



The Kaghan Memorial Trust

ANNUAL REPORT

For the Financial Year
2018-2019



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PART 1

The Trust, the School and the Mission

1.1 Introduction to KMT and KMS

The Kaghan Memorial Trust (KMT) is a non-profit Charitable Trust that was registered in Islamabad, Pakistan, in the aftermath of the earthquake of October 2005 that destroyed large swathes of Northern Pakistan. Since its inception, the Trust has been focused exclusively on building and operating its charitable Kaghan Memorial School (KMS) in the Kaghan Valley, one of the areas most devastated by the earthquake. This School provides **education of a high standard, completely free of cost, to disadvantaged children** from the area.

The management and administration of KMT are overseen by a Board of Trustees headed by an elected Managing Trustee. This Board is also responsible for developing, organizing and implementing the Trust's fundraising programme. The Trustees of KMT are all members of civil society who have a genuine desire to deliver 'meaningful' education to those who cannot afford it. All Trustees contribute their time and efforts to KMT on a volunteer basis.

KMS launched its first classes in September 2008, and the institution has an enrolment of approximately 600 children in the 2019 Academic Year. These students are divided into 21 classes ranging from Kindergarten to Grade 11 (9 of the grades have two sections each, whereas 3 have one section). Our enrolment is progressively increasing, as existing classes graduate to the next level each year and as new kindergarten classes are inducted at the beginning of every new academic year.

The first batch of students shall graduate from KMS in 2021 after appearing for their Higher Secondary School exams. KMT is determined to continue support for these children after they graduate from our school by giving them scholarships for completing their bachelor's degrees in universities around Pakistan. The commitment of the Trust is therefore to provide education of a high standard to these children, starting from Kindergarten and going up all the way to a bachelor's degree. That is 17 years of schooling!

KMT is, at the moment, committed solely to building and operating the Kaghan Memorial School. Once this school is fully built and financially stable, hopefully over the next 4 to 6 years, the Trustees of KMT aspire to eventually build two more schools of this type in other remote areas of Pakistan. For the time being, however, the Trust is exclusively focused on ensuring that KMS is established on a solid foundation that will ensure that it becomes an institution of excellence and of genuine opportunity for the disadvantaged children of the Kaghan Valley.

We have high aspirations for this school, which are described in detail in the following Mission Statement (a.k.a. our Organisational Philosophy), which is the basis for everything that we are trying to achieve with the Kaghan Memorial School.



1.2 KMT's Mission Statement

Supporting sustainable development in the Kaghan Valley through the provision of quality education to disadvantaged children from the area.

The Trustees of KMT are committed to ensuring that the children enrolled in KMS receive a meaningful education that will allow them to choose and aspire to any future career or life goals that they may set for themselves. All too often, in a developing country such as Pakistan, such children are condemned to second-rate schooling just because of their poverty and because of the lack of interest on the part of the concerned authorities to provide them with anything more than the bare-minimum educational services. Spending extra money on providing quality schooling to such children is considered 'wasteful' and 'extravagant'; an opinion shared, unfortunately, by many in civil society as well. This is why even private sector charitable initiatives for educating the underprivileged are also overwhelmingly designed on the principle of providing the most basic education to as many children as possible.

KMT disagrees with this approach completely, and at the outset the Trustees had resolved that any schools that KMT built would provide education of a standard that the Trustees expected for their own children. Firmly engrained in KMT's organisational philosophy is the conviction that a sub-standard education only adds to frustration and discontentment in society, as this instils a hope for a better future amongst the targeted children and their families, without delivering to those children the capacity or the competence to go on in life and realize those elevated expectations. Products of such ill-designed educational systems end up, after ten or twelve or even fourteen years of so-called schooling, right where their parents had been before them i.e. in the unskilled or semi-skilled labour market.

KMT believes that only through the provision of quality education can the underprivileged break free from the chronic cycle of poverty and suffering that their families have been condemned to for generations. The Trustees are convinced that given the opportunities that have traditionally

been the reserve of the rich and the privileged in this country, children from extremely disadvantaged backgrounds can do just as well as, if not better than, their more affluent counterparts. We are confident that with the type of schooling and nurturing being provided to its students by KMS, these children will one day become strong agents for positive and sustainable development for their families, their communities, and their country. This is the ultimate vision for this School, and KMT will do whatever it can to ensure that this vision becomes a reality.



The mission of the School does not stop at education alone. The Trustees of KMT are concerned about the overall well-being of the students, and they are therefore taking a holistic approach to the upbringing of each child at KMS. This approach includes taking care of their health and hygiene needs, providing them with educational materials such as books, notebooks, stationery etc., as required, and providing them with transportation to and from school each school day. As with education, all of these additional services are provided by the Trust completely free of cost.

1.3 Profile of the target area

KMS is located in the village of Kawai in the Kaghan Valley of northern Pakistan. The Kaghan Valley is roughly 160 km long, with a population of approximately 250,000 people¹ prior to the devastating 2005 earthquake. Administratively, the Valley is part of the Balakot Tehsil (Sub-district) of Mansehra District in the Khyber Pakhtunkhwa (KP) province of Pakistan. Balakot town had a pre-quake population of roughly 15,000. This whole area was already one of the most underdeveloped regions of Pakistan, with an overwhelming majority of its population barely living at subsistence levels. Tourism was the only industry, and that too was largely seasonal and restricted to the summer months.

The devastation wrought by the earthquake made matters exponentially worse for the residents of this remote mountainous valley, completely leveling Balakot town and tearing up practically all infrastructure, including houses, roads, schools, hospitals, hotels, water supply systems etc. The tourism industry also came to a grinding halt with the destruction of the infrastructure, leaving the locals even without that source of income for at least three years following the calamity. Over the past few years, however, with the rebuilding of roads and hotels, tourism has again started to pick up momentum, and that industry is now finally back to its pre-earthquake levels.

However, the road to recovery has been long and slow, with much of the rebuilding only partially completed. Infrastructure in the area, furthermore, continues to suffer damage each year due to seasonal rains, landslides and floods. An overwhelming majority of the population of the region remain at levels of absolute minimal subsistence living, with little or no prospect of improvement or respite.

The Kaghan Memorial School serves the children of Kawai, as well as those of the surrounding area that includes the villages of Paras, Bela Sacha, Ghanool and the town of Balakot. These five communities alone represent a population of approximately 50,000.



¹ Figure obtained from *OCHA Flood Affected Population Tracking System* that lists Tehsil Balakot as having an estimated population of 275,642. The Kaghan Valley constitutes most of the Balakot Tehsil in area and in population.

1.4. KMT Trustees during FY 2018-2019

Khurram Khan	<i>Managing Trustee</i>
Syed Junaid Ali Qasim	<i>Trustee</i>
Kashif Khwaja	<i>Trustee</i>
Maryam Khan	<i>Trustee</i>
Nasir Afridi	<i>Trustee</i>
Jennifer Ankrom	<i>Trustee</i>
Yousaf Ghous	<i>Trustee</i>
Shabina Chaudhry	<i>Trustee</i>
Tipu Sultan	<i>Trustee</i>



1.5. Key statistics for the Kaghan Memorial School during FY 2018-2019

Number of students		
-	at the start of the financial year	501
-	at the end of the financial year	586
Number of classes		
-	at the start of the financial year	18
-	at the end of the financial year	21
Number of teachers		
-	at the start of the financial year	29
-	at the end of the financial year	29
Number of teaching assistants		
-	at the start of the financial year	7
-	at the end of the financial year	10



PART 2

Progress Report for FY 2018-2019

2.1 Prelude - Overview of the previous financial year (FY) 2017-2018

The previous financial year that covered the period from July 1, 2017 to June 30, 2018, saw several major developments for both the Kaghan Memorial School (KMS) and its parent organisation, The Kaghan Memorial Trust (KMT). Highlights of the year, apportioned into four main activity categories i.e. Academics, Construction, Administrative and Fundraising, are provided as follows:

2.1.1 Academics

a. Grade 9 external board examinations

The financial year that ended on June 30, 2018 saw KMT and KMS approaching and surpassing a major milestone that the Trust and School had been steadily working towards since their conception – the first external board examinations of KMS students.

Our Grade 9 students were amongst the first children that we had enrolled in the school in our experimental foundation term that we launched in September 2008, completing their first full academic year from March to December, 2009. These students were due to sit for their Grade 9 board exams in March and April, 2018. This being the first test of our



students in which they would be competing on the same platform as their peers from other schools in the region, the KMS Academic team and the Trustees were somewhat nervous throughout the year leading up to the exams, not knowing how our children would fare in the 'big leagues', and knowing that KMT's claims of 'Providing the best possible education to the children in our care' would finally be put to trial. Several meetings and discussions were conducted over the course of 2017, to determine how best to prepare the students for the exams. Given that the board exams were scheduled to

start within a couple of weeks of the opening of the school after its long annual Winter Break of almost three months, a major challenge was to figure out how to ensure that our students would continue studying and revising what they had learnt in school between March and December so that they would be properly prepared for the external exams the following March. The fact that our students overwhelmingly belong to families that are poor and illiterate, we knew very well that we could expect little or no support, or even encouragement, from their parents or other family members in ensuring that they would put in the effort needed to revise adequately during those last critical months when they would be on school holidays. The risk was, therefore, that if left to their own devices, many of the Grade 9 children might spend their holidays like holidays, and that they would, consequently forget a lot of what they had been taught during the preceding year.

After considerable deliberation on this serious and worrying matter, the Trustees finally decided to organize a special two-month winter camp at KMS, exclusively for Grade 9, in January and February 2018, while the rest of the school was on leave. Those two months would be spent exclusively on revising their entire coursework for the year and also on conducting fortnightly practice exams, based on past Board Exams, to properly familiarize the children with the format of those tests. Grade 9 therefore only got half a month of holidays in December, and another week or so in March.

Whereas this decision was an effective solution to this major dilemma, the challenge for KMT in arranging this was considerably significant. Some of the difficulties in managing this enterprise were as follows:

- i. The required classroom and a staff room would have to be heated for the first time in our history; this was never previously required, as the School always closed down during the coldest months;
- ii. The teachers needed to conduct the camp would have to be convinced to forego two months of their annual leave allowance and to continue working even through the Winter Break;
- iii. Pick-and-drop services would have to be maintained for the students and the teachers attending the camp, even with the mountain roads and tracks between their homes and school covered by heavy snow;

Given KMT's commitment to do whatever we can for our students, however, the Trustees agreed and resolved to bear the considerable extra expense of these special arrangements, including offering two bonus salaries (one for each month of the camp) to every teacher who agreed to forego their winter holidays to participate in this exercise. The priority, as always, was to give KMS students the best possible chance to compete on a level playing field with their more privileged contemporaries.

After having made all necessary logistical arrangements in this regard, KMT subsequently organized and conducted its first-ever winter camp for the Grade 9 students on the Kaghan Memorial School campus from January 1 to February 28, 2018. This camp was conducted by 6 of the School's teachers, all of whom had volunteered their services in lieu of the special compensation that KMT had offered in this regard. All Grade 9 students attended the camp as a compulsory requirement and, barring a few days of missed classes due to road blockages caused by heavy snowfall, the camp, more-or-less, went as smoothly as could have been hoped. This effort allowed the teachers to complete a revision of the entire year's coursework, and to also conduct 4 complete practice exams (based on actual



past Board exams) for the children, in order to familiarize them with the Abbottabad Board's examination format.

With the examinations finally starting at the end of March, and having done all that we



could for the preparation of our pupils, the Trustees and the School's academic team waited with bated breath for feedback from the students following their return from their respective examination halls after attempting each test. With 32 students appearing for the 2018 Grade 9 board exams, KMS was not assigned as a testing campus, since the minimum requirement for assignment as such a centre was (and remains) a strength of at least 100 children. The KMS boys and girls, therefore, had to sit for their exams in separate designated examination centres situated in two Government schools, one for boys and the other for girls, in nearby towns. Whereas the verbal reports received from the children upon their return to KMS each school day were extremely positive and encouraging, the actual results, which were due in June, would deliver the actual verdict.

Those detailed results were finally announced by the Abbottabad Board on June 28, and to the delight and surprise of everyone associated with KMT and KMS, our students had excelled far beyond anybody's wildest expectations. Out of the 32 children who had appeared for the examinations from our School, 18 passed with an overall grade of A+ whereas the remaining 14 each obtained an A. With not even a single student having received less than an A in the entire class, this result was truly unprecedented, in the entire region - and possibly in the country as well. The summarized score sheet of the KMS Grade 9, 2018 Abbottabad Board examinations is provided as follows:

<div style="display: flex; justify-content: space-between; align-items: center;">  <div style="text-align: center;"> <h2 style="margin: 0;">The Kaghan Memorial School</h2> <p style="margin: 0;"><i>An Institution of The Kaghan Memorial Trust</i></p> <h3 style="margin: 0;">Grade 9</h3> <h3 style="margin: 0;">External Board Examination Results, 2018</h3> <p style="margin: 0;">Abbottabad Board of Intermediate and Secondary Education (BISE)</p> </div>  </div>					
S. No.	Name	Obtained Marks	Total Marks	Percentage	Grade
1	Khadija	513	550	93.3	A+
2	Amina	503	550	91.5	A+
3	Faisal Asghar	498	550	90.5	A+
4	Fizza Batool	495	550	90.0	A+
5	Bushara Liqat	489	550	88.9	A+
6	Sumaira	481	550	87.5	A+
7	Momina	479	550	87.1	A+
8	Sidra	479	550	87.1	A+
9	Abdul Rehman 1	478	550	86.9	A+
10	Bibi Maryam	473	550	86.0	A+
11	Halima	471	550	85.6	A+
12	Mudasar Shah	463	550	84.2	A+
13	Mahnoor	462	550	84.0	A+
14	Yusra	458	550	83.3	A+
15	M. Zahoor	456	550	82.9	A+
16	Hifza	455	550	82.7	A+
17	Hassan Khan	454	550	82.5	A+
18	Urooj	448	550	81.5	A+
19	Sadia	439	550	79.8	A
20	Luqman Hussain	432	550	78.5	A
21	Hamad Ali	430	550	78.2	A
22	Umer Sabir	426	550	77.5	A
23	Abdul Rehman 2	424	550	77.1	A
24	Abdul Basit	422	550	76.7	A
25	M. Sadaqat	422	550	76.7	A
26	Zakawar Ali	422	550	76.7	A
27	Madiha	422	550	76.7	A
28	Mehir Shah	419	550	76.2	A
29	Shazad Ahmed	417	550	75.8	A
30	Tayyub Farooq	415	550	75.5	A
31	Zia Imdad	406	550	73.8	A
32	Nasir Hussain	404	550	73.5	A

We could not have possibly asked for more. The knowledge that our work and efforts with these children over the preceding 10 years had been vindicated so comprehensively was considerably gratifying, to say the least. We share our happiness, of course, with our teachers (present and past), our donors, the families of our students (who trusted us with their children), and most of all, with our stars of Grade 9 who delivered this stellar result. This was truly a team effort, and an outstanding one at that!

b. Other academics

The regular academic programme for all grades other than Grade 9 continued as per plans during FY 2017-2018, with all classes completing their curriculum attainment targets for the 2017 Academic Year by early December, 2017. Following the successful conclusion of the lessons for the



calendar year, the students were tested in the year-end exams. Based on the results of those exams, the children who received satisfactory results as per the school's standards were to be promoted to the next grade level. These promotion standards mandate that a child:

- obtain at least 50% marks to pass an exam;
- not fail more than one of the following subjects (whichever may be applicable in a particular grade level): Science, Biology, Chemistry, Physics, Mathematics, English;
- not fail more than two of the following subjects (whichever may be applicable in a particular grade level): Geography, History, Social Studies, Pakistan Studies, Urdu, Islamiyat;
- not fail more than two subjects, in total, from the subject categories listed above;
- obtain an overall total score of at least 50%, accumulated across all subjects.

The exception to the rules above is in the case of Kindergarten students, who are all promoted automatically to Grade 1 upon completing one year in Kindergarten, irrespective of how they do in their (very basic) tests; that is, unless a class teacher has a compelling argument for retaining a child in the same class for a second year. Such an argument is usually made on the grounds of a child's young age and emotional preparedness (or lack thereof) indicating that it would be better for them to spend another year in kindergarten to develop a stronger foundation before progressing to the next level.

As always, a vast majority of the KMS students did well enough in the school's comprehensive end-of-year exams to warrant their promotion to the next higher grade for the new academic year that started on March 12, 2018. The few children in each class who demonstrated their lack of preparedness for such promotion were retained in their 2017 grades, to give them another year at studying and comprehending the coursework that they had struggled with the previous year.

The Grade 9 students had also all been moved up to Grade 10 following the conclusion of their Board exams, and the School, therefore, had 11 grade levels for the 2018 academic year, ranging from Kindergarten to Grade 10. By the end of June, 2018, all of these grades

were well on their way towards completing their lessons and coursework for the first term that was scheduled to conclude on July 10.

2.1.2 Construction - KMS campus development

Construction continued at KMS during FY 2017-2018, subject to the availability of funds. During the period, the following major building projects were concluded:

- a. Construction of the School's Central Library building was completed in December, 2017;
- b. The Middle School for Boys was completed and furnished in May, 2018.

Apart from these, construction work was started in June, 2018 on four remaining classrooms in the Junior School section of the campus. One of these classrooms was very kindly sponsored by Mr. Wasim ud Din of Oceandusk Group, a long-standing Child Sponsor of KMT, for a sum of approximately Rs. 1.89 million.

The other three rooms are being built with KMT's own funds, which will be contributed for this purpose as and when the Trust has finances to spare.

2.1.3 Administrative priorities and attainments

KMT and KMS achieved and initiated several administrative milestones and priorities during FY 2017-2018. These included:

a. Registration of KMS with Abbottabad BISE

The Kaghan Memorial School was officially registered, on June 23, 2017, by the Board of Intermediate and Secondary Education (BISE), the official secondary school testing body for schools in the Hazara Division, of which Mansehra District and the Kaghan Valley are a part. This affiliation was required for the senior-most KMS students enrolled in Grade 9 in the 2017 academic year, to sit for the Abbottabad BISE exams scheduled for March/April 2018.



The KMS BISE Registration/Affiliation letter is attached as Appendix D of this report.

b. Registration process with PCP started

The Pakistan Centre for Philanthropy (PCP) is the premier organisation mandated by the Government of Pakistan to vet and certify non-profit organisations operating in Pakistan. Given the credibility that is associated with PCP approval, a significant proportion of donor organisations considering funding requests from NGOs and charities within the country prefer PCP-endorsed entities over others without similar status. Additionally, the Federal

Board of Revenue (FBR) also prefers non-profits to obtain certification from PCP before applying to them for Tax-Exemption Status.

Given the importance of, and benefits associated with, PCP registration, especially in the case of applying for donors funding and tax exemption, KMT formally submitted its application for registration of the Trust with PCP in June, 2018.

c. *Winter camp introduced at KMS*

As detailed in Section 2.1.1 above, KMT organised a two-month winter camp at KMS, running through January and February, to prepare its Grade 9 students for their Abbottabad Board exams in March/April 2018. Though logistically and financially challenging, the Trustees agreed that this was the only option to ensure that these students would be adequately ready to sit for their exams during the School's long winter break. Consequently, teachers for the camp, heating in classrooms and staff rooms and daily transport facilities for the students and teachers were all arranged before the close of the School for the winter break in mid-December.

The winter camp started on January 1, 2018 and concluded two months later on February 28. As planned, the 6 teachers who had offered to conduct the camp were able to complete a full revision of the preceding year's coursework during the 8-week camp. Mock exams, based on past BISE Abbottabad exam papers, were also conducted every second week, to acquaint the students with the exam format and to acquaint them with the pacing required to complete each paper within the stipulated time.

This initiative served its purpose completely and above expectations and justified the cost and effort, given the excellent results that the Grade 9 students went on to achieve in the subsequent Board exams. It goes without saying that given the need and the effectiveness of such camps, they will be a regular feature at KMS each year for all classes preparing for future external examinations.

2.1.4 Fundraising

FY 2017-2018 was a good year for KMT from a fundraising point of view. During the period, the Trust managed to:

- i. Significantly improve its Balance Sheet by:
 - increasing its Assets from Rs. 38.37 million to Rs. Rs. 71 million;
 - slashing its liabilities from Rs. 16.9 million to Rs. Rs. 5.18 million;
- ii. Record a net surplus (of income over expenses) of Rs. 2.9 million in its income statement for the year. *This was only the second time since 2011 that KMT registered a surplus on its income statement, and the amount recorded was also, by a significant margin, the largest surplus ever registered by KMT since its inception.*



The increase in fundraising during the year was primarily due to the following factors:

a. Visit of the Prime Minister of Pakistan to KMS, and his announcement of a large grant for the Trust and School

KMT and the Kaghan Memorial School both received a singular honour at the end of 2017, when the Prime Minister, Mr. Shahid Khaqan Abbasi, accepted the Managing Trustee's invitation to attend the Annual Day celebrations at the School on November 11.

Mr. Abbasi had already been a long-standing donor of the School in his private capacity, having supported KMS through his company for several years since 2009. He had also previously attended the 2013 Annual Day celebrations as Chief Guest, in his capacity of Petroleum Minister at the time. This second visit to our School was extra special, however, as it is not often that the Prime Minister of a country visits an institution that is dedicated to providing schooling to disadvantaged children.

The atmosphere on campus was electric on the day of the event, and under clear blue skies on a crisp winter's day, the children, their parents, the School's staff and the KMT Trustees excitedly welcomed the Chief Guest and his entourage. The students put on their best performances for their distinguished guest, and the appreciation and pleasure on his face, at seeing the progress that the institution and its wards had made over the five years since he last visited, was palpable. Following the distribution of academic and sporting awards to the winning children, the Prime Minister addressed the crowd, all of whom had eagerly awaited that moment ever since they had heard of his planned visit.



Lauding the performances of the children and the efforts of the School's academic team in grooming their students to such an admirable level, the Chief Guest was generous in his appreciation of the work that KMT had done over the years to bring the institution to the level that he had witnessed. Having followed most of the progression of the institution as a donor himself, Mr. Abbasi was well aware of the challenges that both the Trust and the School had faced over the years, and in the most telling demonstration of his faith in, and

appreciation of, KMT's mission and accomplishments, the Prime Minister proceeded to announce a donation of Rs. 30 million to meet the Trust's expenses, along with a further grant of approximately Rs. 13 million to purchase three vans for the School's students and KMT's staff. These extremely generous proclamations, constituting the largest singular donations in KMT's history, were met with the enthusiastic and grateful ovation that they deserved; with none applauding louder than the parents of the children present on the occasion.

KMT received the two grants before the end of the financial year, and the general donation of Rs. 30 million helped it to pay off a large proportion of its long-standing accrued liabilities, in addition to helping ease the Trust's operational pressures for the ensuing year. Three Toyota Hiace Vans were also bought with the second grant, out of which two were deployed at the School as part of its fleet of vehicles that provide daily pick-and-drop services to students and teachers. The third has been retained at the KMT office for the Head Office staff and their requirements.

b. Grant announced by the Education Minister of Khyber Pakhtunkhwa Province – issued through the Chief Minister's discretionary fund

A year before the Prime Minister's visit to KMS, the Education Minister of Khyber Pakhtunkhwa Province, Mr. Muhammad Atif Khan, had attended the School's Annual Day ceremonies as Chief Guest. During his visit on October 23, 2016, the Minister was visibly taken aback by the show put on by the students and especially by the level of English of even the youngest children at the School. He had not expected to see a school of the likes of KMS in the remote Kaghan Valley, and the tour that he took of the campus had impressed him considerably.



In his keynote speech, Mr. Atif Khan lauded the work being done by KMT through KMS, and he encouraged the school's students to take the maximum possible advantage of the

opportunities that the school was providing them. The highest possible compliment that he extended was to compare KMS to some of the best schools in the country, and to emphasize that what he had seen was not even available in private schools that charged considerable fees for their services. For a charitable organisation that provided education completely free of cost, the standards of the School and its academic programme were truly unprecedented, Mr. Khan proclaimed. He also instructed the members of the Government's Educational Department, who were present at the ceremony, to provide all possible support and cooperation to KMT and its School for the purpose of registering our students for external examinations through the Abbottabad Board of Intermediate and Secondary Education.

To conclude, and to contribute to the work being done by KMT that he had appreciated so warmly, the Minister announced a general grant of Rs. 5 million for the School. He committed that he would arrange for approval and disbursement of the grant by the office of the Chief Minister of the Province, through the latter's discretionary fund for developmental projects. True to his word, and in spite of several procedural impediments in the process, Mr. Khan actively pursued the case, eventually ensuring that the funds were released to KMT in December, 2017.

c. Remaining grant from the Pakistan State Oil (PSO) CSR Trust for construction of the Middle School for Boys at KMS

KMT had received a commitment from Pakistan State Oil (PSO), through the PSO CSR Trust, for financing of the Construction and Furnishing of the Middle School for Boys (MSB) building on the Kaghan Memorial School Campus in July 2015. The amount committed by PSO for this purpose was Rs. 10 million, out of which KMT had received a total of Rs. 7 million in 2015 and 2016. The Trust received the final tranche of Rs. 3 million in October 2017, following which it completed the construction and furnishing of the building in May, 2017.

Prior to this latest support, PSO had been a generous and consistent donor and sponsor of KMT for several years, having extended 6 grants or sponsorships for different purposes to the Trust between 2007 and 2014.

d. Grant from Pakistan Telecommunications Company (PTCL)

The President and CEO of PTCL, Mr. Daniel Ritz, visited KMS on the occasion of the School's Annual Day on November 11, 2017. Invited on stage during the ceremonies, Mr. Ritz distributed some prizes amongst the students and then addressed the audience to give his impressions about the School and the performances by the children. Expressing his pleasure and satisfaction with what he had seen during his tour of the campus, and appreciating the confident and enlightening recitals and skits put on by all age groups representing the student body, Mr. Ritz handed over a cheque worth Rs. 500,000 as a general donation from PTCL to help meet the School's expenses. Whereas the Trustees were all extremely grateful at this unexpected gesture, Mr. Ritz's impressions of the School had gone much



deeper. Upon his return to Islamabad, and following a meeting at the PTCL Head Office that he arranged between his team and the KMT managing Trustee, PTCL went on to donate a further amount of Rs. 3.4 million to the Trust. Rs. 2 million of this amount was allocated for the purchase of two locally assembled jeeps for KMT's "Getting Children to School Programme", whereas the remaining Rs. 1.4 million was granted against the sponsorship of the educational costs of 20 children enrolled in KMS, for a period of 1 year through the "Sponsor a Child Programme".

These generous grants from PTCL were utilised by KMT as intended, and the two jeeps purchased with these funds were branded by PTCL's CSR team before delivery to the School to perform daily pick-and-drop services for the students and teachers as part of the KMS fleet of vehicles that is being maintained for the aforementioned Getting Children to School programme.

e. Grant from Mr. Wasim ud Din / Oceandusk Group

Oceandusk Group and its Managing Director, Mr. Wasim ud Din, have been incredibly generous donors of KMT for several years. Starting with an initial sponsorship of 11 children in 2013, Mr. Din has, through his company, not only maintained, but also steadily increased his contributions to KMT each subsequent year, to the point where, by June 2018, they were sponsoring the annual cost of education of 12 children at KMS and they had also contributed an additional Rs. 1.89 million for the construction of a new classroom at the School. This regular annual support has helped KMT tremendously in meeting its annual operational and construction goals on campus.

f. Income from the Sponsor a Child Programme



As in past years, KMT's Sponsor a Child Programme remained a mainstay of KMT's fundraising efforts during FY 2017-2018. Through the generosity of numerous sponsors, new and old, who support this programme by sponsoring the educational costs of one or more children each, the Trust raised over Rs. 9 million during the year. This amount alone

helped KMT cover approximately 10 months' worth of the School's payroll expense for the year; a significant contribution for one fundraising head.

The Trust has maintained its child sponsorship fee at US\$ 500 per child per year since the start of the first two classes at the School in 2008. Fixing this fee in US Dollars has proven to be a prudent decision by KMT at the outset of the Sponsor a Child Programme, as, with the devaluation of the Pakistani Rupee over the years, the sponsorship amount in Rupees has increased, thereby allowing the Trust to cover annual inflation without having to raise the base US Dollar amount of 500 at any point in time. Maintaining the same fee for 10 years, albeit in a foreign denomination, reassures KMT's child sponsors that the Trust maintains stability and professionalism in the management of this programme.

Whereas covering 10 months of payroll through this programme is promising, the challenge for KMT is to steadily increase its number of child sponsors, and its child sponsorship receipts, each year, so that one day it may be able to cover all operational costs at the school, including payroll, the cost of the Getting Children to School Programme, utilities, supplies and maintenance. The Child Sponsorship returns of FY 2017-2018 covered approximately 40% of KMT's operational costs, which required KMT to raise funds for its remaining running costs from other sources.

KMS will only become fully financially sustainable in the long run once its Child Sponsorship receipts (which are a regularly stable and reliable source of funds for KMT) are sufficient to meet all operational expenses of the Institution.

2.2 Main priorities at KMS during FY 2018-2019

2.2.1 Academics

- a. Prepare the students of Grades 9 and 10 for the Abbottabad Board Exams scheduled for April/May, 2019;
- b. Continue with providing quality education to students across all grades;
- c. Introduce the Khan Academy learning platform at KMS.



2.2.2 Construction

- a. Formally inaugurate the Middle School for Boys building, sponsored by the Pakistan State Oil (PSO) CSR Trust, following completion of construction and furnishing works on the facility in May, 2018;
- b. Complete construction and furnishing of one new classroom in the KMS Junior School section, sponsored by Mr. Wasim ud Din / Oceandusk Group.

2.2.3 Administrative

- a. Inaugurate the KMS Central Library after installation of furnishings and IT equipment / infrastructure;
- b. Obtain Pakistan Centre for Philanthropy (PCP) Certification for KMT;
- c. Register KMS with the Private Schools Regulatory Authority, Government of Khyber Pakhtunkhwa (KP-PSRA);
- d. Register KMS Grades 9 and 10 students for the BISE 2019 Board Exams;
- e. Register KMT with the Economic Affairs Division (EAD), Government of Pakistan, as an organisation that is permitted to receive foreign funding;
- f. Attain Tax Exemption Status from the Federal Board of Revenue, Government of Pakistan.

2.2.4 Fundraising

KMT's pro-forma budget for FY 2018-2019 was estimated at approximately Rs. 27 million before the start of the year. This Projected Operational Budget vs the Actual Utilisation Report for the year is attached as Appendix A.

Given that the Trust had received a General Donation of Rs. 30 million from the Prime Minister of Pakistan in April, 2018 to meet its operational and other expenses, KMT set the following fundraising targets for the financial year starting on July 1, 2018:

- a. Increase child sponsorship revenues to at least Rs. 10 million for the financial year;
- b. Organise two fundraising events to raise at least Rs. 6 million in revenues;
- c. Raise at least Rs. 4 million in revenues as various general or specified donations;
- d. Secure donors for construction and furnishing of the Senior School for Girls and the Senior School for Boys.



2.3 Progress, challenges, and shortfalls in the attainment of targets set for the year

2.3.1 Academics

a. *Winter camp for Grades 9 and 10*

As per the practice established by KMT the previous year, the Trust organized a two-month winter camp at KMS from January 1 to February 28, 2019. This time around, the camp hosted the two senior-most grades of the School i.e. Grades 9 and 10. Since each grade has one section for girls and another for boys, four classrooms were furnished with heating to prepare them for the cold winter weather. 9 of the school's teachers

conducted these four classes during the camp, helping their students to fully revise their class work from the preceding year. As before, all of the children also went through four full mock exams that were based upon past exam papers of the Abbottabad Board. This exercise was a great help in improving the comfort level of the students with the format and pacing of the tests, in preparation for their actual examinations that were due to start by the end of March.



b. *Board exams for Grades 9 and 10*

The KMS Grade 9 and 10 students sat for their respective examinations in separate Government testing centres for boys and girls, during March and April, 2019. Having prepared them as best as they could, the KMS Trustees and the KMS teachers could only wait and hope another good outcome this second year. Everyone understood that expecting a similarly spectacular result as the one that Grade 9 had delivered the previous year would be unrealistic, but the minimum target (or expectation) was, firstly, for at least half of the children to get A or A+ marks, and, secondly, for all of them to not just pass (the minimum pass percentage in Board examinations is 33%), but to pass with at least a C grade or higher i.e. 50% or more, which is the pass mark in the School's internal examinations.



These expectations were also tempered with the knowledge that the Grade 9 that was appearing for the exams this year was not as academically adept as their counterparts the previous year. There will always be some groups that do better than others in any environment, and the teachers knew that asking this next batch of students to perform as well as their seniors would be unfair. The hope, therefore, was that each student would deliver the best performance that they individually could in the exams, and if they did that, nobody could ask them for anything more.

With the examinations, including written papers and science practicals, staggered over 6 weeks, the feedback received from the children after each test could not have been more positive, and it gradually started to look like the final results would exceed the expectations of the Trustees and teachers once again.

The results for the 2019 Abbottabad BISE examinations were finally released on June 27, and, once again, the KMS children did exceed all expectations. The Grade 10 children, beyond all hope, delivered exactly the same spread of grades as they had in their Grade 9 exams, with the 32 children once again obtaining 18 A+ scores and 14 receiving A grades. As per standard practice in such exams, the scores for Grades 9 and 10 were accumulated by the Board to give a final Grade to each student for their Secondary School Certification (SSC) or Matric (as it is called in Pakistan) examinations. The distribution of grades remained unaffected by this accumulation, as is demonstrated by the outstanding scorecard of the KMS Grade 10 Matric Exam, 2019, which is reproduced as follows:

<div style="display: flex; justify-content: space-between; align-items: center;">  <div style="text-align: center;"> <h2 style="margin: 0;">The Kaghan Memorial School</h2> <p style="margin: 0;"><i>An Institution of The Kaghan Memorial Trust</i></p> <h3 style="margin: 0;">Grade 10 (Matric)</h3> <h3 style="margin: 0;">External Board Examination Results, 2019</h3> <p style="margin: 0;">Abbottabad Board of Intermediate and Secondary Education (BISE)</p> </div>  </div>					
S. No.	Name	Obtained Marks	Total Marks	Percentage	Grade
1	Khadija Bibi	1010	1100	92%	A+
2	Amina	979	1100	89%	A+
3	Fizza Batool	971	1100	88%	A+
4	Faisal Asghar	967	1100	88%	A+
5	Bushara Liaqat	962	1100	87%	A+
6	Sidra Bibi	952	1100	87%	A+
7	Sumaira Bibi	952	1100	87%	A+
8	Bibi Maryam	951	1100	86%	A+
9	Momina Batool	947	1100	86%	A+
10	Haleema Trimzi	934	1100	85%	A+
11	Mudasar Shah	930	1100	85%	A+
12	Mahnoor Bibi	928	1100	84%	A+
13	Hifza Saeed	924	1100	84%	A+
14	Syed Abdul Rehman	922	1100	84%	A+
15	Yusra Ayub	903	1100	82%	A+
16	Urooj Ishfaq	894	1100	81%	A+
17	Sadia Maroof	880	1100	80%	A+
18	M. Zahoor	880	1100	80%	A+
19	Hassan Khan	869	1100	79%	A
20	Madiha Ibrar	850	1100	77%	A
21	Luqman Hussain	846	1100	77%	A
22	Hamad Ali	836	1100	76%	A
23	Umer Sabir	834	1100	76%	A
24	Mehir Shah	830	1100	75%	A
25	M. Sadaqat	828	1100	75%	A
26	Abdul Basit	823	1100	75%	A
27	Zakawar Ali	821	1100	75%	A
28	Shazad Ahmed	815	1100	74%	A
29	Tayyub Farooq	815	1100	74%	A
30	Zia Imdad	814	1100	74%	A
31	Abdul Rehman Shah	799	1100	73%	A
32	Nasir Hussain	770	1100	70%	A

The Grade 9 students also did extremely well and much better than expectations. Out of the 35 students that sat for the exams, the results were: 6 A+, 16 A, 12 B and 1 C. 22 of the 35 students, therefore, passed with either an A or an A+, which is 63% of the class. With 12 of the remaining 13 students obtaining Bs, and with even the lowest-scoring child passing with a C, the target set by the Trustees and teachers for the 2019 Board examinations was achieved, and surpassed, by far and in every way possible.

<div style="display: flex; justify-content: space-between; align-items: center;">  <div style="text-align: center;"> <h2 style="margin: 0;">The Kaghan Memorial School</h2> <p style="margin: 0;"><i>An Institution of The Kaghan Memorial Trust</i></p> <h3 style="margin: 0;">Grade 9</h3> <h3 style="margin: 0;">External Board Examination Results, 2019</h3> <p style="margin: 0;">Abbottabad Board of Intermediate and Secondary Education (BISE)</p> </div>  </div>					
S. No.	Name	Obtained Marks	Total Marks	Percentage	Grade
1	Noor Fatima	467	550	84.9%	A+
2	Bibi Uqba	463	550	84.2%	A+
3	Sidra Shah	451	550	82.0%	A+
4	Zohra Jaffar	451	550	82.0%	A+
5	Qudsia Qureshi	446	550	81.1%	A+
6	Uzman Bibi	443	550	80.5%	A+
7	Eman Ali Zaib	437	550	79.5%	A
8	Harram Hussain	436	550	79.3%	A
9	Hasmat Bibi	435	550	79.1%	A
10	Shaista Rehman	434	550	78.9%	A
11	Hira Ehsan	421	550	76.5%	A
12	Shoaib Arif	414	550	75.3%	A
13	Kausar Bibi	411	550	74.7%	A
14	Anhum Bibi	409	550	74.4%	A
15	Maham Sania Khan	403	550	73.3%	A
16	M. Umair Qureshi	403	550	73.3%	A
17	Tayyab Latif	402	550	73.1%	A
18	Zafran	401	550	72.9%	A
19	Danial	399	550	72.5%	A
20	Umer Bashir	398	550	72.4%	A
21	Saddam Hussain	391	550	71.1%	A
22	Asim Khushal	387	550	70.4%	A
23	Syed Amir Shah	383	550	69.6%	B
24	Syed Noor Ahmed	382	550	69.5%	B
25	Tehmeena Bibi	379	550	68.9%	B
26	Ishtiaq Hussain	377	550	68.5%	B
27	Junaid Shah	373	550	67.8%	B
28	Umer Shah	373	550	67.8%	B
29	Sawar Shah	371	550	67.5%	B
30	M. Afzal	370	550	67.3%	B
31	Jawad Hussain	366	550	66.5%	B
32	M. Usman	365	550	66.4%	B
33	Danish Qureshi	363	550	66.0%	B
34	Mubarak Shah	338	550	61.5%	B
35	Syed Ali Raza	316	550	57.5%	C

The magnitude and significance of these results cannot be underplayed or underestimated. For two years in a row, starting in 2018, KMS has delivered results in external examinations that were previously unheard of in remote areas such as the Kaghan Valley, or from schools that cater to children from economically disadvantaged families. Such results have always been the exclusive reserve of institutions where the children of the privileged study in Pakistan. Whereas there have, at times, been exceptional and inspiring cases of children from poor backgrounds excelling and distinguishing themselves by dint of pure personal effort, there has never been an example of entire classrooms of such children doing so exceptionally well as a group. The fact is, unfortunately, that the poor in this country are always condemned to a second or third rate education, where just a pass mark is considered to be an acceptable outcome. Only the financially better-off can aim for, and receive, the best schooling that money can buy.

KMT had set out on its mission in 2006 to specifically change this reality, when the Trustees had committed that *the Kaghan Memorial School would be established to provide children from financially deprived households with the same type and quality of education that they wanted for their own children*. Though the goals of the Trust in terms of development of the KMS campus and its academic model are still far from achieved, and whereas the Trustees of KMT continue to push for further improvements and developments in every aspect of the School each year, these two results do stand as vindication of KMT's unwavering commitment, strategy and efforts towards its goal over the past 13 years.

In this moment of satisfaction and pride, the Trustees of KMT would be remiss not to acknowledge and share their pleasure with *the donors, sponsors and supporters of the Trust and School*, who have, through all these long years, reposed their confidence and faith in our work and our mission, and without whose invaluable contributions none of this would have been possible. *Thank you all, for everything that you have done for our School and our students. These results are as much yours as they are the children's or ours!*

c. Academic progress of Grades KG to 8

The School completed the second term of the 2018 Academic Year on December 12. This was preceded by the annual end-of-year examinations, which determined which students would progress to the next grade level and who would be retained in their current grades for a second year - if



their scores demonstrated a need for extra effort and time to ensure their comprehension of the concepts and content of their coursework. A pass score (at least 50% of total marks) is required in the majority of subjects, with failure accepted in no more than one or two subjects (determined by the type of subject, as described in section 2.1.1.b. above) for a student to be eligible for promotion to the next grade at KMS. The exception to this rule

is, as explained earlier, Kindergarten, from which all students are promoted to Grade 1 after completing a full year in the School's lowest grade level.

With the School closing for its winter break of roughly 3 months on December 13, 2018 admissions interviews were conducted on campus in the second half of the month for induction of two new classes of Kindergarten children in the new academic year that was scheduled to start the following March. 68 children, all from financially deprived households, were selected as part of this process. 17 additional children were also picked for admission in grades 1 to 8, each of which had seats vacant (either due to dropouts or due to the retention of one or more students in the lower grade level). Such older children are selected based on a combination of factors, that include, amongst other determinants:

- i. the financial situation of their families (the poorer a family is, the higher the priority they get);
- ii. the child's score in the KMS admissions test that they have to sit for;
- iii. the child's aptitude, as determined in an interview.

KMS opened for the 2019 academic year on March 11, and by the end of the financial year on June 30, the curriculum goals for the first term had been mostly delivered to each grade level. The students and staff were, at the end of the reporting period, occupied with the end-of-term examinations, which started on June 28, 2019.

d. Strengthening of academic programme at KMS - Khan Academy platform introduced

Khan Academy is a globally acclaimed non-profit organisation based in the United States that is revolutionising the education delivery paradigm around the world, and especially in developing countries where there is a lack, or an absence of, qualified teachers and teaching resources. With a stated goal of "creating a set of online tools that help educate students", Khan Academy offers thousands of lectures on practically all topics relevant to the schooling of primary, middle and secondary school children, completely free of cost. These lectures have been recorded by leading teachers and educationalists in the US and elsewhere, and they serve as an extremely effective tool to clearly explain concepts to students who may not have access to teachers that can articulate and communicate ideas



and information well. Khan Academy videos are also an extremely useful resource for teachers to use, to understand how best to deliver their own lectures on each topic in the classroom.



With the KMS Central Library having been equipped with modern IT infrastructure and equipment through the grant that was approved by the Polish Embassy in July 2018 (as detailed in Section 2.3.4.c.i. below), KMT installed Khan Academy Lite, the standalone version of the Khan Academy software, along with its accompanying database of thousands of video lectures, on the library's main sever. This standalone version has been created by Khan Academy for institutions like KMS, which are located in remote underdeveloped locations where there is an absence of high-speed internet to allows real-time streaming of multiple videos at a time. Through Khan Academy Lite, the entire collection of Khan Academy videos can be downloaded onto a local server, from where it can be accessed offline by multiple devices through a local area network.

The provision of the broadest possible range of learning resources to its students has always been a priority for KMT. Teacher training and the provision of pedagogical materials and tools to the School's academic staff is another continual imperative for the Trust. Khan Academy, with its exhaustive content of high quality and clearly delivered lectures on every conceivable subject is perhaps one of the best platforms that can effectively address both of these needs.

The KMS library server provides access, through terminals, to both students and teachers to the entire repository of over 10,000 Khan Academy lessons that have been downloaded on it. The service was made available to KMS students and teachers at the start of the 2019 academic year in March (following the informal opening of the newly equipped Central Library by the Ambassador of Poland to Pakistan, Mr. Piotr Opalinski on December 10, 2018). Now active, this modern learning tool allows:

- i. *KMS teachers to review videos of individual lessons, and to see how they are delivered and taught by their experienced international counterparts. The School's teachers can,*

thereby, learn to deliver the same lessons to their own classrooms in a more effective and impactful manner;

- ii. *KMS students to reinforce their comprehension and understanding of various lectures that they sit through in class, by viewing videos of lessons on the same topics, as taught by international teachers. A student can, furthermore, watch a particular lesson as many times as needed to fully comprehend the subject;*
- iii. *KMS students and teachers to listen to lessons delivered in English by native English language speakers. This helps to improve their English language, and particularly their pronunciation, skills.*

This system provides KMS with a powerful solution to deliver constant on-the-job training to its faculty in a systematic and well-planned manner, thereby ensuring that the School's teachers continually improve and develop, both in terms of their personal knowledge and also in the way that they communicate with, and teach, their students.

KMS students also now (for the first time for any school in such a remote area of Pakistan) have access to virtually unlimited learning resources and to an extremely effective computer-based tutoring system, that dramatically complements the lectures that they sit through in their classrooms. This resource, if used as intended by each student, can effectively eliminate most problems of comprehension that students may face in class; either due to a lacking lesson delivery by a particular teacher or because of a weakness in the capacity of a student to comprehend a particular topic through just one classroom session.

The implementation of the Khan Academy software at the KMS Central Library, has, therefore, transformed the facility into a truly modern and enabled resource centre that serves as a powerful learning hub for the entire KMS academic community. Such a facility does not exist anywhere in the Kaghan Valley, the sub-District (Tehsil) of Balakot, and even in the broader Mansehra District.



e. Reorganisation of the KMS academic management structure

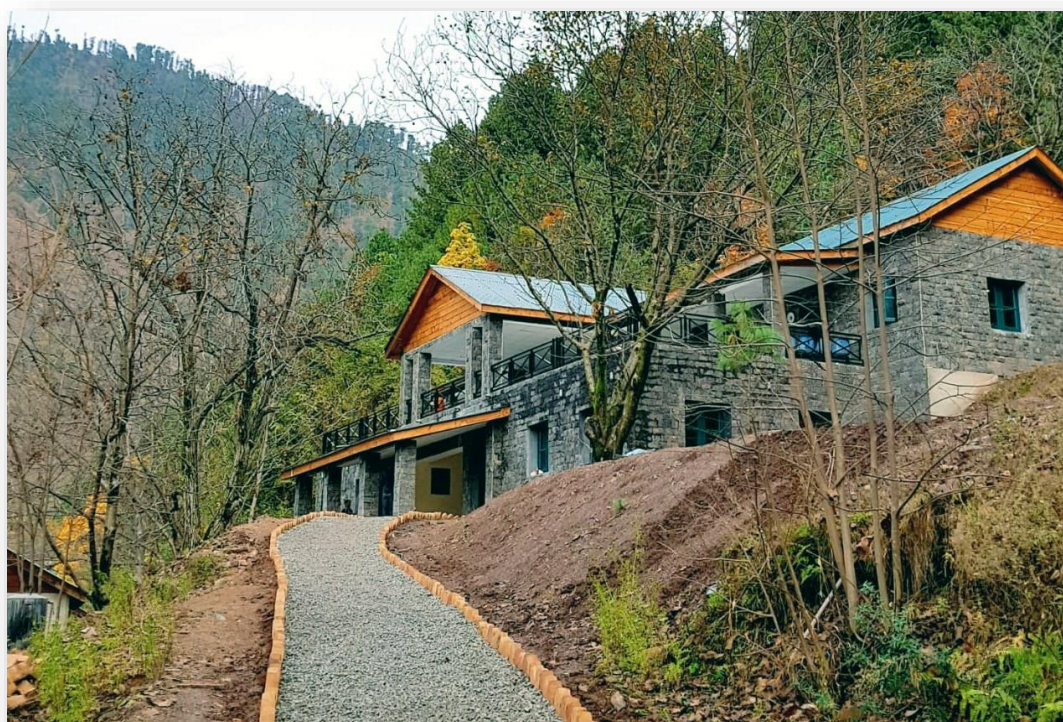
With KMS having expanded to Grade 10 level at the start of 2018, and with the School further set to advance to Grades 11 and 12 over the following two years, the campus had practically been divided into the Junior, Middle and Senior sections since the beginning of 2017. To more efficiently manage the academic operations of these three sections, it was decided that, effective from July 1, 2018, three new academic management posts would be introduced at KMS i.e. the positions of Deputy Head Teacher for each of the three sections. These three Deputy Head Teachers (DHTs) report directly to the Head Teacher who remains the overall academic head of the Kaghan Memorial School. Senior teachers from the School's faculty have been promoted to these three positions on the recommendation of the Head Teacher. With the introduction of the Deputy Head Teachers on campus, the previous position of Academic Coordinator has been discontinued. The School's academic management team, consequently, now consists of:

- 1 Head Teacher;
- 3 Deputy Head Teachers (for the Junior School, Middle School & Senior School respectively);
- 1 Discipline Coordinator;
- 1 Deputy Discipline Coordinator.

2.3.2 Construction – KMS Campus Development

a. Middle School for Boys inaugurated

The building housing the KMS Middle School for Boys, comprising of 4 classrooms, 1 staffroom, washrooms for students / teachers and storage space, was constructed and furnished with funding provided by the Pakistan State Oil (PSO) CSR Trust. Completed in May 2018, the facility was formally inaugurated by the Chairman of the PSO CSR Trust,



Mr. Yacoob Suttar, on the occasion of the School's Annual Day on November 16, 2018. The Member National Assembly (MNA) from Mansehra District, Mr. Saleh Muhammad, was also present at the colourful ceremony, along with KMT Trustees, KMS teachers and staff, and the school's students and their parents. Speaking at the event, the Managing Trustee of KMT, Mr. Khurram Khan, the school's Head Teacher, Ms. Faiza Shah, and the local MNA, representing the residents of the area, all expressed their sincere and profound appreciation for the role that PSO had played for furthering the educational attainment of the children of the Kaghan Valley by supporting the charitable Kaghan Memorial School. Mr. Suttar, for his part, expressed his pleasure and satisfaction at the standard of education being delivered at KMS, and at how far the school had come along since its inception. He assured the locals and the school team that PSO would continue to maintain and build upon its relationship with the institution in the future as well.

b. Construction of classroom funded by Mr. Wasim ud Din / Oceandusk Group

The funds received from Mr. Wasim ud Din / Oceandusk Group for the construction of a new classroom in the KMS Junior School were utilised during the year to construct a section of four classrooms that had to be built together as they were all part of one building. The structures of all four classrooms were built during FY 2018-2019, and some of the finishing works were also started before the end of the year. The facilities could not be completed, however, as, having spent the donor's funds and its own resources, the Trust did not have sufficient funds available to for the finishing works during the reporting period. This task was therefore delayed for completion in the following financial year.

Mr. Wasim ud Din was informed of this delay in May, 2019, and, after hearing about the reason for the delay (i.e. shortage of funds to finish the four new classrooms), he not only accepted the explanation but also, most generously, agreed to sponsor the cost of one of the other classrooms for an additional donation of Rs. 1.8 million. KMT has committed to the donor to complete both of his sponsored classrooms by the end of December, 2019.

2.3.3 Administrative

a. Library inauguration

As reported in Section 2.3.4.c.i below, the Embassy of Poland in Islamabad approved, at the start of the financial year, a grant of approximately Rs. 2.25 million for the purchase and installation of IT equipment and infrastructure for/in the newly completed KMS Central Library. This project was scheduled to be completed before December 31, 2018. As per the project plan, KMT purchased the agreed equipment, including a server, laptops, tablets, printers, scanners, software etc. within the stipulated time period, and it also installed wireless LAN infrastructure in the library, at its own costs. The amount spent by KMT on these purchases was, thereafter, re-imbursed to the Trust by the Embassy, to the tune of Rs. 2,247,720, in December, 2018, following completion of the project.



The Trust also purchased, through its own funds, the minimum furniture required for the library; to house the newly purchased equipment along with the existing collection of library books being maintained at the school.

The Ambassador of Poland to Pakistan, Mr. Piotr Opalinski visited the library on December 10, 2018 to inspect the facility and the equipment purchased with Polish funding. His visit also marked the informal inauguration of the library just two days before the end of the academic year on December 12. The Ambassador was satisfied by his visit, appreciating his tour of the campus, his interaction with the students and teachers, and the utilization of the three Polish grants that had been provided to KMT up till then. He was also kind enough to promise further support from the Embassy the following year to help purchase the remaining required furnishings for the library.



b. Pakistan Centre for Philanthropy (PCP) Registration

KMT had applied for registration with PCP in June 2018, as detailed in Section 2.1.3.b. above. That application was followed by more than 6 months of intense evaluation of the records, financial and otherwise, of both the Trust and the School. This evaluation included site visits of the PCP team to the School and the KMT Head Office, vetting of the KMT Trustees, review of the Trust's sources of funding (domestic and international), feedback from past KMT donors, and, most importantly, a detailed audit of the financial records of the Trust from the past several years.

Following this exhaustive scrutiny, we are pleased to report that PCP formally approved KMT as an approved Non-Profit Organisation, certified to conduct its charitable activities in the country. A copy of the certificate, issued on January 22, 2019 and valid for a period of 3 years, is attached as Appendix C.

The successful effort by KMT to obtain PCP certification, in the face of the rigorous examination that the organisation was put through, adds considerable credibility to the Trust and its activities. The PCP approval is, in effect, a testament to the care that KMT takes in ensuring that the funds that it receives or raises for its cause are properly utilized for the purposes intended, and that records of the same are meticulously maintained so as to be able to stand up to any inspection, whenever required.

PCP has, in its Evaluation Report of KMT, suggested certain measures for the Trust to further improve and strengthen its internal controls, processes and record keeping systems. KMT is committed to incorporating all of these recommendations to the best of

its ability to further improve its operations, in line with regulatory requirements and expectations.

c. Registration of KMS with the Khyber Pakhtunkhwa Private Schools Regulatory Authority (KP-PSRA) and of Grades 9 and 10 students with BISE Abbottabad

The KP-PSRA was established through an act of the Provincial Government in June 2017. Up till its formation, non-governmental schools were previously required to register themselves with their relevant regional examination boards. In the case of KMS, the applicable authority at the time was the Board of Intermediate and Secondary Education (BISE), Abbottabad which had officially registered the School for a one-year period in June, 2017 (as detailed in Section 2.1.3.a. above). This registration allowed KMS to enroll its senior-most students for the Grade 9 Board examinations scheduled for March/April, 2018.

When the Trust approached BISE Abbottabad for the annual renewal of the School's registration in 2018, the Trust was informed that it would, instead, have to register with KP-PSRA that year, as that organisation had been mandated by the Provincial Government to take over the role of registration and monitoring of private schools from the various regional examination boards. KMT subsequently initiated the process of registering KMS with KP-PSRA.

Following a series of meetings and discussions with KP-PSRA officials to determine their application procedure and the documents and information required, KMT's request for registration of KMS was formally accepted by KP-PSRA in December, 2018. Given various formalities associated with the new registration process, including the requirement of a mandated physical inspection of the School's campus by a KP-PSRA official, the registration procedure was in process by the end of the reporting period i.e. June 30, 2019. In lieu of submission of its application, the Trust was, however, allowed to register its students for the BISE Grades 9 & 10 board exams that were conducted in March/April, 2019.

d. Registration of KMT with the Economic Affairs Division (EAD)

EAD is the ministry of the Government of Pakistan that oversees receipt of foreign grants by charitable non-governmental organisations registered in Pakistan.

KMT applied to EAD for registration as an organisation that is permitted to receive foreign funding, along with all required supporting documentation, on August 16, 2018. The Trust received official acknowledgement from EAD of this submission on September 5, 2018.

The EAD registration had, however, not been approved by the end of the reporting period i.e. June 30, 2019, and KMT is now expecting this matter to be concluded during the next financial year i.e. 2019-2020.

2.3.4 Fundraising

a. Child sponsorship revenues

KMT was unable to achieve its target of raising at least Rs. 10 million during the year through its Sponsor a Child Programme. The actual returns from this programme during FY 2018-2019 totaled around Rs. 8.03 million, which was a decrease of more than Rs. 1 million as compared to the Rs. 9.075 million raised under the same income head during the previous year.

b. Revenues from fundraising events

The target revenue of Rs. 6 million for the year through the organisation of fundraising events was exceeded by the Trust, with the total amount raised through such activities adding up to over Rs 7.48 million. This extra amount of approximately Rs. 1.5 million helped offset, to a large extent, the lower returns from Child Sponsorships described above.

Details of the two fundraising events organized during the year are provided as follows:

i. Flamenco Gala Night - Spanish fundraiser in aid of KMT

The Ambassador of Spain in Pakistan, Mr. Manuel Duran Gimenez-Rico hosted a Flamenco Gala Night at the Islamabad Serena Hotel on April 25, 2019, in aid of The Kaghan Memorial Trust. The event featured performances by the world-famous flamenco dancer, Ms. Alba Heredia, and her troupe.



Ms. Heredia belongs to one of the most important dynasties of the flamenco world, Maya. Co-hosted by Mr. Aziz Boolani, CEO of Serena Hotels, the evening was attended by 300 guests, including senior government officials, media representatives and members of the diplomatic community, the business community and civil society. The Federal Interior Minister was the Chief Guest for the occasion.

KMT and its School were introduced to the audience by the Ambassador, who explained the work being done by the Trust through KMS, and his interest in assisting with that mission by organizing the event. The KMT Managing Trustee took the podium to briefly to thank both hosts, the organisers and the guests, and to present an introductory video about KMT and KMS that had been specially prepared for the event and that was warmly received and applauded by all present.



Following the introductions, the enthralled audience was treated to the main event - an hour of spectacular classical flamenco performances of the highest calibre, the likes of which had not been seen in Islamabad before. The appreciation of

the crowd was evident from the extended standing ovation that Ms. Heredia and her troupe received as they took their final bows, and that continued as the Ambassador gave them a traditional send-off with a presentation of bouquets. The evening was capped off with a sumptuous dinner, prepared by Serena's best chefs.

World-class entertainment aside, the night raised a generous sum of Rs. 5.645 million, for KMT; an amount that would help cover a significant proportion of the School's operational costs for the year. The Trustees are especially grateful to the Spanish Ambassador and the Deputy Ambassador, Mr. Fernando Giron Pascual, for being the driving forces behind this incredibly special fundraiser, and for organizing it specifically to help KMT and KMS.



ii. KMT annual Lucky Draw fundraiser

KMT organized its annual Lucky Draw fundraiser between March and June, 2019. To prepare for the fundraiser, the Trust first collected 36 attractive prizes that were donated to it by various business concerns. Raffle booklets, containing 10 coupons per booklet, were issued to each individual who donated Rs. 1,200 to the Trust as part of this campaign. The coupons were entered into a lucky draw at the end of the exercise, with the holders of each winning coupon receiving one of the prizes donated for the event.

The 2019 Lucky Draw raised approximately Rs. 1.84 million for the Trust.

c. General or specified donations

Against its target of Rs. 4 million, KMT raised over Rs. 7 million in various donations, general and specified, during FY 2018-2019. A detailed list of the contributions by various donors is provided in Section 2.5 below, whereas summary descriptions of the three main donations are provided as follows:

i. Grant from the Embassy of Poland in Pakistan

The Polish Embassy in Islamabad had been a generous supporter of KMT since 2012, having previously extended two grants, through Polish Aid, to the Trust – the first of an amount of Rs. 2.2 million in 2012 for the Construction of a Classroom in the Junior School, and the second of Rs. 1.7 million in 2015 for the partial construction of the Central Library at KMS. The construction of the library building was finally completed at the end of 2017 by KMT, through that second Polish grant and through other funds raised directly by the Trust. In response to a new grant request submitted by KMT on April 6, 2018, the Polish Embassy, once again, approved a third grant for KMT amounting to approximately Rs. 2.25 million (Euros 15,000) through an agreement signed on July 1, 2018 (right at the start of the new financial year), to allow for the purchase and installation of Information Technology (IT) infrastructure and equipment for/in the new facility. This grant, while approved, was to be issued to KMT on reimbursement basis, upon submission of relevant quotations and payment receipts, following purchase and installation of the equipment by KMT through its own resources initially. The project was scheduled to be completed in the 6-month period between July 1 and December 31, 2018.

As mentioned in Section 2.3.3.a. above, KMT completed the project within the stipulated period, and the costs incurred on acquiring and installing the agreed IT equipment and infrastructure in the Library, totalling Rs. 2,247,720, were reimbursed to the Trust by the donor in December, 2018.

ii. Donation by Mr. Wasim ud Din / Oceandusk Group

As mentioned in sections 2.1.2. and 2.3.2.b. above, Mr. Wasim ud Din and his company, Oceandusk Group, have been steadfast and extremely generous donors of KMT since 2013. Having sponsored the construction of one new classroom in June 2018, Mr. Wasim ud Din donated a further Rs. 1.8 million to KMT in June 2019 to finance the building and of a second classroom. Both classrooms were under construction at the end of FY 2018-2019, and they are scheduled to be completed by the end of the 2019 calendar year.

iii. Donation by Mr. Roger Dahlberg

A citizen of New Zealand, Mr. Roger Dahlberg heard about KMT and its School from his son, Nathan, a close friend of the KMT Managing Trustee and a former professional cyclist. Nathan had helped KMT organize its very first fundraising events, a series of international mountain bike and road races starting all the way back in 2006. Having been involved with the School project since its inception and having visited Pakistan and the School several times over ensuing the years, Nathan introduced the Trust and its work to his father in 2009.

Mr. Dahlberg is a philanthropist who, along with some friends, runs the New Hope Foundation, which raises funds to help people in need at a grassroots level in several countries around Asia. This group of friends has, amongst other efforts, established schools, undertaken emergency rescue work, and provided medical support to disadvantaged communities in Thailand, India, Vietnam, Cambodia and Bangladesh. Since finding out from Nathan about KMT and our efforts to build and operate our Kaghan Memorial School, Mr. Dahlberg has sent unsolicited donations of various amounts to us practically every single year, with 2018 being the only exception. To date, he has contributed over Rs. 6 million to us, making him and his small

foundation one of the biggest and most consistent non-governmental and non-corporate donors of KMT. The most recent such contribution of Rs. 936,568 (US\$ 6,685) was transferred to KMT in March 2019.

KMT and its Trustees remain indebted to both Dahlbergs for everything that they have done for us over the years.

d. Fundraising for the construction and furnishing of the KMS Senior School for Girls and the Senior School for Boys

KMT was unable to secure a new donor for the two planned senior school buildings during the reporting period. However, following the inauguration of the Middle School for Boys building by the Chairman of the PSO CSR Trust in November, 2018, as detailed in Section 2.3.2.a. above, KMT applied to the same donor, in February 2019, for a new grant of R. 25 million for the construction and furnishing of the Main Block of the Senior School for Boys. This application was under consideration by the donor at the end of June, 2019, with a decision expected at the beginning of the next financial year.

2.4 Financial summary for FY 2018-2019

KMT's audited accounts for the financial year that ended on June 30, 2019, are attached as Appendix B. Whereas the audit report provides all details of the Trust's income, expenditures, assets, liabilities, funds and cash flows during the year, major highlights are listed as follows:

2.4.1 Balance Sheet

KMT's statement of Assets and Liabilities has seen very little change during the reporting period as compared to the previous year. Most notably:

- a. The 'Property, plant and equipment' head has increased by Rs. 12.964 million. This is primarily due to:
 - i. the completion and inauguration of the Middle School for Boys, because of which the amount spent on the construction of that building has been moved from the 'Capital work in progress' line to the 'Property, plant and equipment' line;
 - ii. the purchase of computers and other IT equipment for the KMS Central Library through the Polish Embassy grant;
 - iii. The purchase of two additional locally assembled jeeps through the PTCL grant for this purpose that was received in the previous financial year but that was utilized in FY 2018-2019.
- b. The 'Capital work in progress' head has registered a decrease of Rs. 11.172 million as this amount, that was spent on construction work that was completed on the campus during the year, was transferred to 'Property, plant and equipment', in which head the values of completed buildings are reported;
- c. The 'Advances, deposits and prepayments' head has seen an increase of Rs. 1.327 million mainly because of advances paid for the purchase of new furniture for the KMS library through the new Polish Embassy grant;
- d. The 'Cash and bank balances' head has decreased by Rs. 8.998 million. The reasons for this are detailed in sections 2.4.2.c. and 2.4.2.d. below;

- e. The 'General funds' of the Trust have increased by Rs. 910,209, which is the positive difference between KMT's income and expenditure during the year;
- f. 'Deferred grants' have, on the other hand, decreased from Rs. 82.338 million in the previous year to Rs. 75.069 million as on June 30, 2019. This decrease is due to amortization of these grants to the tune of Rs. 11.318 million, as opposed to new deferred grants of only Rs. 4.050 million being registered during the year. The amortized amount has been transferred to the Income and Expenditure statement to reflect as income for the year;
- g. The Trust's 'Short term loans' have decreased slightly by Rs. 388,830 due to this amount having been written off by one of KMT's lenders, Arcadian Hotels & Resorts (Private) Limited, from its interest-free loan, against Child Sponsorship fees of the 5 children that Arcadian is sponsoring at KMS;
- h. The increase in 'Accrued and other liabilities' by Rs. 938,084 from Rs. 551,525 the previous year to Rs. 1,489,609 during the reporting period is mainly due to pending salaries payable to staff at the end of June, 2019.

All in all, however, as mentioned previously, the Trust's Assets and Funds/Liabilities did not show any unusually major variance during the year, with both halves of the balance sheet registering a decrease of Rs. 5.809 million year to year, settling on Rs. 65.212 million at the end of the reporting period. This amounts to a decrease of 8.2% as compared to the Rs. 71.02 million of the previous year, caused primarily as a result of the transfer (amortization) of certain funds from the balance sheet to the Income and expense statement and the corresponding expensing out of assets.

2.4.2 Income and Expenditure Statement

The 'Income and expenditure account' and its accompanying detailed notes # 14, 15, 16 & 17, as provided in the audited accounts, demonstrate a somewhat mixed financial year for KMT, following up on the strong previous year. As these accounts show:

- a. The Trust registered a surplus of income over expenditure for FY 2018-2019 to the tune of Rs. 910,209. Coming on the heels of the surplus of Rs. 2,915,520 of FY 2017-2018, this is the first time since FY 2006-2007 that KMT has registered positive income for two consecutive years;
- b. Total income for the reporting period was Rs. 29.905 million. This was a healthy 16.1% increase of Rs. 4.15 million over the income of Rs. 25.751 million of the previous year;
- c. That being said, however, these total figures do not tell the complete story of the Trust's income over the year. Upon looking at the details provided in the notes, it becomes evident that a large portion of the income for the year i.e. Rs. 11.318 million, is actually due to the amortization of the funds, received before this financial year, resulting in a move of the amortized amount from the Balance Sheet to the Income Statement this year. If the amortization amount is removed from the income calculations, the actual funds generated during FY 2018-2019 amount to around Rs. 18.586 million. Taking this amount as the 'accurate' figure for new income generated during the year, the Trust actually brought in Rs. 5.784 million less than the previous year's income (less amortization) of Rs. 24,370,757 i.e. a decline of almost 24%. Fundraising during the year was, therefore, not up to par, as KMT would have wanted to at least match the revenues generated a year ago. This is the main reason why KMT's cash and bank reserves witnessed such a sharp

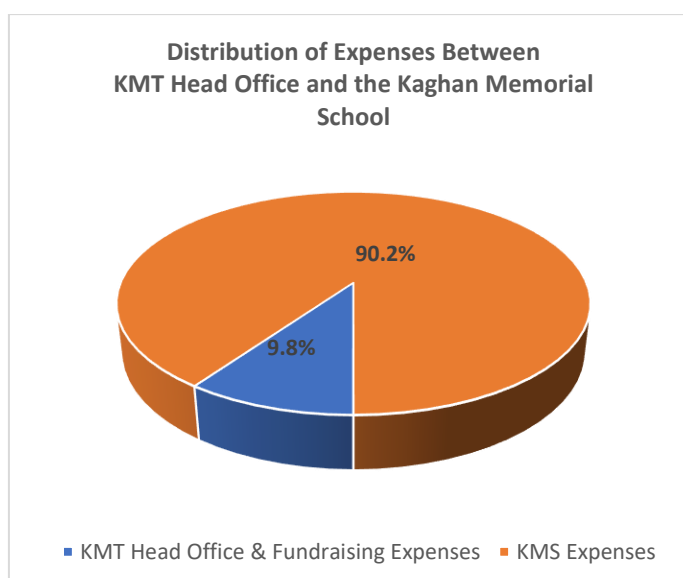
decline during the year (as reported in section 2.4.1.d. above), as funds carried over from the previous year had to be utilized to meet a significant portion of the operational expenses for the reporting period.

- d. Expenditures, on the other hand, also registered an even larger increase of Rs. 6.16 million, or approximately 27%, from Rs. 22.835 million the previous year to Rs. 28.995 million in FY 2018-2019. Whereas controlling expenses is just as important as increasing income, a deeper analysis of this increase in expenditures shows that the Trust's Head Office expenses remained roughly at par between the past two years, with H.O. (and fundraising) expenditures during FY 2018-2019 actually showing a decrease of around Rs. 50,000 as compared to the year before. The increased expenses were, therefore, incurred in their totality at the School itself, due to the following main factors:
 - i. An escalation of approximately Rs. 2.6 million in the School's payroll expenses, from Rs. 10.369 million the previous year to Rs. 12.978 million in FY 2018-2019. This was due to the addition of new teachers for the expanding school and also because of the application of staff salary increments in July 2018;
 - ii. An escalation of approximately Rs. 650,000 in the School's vehicle running expenses during the year, from Rs. 1.848 million the previous year to Rs. 2.507 million in FY 2018-2019. This was due to increased market fuel prices during the reporting period, coupled with an increase in the fleet of vehicles running under KMT's Getting Children to School Programme;
 - iii. A depreciation expense of Rs. 5.332 million on the School's assets during the year, which was an increase of approximately Rs. 3.45 million over the previous year's figure of Rs. 1.882 million.

Other expenditure heads showed either minor increases or even small to mid-sized decreases year-to-year.

These details demonstrate, therefore, that the increase in expenditures at the School during the year was due to unavoidable factors and that no unnecessary spending was entailed.

The pie chart below provides a graphical illustration of expenditures incurred by KMT at its Head Office vs the School:



This pie chart demonstrates clearly that KMT keeps its overhead costs at a minimum, in its attempt to spend the maximum possible amount of its funds on the School itself, while curtailing its Head Office administrative costs. The percentage of Head Office expenditures vs total amounts spent by KMT on the School during the year is actually even lower if one takes into consideration the cost of construction that the Trust incurred on campus during FY 2018-2019. However, since construction costs are recorded in the Balance Sheet and not in the Income and Expenditure Statement, that significant amount is not factored into the chart above.

The biggest positive that the Income and Expense figures reveal, therefore, is the fact that KMT is a lean and efficient organisation that spends its donors' funds on the purpose for which they are donated to the Trust i.e. to deliver the best possible education and services to disadvantaged children in the Kaghan Valley.

2.5 Lists of donors and child sponsors during FY 2018-2019

2.5.1 KMT Donors

S. No.	Donor Name / Donation Source	Purpose of Donation	Amount
1	Embassy of Poland, Islamabad	Donation (IT infrastructure for KMS library)	2,249,720
2	Mr. Wasim Din (Oceandusk Group)	Donation for construction of one classroom	1,800,000
3	Mr. Roger Nathan Dahlberg	General donation to KMT	936,568
4	Dr. Ahsan Aurangzeb Khan	General donation to KMT	700,000
5	Mr. Daniel Ritz and Mrs. Maria Ritz	General donation to KMT	350,000
6	Contributions collected through donation boxes	General donation to KMT	220,690
7	Mr. Yahya Ismail & Mrs. Sajida Ali	General donation to KMT	210,000
8	Dr. Natasha Khan	General donation to KMT	125,770
9	Community Contributions	General donation to KMT	110,880
10	Mr. Junaaid Ali Qasim	General donation to KMT	100,000
11	Mr. Jawad Asghar	General donation to KMT	100,000
12	Anonymous	General donation to KMT	75,000
13	United Transport	General donation to KMT	50,000
14	Mrs. Jennifer Leah Ankrom-Khan	General donation to KMT	20,000
	Total		7,048,628



2.5.2 KMT Child Sponsors

S. No.	Sponsor Name		Number of Children Sponsored
1	Mr.	Wasim Din (Oceandusk Group)	20
2	M/S	Engro Elengy Terminal (Pvt.) Ltd.	7
3	M/S	Al-Mujtaba Education Trust	6
4	M/S	Arcadian Hotels & Resorts (Private) Limited	5
5	Mr.	Azeem Akhtar	5
6	Ms.	Marukh Aftab	4
7	Ms.	Vibeke Jensen	4
8	Mr.	Akbar Ahmad	3
9	Ms.	Maryam Khan	3
10	Mr.	Azim-ul-Haq	2
11	Mr.	Bilal Hasan Minto	2
12	Mr.	Dominic Shorthouse	2
13	Mr.	Ehsaan Uddin Ahmed	2
14	Mr.	Eric Claudel	2
15	Mr.	Haider Iqbal	2
16	Ms.	Mina Hassan Zaidi & Mr. Imran Hussain	2
17	Mr.	Mohsin Mueen Raja	2
18	Mr.	Muhammad Ali Kazmi	2
19	Dr.	Natasha Khan	2
20	Mr.	Nauman Ahmed	2
21	Mr.	Naveed Akram & Mrs. Haniya Siddiqe	2
22	Ms.	Sobiya Zameer	2
23	Mrs.	Vicki Marie Lorantas	2
24	Mr.	Zeeshan Sheikh	2
25	Mr.	Abdullah Ehsan Sheikh	1
26	Mr.	Arsallah Khan	1
27	Mr.	Asim Majid	1
28	Mr.	Ch. Wajid and Mr. Ch. Muhammad Ayub	1
29	Mr.	Ehtesham Riaz & Mrs. Dania Ehtasham	1
30	Mrs.	Elisabeth Kristiansson	1
31	Mr.	Enrique Dominguez Malamiaos	1
32	Mr.	Eric Claudel	1
33	Mr.	Fahiman Umer Ahmed	1
34	Mr.	Faraz Mustaqeem	1
35	Mr.	Harris Zia	1
36	Ms.	Ifeta Selimanjin and Ms. Izeta Selimanjin	1
37	Mr.	Iqbal Ahmed Khan	1
38	Ms.	Jonelle Nicol Lorantas	1
39	Mr.	Khawar Saleem Aslam	1
40	Mr.	Khurram Majid	1
41	Mr.	Khurram Tiwana & Mrs. Mehreen Tiwana	1
42	Ms.	Madiha Khawar	1
43	Mr.	Malik Nauman Ali	1
44	Mr.	Martin Krieg & Friends	1
45	Ms.	Motoko Matsuura	1
46	Mr.	Muhammad Aqeel Jafar Khan	1
47	Mr.	Muhammad Kousar Shakeel	1
48	Mr.	Muhammad Mohsin Hussain	1
49	Ms.	Nadia Tariq	1
50	Mr.	Nasir Khan Afridi	1
51	Mr.	Papa Mbaye	1
52	Ms.	Sadia Shaikh	1
53	Mr.	Saeed Ejaz Khawaja	1
54	Mr.	Sarim Sheikh	1
55	TEF	TEFL Professional Networks	1
56	Mr.	Umar Khan	1
57	Mr.	Victor Herrero	1
58	Mr.	Waqas Ahmad	1
		Total	121

PART 3

Priorities for the Next Financial Year - FY 2019-2020

3.1 Academics

- a. Deliver quality education to all grade levels at KMS;
- b. Prepare KMS students of grades 9, 10 & 11 for the Abbottabad Board external examinations scheduled for March / April, 2020;
- c. Oversee the expansion of KMS to its highest planned grade level i.e. Grade 12 in April 2020;
- d. Start exploring undergraduate admissions opportunities for KMS Grade 12 students.

3.2 Construction and Campus Development

- a. Complete construction of two classrooms funded by Mr. Wasim ud Din / Oceandusk Group;
- b. Complete construction of two classroom self-funded by KMT;
- c. Start construction of the Main Block of the KMS Senior School for Boys;
- d. Start construction of the first block of the KMS Senior School for Girls;
- e. Complete furnishing of the KMS Central Library.

3.3 Administrative

- a. Register KMT with the Economic Affairs Division (EAD), Government of Pakistan;
- b. Register KMT with the Private Schools Regulatory Authority, Government of Khyber Pakhtunkhwa Province (KP-PSRA);
- c. Attain Tax-Exempt status for KMT from the Federal Board of Revenue (FBR).

3.4 Fundraising

- a. Secure funding from Pakistan State Oil (PSO) for construction of the Main Block of the KMS Senior School for Boys;
- b. Secure funding for furnishing of the KMS Central Library;
- c. Identify and secure donor funding for the first block of the KMS Senior School for Girls;
- d. Increase annual revenues from KMT's Sponsor a Child Programme to at least Rs. 10 million;
- e. Organise at least two fundraising events during the financial year;
- f. Identify and secure new donors to cover KMT and KMS operational costs.

Appendix A

KMT Projected Operational Budget vs Actual Utilisation

FY 2018-2019

Budget Line	Units	Lump Sum Unit Cost Pak. Rs.	Monthly Unit Cost Pak. Rs.	Months	Annual Budget Pak. Rs.		Actual Utilisation During the Year
KMT H.O. OPERATIONAL BUDGET							
Staff salaries							
Programme Officer 1	1		45,000	12	540,000		
Programme Officer 2	1		40,000	12	480,000		
Programme Officer 3	1		40,000	12	480,000		
Accounts Manager	1		50,000	12	600,000		
Sub-Total						2,100,000	1,571,118
Advertisement and website hosting charges	1		2,500	12		30,000	4,900
Supplies, printing and stationery	1		10,000	12		120,000	99,797
Postage and courier	1		1,000	12		12,000	3,445
Domestic travelling	1		10,000	12		120,000	115,550
Vehicle running	1		10,000	12		120,000	142,255
Communication	1		4,000	12		48,000	42,715
Building rent (Office lease rental)	1		1,000	12		12,000	-
Building repairs and maintenance	1		1,000	12		12,000	-
Equipment repairs and maintenance	1		10,000	12		120,000	114,570
Vehicle repairs and maintenance	1		5,000	12		60,000	60,080
Miscellaneous	1		5,000	12		60,000	94,547
Meals for staff	1		25,000	12		300,000	277,205
Fundraising expenditures	2	50,000				100,000	72,912
Legal fees	1		-	12		-	-
Utilities	1		1,500	12		18,000	1,000
Bank charges	1		3,000	12		36,000	47,753
Audit fee	1	100,000				100,000	80,000
TOTAL KMT H.O. OPERATIONAL BUDGET						3,368,000	2,727,847

(Continued on next page..)

Budget Line	Units	Lump Sum Unit Cost Pak. Rs.	Monthly Unit Cost Pak. Rs.	Months	Annual Budget Pak. Rs.		Actual Utilisation During the Year
KMS OPERATIONAL BUDGET							
Staff salaries							
Administration Manager	1		33,000	12	396,000		
Administration Officer	0		-	12	-		
Administration Assistant	1		25,000	12	300,000		
Logistics Officer	1		20,000	12	240,000		
Head Teacher	1		35,000	12	420,000		
Discipline Coordinator	1		30,000	12	360,000		
Deputy Head Teacher 1	1		27,000	12	324,000		
Deputy Head Teacher 2	1		27,000	12	324,000		
Deputy Head Teacher 3	1		24,000	12	288,000		
Assistant Discipline Coordinator	1		21,000	12	252,000		
Teachers	23		20,000	12	5,520,000		
New Teachers	2		18,000	4	144,000		
Teaching Assistants	7		17,000	12	1,428,000		
New Teaching Assistants	3		15,000	4	180,000		
P.E. Teacher	1		15,000	4	60,000		
Office Assistants	1		15,000	12	180,000		
Matron/Ayah	2		13,000	12	312,000		
Drivers	7		13,000	12	1,092,000		
New Drivers	2		13,000	4	104,000		
Construction Supervisor	1		16,000	12	192,000		
Security Supervisor	1		15,000	12	180,000		
Security Guards	3		13,000	12	468,000		
New Security Guards	1		13,000	4	52,000		
Gardener	1		13,000	12	156,000		
Cook	1		15,000	12	180,000		
Cook's Helper	1		13,000	12	156,000		
Cleaners	3		13,000	12	468,000		
Sub-Total	69					13,776,000	12,978,125
Medical tests and treatments	1		-	12		-	
Classroom supplies	2	750,000				1,500,000	1,369,707
Office supplies, printing and stationery	1		5,000	12		60,000	53,480
Lease expenses (KMS annual land lease rental)	1	216,000				216,000	130,626
International travelling	1		-	12		-	
Domestic travelling	1		20,000	12		240,000	342,945
Vehicle running							
School vans	3		22,000	12		792,000	
School jeeps	5		44,000	12		2,640,000	
Sub-Total						3,432,000	2,507,386
Freight	1		-	12		-	
Utilities	1		25,000	12		300,000	328,547
Communication	1		3,000	12		36,000	37,700
Furnishings	1		5,000	12		60,000	-
Building repairs and maintenance	1		10,000	12		120,000	91,466
Equipment repairs and maintenance	1		5,000	12		60,000	52,800
Vehicle repairs and maintenance							
School vans	3		6,000	12		216,000	
School jeeps	5		10,000	12		600,000	
Sub-Total						816,000	774,690
Vehicle rental charges	1		60,000	12		720,000	745,290
Fuel for generator	1		5,000	12		60,000	65,110
Meals for staff	1		60,000	12		720,000	692,076
Sports day and annual day expense	2	200,000				400,000	367,073
Special events (Donor visits etc.)	2	75,000				150,000	-
Board fees	1	100,000				100,000	126,080
Workshops and capacity building	1		30,000	12		360,000	-
Miscellaneous	1		30,000	12		360,000	152,182
TOTAL KMS OPERATIONAL BUDGET						23,486,000	20,815,283
GRAND TOTAL KMT OPERATIONAL BUDGET FOR FY 2018-2019 (KMT H.O. & KMS)						26,854,000	23,543,130

Appendix B

KMT Audited Accounts for FY 2018-2019



Hasan Associates
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT OF "THE KAGHAN MEMORIAL TRUST"

Opinion

We have audited the accompanying financial statements of **THE KAGHAN MEMORIAL TRUST** (the Trust) which comprise of balance sheet as at June 30, 2019, income and expenditure account and cash flow statement and the statement of changes in accumulated fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2019 and of its financial performance, cash flows and changes in accumulated fund for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Trust in accordance with the International Ethics Standard 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 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.

Management's Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal controls as the Management determines to be necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Trustees are responsible for assessing the ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Trust or to cease operations, or has not realistic alternative but to do so. Trustees are responsible for overseeing the Trust for financial reporting process.

Auditors' Responsibility

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.

Winputers Basement, Akbar Plaza, Chakri Road, Rawalpindi
Ph: 0318-1977378 Email: haca@accountant.com



As part of an audit in accordance with ISAs, 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 entity'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available to us at the date of the auditor's report. However, future events or conditions may cause an entity 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rawalpindi
December 17, 2019



Hasan Associates

Hasan Associates
Chartered Accountants
Engagement Partner: Shahzad Ul Hasan


THE KAGHAN MEMORIAL TRUST
BALANCE SHEET
AS AT JUNE 30, 2019


	Note	2019 Rupees	2018 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	46,943,773	33,979,558
Capital work in progress	5	11,994,359	23,167,203
Intangible assets	6	9,691	13,845
		<u>58,947,823</u>	<u>57,160,606</u>
CURRENT ASSETS			
Short term advance	7	161,219	86,222
Advances, deposits and prepayments	8	1,798,907	472,310
Cash and bank balances	9	4,303,637	13,301,794
		<u>6,263,763</u>	<u>13,860,326</u>
		<u>65,211,586</u>	<u>71,020,932</u>
FUNDS AND LIABILITIES			
FUNDS - GENERAL			
General funds	10	(15,583,058)	(16,493,267)
Deferred grants	11	75,069,304	82,338,113
		<u>59,486,246</u>	<u>65,844,846</u>
CURRENT LIABILITIES			
Short term loans	12	4,235,731	4,624,561
Accrued and other liabilities	13	1,489,609	551,525
		<u>5,725,340</u>	<u>5,176,086</u>
		<u>65,211,586</u>	<u>71,020,932</u>

The annexed notes 1 to 21 form an integral part of these financial statements.

Islamabad,




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THE KAGHAN MEMORIAL TRUST
BALANCE SHEET
AS AT JUNE 30, 2019

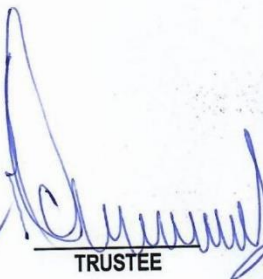
	Note	2019 Rupees	2018 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	46,943,773	33,979,558
Capital work in progress	5	11,994,359	23,167,203
Intangible assets	6	9,691	13,845
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General funds	10	(15,583,058)	(16,493,267)
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Islamabad,




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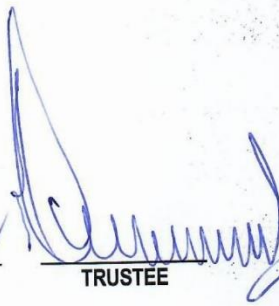
**THE KAGHAN MEMORIAL TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
INCOME	14	29,904,872	25,750,726
EXPENDITURES			
Fund raising	15	72,912	105,700
Head office	16	2,774,210	2,790,264
The Kaghan Memorial School	17	26,147,541	19,939,242
		(28,994,663)	(22,835,206)
Surplus of income over expenditure for the year		<u>910,209</u>	<u>2,915,520</u>

The annexed notes 1 to 21 form an integral part of these financial statements.

Islamabad,


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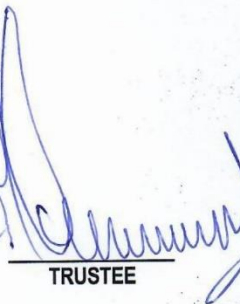
**THE KAGHAN MEMORIAL TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus of income over expenditure for the year		910,209	2,915,520
Adjustments for:			
Depreciation	4	5,447,379	1,957,209
Amortization of income	11	(11,318,529)	(1,379,968)
Amortization of intangible assets	6	4,154	5,933
Operating income before working capital changes		(4,956,787)	3,498,694
Changes in working capital			
(Increase)/decrease in current assets:			
Advances and deposits		(1,326,597)	(472,310)
Increase in current liabilities:			
Accrued and other liabilities		938,084	(8,710,267)
Net change in working capital		(388,513)	(9,182,577)
Net cash generated from/(used) in operating activities		(5,345,299)	(5,683,883)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditures (fixed assets/intangibles)			
Capital work in progress		(2,314,615)	(5,663,574)
Addition of fixed assets		(4,924,135)	(15,941,000)
Advance Lease		(74,997)	(86,222)
Proceed from disposal of fixed asset			
Net cash generated from/(used) in investing activities		(7,313,747)	(21,690,796)
CASH FLOW FROM FINANCING ACTIVITIES			
Deferred Building and Vehicle grants received		4,049,720	42,842,200
Short term loan repaid		(388,830)	(3,019,597)
Net cash generated from/(used) in financing activities		3,660,890	39,822,603
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		(8,998,157)	12,447,924
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		13,301,794	853,870
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		4,303,637	13,301,794

The annexed notes 1 to 21 form an integral part of these financial statements.

Islamabad,





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THE KAGHAN MEMORIAL TRUST
STATEMENT OF CHANGES IN ACCUMULATED FUND
AS AT JUNE 30, 2019


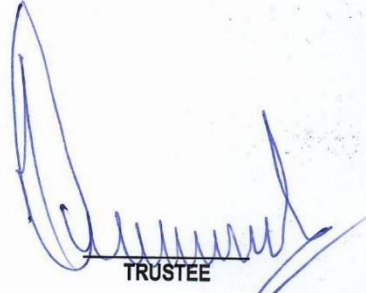
	GENERAL FUNDS	RESTRICTED FUNDS	TOTAL ACCUMULATED FUNDS
	------(Rupees)-----		
Balance as on June 30, 2017	(19,408,787)	40,875,881	21,467,094
Surplus of income over expenditure for the year ended June 30, 2018	2,915,520	-	2,915,520
Restricted fund during the year	-	42,842,200	42,842,200
Amortized during the year	-	(1,379,968)	(1,379,968)
Balance as on June 30, 2018	(16,493,267)	82,338,113	65,844,846
Surplus of income over expenditure for the year ended June 30, 2019	910,209	-	910,209
Restricted fund during the year	-	4,049,720	4,049,720
Amortized during the year	-	(11,318,529)	(11,318,529)
Balance as on June 30, 2019	(15,583,058)	75,069,304	59,486,246

AUDITORS' REPORT ANNEXED:

The annexed notes 1 to 21 form an integral part of these financial statements.

Islamabad,




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**THE KAGHAN MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1 STATUS AND OPERATIONS

The Kaghan Memorial Trust (the Trust) was registered in March 2006 under Trust Act of 1882, with the objective to build and run a school in the earthquake affected Kaghan Valley, in order to provide free education of a high quality. The Trust receives funds from cross sections of society within and outside Pakistan for building of primary and secondary schools as well as for operation of schools. These donations are made by organizations, institutions and individuals. The registered office of the Trust is situated at House # 1, Old Firing Range Drive, Main Bani Gala Road, Bani Gala, Islamabad.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Guidelines for Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and the provisions of the Trust Act of 1882. In case requirements differ, provisions of the Trust Act of 1882 shall prevail.

2.2 BASIS OF PREPARATION

These accounts have been prepared under the historical cost conventions without any adjustments to the effects of inflation or current values, except where stated in relevant policies and notes.

2.3 MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Trustees of the Trust are responsible for the preparation and presentation of financial statements. The reporting currency of the financial statements is the Pakistani Rupee. These financial statements of the Trust have been prepared for the year from July 01, 2018 to June 30, 2019.

2.4 PROPERTY, PLANT AND EQUIPMENT (PPE)

PPE are stated at cost less accumulated depreciation and impairment losses. PPE received free of cost is stated at a nominal value of rupee 1. Depreciation is provided on reducing balance method at the rates specified in note 4. Depreciation is charged on additions from the month in which an asset is acquired, while no depreciation is charged in the month of disposal.

2.5 INTANGIBLE ASSETS

Intangible Assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged on a reducing balance method over the estimated useful lives of intangible assets. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The Trust charges amortization on all additions from the month in which an asset is acquired or capitalized, while no amortization is charged in the month of disposal.

2.6 INCOME

Income is recognized when it is received.

2.7 GRANT

Grants received for capital assets are deferred and recognized as income to the extent at which the capital asset is depreciated over its useful life.

2.8 EXPENSES

All expenses are recognized in the income and expenditure account on accrual basis.

2.9 CAPITAL WORK IN PROGRESS

Capital work in progress is stated at cost.

3 TAXATION

No provision for taxation has been made in these accounts as the Income/ Sponsorship/ Donations of the Trust are exempt from levy of income tax under clause (a) of sub-section 2 of section 100C of the Income Tax Ordinance, 2001, introduced under the Finance Act, 2014. Previously the income of the Trust was exempt under section 60 and 92 of the 2nd Schedule to the Income Tax Ordinance, 2001 being an educational and charitable institution solely for educational and charitable purposes and not for the purpose of making profit.

3.1 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transactions. All monetary assets and liabilities in foreign currencies on the balance sheet date are translated into Pak Rupees at the rates of exchange prevailing on the balance sheet date. Exchange differences, if any, are included in income and expenditure account currently.



4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Building	Computers & Accessories	Office Equipments	Motor Vehicle	Furniture & Fixtures	Books & Sports Items	Electric Equipments	Other Assets	Total
-----RUPEES-----									
4.1 HEAD OFFICE									
As at July 01, 2017									
Cost	-	937,748	168,600	-	781,963	-	585,846	72,853	2,547,010
Accumulated Depreciation	-	(581,603)	(129,149)	-	(412,582)	-	(384,807)	(56,087)	(1,564,228)
	-	356,145	39,451	-	369,381	-	201,039	16,766	982,782
For the year ended June 30, 2018									
Opening written down value	-	356,145	39,451	-	369,381	-	201,039	16,766	982,782
Additions/ transfers in									
Cost	-	24,500	-	-	-	-	-	-	24,500
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
	-	24,500	-	-	-	-	-	-	24,500
Deletion/ transfers out									
Cost	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	(57,097)	(5,918)	-	(36,938)	-	(30,156)	(3,353)	(133,462)
	-	323,548	33,533	-	332,443	-	170,883	13,413	873,820
As at July 01, 2018									
Cost	-	962,248	168,600	-	781,963	-	585,846	72,853	2,571,510
Accumulated Depreciation	-	(638,700)	(135,067)	-	(449,520)	-	(414,963)	(59,440)	(1,697,690)
	-	323,548	33,533	-	332,443	-	170,883	13,413	873,820
For the year ended June 30, 2019									
Opening written down value	-	323,548	33,533	-	332,443	-	170,883	13,413	873,820
Additions/ transfers in									
Cost	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Deletion/ transfers out									
Cost	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	(48,532)	(5,030)	-	(33,244)	-	(25,632)	(2,683)	(115,121)
	-	275,016	28,503	-	299,199	-	145,251	10,730	758,699
As at July 01, 2019									
Cost	-	962,248	168,600	-	781,963	-	585,846	72,853	2,571,510
Accumulated Depreciation	-	(687,232)	(140,097)	-	(482,764)	-	(440,595)	(62,123)	(1,812,811)
	-	275,016	28,503	-	299,199	-	145,251	10,730	758,699
Depreciation rate	5%	15%	15%	20%	10%	10%	15%	20%	



4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Building	Computers & Accessories	Office Equipments	Motor Vehicle	Furniture & Fixtures	Books & Sports Items	Electric Equipments	Other Assets	Total
RUPEES									

4.2 THE KAGHAN MEMORIAL SCHOOL

As at July 01, 2017

Cost	18,061,605	142,830	49,044	4,315,522	1,918,545	118,371	1,266,237	371,259	26,243,413
Accumulated Depreciation	(2,658,958)	(52,933)	(37,058)	(2,467,719)	(922,403)	(74,861)	(711,250)	(305,243)	(7,230,425)
	15,402,647	89,897	11,986	1,847,803	996,142	43,510	554,987	66,016	19,012,988

For the year ended June 30, 2018

Opening written down value	15,402,647	89,897	11,986	1,847,803	996,142	43,510	554,987	66,016	19,012,988
Additions/ transfers in	-	-	-	15,824,000	92,500	-	-	-	15,916,500
Cost	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	15,824,000	92,500	-	-	-	15,916,500

Deletion/ transfers out

Cost	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-

Depreciation for the year	(770,132)	(13,485)	(1,798)	(837,090)	(100,442)	(4,351)	(83,248)	(13,203)	(1,823,749)
	14,632,515	76,412	10,188	16,834,713	988,200	39,159	471,739	52,813	33,105,739

As at July 01, 2018

Cost	18,061,605	142,830	49,044	20,139,522	2,011,045	118,371	1,266,237	371,259	42,159,913
Accumulated Depreciation	(3,429,090)	(66,418)	(38,856)	(3,304,809)	(1,022,845)	(79,212)	(794,498)	(318,446)	(9,054,174)
	14,632,515	76,412	10,188	16,834,713	988,200	39,159	471,739	52,813	33,105,739

For the year ended June 30, 2019

Opening written down value	14,632,515	76,412	10,188	16,834,713	988,200	39,159	471,739	52,813	33,105,739
Additions/ transfers in	-	-	-	-	-	-	-	-	-
Cost	13,487,459	2,249,720	-	2,556,100	-	-	-	118,315	18,411,594
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
	13,487,459	2,249,720	-	2,556,100	-	-	-	118,315	18,411,594

Deletion/ transfers out

Cost	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-

Depreciation for the year	(1,066,041)	(178,804)	(1,528)	(3,878,163)	(98,820)	(3,916)	(70,761)	(34,226)	(5,332,259)
	27,053,933	2,147,328	8,660	15,512,650	889,380	35,243	400,978	136,902	46,185,074

As at July 01, 2019

Cost	31,549,064	2,392,550	49,044	22,695,622	2,011,045	118,371	1,266,237	489,574	60,571,507
Accumulated Depreciation	(4,495,131)	(245,222)	(40,384)	(7,182,972)	(1,121,665)	(83,128)	(865,259)	(352,672)	(14,386,433)
	27,053,933	2,147,328	8,660	15,512,650	889,380	35,243	400,978	136,902	46,185,074

Depreciation rate

5%	15%	15%	20%	10%	10%	15%	20%
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Property, Plant And Equipment (Combine)

As at July 01, 2019

Cost	31,549,064	3,354,798	217,644	22,695,622	2,793,008	118,371	1,852,083	562,427	63,143,017
Accumulated Depreciation	(4,495,131)	(932,454)	(180,481)	(7,182,972)	(1,604,429)	(83,128)	(1,305,854)	(414,795)	(16,199,244)
	27,053,933	2,422,344	37,163	15,512,650	1,188,579	35,243	546,229	147,632	46,943,773

Depreciation rate

5%	15%	15%	20%	10%	10%	15%	20%
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THE KAGHAN MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
5 CAPITAL WORK IN PROGRESS			
Opening balance		23,167,203	17,503,629
Additions during the year		2,314,615	5,663,574
Transfer to property, plant and equipment		(13,487,459)	-
		<u>11,994,359</u>	<u>23,167,203</u>
5.1 This represents cost incurred on construction of school building located at Revenue estate of Mouza Kawai, Tehsil Balakot, District Mansehra.			
	Note	Antivirus Rupees	Total Rupees
6 INTANGIBLE ASSETS			
As at July 01, 2017			
Cost		28,255	28,255
Accumulated amortization		(8,477)	(8,477)
		<u>19,778</u>	<u>19,778</u>
For the year ended June 30, 2018			
Opening written down value		19,778	19,778
Additions / transfers in		-	-
Deletions / transfers out		-	-
Amortization for the year		(5,933)	(5,933)
		<u>13,845</u>	<u>13,845</u>
As at July 01, 2018			
Cost		28,255	28,255
Accumulated amortization		(14,410)	(14,410)
		<u>13,845</u>	<u>13,845</u>
For the year ended June 30, 2019			
Opening written down value		13,845	13,845
Additions / transfers in		-	-
Deletions / transfers out		-	-
Amortization for the year		(4,154)	-
		<u>9,691</u>	<u>13,845</u>
As at July 01, 2019			
Cost		28,255	28,255
Accumulated amortization		(18,564)	(14,410)
		<u>9,691</u>	<u>13,845</u>
Amortization rate		30%	



THE KAGHAN MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
7 SHORT TERM ADVANCES			
Advance annual lease rental on land	7.1	161,219	86,222
Current portion of lease rental		-	-
		<u>161,219</u>	<u>86,222</u>
7.1 This represents advance lease rentals deposited in respect of land located at revenue estate of Mouza Kawai, Tehsil Balakot, District Mansehra. The land is utilized for the purpose of The Kaghan Memorial School.			
8 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advances to suppliers	8.1	1,781,687	472,310
Advance tax		17,220	-
		<u>1,798,907</u>	<u>472,310</u>
8.1 This represents the advance payment to M/S HB Furniture, Blue area, Islamabad for purchase of furniture for school library.			
9 CASH AND BANK BALANCES			
Cash in hand		1,225,356	842
Cash at bank - Current accounts			
- Meezan bank limited		3,069,119	13,291,789
- Faysal bank limited		4,438	4,438
- The Bank of Khyber limited		1,827	1,827
- United bank limited		2,898	2,898
		<u>4,303,637</u>	<u>13,301,794</u>
10 GENERAL FUNDS			
Opening balance		(16,493,267)	(19,408,787)
Surplus of income over expenditure for the year		910,209	2,915,520
		<u>(15,583,058)</u>	<u>(16,493,267)</u>
11 DEFERRED GRANTS			
Opening balance		82,338,113	40,875,881
Grants received during the year	11.1	4,049,720	42,842,200
Amortization of grant		(11,318,529)	(1,379,968)
		<u>75,069,304</u>	<u>82,338,113</u>



THE KAGHAN MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
11.1 For Building, Vehicles & Computers			
Pakistan State Oil		-	3,000,000
Grants from Government (Van)		-	12,954,000
PTCL (Jeeps)		-	2,000,000
Deferred Government Grant		-	23,000,000
Polish Embassy (Computers)		2,249,720	-
Oceandusk Group		1,800,000	1,888,200
		<u>4,049,720</u>	<u>42,842,200</u>
12 SHORT TERM LOANS			
Loans from:			
Arcadian Hotels & Resorts (Pvt) Limited		1,040,700	1,348,200
Ms. Meraj Humayun Khan		1,550,000	1,550,000
Mr. Khurram Khan (Managing Trustee)		853,336	853,336
Ms. Jennifer Ankrom-Khan (Trustee)		491,695	573,025
Ms. Maryam Khan (Trustee)		300,000	300,000
		<u>4,235,731</u>	<u>4,624,561</u>
12.1 This represents interest free loans for meeting the school construction cost of the building, school operations and other day-to-day expenses of the Trust.			
	Note	2019 Rupees	2018 Rupees
13 ACCRUED AND OTHER LIABILITIES			
Employees salary		1,222,160	304,378
Audit remuneration		80,000	80,000
Withholding tax payable		187,449	167,147
		<u>1,489,609</u>	<u>551,525</u>
14 INCOME			
Donations		2,737,518	12,721,403
Income from fundraising event	14.1	7,484,650	2,050,210
Income from child sponsorship		8,032,606	9,075,944
Amortization of deferred grants		11,318,529	1,379,968
Community contribution		110,880	-
Others - Donation collected in donation boxes		220,690	523,201
		<u>29,904,872</u>	<u>25,750,726</u>
14.1 Income from fund raising events			
Local fundraising event # 1 -Serena Hotel		5,645,000	-
Local fundraising event # 2 (Lucky draw 2018/2019)		1,839,650	2,050,210
		<u>7,484,650</u>	<u>2,050,210</u>



THE KAGHAN MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
15 FUND RAISING EXPENDITURE			
Printing and promotion		33,912	60,000
Miscellaneous		39,000	45,700
		<u>72,912</u>	<u>105,700</u>
16 KHAGAN MEMORIAL TRUST - HEAD OFFICE			
Staff salaries		1,571,118	1,556,864
Advertisement and website hosting charges		4,900	25,480
Supplies, printing and stationery		99,797	101,265
Postage and courier		3,445	11,850
Domestic travelling		115,550	51,231
Vehicle running		142,255	98,040
Communication		42,715	42,195
Building rent		-	12,000
Building repairs and maintenance		-	3,600
Equipment repairs and maintenance		114,570	119,345
Vehicle repair and maintenance		60,080	7,210
Meals for staff		277,205	270,502
Audit fee		80,000	80,000
Legal fees		-	220,400
Utilities		1,000	5,415
Bank charges		47,753	65,339
Miscellaneous		94,547	36,900
Depreciation	4.1	115,121	76,694
Amortization	6	4,154	5,933
		<u>2,774,210</u>	<u>2,790,264</u>



THE KAGHAN MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
17 KAGHAN MEMORIAL SCHOOL			
Staff salaries		12,978,125	10,369,374
Classroom supplies		1,369,707	1,095,317
Office supplies, printing and stationery		53,480	35,522
Lease expenses		130,626	209,711
Domestic travelling		342,945	196,040
Vehicle running		2,507,386	1,847,842
Utilities		328,547	224,786
Communication		37,700	35,800
Furnishings		-	76,500
Building repairs and maintenance		91,466	79,460
Equipment repairs and maintenance		52,800	35,450
Vehicle repair and maintenance		774,690	397,799
Vehicle rental charges		745,290	1,327,310
Fuel for generator		65,110	13,800
Meals for staff		692,076	616,074
Sports day and annual day expense		367,073	850,454
Board fee		126,080	50,510
Workshops & capacity building		-	350,183
Miscellaneous		152,182	246,795
Depreciation	4.1	5,332,258	1,880,515
		26,147,541	19,939,242

18 RELATED PARTY TRANSACTIONS

The Trust has obtained interest free loans for day to day operations.

RELATIONSHIP	NATURE OF TRANSACTION		
Arcadian Hotels & Resorts (Pvt.) Limited	Interest fee loan	1,040,700	1,348,200
Ms. Meraj Humayun Khan	Interest fee loan	1,550,000	1,550,000
Mr. Khurram Khan (Managing Trustee)	Interest fee loan	853,336	853,336
Ms. Jennifer Ankrom-Khan (Trustee)	Interest fee loan	491,695	573,025
Ms. Maryam Khan (Trustee)	Interest fee loan	300,000	300,000

19 NUMBER OF EMPLOYEES

	Number	Number
Number of employees at year end	64	82
Average number of employees during the period	61	78

20 FIGURES

In these financial statements figures have been rounded off to the nearest rupee and of the previous year have been re-arranged and re-grouped wherever necessary to facilitate comparison.

21 AUTHORIZATION FOR ISSUE

The Financial Statements were authorized for issue on the 17th day of December 2019.

Islamabad,

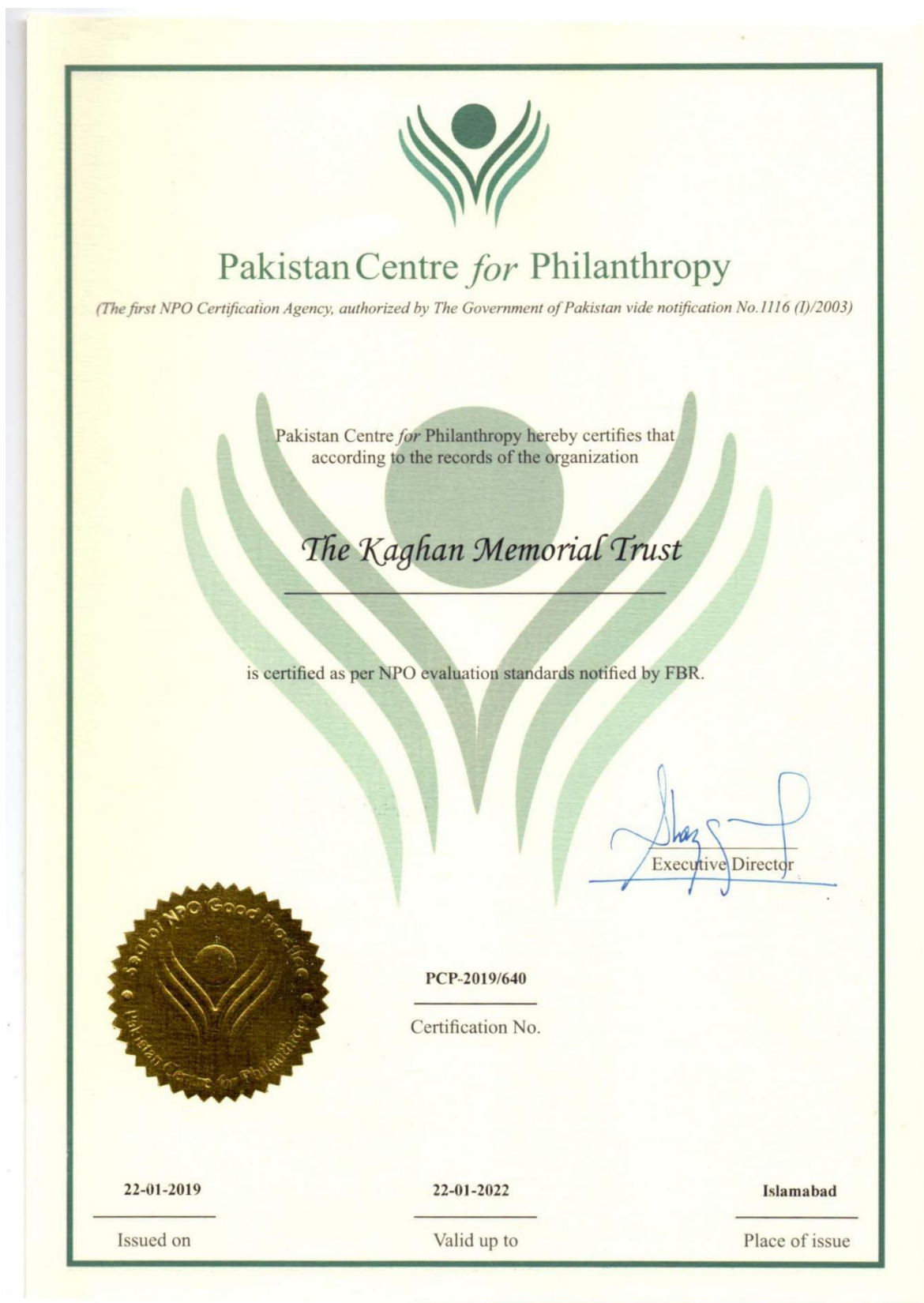


[Signature]
 TRUSTEE

[Signature]
 TRUSTEE

Appendix C

Pakistan Centre for Philanthropy (PCP) Certificate Issued to KMT



Appendix D

BISE Abbottabad

Affiliation Letter Issued to the Kaghan Memorial School



BOARD OF INTERMEDIATE & SECONDARY EDUCATION ABBOTTABAD

Murree Road Abbottabad Phone No: 0992-391050, 0992-392014-222 Fax No: 0992-392011

Visit: www.biseatd.edu.pk

No: Acad/46/P. RCM/BISE-A/1963/1344

Dated: 23-06-2017

To The Principal
Kaghan Memorial School
Kaghan Mansehra.

Subject: **RECOGNITION/AFFILIATION**

Reference your application for Recognition/Affiliation of your institution with BISE Abbottabad and the report compiled by Regulatory Authority/Inspection team for the above said purpose.

It is to inform you that in compliance with Government of Khyber Pakhtunkhwa Law Department Ordinance No. XXVII of 2001 Dated 15-10-2001 and the amended Ordinance No: XXVII of 2001 Vide No. Legis: 1 (2) 93/7649 25th October 2002; to stream line, supervise and regulate the function of the Private Educational Institutions in the Khyber Pakhtunkhwa Province. The Regulatory Authority constituted for the purpose.

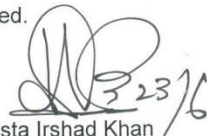
The Regulatory Authority is pleased to accord provisional Recognition/Affiliation to your institution for **SSC** level for **ONE YEAR i. e FOR SESSION (2017-2018 ONLY).**

THE PERMISSION GRANTED WILL EXPIRE ON JUNE 30, 2018.

The Recognition/Affiliation will automatically stand terminated after the expiry of the stipulated period. You will, therefore, make sure that application along with Re-Visit fee is submitted well before the expiry of present provisional Recognition/Affiliation.

The Committee has also desired/suggested some improvements in the areas identified by the members of Regulatory Authority/Inspection Committee, which must be completed before applying for Re-Visit.

NOTE: You are further directed not to admit students in 9th Class for the next Academic session i. e. 2018-2019 till the process of Recognition/Affiliation with BISE Abbottabad is completed.


 Dr. Shaista Irshad Khan
 Secretary
 BISE Abbottabad