



Habib University Foundation

DIRECTORS' REPORT

The Directors are pleased to present their Report along with audited financial statements for the year ended June 30, 2020.

Overview of University Activities

In line with its objectives, the Foundation continues to focus on providing opportunities to the youth to acquire quality education through Habib University. We believe that appropriate nurturing of human potential is essential for the creation of a socially and morally responsible society critically required in today's world. The report therefore highlights some of the significant aspects of the University during the year, as under:

A key element and area of focus of the University is to continue to develop its relationships with other world class universities so as to gain from their experience. Visits were made by the President to Clarkson University where extensive meetings were held with a number of senior members of its leadership including its President, Provost and faculty members from the fields of humanities and sciences. Discussions revolved around pedagogical innovation as well as the importance of STEM education in the modern scheme of teaching and learning.

Similar visit was made to Texas A&M where discussions were held with the Co-Director of the Institute for Engineering Education and Innovation on the various Pedagogical innovations that they have made to their model of engineering education. As a result of these discussions, Habib University's Program Director for the combined Electrical & Computer Engineering program also visited Texas A&M to learn about best practices introduced in undergraduate engineering and how to adapt these at Habib.

Through supporters of Habib University in Houston, the President met with senior leadership of University of Houston and Rice University. As a result, the Dean College of Liberal Arts and Sciences, University of Houston visited Habib and met with faculty and diverse student groups to develop a deep understanding of Habib with plans to host and support faculty recruitment sessions and create a short academic engagement program for Pakistani origin students pursuing education at University of Houston.

Similarly, Senior Advisor to the Dean of International Partnerships, University of Michigan visited Habib and engaged with Senior Leadership, faculty and students to discuss future avenues of collaboration. A number of dignitaries also visited the University to discuss possible opportunities of collaboration with higher education institutions in their countries including graduate education and scholarship opportunities for students.

(A company setup under section 42 of the Companies Act, 2017)

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This two way exchanges was severely impacted by the global Covid-19 pandemic which disrupted economies across the world. It particularly pushed academic institutions globally to re-think and re-position their strategies to achieve their mission. Habib University responded with agility to ensure academic continuity by leading the transition to online learning innovatively by introducing a support framework for faculty including training and providing the right equipment. The existing IT infrastructure was used to maximum effect while investing in upgrading the Learning Management system due to which classes successfully transitioned to online teaching within the shortest period of time.

During the year under review, the faculty promotion policy was implemented and four of the founding faculty members of the University were promoted. The new policy involves multiple layers of independent review of faculty both from within and outside the University and all four faculty members were endorsed unanimously for promotion by their respective reviewers. These promotions have sent positive vibes about the university to other faculty members.

Sustainability and Resource Development

One of the key milestones that have been set is to achieve sustainability to support the University by building a global community of supporters who are committed to transforming the country by recognizing and supporting the cause of higher education. In pursuing this effort, the University's campaign of Reshaping Philanthropy to Sustain Excellence in Higher Education has taken roots in Pakistan and abroad. One of the key strategies under the campaign is to expand the number of supporters by making giving accessible both locally and overseas. To this end, the Foundation had applied to the Economic Affairs Division, Government of Pakistan (EAD) seeking approval to receive funds from abroad. The approval came through and an MOU was signed in early January 2020 valid for a period of two years. Based on this approval, funds were received from overseas Trusts formed by well-wishers of our cause.

To expand the local base of Mohsineen, a host committee was formed comprising of known industrialists, civic leaders and social influencers for the annual event in March 2020 for introducing the University's mission to a wide and diverse group of societal members for which a wide range of marketing and communications collateral were designed. Unfortunately, this event fell prey to the Covid-19 and resultant lockdown due to which it had to be cancelled.

Covid-19 has had a global impact on economies as also on higher education, including institutions ability to raise resources. This also impacted Pakistan's economy greatly, impacting donor preferences to shift towards supporting medical needs and communities affected by the economic conditions. Many university students and their families faced challenges due to which the University crafted specific messages for donor communities sharing key steps that they had taken to support students during this critical time. The Resource Development Committee played a major role in identifying key members from the larger community, in raising awareness, approaching and influencing them to become part of the cause.

As a result of all the efforts, the Foundation has built up the Endowment Fund to Rs. 1,690.1 million (2019: Rs. 930.9 million) which is an ongoing process towards ensuring self-sustainability of the University over the coming years.

The Foundation's Zakat collection and utilization continues to be reviewed by a Shariah Advisor who has issued a Shariah Compliance Report. Through the Zakat Fund, an amount of Rs. 179.6 million was awarded to Habib University students during the year (2019: Rs. 155.9 million). Similarly, a scholarship fund is also maintained out of which scholarships and grants amounting to Rs. 278.6 million (2019: Rs. 299.3 million) were provided to students. The balance amount in the Zakat Fund and Scholarship/Grant Fund as at June 30, 2020 amounted to Rs. 85.2 million and Rs. 12.4 million respectively. Various campus visits were coordinated during the year, for an interesting mix of distinguished industry and business leaders and government representatives.

International Business Development Training

An intensive Export Managers Advanced Training was organized by HUF for enlightened entrepreneurs and career professionals in March 2020. It was specifically targeted to broaden the horizon and knowledge base of Pakistani SME exporters with effective management tools for product development and export competitiveness to deal with the challenges faced in the international markets. The program was led by faculty from the University of Leipzig, Germany.

The training was funded by Indus Motor Company as a philanthropic initiative to skill up and enhance capacity in the country. It was offered free of cost to 48 participants who attended the training sessions at the Habib University and at the Lahore University of Management Science.

In Memoriam

The Board expresses their profound grief and sorrow on the demise of our key founding Board member Mr. Ali Suleman Habib. He was an inspirational and visionary leader and a committed advocate of Habib University and its mission of creating youth with the ability to transform societies. He will be missed for the immense wisdom he brought during discussions with the aim to strive for perfection. As a leader he was instrumental in building a diverse portfolio of business interests within the House of Habib of which he was also the Chairman. He devoted time towards social causes particularly education and various other social initiatives of the Group.

The Board of Directors offer their heartfelt condolences to the Habib family and remain committed to carry his legacy and strong values.

The Board also express their profound grief and sorrow on the demise of one of the founding faculty member of the University Dr. Asif Aslam Farrukhi. He was an Associate Professor of Practice in the Comparative Liberal Studies Program and was the Director of the Arzu Center for Regional Languages and Humanities. Dr. Farrukhi was known in the country for his contribution to the advancement of Urdu literature and reviving literary traditions through the literature festivals he organized. His course Jehan-e-Urdu had a phenomenal impact on students, with many appreciating studying the Urdu language and participating in events that promoted Urdu literature.

The Board express their heartfelt condolences to the family. He will continue to be cherished by his students, faculty and colleagues at Habib University.

Financial Reporting Framework

We are pleased to inform that company has fully complied with following:

1. The financial statements prepared by the Foundation present fairly its state of affairs, the result of its operations, cash flows and statement of changes in funds.
2. Proper books of account have been maintained by the Foundation.
3. Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of these financial statements and any departure there from, if any, has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue with the objective to further strengthen the controls and improve the system.
6. There are no significant doubts upon the Foundation's ability to continue as a going concern.
7. A summary of key operating and financial data of the Foundation for the last six years is attached.

FINANCIAL OVERVIEW

Financial highlights for the year ended June 30, 2020 are as under:

	Rs. in '000
Income	
Donation income	1,338,377
Gain on investments at FVTPL	5,725
Other income	143,530
	1,487,632
Expenditure	
Donations to related parties	208,562
Scholarship/Grants to Habib University students	278,550
Zakat to Habib University Students	179,614
Other donations	321
Depreciation	181,025
Amortization	52,955
Program and administrative expenses	33,447
Net (surplus)/deficit on other projects	(630)
	933,844
Surplus for the year carried to respective funds	553,788

Auditors

The present auditors M/s EY Ford Rhodes, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board has recommended the re-appointment of the retiring auditors for the year ending June 30, 2020, for approval of the members' at the forthcoming Annual General Meeting.

Acknowledgments

We offer our sincere gratitude to the Board of directors for their guidance and support and to employees for their hard work and dedication. We also wish to place on record our appreciation for the support from the donors who wholeheartedly believe and contribute to our cause.

On behalf of the Board of Directors.



Parvez Ghias
Chief Executive Officer

Karachi: September 3, 2020



Director