</u>
10.3	During the year construction of school buildings was completed and the related costs accumulated under work in progress amounting to Rs. 93,822,742 were transferred to a category "building permanent" of assets held with schools (2020: Rs. 139,991,144).		
10.4 Right of use assets:			
Movement in right-of-use assets is as follows:			
		<u>2021</u>	<u>2020</u>
		(Rupees)	(Rupees)
Opening net book value		15,848,991	12,511,136
Addition		6,591,902	-
Remeasurement during the year		(1,639,389)	9,438,438
Depreciation charge		(7,658,871)	(6,100,582)
Closing net book value		<u>13,142,632</u>	<u>15,848,991</u>

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FOR THE YEAR ENDED JUNE 30, 2021

10.5 Assets held with Head Office

Particulars	Land	Office equipments	Machinery	Computers	Motor vehicles	Furniture and fixture	Library	Solar energy system	Electric and gas appliances	Total
-----Rupees-----										
Cost										
Balance as at July 01, 2019	69,550,416	6,036,559	497,396	12,487,762	13,805,290	3,527,443	40,404	1,155,000	4,270,102	111,370,372
Additions during the year	-	1,174,948	-	317,990	-	-	-	-	134,851	1,627,789
Disposals during the year	-	-	-	-	(9,261,982)	-	-	-	(78,120)	(9,340,102)
Balance as at June 30, 2020	69,550,416	7,211,508	497,396	12,805,752	4,543,308	3,527,443	40,404	1,155,000	4,326,833	103,658,059
Additions during the year	12,460,150	1,351,295	-	820,076	-	198,000	-	-	546,732	15,376,253
Disposals during the year	-	-	-	-	(1,699,150)	-	-	-	-	(1,699,150)
Balance as at June 30, 2021	82,010,566	8,562,803	497,396	13,625,828	2,844,158	3,725,443	40,404	1,155,000	4,873,565	117,335,162

Accumulated depreciation

Balance as at July 01, 2019	-	3,443,834	200,327	9,797,003	3,612,296	2,644,828	39,985	422,349	1,715,740	21,876,364
Depreciation for the year	-	490,517	44,560	861,245	1,881,570	132,392	126	36,633	368,658	3,815,701
Depreciation on disposals	-	-	-	-	(3,068,569)	-	-	-	(26,617)	(3,095,186)
Balance as at June 30, 2020	-	3,934,351	244,888	10,658,248	2,425,297	2,777,220	40,111	458,982	2,057,781	22,596,879
Depreciation for the year	-	527,443	37,876	728,255	101,060	124,908	88	34,801	380,342	1,934,773
Depreciation on disposals	-	-	-	-	(254,873)	-	-	-	-	(254,873)
Balance as at June 30, 2021	-	4,461,794	282,764	11,386,503	2,271,484	2,902,128	40,199	493,783	2,438,123	24,276,779
Carrying value as at June 30, 2021	82,010,566	4,101,008	214,632	2,239,325	572,674	823,315	205	661,217	2,435,441	93,058,383
Carrying value as at June 30, 2020	69,550,416	3,277,156	252,508	2,147,504	2,118,011	750,223	293	696,018	2,269,052	81,061,181
Rate of depreciation	-	15%	15%	30%	15%	15%	30%	5%	15%	

10.5.1 Addition to the land includes two donated lands situated at Sarai Alamgir Gujrat (land measuring 5 kanal) and at Kharian (land measuring 4 kanal & 155ft) having fair value of Rs. 7,000,000 and Rs. 750,000 respectively. (2020: NIL)



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10.6 Assets held with schools

Particulars	Land	Building permanent	Building prefabricated	Furniture and fixture	Science labs	Computers	Library	Generator set	Motor vehicles	Electric and gas appliances	Total
-----Rupees-----											
Cost											
Balance as at July 01, 2019	65,512,046	480,346,440	307,902,402	60,552,821	7,895,610	29,143,714	4,027,648	4,030,989	515,653	2,476,744	962,404,067
Additions during the year	-	137,633,682	2,357,462	-	-	23,500	-	-	-	-	140,014,644
Balance as at June 30, 2020	65,512,046	617,980,122	310,259,864	60,552,821	7,895,610	29,167,214	4,027,648	4,030,989	515,653	2,476,744	1,102,418,711
Additions during the year	-	93,822,742	-	-	-	-	-	-	-	-	93,822,742
Balance as at June 30, 2021	65,512,046	711,802,864	310,259,864	60,552,821	7,895,610	29,167,214	4,027,648	4,030,989	515,653	2,476,744	1,196,241,453
Accumulated depreciation											
Balance as at July 01, 2019	-	83,661,135	126,427,299	44,191,716	7,614,809	26,907,742	3,659,403	1,951,500	440,213	1,566,251	296,420,069
Depreciation for the year	-	22,283,380	9,083,578	2,454,166	84,240	673,142	110,474	207,949	11,316	136,574	35,044,818
Balance as at June 30, 2020	-	105,944,515	135,510,877	46,645,882	7,699,049	27,580,884	3,769,877	2,159,449	451,529	1,702,825	331,464,887
Depreciation for the year	-	27,288,620	8,737,449	2,086,041	58,968	475,899	77,331	187,154	9,619	116,088	39,037,169
Balance as at June 30, 2021	-	133,233,135	144,248,326	48,731,923	7,758,017	28,056,783	3,847,208	2,346,603	461,148	1,818,913	370,502,056
Carrying value as at June 30, 2021	65,512,046	578,569,729	166,011,538	11,820,898	137,593	1,110,430	180,441	1,684,386	54,505	657,831	825,739,397
Carrying value as at June 30, 2020	65,512,046	512,035,607	174,748,987	13,906,939	196,561	1,586,330	257,771	1,871,540	64,124	773,919	770,953,824
Rate of depreciation	-	5%	5%	15%	30%	30%	30%	10%	15%	15%	
W.D.V.											
Depreciation				2021	2020				2021	2020	
Assets held by school				39,037,169	35,044,818			Assets held by school	825,739,397	770,953,824	
Assets held with head office				1,934,773	3,815,701			Assets held with head office	93,058,383	81,061,181	
				40,971,942	38,860,519				918,797,780	852,015,005	

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READ FOUNDATION

(A Company licensed under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

11 Intangible asset	Note	2021 (Rupees)	2020 (Rupees)
Opening net book value		-	-
Addition		3,000,000	-
Amortization charge	20	(500,000)	-
Closing net book value		<u>2,500,000</u>	<u>-</u>
Cost	11.1	3,000,000	-
Accumulated amortization		<u>(500,000)</u>	<u>-</u>
		<u>2,500,000</u>	<u>-</u>
Rate of Amortization		20%	

11.1 This represents the right of way charges for 5 years on land measuring 1 kanal & 3 marlas at Mouza koral east service road Islamabad.

12 Long term investments

This represents investment in 800 NIT Units (2020: 800 NIT Units) purchased by the Company at the rate of Rs. 12.70 whose market value at reporting date is Rs. 75.33.

13 Long term receivable from employees	Note	2021 (Rupees)	2020 (Rupees)
Total receivable from employees		8,540,345	9,593,510
Less: receivable from employees - current portion		(2,487,554)	(2,476,214)
Long term receivable from employees		<u>6,052,791</u>	<u>7,117,296</u>

14 Advances, prepayments and other receivables

considered good - secured

To employees:

- Advance against salaries	14.1	3,396,748	1,093,368
- Advance against expenses and projects		1,046,930	2,153,387
Advance against projects	14.2	10,666,500	-
Receivable from employees - current portion		2,487,554	2,476,214
Prepaid insurance		317,945	360,319
Insurance claim receivable		-	2,000,000
Others	14.3	8,724,159	6,659,668
		<u>26,639,836</u>	<u>14,742,956</u>

14.1 This represents interest free loan given to employees.

14.2 This represents advance given to M/S AB Goods for execution of qurbani project.

14.3 This includes Rs. 3,382,749 (2020: 2,265,599) receivable from Read Foundation UK, a related party for expenses incurred on behalf of it and interest free loan given to schools to meet their operational activities.

15 Receivable from school - considered good	Note	2021 (Rupees)	2020 (Rupees)
Foundation fund receivable from schools		15,686,128	9,128,120
Less: Provision for the year	15.1	-	9,128,120
		<u>15,686,128</u>	<u>-</u>
15.1 Opening provision		-	-
Add: Current year provision		-	9,128,120
		-	9,128,120
Less: Provision written off		-	9,128,120
		<u>-</u>	<u>-</u>

READ FOUNDATION**(A Company licensed under section 42 of the Companies Act, 2017)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2021**

16 Tax refund due from government	Note	2021 (Rupees)	2020 (Rupees)
Opening balance		7,574,693	5,891,502
Tax withheld during the year		176,711	1,683,191
Balance at year end		<u>7,751,404</u>	<u>7,574,693</u>

17 Cash and bank balances

Cash at bank:

Current accounts

- Local currency

- Foreign currency

Saving accounts - local currency

17.1

2,878,954	15,835,624
312,271	315,531
407,971,328	242,022,517
<u>411,162,553</u>	<u>258,173,672</u>

17.1 These carry mark up at rates ranging from 2.75% to 7.50% (2020: 2.35% to 11.25%) per annum.

18 Income	Note	2021 (Rupees)	2020 (Rupees)
Students contribution towards fund		134,116,053	127,698,204
Utilization of restricted grant		693,798,251	643,302,148
Unrestricted grants		26,596,156	7,161,427
Amortization of deferred capital grant	5	35,234,705	30,533,943
Service fee	7	77,718,393	99,866,933
Donation in kind	10.5.1	7,750,000	
Disposal of non monetary capital asset	6	1,444,278	-
Amortization of non monetary capital grant	6	2,677,999	1,420,823
Other income	23	14,064,334	15,148,259
		<u>993,400,169</u>	<u>925,131,736</u>

19 Programme activities**Specific programme activities**

Orphan sponsorship programme - Education

Water Sanitation and Hygiene (WASH) programme

Orphan sponsorship programme - Sustenance support

School opening programme

Emergency relief

Capacity building-Teachers training

Qurbani

Staff Welfare Programme

School enhancement programme

Zakat project

Winter clothing for orphans

Other programme

Sadqaat-Aqeeqa

Eid gifts

Ramadan programme

Feeding the poor

258,210,750	254,263,047
31,641,333	14,917,788
110,529,683	84,047,101
8,744,406	5,861,077
56,588,733	58,579,747
2,201,693	111,379,515
102,878,397	72,723,155
19,776,433	240,000
12,488,026	16,842,080
2,794,945	7,904,449
7,450,116	4,164,166
16,357,816	10,133,915
10,932,395	1,527,507
2,938,950	-
21,557,322	718,600
28,707,253	-
<u>693,798,251</u>	<u>643,302,147</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
Programme offices costs	Note	(Rupees)	(Rupees)
Department of education - Head Office		17,026,373	27,927,782
Programme office - Muzaffarabad		5,706,923	7,284,798
Programme office - Bagh		7,789,677	8,612,310
Programme office - Bhimber		8,157,218	9,390,513
Programme office - Kotli		7,485,976	8,157,297
Programme office - Poonch		6,123,090	6,553,774
Programme office - Mirpur		4,830,886	5,075,883
Programme office - Gilgit Baltistan		3,493,241	3,139,106
Programme office - North		3,276,001	3,330,228
Programme office - Hattian Bala		5,112,232	4,313,162
Construction division		10,220,692	9,166,477
Projects implementation department		5,339,612	6,097,128
Monitoring & evaluation department		1,880,678	2,641,199
Academic support services division		12,084,486	16,470,253
Debts written-off		13,332	-
Depreciation	10.1	41,295,636	35,044,818
		139,836,052	153,204,728
		833,634,303	796,506,875
20 General and administrative expenses			
Staff salaries and benefits	20.1	37,578,734	53,346,737
Office rent		135,427	1,665,757
Human resource management		115,634	341,498
Traveling and conveyance		1,656,614	3,575,683
Utilities		3,184,445	4,029,818
Meetings		821,117	1,310,932
Computer accessories		743,844	634,467
Repair and maintenance		958,815	619,112
Auditor's remuneration	20.2	765,600	2,494,000
Legal and professional fees		496,210	70,490
Fees and taxes		209,830	542,980
Courier and postages		116,250	94,089
Printing and stationery		322,673	507,349
Provision for doubtful debts		-	9,128,120
Depreciation	10.1	6,980,008	9,916,283
Amortisation - right of way asset	11	500,000	-
Scholarship Programme		2,053,500	1,251,000
Loss on sale of fixed asset- net		-	348,389
Miscellaneous		2,084,454	3,864,852
		58,723,155	93,741,556

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2021**

		2021	2020
	Note	(Rupees)	(Rupees)
20.1 Salaries and benefits			
Staff salaries		30,097,515	43,860,773
Group health insurance		3,453,148	3,964,997
Takaful/VPS contributory fund		1,505,526	2,394,367
E.O.B.I		618,936	509,450
Headship allowance		820,000	1,130,333
Travelling allowance		32,000	336,000
Communication allowance		401,500	571,817
Self driving allowance		30,000	135,000
Mess allowance		620,109	444,000
		37,578,734	53,346,737
20.2 Auditor's remuneration			
Audit services			
Annual audit fee		765,600	696,000
Other certifications		-	348,000
Consultancy services		-	1,450,000
		765,600	2,494,000
21 Fund raising			
Staff salaries and benefits	21.1	12,167,357	20,000,991
Advertisement and promotions		1,824,329	7,291,179
Traveling and conveyance		456,126	3,100,697
Utilities		-	29,975
Printing & stationery		-	623,270
Fee & taxes		-	44,941
Courier & postage		22,452	15,800
Miscellaneous		21,020	25,000
		14,491,284	31,131,853
21.1 Salaries and benefits			
Staff salaries		9,818,629	17,927,649
Takaful/VPS contributory fund		936,996	948,690
E.O.B.I		158,375	150,025
Headship allowance		422,677	480,000
Communication allowance		345,100	327,107
Mess allowance		235,580	167,520
Self driving allowance		250,000	-
		12,167,357	20,000,991
22 Financial charges			
Interest on lease liability		2,417,316	2,292,031
Bank charges		692,602	813,391
		3,109,918	3,105,422
23 Other income			
Profit on bank accounts		12,554,322	12,340,067
Exchange gain		-	3,646
Insurance claim		-	2,000,000
Discount received		-	804,546
Gain on sale of fixed asset- net		385,722	-
Others		1,124,290	-
		14,064,334	15,148,259

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

24 Financial instruments and financial risk management

A. 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. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount		Fair value				
		Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Note		----- Rupees -----						
June 30, 2021								
Financial assets not measured at fair value								
	14	-	14,926,406	14,926,406	-	-	-	-
	15	-	15,686,128	15,686,128	-	-	-	-
	12	60,264	-	60,264	60,264	-	-	-
	17	-	1,023,799	1,023,799	1,023,799	-	-	-
		-	411,162,553	411,162,553	-	-	-	-
		60,264	442,798,886	442,859,150	1,084,063	-	-	-
Financial liabilities not measured at fair value								
	4	-	15,059,298	15,059,298	-	-	-	-
	8	-	19,127,230	19,127,230	-	-	-	-
June 30, 2020								
Financial assets not measured at fair value								
	14	-	12,589,569	12,589,569	-	-	-	-
	15	-	-	-	-	-	-	-
	12	44,976	-	44,976	44,976	-	-	-
		-	1,012,799	1,012,799	1,012,799	-	-	-
	17	-	258,173,672	258,173,672	-	-	-	-
		44,976	271,776,040	271,821,016	1,057,775	-	-	-
Financial liabilities not measured at fair value								
	4	-	17,340,855	17,340,855	-	-	-	-
	8	-	52,413,301	52,413,301	-	-	-	-

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(A Company licensed under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

24 Financial instruments and financial risk management (continued)

B. Measurement of fair values

(i) Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

(ii) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

Level 2 : 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 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

Non – derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure

Non – derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

C. Financial risk management

The Company has exposures to the following risks from their use of financial instruments:

24.1 Credit risk

24.2 Liquidity risk

24.3 Market risk

Risk management framework

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of directors oversee how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management of the Company undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

READ FOUNDATION**(A Company licensed under section 42 of the Companies Act, 2017)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2021****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 trade the fair value of any collateral. 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 economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Credit risk of the Company arises principally from advances, short term deposits prepayments and other receivables, long term investment and bank balances.

The Company's credit risk exposures are categorized under the following headings:

	<u>2021</u>	<u>2020</u>
	<u>Rupees</u>	<u>Rupees</u>
Advances, and other receivables	14,926,406	12,589,569
Receivable from school - considered good	15,686,128	-
Long term investment - FV through other comprehensive income	60,264	44,976
Long term security deposits	1,023,799	1,012,799
Bank balances	411,162,553	258,173,672
	<u>442,859,150</u>	<u>271,821,016</u>

(b) The aging of receivable from school at the reporting date was:

	2021		2020	
	Gross debts	Allowance for ECL	Gross debts	Allowance for ECL
	Rupees		Rupees	
1 - 3 months	-	-	499,623	499,623
4 - 6 months	-	-	185,180	185,180
7 - 9 months	-	-	8,443,317	8,443,317
9 - 12 months	-	-	-	-
Above 12 months	-	-	-	-
	-	-	9,128,120	9,128,120

The movement in the allowance for expected credit losses in respect of school receivable during the year was as follows:

	<u>2021</u>	<u>2020</u>
	<u>Rupees</u>	<u>Rupees</u>
Balance at beginning of the year	-	-
Impairment (reversal)/charge on financial assets during the year	-	9,128,120
	-	9,128,120
Less: Provision written off	-	(9,128,120)
Balance at end of year	<u>-</u>	<u>-</u>

The Company believes that no impairment allowance is necessary in respect of loan and advances, deposits and other financial assets as the recovery of such amounts is possible.

READ FOUNDATION**(A Company licensed under section 42 of the Companies Act, 2017)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2021****(d) Credit quality of financial Assets**

The credit quality of companies financial assets have been assessed below by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR - VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

	Ratings	<u>2021</u> Rupees	<u>2020</u> Rupees
Advances, prepayments and other receivables			
Counterparties with external credit ratings	Not rated	14,926,406	12,589,569
Long term investment - FV through other comprehensive income			
Counterparties without external credit ratings	Not rated	60,264	44,976
Long term security deposits			
Counterparties without external credit ratings	Not rated	1,023,799	1,012,799
	Ratings	<u>2021</u> Rupees	<u>2020</u> Rupees
Bank balances			
Counterparties with external credit ratings	A-1 to A-1+	411,162,553	258,173,672

24.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, prudent fund management practices and the ability to close out market positions due to dynamic nature of the business. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.


The maturity profile of the Company's financial liabilities is as follows:

	Carrying amount	Within one year	one to five years	Total
June 30, 2021	Rupees			
Lease liability	15,059,298	6,733,432	8,325,866	15,059,298
Trade and other payables	19,127,230	19,127,230	-	19,127,230
	<u>34,186,528</u>	<u>25,860,662</u>	<u>8,325,866</u>	<u>34,186,528</u>
June 30, 2020				
Trade and other payables	52,413,301	52,413,301	-	-

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 due to 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. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board of directors. The Company is exposed to interest rate and currency risks.

Market risk management is further analyzed in three categories:

- (a) Interest risk management
- (b) Currency risk management
- (c) Other market price risks 

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

(a) Interest rate risk management

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short term running finance, liabilities against assets subject to finance lease and balances in deposit and saving trades. At the statement of financial position date the interest rate risk profile of the Company's interest bearing financial instruments is:

	Effective interest rate (p.a.)		Carrying amounts	
	2021 Percentage	2020 Percentage	2021 (Rupees)	2020 (Rupees)
Fixed rate instruments				
Financial assets				
Savings accounts	2.75% to 7.50%	2.35% to 11.25%	407,971,328	242,022,517
Financial liabilities - lease liability			15,059,298	17,340,855

Fair value sensitivity analysis for fixed rate instruments

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

(b) Currency risk management

(i) Exposure to currency risk

The Company's exposure to currency risk includes United States Dollar (USD), Euro and GBP. As at the reporting date, the Foundation's exposure to the above mentioned currencies were as follows based on notional amounts:

	2021			2020		
	USD	EUR	GBP	USD	EUR	GBP
Bank balances	725.94	540.60	443.46	725.94	540.60	443.46

The following exchange rates have been applied.

	Average rates		Closing rates	
	2021 (Rupees)	2020	2021 (Rupees)	2020
United States Dollar (USD)	160.33	158.26	157.54	168.05
Great British Pound (GBP)	215.63	199.63	217.98	206.50
Euro (EUR)	191.16	175.06	187.27	188.61

(ii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the Pakistani Rupee against all other currencies at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected surplus or deficit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in Rupees	Statement of Income and Expenditure	
	Strengthening	Weakening
June 30, 2021		
USD (10% movement)	11,437	(11,437)
GBP(10% movement)	9,666	(9,666)
EUR (10% movement)	10,124	(10,124)
June 30, 2020		
USD (10% movement)	12,199	(12,199)
GBP(10% movement)	9,157	(9,157)
EUR (10% movement)	10,196	(10,196)

(c) The Company is not exposed to any other type of market price risks.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2021****25 Remuneration of chief executive and executives**

The aggregate amount charged in these financial statements as remuneration and allowance including all benefits to chief executive and executive of the Company is as follows:

Description	2021		2020	
	Chief Executive	Executives	Chief Executive	Executives
	----- (Rupees) -----			
Managerial remuneration	3,359,044	39,297,962	3,369,600	30,459,912
Communication allowance	66,000	669,100	-	535,686
Headship allowance	230,000	2,265,000	240,000	2,040,000
Travelling allowance	-	324,000	120,000	-
EOBI contribution	10,500	231,875	10,400	187,200
Takaful contribution	190,597	2,269,920	216,689	2,060,894
Self driving/personal car	250,000	900,000	135,000	562,600
Mess allowance	7,460	280,560	7,680	133,800
	4,113,601	46,238,417	4,099,369	35,980,092
Number of persons	1	23	1	18

25.1 The Chief Executive Officer (CEO) has been provided with free use of Company's owned and maintained car in accordance with his terms of employment. CEO and executives with their family members were also provided group health facility by paying group takaful contribution.

25.2 No fee has been paid to directors

26 Related party transactions

Related parties comprise of directors, chief executive officers (key management personnel) and entities over which directors are able to exercise significant influence. Transactions with the related parties other than those which have been disclosed in relevant notes to the accounts are as follows:

Name of related party	Relationship	Transactions during the year and year end balances	2021 (Rupees)	2020 (Rupees)
Association for Academic Quality	Associated by virtue of common directorship	Teachers training expense for Holy Quran	-	9,062,270
		Purchase of books	2,072,945	2,478,864
		Donation received	13,000,000	-
Character Education Fund	Associated by virtue of common directorship	Teachers training expense for Holy Quran	-	92,079,797
		Purchase of books	626,627	-
		Donation received	500,000	-

26.1 Related party transactions are carried out on mutually agreed terms.

27 Number of employees

	2021 Number	2020 Number
Number of employees at year end	161	162
Average number of employees during the year	162	166

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2021****28 General**

-Figures in these financial statements have been rounded off to the nearest Pakistan Rupee.

- Following figures have been reclassified for better presentation:

Statement of financial position2020
(Rupees)**Reclassification from****Reclassification to****Advances****Advances, prepayments and other receivables**

To employees:

To employees:

- Advance against salaries

- Advance against salaries

1,093,368

- Advance against expenses

- Advance against expenses and projects

871,500

Advance against projects

- Advance against expenses and projects

1,281,887

Others

Others

75,673

Short term deposits, prepayments and other receivables**Advances, prepayments and other receivables**

Group health participation fund

Prepaid insurance

360,319

Insurance claim receivable

Insurance claim receivable

2,000,000

Others

Others

6,583,995

Security deposits

Long term security deposits

1,012,799

Receivable from employees

Long term receivable from employees

7,117,296

Short term deposits, prepayments and other receivables**Advances, prepayments and other receivables**

Receivable from employees

Receivable from employees - current portion

2,476,214

Income and expenditure account**Specific programme activities****Specific programme activities**

School land & building

School enhancement programme

7,475,257

General and administrative expenses**Programme offices costs**

Staff salaries and benefits

Academic support services division

12,057,740

Human resource management

3,236,736

Traveling and conveyance

1,175,777

29 Date of authorization for issueThese financial statements have been authorized for issue on 03 OCT 2021 by the board of directors of the Company.

Chief Executive Officer

Director