

Directors Report



Habib University Foundation

DIRECTORS' REPORT

The directors of Habib University Foundation (the Foundation) are pleased to present their 15th Annual Report along with the audited financials for the year ended June 30, 2022.

The Foundation continues to focus in sponsoring the promotion and dissemination of quality higher education. It is committed to educating socially responsible students from diverse social, cultural, religious and economic backgrounds at Habib University by engaging them with outstanding scholars from around the world who help them become life-long, reflective learners who are able to positively contribute to society.

OVERVIEW OF UNIVERSITY ACTIVITIES

After one and a half year of being online, the University was finally able to revert to in person teaching during the Fall 2021 semester. This was made possible due to the University's initiative of ensuring full vaccination of the entire campus community, and with government policies supporting resumption of academic activities. With gradual ease campus community was welcomed back in full by last week of October 2021. With the pandemic receding in late spring, on-campus instruction, activities and preparations for the graduation ceremony of the Class of 2022 have been in full swing. However, the deteriorating economy of the country, political unrest, and continued devaluation of the Pakistani rupee posed new and rising challenges. In the last two months, there has been immense focus on internal planning towards ensuring smooth functioning of the University in the coming year based on the foreseeable difficulties that the country as a whole will face. The University continues on its path and commitment towards offering high quality educational experience, working towards recruiting the best students, great faculty, and expanding community support both in Pakistan and internationally.

1. Student Excellence

This objective entails not only to ensure that students succeed academically, but also ensuring that once they graduate, are actively sought not only by top employers but also by top global graduate schools.

In line with Habib University's strategic objective of ensuring 'Outstanding Student Success', two key programs implemented last quarter are now underway. As part of The Graduate School Curation Program, the Tehqiq Summer Research is aimed at providing students the opportunity to improve their research skills and build a repertoire of undergraduate research, one of the most important components in order to secure scholarships.

The Career Curation Program is designed to support student development and employment opportunities, has been successful in securing jobs at well-known companies for several of our graduating students. Through this program, students gain insight into the changing dynamics of today's work place, develop a sense of workplace ethics; learn technical and soft skills; networking and interviewing skills; and refine their career choices and aspirations. Additionally, students have the opportunity to interact with industry leaders in order to develop an understanding of expectations and opportunities of current and future workplaces.

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

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2. Institution of Choice

Achieving this strategic objective entailed crafting comprehensive and dynamic strategies to recruit high-quality faculty and students and to obtain prestigious accreditations and certifications. In this regard the following activities were conducted during the year.

NECHE's visit was conducted by NECHE Vice President Dr Carol Anderson, the Academic Affairs division and the Office of Undergraduate Education has continued to work towards strengthening areas and processes of importance to NECHE and Habib University, and prepare for the Eligibility Visit and Self-Study.

Representatives from HU attended online workshops conducted by NECHE on April 12, 2022, and June 8, 2022, to discuss the Data First forms, and specifically address questions related to the financial data respectively required by NECHE

The Habib Community has a lot to be proud of, in being so well in line with all the key features of one of the most grueling accreditation agencies in the world. The pursuit of NECHE accreditation also allowed the University to refine its curricular fabric to ensure its alignment with its vision, mission and values and institutional learning goals.

Pakistan Centre For Philanthropy as part of the recertification process of the Pakistan Centre for Philanthropy (PCP), Habib University (HU) and Habib University Foundation (HUF) hosted a team of PCP evaluators for a week this March. The reviewers met with all primary stakeholders of the university: students, faculty and the University leadership. The recertification was successfully obtained.

Pakistan Engineering Council Electrical Engineering conducted a confirmatory visit for the re-accreditation of the BS Electrical Engineering Class of 2022 was held on April 28, 2022. The EE Program hosted a team of two representatives of the PEC for a day-long visit, who met with the Program Director and faculty and reviewed documentation related to the program including the curriculum, continuous quality improvement processes, course records, and policy documents. Accreditation for the EE program was successfully awarded 2021-2022.

Teaching Excellence Awards started last year, are a key part of Habib University's mission that help to reclaim the importance of inspiring and innovative pedagogy, create proper evaluation structures around it, establish impactful dissemination methods and celebrate and credentialize crucial advances in higher education. Through this process, Habib University aims to continue as a leader in pedagogical excellence and innovation. The awards recognize faculty members for outstanding contributions to the design and teaching of a specific course in a given year. The contributions will be assessed on how their course excelled in content, pedagogy, assessment and intellectual community-building (CPAC) through a student-centered approach

3. Sustainability and Resource Development

Habib University is not a tuition dependent institution and recovers less than 40% of its cost via tuition fee. As a result, efforts continue to engaging and building a global community of supporters who share the same vision and commitment to transforming the country by supporting the cause of higher education.



In keeping with its mission of ensuring that high-merit students from diverse backgrounds have access to a world-class education, Sustainability, the third strategic objective of Habib University mobilized community support through the Al Ihsan campaign to grow sufficient endowment and a structured, annual giving stream. Because Zakat contributions play a vital role in Pakistan and its social welfare, a slight reshaping of whom people give Zakat to can make all the difference for Zakat deserving students. In order to drive this campaign forward, Zakat giving individuals were identified and approached. Moreover, publicity material was generated in the form of impact videos and direct student appeals – making the appeals personalized and credible

Habib University continues to expand networks in Houston, and with ownership of local communities in the city, is being introduced to new communities as well. In the recent visit to the city the President was able to present the case for giving to the University of a named scholarship.

The office of Resource Development under the guidance of the relevant Board Committee focused on expanding the breadth of the community of supporters through the Regular Annual Giving program supported by a technology platform through a Web App making donation easy and accessible. In addition, we are continuing to expand relationships with prominent corporate organizations through multipronged partnerships.

A scholarship fund is maintained out of which scholarships amounting to Rs. 353.8 million (2021: Rs.316.8 million) were awarded to students during the year. As a Shariah Compliant entity, the Foundation collects Zakat donations so that deserving students can be provided financial assistance. The Foundation's Zakat collection and utilization continues to be reviewed by a Shariah Advisor and an annual Shariah Compliance Report is received. Through the Zakat Fund, an amount of Rs. 229.9 million was awarded to Habib University students during the year (2021: Rs. 207.6 million).

As part of the ongoing process towards sustainability of the University over the coming years, we were able to increase the endowment fund from Rs. 2,032 million in the previous year to Rs. 2,156 million at the end of June 2022.

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.

FINANCIAL OVERVIEW

Financial highlights for the year ended June 30, 2022 are as under:

	Rs. in '000
Income	
Donation income	1,014,447
Other income	232,042
	1,246,489
Expenditure	
Donations to related party – Habib University	130,870
Scholarship/Grants to Habib University students	389,009
Zakat to Habib University Students	229,882
Other donations	304
Depreciation	154,170
Program and administrative expenses	33,390
Provision against financial guarantee for student loan	10,625
Recycling on sale of investments at FVTOCI	902
Loss on investment at fair value through profit or loss (FVTPL)	37,630
Net (surplus)/deficit on other projects	2,707
	989,489
Surplus for the year carried to respective funds	257,000

A summary of key operating and financial data of the Foundation for the last six years is also attached at the end of this report.

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, 2023, for approval of the members' at the forthcoming Annual General Meeting.



Directors

The names of the Board members during the year are as stated below:

S.No.	Name of Directors
1	Mr. Mohomed Bashir
2	Mr. Muslim R. Habib
3	Mr. Syed Salim Raza
4	Ms. Ameena Saiyid
5	Mr. Mohamedali Rafiq Habib
6	Mr. Rafiq M. Habib
7	Mr. Muhammad Hyder Habib
8	Mr. Towfiq Chinoy
9	Ms. Zahida Habib
10	Mr. Shahbaz Yasin Malik

S.No.	Name of Directors
11	Mr. Qumail R. Habib
12	Ms. Nargis Soorty
13	Mr. Azam Faruque
14	Lt. General Tariq Waseem Ghazi (Retd.)
15	Mr. Arif Habib
16	Mr. Tariq Rafi
17	Mr. Muhammad Ali Tabba
18	Mr. Parvez Ghias
19	Mr. Wasif A. Rizvi

None of the directors / members were paid any kind of remuneration including payment of any meeting fee for attending Board meetings.

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

Director

Karachi: September 30, 2022



Financial Highlights - Six years key Operating and Financial information is as under:

	Rupees in thousands					
	2022	2021	2020	2019	2018	2017
Operating Results						
Donations/Contributions received	1,018,447	919,091	1,340,877	837,776	617,280	1,057,649
Other income	232,042	174,441	143,530	94,654	92,871	64,283
Donations given	130,870	118,896	208,562	153,250	213,275	306,012
Scholarships given to students	353,768	316,807	252,766	299,267	259,576	181,307
Zakat & Grant provided to students	265,123	244,800	205,398	155,906	113,278	71,377
Program and Administrative Expenses	26,703	21,616	29,007	30,488	20,165	3,310
Provision against financial guarantee for student loan	10,625	104,172	-	-	-	-
Surplus / (deficit) of Income over Expenditure	257,000	136,732	553,788	(68,527)	(251,011)	187,491
Financial Position						
Property, plant and equipment	2,311,647	2,396,810	2,545,260	2,685,350	2,873,634	3,055,917
Long term investments	510,955	1,453,149	966,890	670,696	569,906	583,915
Other Non-Current Assets	2,020	2,020	3,390	56,345	150,236	241,043
Current Assets	2,347,584	1,043,399	1,150,496	648,110	607,753	603,227
Total assets	5,172,206	4,895,378	4,666,036	4,060,501	4,201,529	4,484,102
Current Liabilities	185,818	139,193	38,358	35,000	57,156	88,718
Net Assets	4,986,388	4,756,185	4,627,678	4,025,501	4,144,373	4,395,384
General Fund	2,534,194	2,523,831	2,596,768	2,737,817	3,042,806	3,266,694
Endowment Fund	2,153,838	2,031,787	1,690,103	930,972	826,384	879,881
Zakat Fund	92,738	67,125	85,197	94,005	70,093	120,503
HU Scholarship Fund	117,821	8,858	6,585	22,231	42,072	46,512
Grant Fund	2,499	4,685	5,786	-	-	-
Other Project Fund	728	3,316	694	-	-	-
HU Student Loan Fund	84,570	116,583	242,545	240,476	163,018	81,794
Total Funds	4,986,388	4,756,185	4,627,678	4,025,501	4,144,373	4,395,384
Summary of Cash Flow Statement						
Cash and cash equivalents at beginning of year	462,505	456,466	467,393	388,967	403,986	349,243
Cash Flows from Operating Activities	292,838	199,915	645,417	183,988	8,571	429,425
Cash Flows from Investing Activities	(120,216)	(193,876)	(656,344)	(105,562)	(23,590)	(374,682)
Increase / (Decrease) in Cash and Cash Equivalents	172,622	6,039	(10,927)	78,426	(15,019)	54,743
Cash and cash equivalents at end of year	635,127	462,505	456,466	467,393	388,967	403,986