

ANNUAL REPORT 2020



QUALITY SCHOOLS FOUNDATION

VISION, MISSION AND VALUES

OUR VISION

To make a positive change in the lives of less-privileged citizens of Pakistan through quality education.

OUR MISSION

To establish model educational institutions for girls equipped with modern facilities which deliver exemplary academic and moral education.

OUR VALUES

- Integrity of behaviour
- Respect and personal responsibility
- Graciousness and team spirit
- Civic consciousness
- Patriotism
- Moral courage



**HELPING GIRLS THROUGH EDUCATION TO
ACHIEVE THEIR DREAMS**



Corporate Information

BOARD OF DIRECTORS

Pir Farid Ahsanuddin	Chairman
Dr. M. Akram Sheikh	
Mr. Imtiaz Dossa	
Dr. Kashif Sabeeh	
Mr. M. Anwar Awan	
Mrs. Sadaf Sohail	
Pir Saad Ahsanuddin	
Lt Gen Sabeeh Qamar uz Zaman, retd	CEO

AUDIT COMMITTEE

Dr. M. Akram Sheikh	Chairman
Lt Gen Sabeeh Qamar uz Zaman, retd	
Dr. Kashif Sabeeh	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Pir Farid Ahsanuddin	Chairman
Lt Gen Sabeeh Qamar uz Zaman, retd	
Mr. M. Anwar Awan	
Mrs. Sadaf Sohail	

AUDITORS

M/s Peter & Co
Chartered Accountants
12, 1st Floor, Rahmat Centre
I – 8 Markaz
Islamabad

LEGAL ADVISOR

M/s Hassan & Hassan
PAAF Building
7-D, Kashmir Egerton Road
Lahore - 54000

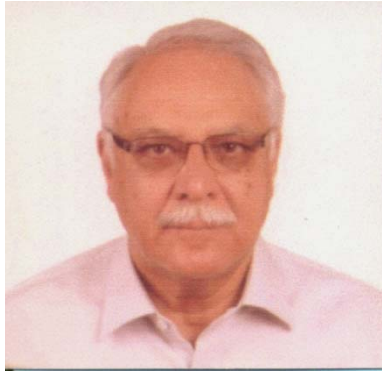
BANKERS

Meezan Bank Limited
Allied Bank Limited
Summit Bank Limited

Registered Office

Gatmells Motel, Jail Road
Rawalpindi Cantt
Telephone: 051-5146544 & 45
Fax: 051-5146546
Webpage: www.qsf.org.pk

Report by the Chairman



I am pleased to present annual report of Quality Schools Foundation (QSF) comprising Directors' Report, Audited Financial Statements for the year ended 30 June 2020 and auditors' report thereon.

Quality Schools Foundation continues to work to achieve highest possible quality of education and lowest possible cost of delivery to make education highly affordable. By the grace of Allah, efforts of our Board of Directors, management, principals, teachers and staff QSF have achieved commendable success in all these areas which is highlighted in the report.

The Board has reviewed the Directors' Report, and the audited financial statements for the year ended 30 June 2020. The Board was pleased to confirm that these are fair and balanced providing all necessary information to members to assess organisation's performance, strategy and approach.

The Board has developed and mandated organisational, management and operational policies and procedures covering all areas of responsibility and operations of the organisation

The Board receives regular updates and briefings about important matters and issues relating to management of financial resources and provides appropriate guidance and direction. An oversight mechanism is in place.

The size and composition of the Board is appropriate for its tasks. Its members are actively involved to efficiently discharge their duties and responsibilities.

Covid-19 Virus pandemic posed unparalleled challenges this year. Quality Schools Foundation (QSF) faced a number of critical situations as a result of sudden closure of schools causing great disruption in education. QSF responded by launching on-line education programme which proved to be a success as evident from positive feed-back from the parents and students.

The decision to reopen schools was another major challenge demanding procurement of materials and training of staff for proper implementation of standard operating procedures

mandated by the government and international organisations. By the grace of Allah the efforts of QSF have produced outstanding results.

On the whole, I believe that the strategic direction of the organisation is clear and appropriate. The processes adopted in developing and reviewing the overall organisational strategy and achievement of organisation's objectives and goals are proper which is evident from the organisation's current financial results and performance.

A handwritten signature in black ink, appearing to read 'Pir Farid Ahsanuddin', with a long horizontal stroke extending to the right.

Pir Farid Ahsanuddin

Chairman

Quality Schools Foundation



QUALITY SCHOOL, RAWALPINDI

QSF has already established three purpose built schools for girls; Misrial Road, Rawalpindi Cantt (2003), Wah Cantonment (2006), and Chakra, Rawalpindi (2017).

All the schools operate in purpose built campuses with class rooms, laboratories for physics, chemistry, biology and computers, library, staff rooms, offices, stores, toilets (on each floor), play area, and cafeteria.



Minister of Education presenting Award to Hajra Aamir of Quality School, Rawalpindi who had earned Third Position in the Federal Board Matriculation Examination



Quality School & College, Wah Cantt



EDUCATION PROGRAMME

The main principle on which the entire education programme is based is to implement a process for character development and quality education. This programme provides the foundation for intellectual, moral and spiritual growth. It is a process designed to develop the character individual to each student and equip her with the necessary knowledge and literary skills. It is our endeavour to equip the students with the skills that are critical for the future – creative thinking, the ability to learn independently and continuously, and effective communication.





MORAL EDUCATION

The aim of Moral and Civic Education programme, developed and implemented for character development of students of Quality Schools, is to nurture a balanced person with a strong sense of moral values, good inter-personal relationships, one who will contribute to the well-being of society, nation and eventually to the world. To achieve these goals formal instructions as per laid down curriculum and teaching methodology are conducted on last Saturday of every month. In addition, systems, procedures and rules have been designed to provide a supporting environment for character development on the right lines.



MAIN CHARACTERISTICS OF QUALITY SCHOOLS

- QSF schools are run on non-profit basis; fees are charged only to meet the operational expenses.
- Girls of poor families are provided necessary financial assistance to enable them to meet their educational expenses. Over 20% of our students get financial support.
- Admissions are strictly on merit. Merit determined through entrance tests and interviews by a committee of teachers.
- The medium of instruction is English supported by Urdu.
- The education system of Quality Schools has proved its effectiveness by delivering very good standard of education. Outstanding results achieved in Federal Board matriculation and intermediate examinations prove the point.
- Schools have excellent physical environment with all necessary educational, administrative and support facilities.
- Charging nominal fees and providing top grade faculty (mostly holding MA/MSc degrees) institutions run by Quality Schools Foundation provide services unique in many ways.
- Quality Schools Foundation plans to establish series of such non-profit, purpose-built schools in less privileged communities in major towns of Pakistan.





Teachers in a Staff Room



A visit to Taxila Museum



A visit to Clothing Factory of Pakistan Ordnance Factories, Wah



QUALITY SCHOOL, CHAKRA



PROFILES OF OUR DIRECTORS



Pir Farid Ahsanuddin

Mr. Farid Ahsanuddin is a founder director of QSF. He earned both his graduate and master's degrees in Civil Engineering from U.S.A. He has 51 years technical direction, administrative and fiscal control of several civil engineering projects in Pakistan and abroad. He is Chief Executive of Republic Engineering Corporation (Pvt) Ltd.

Mr. Farid is on the Board of Governors of a number of Charitable Organizations in the fields of Education and Healthcare. He contributes a substantial part of his time towards these organizations.



Mr Imtiaz Sultan Dossa

Mr. Imtiaz Sultan Dossa is a founder director of QSF. He is a passionate supporter of underprivileged female education and healthcare in Pakistan. He supported The Citizens Foundation (TCF) from its founding in 1996 and is a member and trustee of TCF and trustee of TCF-UK. He was a member of Council (trustee) of The Royal Commonwealth Society for the Blind (Sightsavers) and of its important committees. Sightsavers is a UK-based international charity working to eliminate avoidable blindness. It helped set up LRBT, Pakistan's leading eye-care charity, and remains its principal donor.



Dr. M. Akram Sheikh

Dr. Akram Sheikh is a founder director of QSF. He earned his degree of Doctor of Philosophy in Structural Engineering from Canada. He has 53 years technical and administrative experience in various prestigious positions. He was Federal Minister / Deputy Chairman, Planning Commission of Pakistan from 2004 to 2008. He was Advisor to the Army on Planning & Development in Nation Building & Welfare Activities, Islamabad, from 2009 to 2015.

Dr. Akram Sheikh received a number of awards during his distinguished service including Hilal-i-Imtiaz from Government of Pakistan in 2005



Col. Muhammad Anwar Awan

Mr. Muhammad Anwar Awan is a founder director of QSF. He had served with distinction for 26 years in Pakistan Army.

After retirement from the Army, he joined The Citizens Foundation (TCF) as Regional Manager, Punjab. Being one of the pioneers, during his 17 years service with TCF, he made significant contributions to that organization.



Dr. Kashif Sabeeh

Dr. Kashif Sabeeh is a founder director of QSF. He earned his Doctor of Philosophy degree in Theoretical Condensed Matter Physics from U.S.A. After joining the Physics Department in Quaid-I-Azam University (QAU) in 2002, he is presently a Tenured Professor of Physics in QAU. He has been a fellow of the International Centre of Theoretical Physics (ICTP) in Trieste, Italy and a member of the American Physical Society. He has made valuable contributions to the education programme of QSF.



Mrs. Sadaf Sohail

Mrs. Sadaf Sohail is a founder director of QSF. She earned her degree of Master of Science in Anthropology from Quaid-I-Azam University, Islamabad.

She is at present located in Ajman, UAE where she is running a business enterprise. Prior to her departure abroad she was actively helping QSF in implementation of the Education Programme.



Lt Gen Sabeeh Qamar uz Zaman, retired

Lt Gen Sabeeh is a founder director and CEO of QSF. He has also served as Chairman QSF from 2001 to 2015. From 2005 to 2009, he was also Chairman of National Education Foundation, Ministry of Education, Government of Pakistan.

Lt. Gen. Sabeeh has been a Director of The Citizens Foundation since 1996. He has also served as Chief Executive Officer of TCF from 1995 till 2001. As CEO of TCF, he received a UN Award for “his and his organization’s outstanding work in support of primary education for boys and girls in under-privileged areas”. He was also awarded Hilal-e-Imtiaz and Sitara-e-Bisalat for distinguished service in the Pakistan Army.



Pir Saad Ahsanuddin

Mr. Ahsanuddin is a serial entrepreneur, private equity investor, and active participant in public policy matters. He started his professional career as an investment banker with Credit Suisse, New York and then transitioned to international private equity with Emerging Markets Partnership and New Silk Route. Since moving back to Pakistan co-founded several successful companies, including entertainment multiplex chain (Cinepax), a national logistics company (Fastrak), Pakistan’s first SVOD company (Starzplay), He serves on the BOD of over twelve leading national/international companies, and is a founding partner of Boston Equity Partners.

He is a graduate of Aitchison College, graduated magna cum laude from Brown University, USA with a dual degree in B.Sc. (Honors) Engineering and a B.A. (Honors) Business Economics and has a MBA from Harvard University, USA.

Code of Conduct and Governance Policies

Based on our vision, values and principles, we had developed QSF Code of Conduct for our employees and organisational governance policies. Over the year have noticed their positive impact on the performance of our personnel and received favourable feedback from our stakeholders.

The code of conduct and the governance policies are regularly reviewed and improved making full use of stakeholders' feedback. The emphasis is on the following:

Punctuality

Regular attendance

Best possible performance

Unimpeachable moral conduct

Be trustworthy

Respect for other persons regardless of gender, colour, religion, cast or creed

Safeguard organisation's information or property

Discipline

Directors' Report

The Directors of the Foundation have the pleasure in submitting their report together with the audited financial statements of the Foundation for the year ended 30 June 2020.

We are grateful to Almighty Allah with whose blessings we have collectively been able to progress as well as maintain our credibility as an effective and transparent organisation. We take this opportunity to thank all our donors who have helped us in achieving our goals.

Annual Review

By the grace of Allah, Quality Schools Foundation (QSF) completes 19 years of operations. In this period, QSF has been able to establish 3 purpose-built schools and two colleges for girls in Rawalpindi and Wah Cantonments, and Chakra with student strength of about 4,300.

Due to the efforts of the teachers and a good education system, Quality Schools have earned a well deserved reputation as institutions imparting quality education. In keeping with their past tradition, the matriculation and intermediate results of students of QSF education institutions this year were outstanding. Consequently, hundreds of our students after graduating have earned or are studying to earn professional degrees from prestigious universities of Pakistan. Their professional degrees have enabled them and their families to stand on their own feet leading to respectable social status. It is also a matter of great satisfaction that improvement in the social and financial position of these families will benefit children of all their future generations as they will have no resources constraint as far their education is concerned. This achievement is real 'sadqa-e-jaria'; Alhamdulillah.

Financial Statements

The financial statements of the Foundation have been approved and duly audited by the auditors of the Foundation, M/s Peter & Co, and their report is attached with the financial statements.

Summary of Financial Results

Description	2020	2019
	Rs. In '000	
Donation and Concessional Fees	83,527	82,624
Education Programme Expenses	75,717	69,680
Programme Administration Expenses	3,819	3,735
Total Operating Expenditure	79,536	73,415
Surplus / loss of income over expenditure for the year	3,699	9,209
Total Assets	193,514	181,133

Operational and Financial Review

The Foundation Balance Sheet continues to remain healthy with a base of Rs. 193,514 million as of June 30, 2020, compared to Rs. 181,133 million as of June 30, 2019. The operating results of the Foundation as detailed in the Income and Expenditure Account for the year ended on June 30, 2020 show that Education Programme operating expenses increased by 8.6 % which was mainly due to inflation and adverse impact of Covid-19. Administration Expenses increased by 2.2% due to inflation, and increase in span of work and expenditure on account of Covid-19 relief programme.

The management continued its efficient control on Programme Administration expenses that was 5% of total operating expenditure which by national and international standards is considered to be very good. Donation and concessional fee income has increased by 1% compared to last year. All funds and return on their investment are exclusively used in support of our education programme.

This year Quality Schools Foundation launched its Endowment Fund with the stipulation of principal amount to be kept intact while the income earned on related investments could be used to offer scholarships and financial assistance:

- a. To deserving students of QSF institutions to help them continue and complete their studies;
- b. To offer scholarships to deserving graduating students who get admission in professional institutions so that they stand on their feet as professionals; and,
- c. To provide financial support to teachers, students and non-academic staff of QSF facing serious medical emergencies.

Academic Distinctions

Quality Schools sponsored and supported by QSF continue to produce excellent results in Federal Board (FBI&SE) Matriculation examinations. In the examinations held in 2020:

Matriculation – Science Group (SSC-I)

No examination was held by Federal Board (FBI&SE) due to Covid-19 pandemic and all students were promoted to 10th Class by order of the Board.

Matriculation – Science Group (SSC-II)

142 students of Quality Schools appeared in Federal Board Matriculation examination 2020, and 130 students got A+ grade and 12 students got A grade.

Highest marks secured by a student among all the students of Quality Schools were 1089 marks out of 1100 (99%). 122 students of both schools secured more than 1000 marks.

The overall GPA of Quality School, Wah Cantt is 6 out of 6 and they have been ranked first among 1197 schools affiliated with the Federal Board.

Quality School, Wah Cantt has been ranked first for the Tenth (10th) consecutive year securing GPA 6/6. Alhamdulillah.

Intermediate (HSSC-I)

No examination was held by Federal Board (FBI&SE) due to Covid-19 pandemic and all students were promoted to 12th Class by order of the Board.

Intermediate (HSSC-II)

Quality School and College Wah Cantt is at the top in 536 Colleges affiliated with Federal Board by securing GPA 6/6.

20 students appeared in HSSC-II annual exams 2020 and all students secured A1 grade.

Any organisation would be proud of such outstanding results; so we have a right to rejoice, and compliment our education institutions without any reservation.

Objectives and Strategies

There is no change in the Foundation's objectives and strategies from the previous years. No material change or commitment affecting the financial position of the Foundation has taken place between the end of the year and the date of this report.



Chief Executive

October 12, 2020



Director

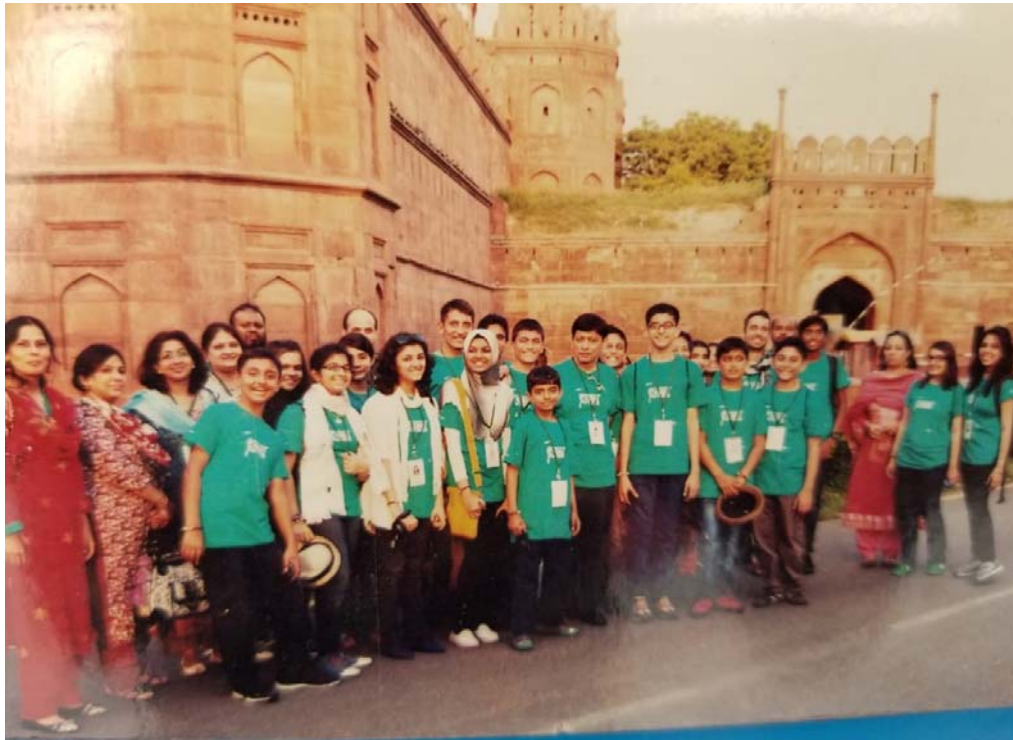
October 12, 2020



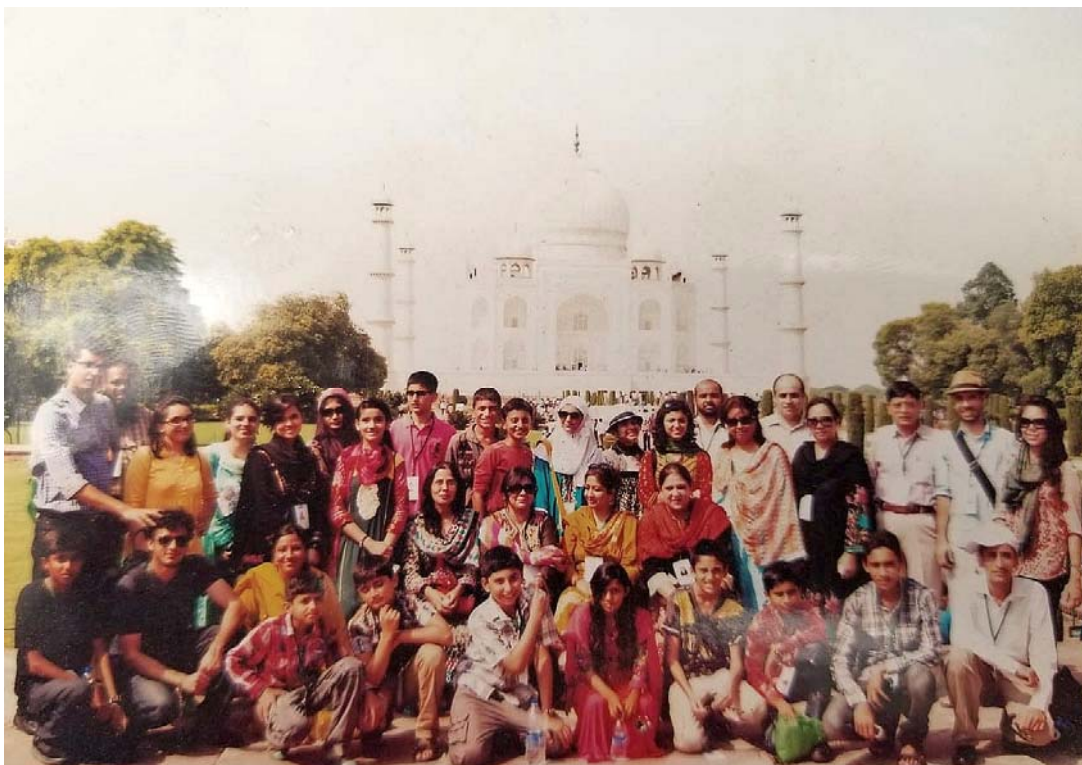
Members of visiting Indian Teachers and Students with Principal, Quality School, Rawalpindi



Visitors in a KG Classroom



**MEMBERS OF PAKISTANI TEACHERS AND STUDENTS INCLUDING
TEACHERS AND STUDENTS OF QUALITY SCHOOL, RAWALPINDI DURING
RECIPROCAL VISIT TO INDIA**

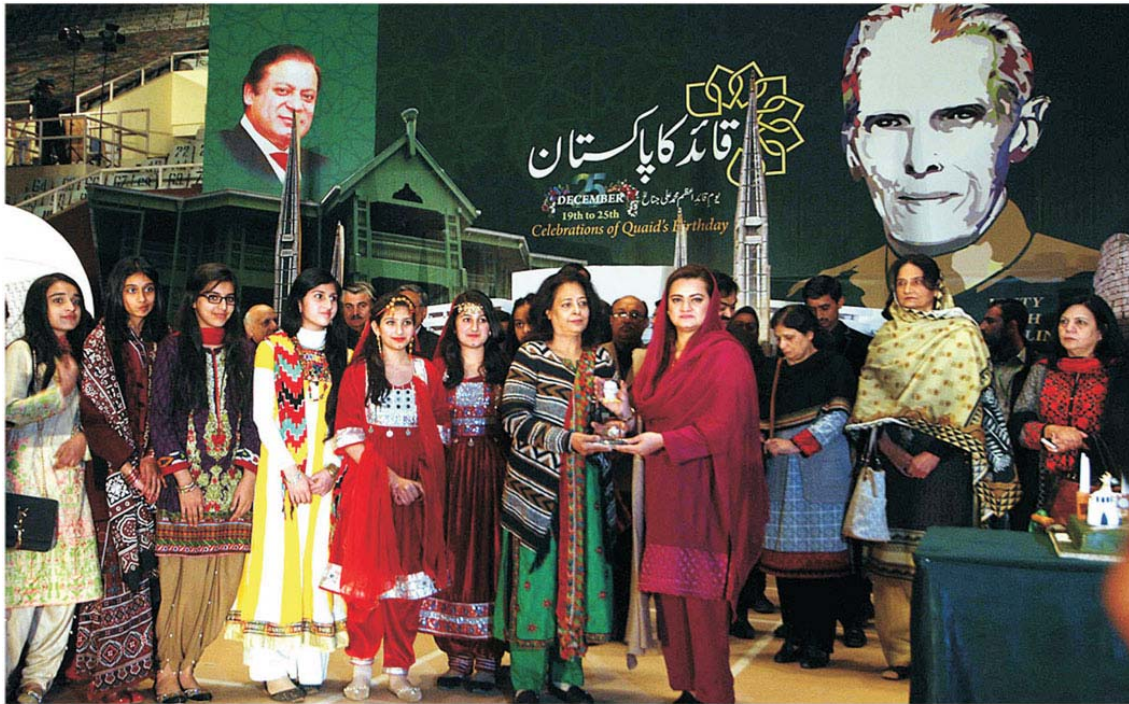




Geography & Culture of Japan

Presentation by staff of Embassy of Japan





ISLAMABAD: Minister of Information and Broadcasting Marriyum Aurangzeb distributing awards on the birthday celebrations of Quaid-e-Azam Muhammad Ali Jinnah and Prime Minister Muhammad Nawaz Sharif at Sports Complex.-APP

PAKISTAN NATIONAL CENTRE FOR THE ARTS (PNCA) celebrated Quaid-e-Azam Week in 2016. Quality School, Rawalpindi stood first in Inter-School Tableau, National Song, and Painting Competitions. Principal Mrs. Nadeema Tanveer received award from Minister of State for Information and Broadcasting on December 25, 2016. Here she can be seen receiving award along with participants.





**QUALITY SCHOOLS FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

PETER & CO.
CHARTERED ACCOUNTANTS

**Peter & Co. - Chartered Accountants
Office No. 1, 1st Floor, Plot No. 193
Korang Road, I - 10/3, Islamabad**

INDEPENDENT AUDITORS' REPORT

To the members of Quality Schools Foundation "QSF"

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **QUALITY SCHOOLS FOUNDATION** ("QSF"), which comprise the statement of financial position as at June 30, 2020 and the statement of income and expenditure / comprehensive income, the statement of changes in equity, 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, statement of income and expenditure / comprehensive income, the statement of changes in equity 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 QSF's affairs as at June 30, 2020 and of the income or expenditure / comprehensive income, the changes in equity 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the QSF 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

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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 QSF'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 QSF or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the QSF'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 QSF'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 QSF'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

PKC



are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditors' report. However, future events or conditions may cause the QSF 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 QSF as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure / 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 QSF'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 auditors' report is Aneel Peter.

Islamabad

Date: October 16, 2020

QUALITY SCHOOLS FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
Non current assets			
Property and equipment	4	98,505,995	105,156,059
Long term loan	5	26,712,227	26,385,109
Long term investments	6	22,000,000	23,318,500
Security deposits		340,000	340,000
		147,558,221	155,199,668
Current assets			
Long term investments - Current portion	6.1	7,225,761	-
Advances, deposits and prepayments	7	130,159	360,167
Accrued income	8	134,251	87,777
Income tax refundable	9	132,628	234,877
Cash at bank	10	38,332,901	25,250,553
		45,955,700	25,933,374
		193,513,921	181,133,042
ACCUMULATED FUND AND LIABILITIES			
Accumulated fund - Unrestricted		181,940,477	178,241,445
Endowment fund - Restricted	11	7,997,847	-
Current liabilities			
Accrued expenses		95,000	75,000
Other payable		81,923	-
Non current liabilities			
Refundable security deposits	12	3,398,674	2,816,597
		193,513,921	181,133,042

Contingencies and commitments

Annexed notes from 1 to 23 form an integral part of these financial statements.

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CHIEF EXECUTIVE

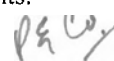

DIRECTOR

QUALITY SCHOOLS FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE / COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Donations and concessional tuition fees	14	78,898,129	75,072,271
Markup on loan - POF Board	15	654,867	654,867
Profit on bank deposits	16	2,265,677	1,584,084
Other income	17	1,709,009	5,313,706
		<u>83,527,682</u>	<u>82,624,928</u>
LESS: EXPENDITURE			
Education programme			
Salary, wages and benefits		54,276,673	49,724,070
Communication and utilities		2,197,255	2,172,749
Printing, stationery and text books		6,330,518	5,144,378
Repairs and maintenance		1,465,107	1,455,519
Vehicle running expense		1,281,064	1,096,090
Legal and professional charges		81,233	-
Office supplies		1,177,555	1,847,159
Travelling and conveyance		623,500	541,000
Rental		327,750	327,750
Depreciation		7,618,564	7,267,489
Other expenses	18	338,236	104,492
		<u>75,717,455</u>	<u>69,680,696</u>
Education programme administration			
Salary, wages and benefits		1,771,932	1,524,400
Communication and utilities		240,567	285,007
Printing and stationery		130,214	361,273
Legal and professional charges		6,000	25,000
Repairs and maintenance		324,043	57,579
Vehicle running expense		140,850	148,460
Audit fee		95,000	75,000
Advertisement		85,000	50,000
Insurance		308,204	231,064
Donations		674,000	841,000
Miscellaneous		43,540	136,536
		<u>3,819,350</u>	<u>3,735,319</u>
Other expenses			
Donations		291,845	-
		<u>3,699,032</u>	<u>9,208,913</u>
Surplus for the year		<u>3,699,032</u>	<u>9,208,913</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>3,699,032</u>	<u>9,208,913</u>

Annexed notes from 1 to 23 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

**QUALITY SCHOOLS FOUNDATION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2020**

	2020	2019
	Rupees	Rupees
CASH FROM OPERATING ACTIVITIES		
Surplus for the year	3,699,032	9,208,913
Adjustment for:		
Depreciation	7,618,564	7,267,489
Rental	327,750	327,750
Mark up on loan - POF Board	(654,867)	(654,867)
Profit on Special Savings Certificates	-	(694,385)
Accrued profit on bank deposits	-	(87,777)
Cash flow before working capital changes	<u>10,990,479</u>	<u>15,367,123</u>
(Increase)/decrease in current assets		
Advances, deposits and prepayments	285,783	(180,000)
Accrued income	-	-
Increase/(decrease) in current liabilities		
Accrued and other liabilities	101,923	
Cash flow after working capital changes	<u>11,378,185</u>	<u>15,187,123</u>
Income tax paid		
Net cash generated from operating activities	<u>11,378,185</u>	<u>15,187,123</u>
CASH FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(968,500)	(3,574,295)
Long term investments	1,318,500	(17,000,000)
Net cash used in investing activities	<u></u>	<u>(20,574,295)</u>
CASH FROM FINANCING ACTIVITIES		
Endowment Fund	7,997,847	
Security deposits	582,077	352,200
Net cash used in investing activities	<u>8,579,924</u>	<u>352,200</u>
Net increase in cash and cash equivalents	<u>13,082,348</u>	<u>(5,034,972)</u>
Cash and cash equivalents at the beginning of the year	25,250,553	30,285,525
Cash and cash equivalents at the end of the year	<u>38,332,901</u>	<u>25,250,553</u>

Annexed notes from 1 to 23 form an integral part of these financial statements.


CHIEF EXECUTIVE

PKC


DIRECTOR

QUALITY SCHOOLS FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	ENDOWMENT FUNDS- RESTRICTED Rupees	ACCUMULATED FUNDS - UNRESTRICTED Rupees	TOTAL Rupees
Balance as at July 01 , 2018		169,032,532	169,032,532
Surplus for the year	-	9,208,913	9,208,913
Balance as at June 30, 2019		178,241,445	178,241,445
Received during the year	7,997,847	-	
Surplus for the year	-	3,699,032	3,699,032
Balance as at June 30, 2020	7,997,847	181,940,477	181,940,477

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Annexed notes from 1 to 23 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 Legal status and nature of activities

Quality Schools Foundation (the "Foundation") was incorporated in Pakistan as a company limited by guarantee on September 25, 2001 under section 42 of Companies Ordinance, 1984 (now Companies Act 2017). The Foundation is principally engaged in establishing Schools to promote quality education in underprivileged areas. Apart from concessionary tuition fees collected by its Schools, it also receives funds through donations from its well wishers, general public and various organizations. The Foundation is currently managing and running three Schools which are affiliated with the Federal Board of Secondary and Intermediary Education. Its registered office is situated at Gutmells Motel, Old Jail Road Rawalpindi.

2 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards for Small and Medium sized Companies (IFRSs for SMEs) issued by International Accounting Standards Board and Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017, provisions of and the directives issued thereunder. In case requirement differs, the provisions or directives of the Companies Act, 2017 shall prevail.

3 Summary of significant accounting policies and estimates

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying Foundation's accounting policies. The areas where assumption and estimates are significant to the financial statements includes, estimated useful life of property, plant and equipment and provision for doubtful debts.

3.1 Basis of preparation

These accounts have been prepared under the historical cost convention and accrual basis of accounting. The financial statements of the Foundation reflect the results of the Foundation and all three Schools which are managed by the Foundation and have no separate legal standing.

3.2 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment in value, if any. Depreciation for the year is charged to income applying the straight line method whereby the cost of an asset is written off over its estimated service life at the rates specified in note 4. Depreciation is charged on additions from the month asset is put in use whereas no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income during the financial period in which they are incurred.

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**QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

Gains and losses on disposal of fixed assets are taken into income and expenditure account.

3.3.1 Specific funds / Restricted grants

Specific designated funds / restricted grants are the funds that have to be used in accordance with the specific restrictions imposed by the donors or that have been raised by the entity for the particular purposes. These funds are taken into income to the extent they are utilized for their prime purpose and balance is differed.

3.3.2 Endowment Fund - Restricted

This represents contribution received from the donors with the stipulation of principal amount to be kept intact while the income earned on related investments could be used to offer scholarships and financial assistance:

- a) To deserving students of QSF institutions to help them continue and complete their studies;
- b) To offer scholarships to deserving graduating students who get admission in professional institutions so that they stand on their feet as professionals; and
- (c) To provide financial support to teachers, students and non-academic staff of QSF facing serious medical emergencies.

3.3.3 Revenue recognition

All funds and donations are recognized as income as and when the Foundation has right to receive and related expenditures are incurred. However, if no basis exists for allocation than such grant is recognized on receipt basis. Tution fees is recognized on accrual basis. Profits on bank deposits are recognized as income on accrual basis.

Free of cost office space and services of the Chief Executive Officer to the Foundation have not been valued and accordingly are not recognized in the financial statement as income or expenditure of the Foundation.

3.3.4 Foreign currency translations

Pak Rupee is Foundation's presentation currency. Transactions in currencies other than Pak Rupees are recorded in the books at the rates of exchange prevailing on the dates of transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are converted at the rate prevailing on the balance sheet date. Gains and losses arising on conversion are included in income and expenditure account for the year.

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**QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

3.3.5 Financial instruments

a- Investments - Held to maturity

Investments are classified as held to maturity if acquired by the Foundation with the attention and ability to hold them till maturity. Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, these are measured as amortized costs.

b- Investments - Available for sale

These investments are acquired by the Foundation with the intention to sell or management may decide so after acquiring and initially recognizing in different category. These investments are stated at fair value with any resultant surplus/deficit recognized in the statement of changes in accumulated funds until investment is sold, at which time accumulated gain or loss is charged to income for the year.

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership.

c- Loans and Receivables / Payables

Loans and receivable/payables are non-derivative financial assets / liabilities with fixed or determinable payment that are not quoted on an active market. These are recognized at historical or amortized costs depending upon nature.

3.3.6 Provisions

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

3.3.7 Impairment

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

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

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**QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

3.3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. 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 readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.3.9 Taxation

The Foundation being registered under section 42 of the repealed Companies Ordinance, 1984, has been granted approval U/S 2(36) of the Income Tax Ordinance, 2001 as a non profit organization. Accordingly, the income of the Foundation is subject to 100% tax credit as per section 100C of the Income Tax Ordinance, 2001.

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QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

4 Property and equipment

	Land	Building	Furniture and Fixture	Vehicles	Office Equipment	Computers	Library	CWIP	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Year ended June, 2019									
Opening net book value	20,311,100	76,718,792	4,519,603	2,083,783	2,932,301	-	2,283,673	-	108,849,253
Additions	-	710,000	108,000	1,763,000	90,000	-	-	903,295	3,574,295
(Disposals) / Transferred in	-	903,295	-	-	-	-	-	(903,295)	-
Depreciation	-	(4,968,135)	(724,368)	(875,586)	(390,090)	-	(309,310)	-	(7,267,489)
Adjustments	-	-	-	-	-	-	-	-	-
Closing net book value	20,311,100	73,363,952	3,903,235	2,971,197	2,632,211	-	1,974,363	-	105,156,059
At July 1, 2019									
Cost	20,311,100	100,358,782	7,243,681	5,700,182	3,938,400	202,057	3,093,104	-	140,847,306
Accumulated depreciation	-	(26,994,830)	(3,340,446)	(2,728,985)	(1,306,189)	(202,057)	(1,118,741)	-	(35,691,247)
Net book value	20,311,100	73,363,952	3,903,235	2,971,197	2,632,211	-	1,974,363	-	105,156,059
Year ended June, 2020									
Opening net book value	20,311,100	73,363,952	3,903,235	2,971,197	2,632,211	-	1,974,363	-	105,156,059
Additions	-	960,000	-	-	8,500	-	-	-	968,500
(Disposals) / Transferred in	-	-	-	-	-	-	-	-	-
Depreciation	-	(5,050,939)	(724,368)	(1,140,036)	(393,911)	-	(309,310)	-	(7,618,564)
Adjustments	-	-	-	-	-	-	-	-	-
Closing net book value	20,311,100	69,273,013	3,178,867	1,831,161	2,246,800	-	1,665,053	-	98,505,995
At June 30, 2020									
Cost	20,311,100	101,318,782	7,243,681	5,700,182	3,946,900	202,057	3,093,104	-	141,815,806
Accumulated depreciation	-	(32,045,769)	(4,064,814)	(3,869,021)	(1,700,100)	(202,057)	(1,428,051)	-	(43,309,811)
Net book value	20,311,100	69,273,013	3,178,867	1,831,161	2,246,800	-	1,665,053	-	98,505,995
Rate Of Depreciation	0%	5%	10%	20%	10%	33%	10%	0%	

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QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
5 Long term loan			
Loan to POF Board - Principal amount	5.1	21,828,914	21,828,914
Mark-up on loan:			
Opening		4,556,195	4,229,078
For the year:			
Markup		654,867	654,867
Rental		(327,750)	(327,750)
	5.2	4,883,313	4,556,195
As at year end		<u>26,712,227</u>	<u>26,385,109</u>

- 5.1** This represents construction cost of a School building in Wah Cantt and other fixed assets purchased for the School. In terms of an agreement dated December 21, 2014 between the Foundation and Pakistan Ordinance Factory (POF) Board, Wah Cantt (herein referred as Board) a loan up to a maximum limit of Rs. 20 million was to be provided by the Foundation to the Board. Subsequently the limit was enhanced to Rs. 21.829 million by the Board through letter No. 1136-118-O-S-welfare dated November 5, 2008. The loan disbursement was by way of construction of a building of a School at Wah Cantt. The building and 8 kanal plot of land in Wah Cantt is in possession of the Foundation, where a School has been established as per the terms of the agreement and the title of the building vests with the Board. As per terms of agreement Foundation shall accrue 3% markup on loan and book an annual rental amount of Rs. 327,750 payable to the Board and the net amount every year will be accrued as receivable from Board.
- 5.2** This represents accumulated markup on loan (3 % of loan) provided to POF Board net off the accumulated annual rental of Rs. 327,750 payable by the Foundation for using the said premises.
- 5.3** The Foundation undertakes not to demand repayment of the loan and the markup, or any part thereof, from the Board, provided that the Foundation is continued to be permitted the use of the School building for at least 25 years - extendable up to 50 years (as per terms of agreement) which makes a major part of the economic life of the building. Nonetheless, this has not been classified as a leased asset in terms of International Financial Reporting Standard 16 - "Leases", since in light of the agreement the construction cost of building represents loan receivable from the Board, which Foundation expects to recover at the end of the agreement, against a fully functioning School and the goodwill associated with it. In light of the above it is more appropriate to classify the construction cost of the building as a loan receivable and recognize the arrangement to use the building as a operating lease. In the event the contract is revoked or both parties mutually agree to terminate the agreement in accordance with the terms and conditions contained in agreement, repayment of balance amount is legally covered by Article 11 of the agreement wherein POF Board has agreed to repay the amount of the loan outstanding and the accumulated markup net of accumulated rental.

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QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

- 5.4 This agreement is irrevocable. Initial time period is of 25 years and renewable for additional 25 years on the same terms and conditions except for the rent and markup which both the parties shall negotiate in view of prevailing market conditions at the time of renewal.

	Note	2020 Rupees	2019 Rupees
6 Long term investment			
Special Saving Certificates	6.1	-	6,318,500
Regular Income Certificates	6.2	22,000,000	17,000,000
		<u>22,000,000</u>	<u>23,318,500</u>
6.1 Principle amount		5,006,115	5,006,115
Accrued Mark-up		2,219,646	1,312,385
Less:			
Investment to mature in next 12 months and classified as current asset.		(7,225,761)	-
		<u>-</u>	<u>6,318,500</u>

- 6.1.1 These represent investment in Special Saving Certificates of the Government of Pakistan for the term of three years maturing on June 12, 2020 (2019: June 12, 2020). These carry markup ranging between 10% - 12% per annum receivable after every 6 months.(2019: 10% to 12 %).

	2020 Rupees	2019 Rupees
6.2 Principle amount	22,000,000	17,000,000
Accrued Mark-up	-	-
Less:		
Investment to mature in next 12 months and classified as current asset.		
	<u>22,000,000</u>	<u>17,000,000</u>

- 6.2.1 These represent investment in Regular Certificates of the Government of Pakistan of Rs. 17 million maturing on June 30, 2024 and of Rs. 5 million maturing on 30 September 2024 (2019: June 30, 2024). These carry mark-up ranging between 8.784 % - 12.96 % per annum receivable every month.(2019: Between 8.784 % - 12.96 % per annum).

	2020 Rupees	2019 Rupees
7 Advances, Deposits and prepayments		
Advances	-	180,000
Prepaid insurance	130,159	180,167
	<u>130,159</u>	<u>360,167</u>

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QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

8 Accrued Income

This represent interest accrued on bank deposits.

9 Income tax refundable

This represents income tax refund in respect of amount withheld at source by banks despite of having exemption, which management intends to claim from the Government.

		2020 Rupees	2019 Rupees
10 Cash at bank			
Local currency:			
Savings accounts		22,080,204	15,870,070
Foreign currency:			
US Dollars 97,060 @ 167.45 Rs/\$ (2019: US Dollars 58,680 @ 159.86 Rs/\$)		16,252,697	9,380,483
		<u>38,332,901</u>	<u>25,250,553</u>
11 Endowment Funds - Restricted			
Lt. Gen Sabeeh Qamar Uz Zaman Retd. (Chief Executive) - Family		2,680,000	
Pir Farid Ahsanuddin (Director) - Family		1,200,000	
Covasjee Foundation		1,000,000	
Shirin Sultan Dossa Foundation (Associated Entity)		<u>3,117,847</u>	
		<u>7,997,847</u>	
12 Refundable security deposit			
This represents security deposits collected from the employees at the rate of 10 percent of their gross salary for first 10 months of their employment which is paid back to employee on termination of service.			
13 Contingencies and commitments			
There are no contingencies and commitments as at balance sheet date.			
		2020	2019
	Note	Rupees	Rupees
14 Donations and concessional tuition fees			
Concessional tuition fees		72,015,402	72,327,271
Donations	14.1	<u>6,882,727</u>	<u>2,745,000</u>
		<u>78,898,129</u>	<u>75,072,271</u>

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QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	Rupees	Rupees
14.1 Donations		
Unrestricted donations received during the period:		
- Chairman / Chief Executive		500,000
- Directors		
Pir Farid Ahsanuddin - Family	125,000	50,000
Dr. M. Akram Sheikh	150,000	75,000
Pir Saad Ahsanuddin	25,000	
- Institutions		
Cowasjee Foundation	200,000	500,000
Shirin Sultan Dossa Foundation (Associated Entity)	3,190,727	-
Amreli Steels Limited	1,000,000	-
- Other Individuals	2,192,000	1,620,000
	<u>6,882,727</u>	<u>2,745,000</u>
15 Mark up on loan		
This represents markup on loan to POF Board at the rate of 3 percent of principle amount, explained in detail in Note 5.		
	2020	2019
	Rupees	Rupees
16 Profit on Bank Deposit		
Local currency account	2,182,287	1,541,699
Foreign currency account	83,390	42,385
	<u>2,265,677</u>	<u>1,584,084</u>
17 Other income		
Exchange gain/loss	801,748	2,247,115
Others	-	1,546,006
Profit on savings certificates	907,261	1,520,585
	<u>1,709,009</u>	<u>5,313,706</u>
18 Other expenses		
Bank charges		23,212
Canteen	338,236	81,280
	<u>338,236</u>	<u>104,492</u>

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QUALITY SCHOOLS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

19 Related party transactions

The related party of Foundation comprise of its Chairman / Chief Executive Officer and Directors. There were no related party transactions during the period except for free of cost office space and services provided by the Chairman of the Foundation and donations provided as explained in Note 14.1.

	2020	2019
	Rupees	Rupees
20 Number of employees		
At year end	<u>217</u>	<u>232</u>
Average for the year	<u>220</u>	<u>224</u>

21 Date of authorization

These financial statements have been authorized for issue on 12 Oct 2020 by the Board of directors of Foundation.

22 General

22.1 Figures have been rounded off to the nearest Pak Rupee.

22.2 Comparative figures have been rearranged, where necessary, for the purpose of comparison and better presentation

23 Impact of COVID-19

On 30 January 2020, the World Health Organization (WHO) declared the outbreak a "Public Health Emergency of International Concern" and on 11 March 2020, the WHO declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many countries, including Pakistan, have taken stringent steps to help contain further spread of the virus. While these events and conditions have resulted in general economic uncertainty, management has evaluated the impact of COVID-19 and concluded that there are no material implications of COVID-19 on the operations of the Foundation that require specific disclosure in the financial statements. Neither the Foundation's operations were significantly affected due to COVID-19 during the year nor is expected to be adversely affected in the near future. Further, COVID-19 has no material impact on the presented amounts and disclosures.

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CHIEF EXECUTIVE



DIRECTOR