

## INDEPENDENT AUDITOR'S REPORT

### To the members of Durbeen

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the annexed financial statements of **Durbeen** (the Company), which comprise the statement of financial position as at **30 June 2022**, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in accumulated funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in accumulated funds and the statement of cash flows and together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the surplus, the comprehensive income, the changes in accumulated funds and its cash flows for the year then ended.

##### Basis for Opinion

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

##### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of the information included in the Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of Management and Board of Directors for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



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

#### **Report on Other Legal and Regulatory Requirements**

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Shaikh Ahmed Salman**.



**Chartered Accountants**

**Place:** Karachi

**Date:** 06 October 2022

**UDIN:** AR202210076TGBz1QM85

**DURBEEN**  
**(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	June 30, 2022	June 30, 2021
		Rupees	
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	81,904,169	65,433,756
Intangible assets	7	4,015,134	6,022,701
		<u>85,919,303</u>	<u>71,456,457</u>
<b>CURRENT ASSETS</b>			
Short-term investment	8	2,543,466	3,114,085
Advances, deposits and prepayments	9	2,591,158	2,395,622
Tax deducted at source		533,977	205,508
Cash and bank balances	10	30,955,653	12,156,777
		<u>36,624,254</u>	<u>17,871,992</u>
<b>TOTAL ASSETS</b>		<u><b>122,543,557</b></u>	<u><b>89,328,449</b></u>
<b><u>RESERVES AND LIABILITIES</u></b>			
<b>ACCUMULATED FUNDS</b>			
Unrestricted funds		5,181,701	5,047,417
Restricted funds	11	110,351,028	72,712,706
		<u>115,532,729</u>	<u>77,760,123</u>
<b>CURRENT LIABILITIES</b>			
Accrued and other payables	12	5,010,828	6,474,516
Loan from related parties	13	2,000,000	5,093,810
		<u>7,010,828</u>	<u>11,568,326</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><b>122,543,557</b></u>	<u><b>89,328,449</b></u>

The annexed notes 1 to 24 form an integral part of these financial statements.

Sahma A. Alam  
Chief Executive Officer

Khalid Mahmood  
Director



**DURBEEN**  
**(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

		2022			2021		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	Rupees					
<b>INCOME</b>							
Donations	15	261,150	95,039,957	95,301,107	2,284,500	66,558,377	68,842,877
Other income	16	2,577,204	-	2,577,204	1,066,010	-	1,066,010
		2,838,354	95,039,957	97,878,311	3,350,510	66,558,377	69,908,887
<b>EXPENDITURE</b>							
Operational expenses	17	(2,490,817)	(50,054,659)	(52,545,476)	(2,343,858)	(38,211,253)	(40,555,111)
Administrative expenses	18	(173,490)	(7,346,976)	(7,520,466)	(146,509)	(9,426,807)	(9,573,316)
Bank charges		(39,763)	-	(39,763)	(29,600)	-	(29,600)
		(2,704,070)	(57,401,635)	(60,105,705)	(2,519,967)	(47,638,060)	(50,158,027)
Taxation		-	-	-	-	-	-
<b>SURPLUS FOR THE YEAR</b>		<b>134,284</b>	<b>37,638,322</b>	<b>37,772,606</b>	<b>830,543</b>	<b>18,920,317</b>	<b>19,750,860</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director



**DURBEEN**  
**(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Rupees					
Surplus for the year	134,284	37,638,322	37,772,606	830,543	18,920,317	19,750,860
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>134,284</b>	<b>37,638,322</b>	<b>37,772,606</b>	<b>830,543</b>	<b>18,920,317</b>	<b>19,750,860</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Director**



**DURBEEN**  
**(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CHANGES IN ACCUMULATED FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Unrestricted fund	Restricted funds Rupees	Grand Total
Balance as at June 30, 2020	4,216,874	53,792,389	58,009,263
Surplus for the year	830,543	18,920,317	19,750,860
Other comprehensive income	-	-	-
Total comprehensive income for the year	830,543	18,920,317	19,750,860
Balance as at June 30, 2021	5,047,417	72,712,706	77,760,123
Surplus for the year	134,284	37,638,322	37,772,606
Other comprehensive income	-	-	-
Total comprehensive income for the year	134,284	37,638,322	37,772,606
Balance as at June 30, 2022	5,181,701	110,351,028	115,532,729

The annexed notes 1 to 24 form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Director**



**DURBEEN**  
**(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		37,772,606	19,750,860
<b>Adjustment for non cash and other items</b>			
Depreciation	6.1	8,955,869	9,467,531
Amortisation	7.1	2,007,567	2,007,567
Finance cost		39,763	29,600
		11,003,199	11,504,698
<b>Changes in working capital</b>			
<b>Decrease / (increase) in current assets</b>			
Short-term investment		570,619	(3,114,085)
Advances, deposits and prepayments		(195,536)	(1,168,664)
Tax deducted at source		(328,469)	(68,964)
		46,614	(4,351,713)
<b>Decrease in current liabilities</b>			
Accrued and other payables		(1,463,688)	(5,548,967)
		(1,463,688)	(5,548,967)
<b>Cash generated from operations</b>		47,358,731	21,354,878
Finance cost paid		(39,763)	(29,600)
<b>Net cash generated from operating activities</b>		47,318,968	21,325,278
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment		(25,426,282)	(15,894,781)
<b>Net cash used in investing activities</b>		(25,426,282)	(15,894,781)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan from related parties		(3,093,810)	3,093,810
<b>Net cash used in financing activities</b>		(3,093,810)	3,093,810
<b>Net increase in cash and cash equivalents</b>		18,798,876	8,524,307
<b>Cash and cash equivalents as at the beginning of the year</b>		12,156,777	3,632,470
<b>Cash and cash equivalents as at the end of the year</b>	10	30,955,653	12,156,777

The annexed notes 1 to 24 form an integral part of these financial statements.

*Salma A. Alani*  
Chief Executive Officer

*Khalid M. Alani*  
Director





**DURBEEN**  
**(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 Legal Status and Operations**

Durbeen (the Company) is a not-profit Company incorporated in Pakistan on January 16, 2017 as Guarantee Limited Company under Section 42 of the repealed Companies Ordinance, 1984 [now Companies Act, 2017 (the Act)]. The Company was formed to reform teacher education and K-10 schools in the public sector. The registered office and geographical location of the Company is Government Elementary College of Education, Hussainabad, Federal B Area, Block 2, Karachi.

The Company submitted an unsolicited proposal to the School Education and Literacy Department, Government of Sindh in 2017 in relation to public-private partnership in the management and operation of a teachers' training institute, i.e. Government Elementary College of Education (GECE), Hussainabad in Karachi (the GECE project). This proposal was consequently vetted by the Government of Sindh and then approved by the Public-Private Partnership Board of GoS in March 2017. The Company then submitted a proposal for the implementation of the GECE project which was accepted by the Authority on 24 December 2018 and a Management Contract was signed by the two parties in March 2019, after which Durbeen formally took over the management of GECE Hussainabad. The GECE project's Installation (renovation) Period lasted until July 14, 2020 and the GECE project's Operations & Maintenance (O&M) Period formally started on July 15, 2020. The duration of the O&M Period is defined as 10 years in the Management Contract. Since the core building blocks were renovated by September 2019, the College's academic operations started in the same month with Durbeen's first cohort of B.Ed students. As of the reporting date, new admissions were underway for the third cohort of students. GECE Hussainabad offers a single degree program i.e. a 4-year Bachelor of Education degree for teachers at the Elementary level (Grades 1-8).

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and provisions of and directives issued under the Companies Act, 2017, Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention. The financial statements are presented in Pakistani Rupees, which is the functional currency of the Company.

**3 NEW STANDARDS, AMENDMENTS AND IMPROVEMENTS TO APPROVED ACCOUNTING STANDARDS**

**3.1 New / Revised Standards, Interpretations and Amendments**

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), Interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

**3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022
AIP IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
AIP IAS 41 Agriculture -Taxation in fair value measurements	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.	
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Property and equipment

##### 4.1.1 Operating fixed assets

These are stated as cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to statement of income and expenditure using straight line method at the rates specified in note 6.1 to these financial statements. Depreciation on addition is charged from the day in which the asset is available for use, whereas no depreciation is charged on the day in which an asset is disposed off.

Maintenance and normal repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalised, and asset so replaced are retired.

Gains or losses on disposals of property and equipment, if any, are recognised in statement of income and expenditure.

The assets residual value, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

The carrying amounts of Company's property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is determined and impairment loss is recognised in statement of income and expenditure.

#### 4.1.2 Capital work-in-progress

These are stated at cost less impairment in value, if any. Capital work in progress consist of expenditure incurred and advance made in respect of operating fixed assets in the course of their construction and installation.

#### 4.2 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any.

Amortisation is charged to statement of income and expenditure applying the straight-line method at the rate disclosed in note 7.1 to these unconsolidated financial statements.

Amortisation on addition is charged from the month when asset is available for use and disposals up to the month the asset is in use.

Gains or losses on disposals of intangibles, if any, are recognised in statement of income and expenditure.

The assets residual value, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

The carrying amounts of Company's intangibles are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is determined and impairment loss is recognised in statement of income and expenditure.

#### 4.3 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

#### 4.4 Taxation

The Company has been approved as a non-profit organization under section 2(36)(c) of the Income Tax Ordinance, 2001. The Company is allowed tax credit equal to 100% of the tax payable including minimum tax and final taxes, under section 100C of the Income Tax Ordinance, 2001. The management intends to avail a tax credit equal to 100% of the tax payable. Accordingly, no tax charge has been recorded in these financial statements.

#### 4.5 Impairment of non-financial assets

Carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, assets are tested for impairment. Where the carrying values of assets exceed the estimated recoverable amount, these are written down to their recoverable amount and the resulting impairment is charged to statement of income or expenditure.

Impairment is reversed only if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised carrying value does not exceed the carrying value that would have existed, had no impairment been recognised.

#### 4.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### 1) Financial assets

##### Initial recognition and measurement

The financial assets of the Company mainly include deposits, short-term investments and cash and bank balances.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt instrument or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of a debt instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in statement of comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price, determined under IFRS 15) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments). These are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables.
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accrued and other payables and loan from related parties.

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of income and expenditure. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as fair value through profit or loss.

### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of income and expenditure. This category generally applies to interest-bearing loans and borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income and expenditure.

## iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



#### 4.7 Impairment / expected credit loss on financial assets

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company has applied the standard's simplified approach and calculated ECL based on life-time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The expected credit loss is recognised in the statement of income and expenditure.

#### 4.8 Revenue recognition

Income from donations is recognised on receipt basis.

Return on deposit accounts and short-term investment are accounted for time-proportioned basis and other income, if any, is recorded on accrual basis.

#### 4.9 Accumulated funds

##### 4.9.1 Unrestricted fund

Funds received for ongoing activities, without any restrictions on utilisation, are classified as unrestricted funds. These funds are recognised as income when received. The expenses incurred against such funds are recognised in the statement of income and expenditure as and when incurred.

##### 4.9.2 Restricted fund

Reflect contributions with donor-imposed restrictions that do not expire and that typically allow for the income earned thereon to be expended consistent with donor intent.

### 5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and underlying assumptions are reviewed on an ongoing basis and disclosed in respective notes to these financial statements. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- determining the method of depreciation, residual values and useful lives of operating fixed assets (note 6); and
- determining the method of amortisation, residual values and useful lives of intangible assets (note 7).

Other areas where judgements, estimates and assumptions involved are disclosed in respective notes to these financial statements.

	June 30, 2021	June 30, 2022
	Rs.	Rs.
Operating fixed assets	60,889,581	62,899,044
Capital work in progress (CWIP) - structural improvements	4,544,175	19,005,125
	65,433,756	81,904,169

## 6 PROPERTY AND EQUIPMENT

Operating fixed assets  
Capital work in progress (CWIP) - structural improvements

## 6.1 Operating fixed assets

June 30, 2022	Cost			Accumulated Depreciation			Net book value		Depreciation rate %	
As at July 01, 2021	Additions	Disposals	Transfers from CWIP (note 6.2)	As at June 30, 2022	As at July 01, 2021	Charge for the year (note 17)	Disposals	As at June 30, 2022		
										Rupees
Restricted - GECE project										
Structural improvements (6.1.1)	58,915,467	-	-	1,345,391	58,260,858	8,138,932	2,873,802	-	11,012,734	5
Office equipment	11,119,693	7,596,335	-	-	18,716,028	4,771,054	4,915,013	-	9,686,067	33
Furniture and fixtures	6,537,125	2,023,606	-	-	8,560,731	1,460,113	999,578	-	2,459,691	14
	74,572,285	9,619,941	-	1,345,391	85,537,617	14,370,099	8,788,393	-	23,158,492	
Unrestricted										
Office equipment	296,783	-	-	-	296,783	257,087	39,696	-	296,783	33
Furniture and fixtures	912,715	-	-	-	912,715	265,016	127,780	-	392,796	14
	1,209,498	-	-	-	1,209,498	522,103	167,476	-	689,679	
	75,781,783	9,619,941	-	1,345,391	86,747,115	14,892,202	8,955,869	-	23,848,071	

6.1.1 As per the approval of Board of Directors date 22 October 2021, the Company revised its useful life for structural improvements with effect from 01 July 2021 from 10 years to 20 years. The Company expects to exercise the option to extend the Operation & Maintenance contract of GECE project beyond the current 10 year period. The revisions were accounted for prospectively as a change in accounting estimates and as a result the depreciation charges of the Company for the current financial year end has decreased by Rs. 2,873,802. The amount of the effect in the future periods can not be accurately determined.

June 30, 2021	Cost				Accumulated Depreciation			Net book value		Depreciation rate %
As at July 01, 2020	Additions	Disposals	Transfers from CWIP (note 6.2)	As at June 30, 2021	As at July 01, 2020	Charge for the year (note 17)	Disposals	As at June 30, 2021	As at June 30, 2021	
Restricted - GECE project										
Structural improvements	47,837,793	-	-	9,077,674	56,915,467	3,083,769	5,055,163	-	8,138,932	48,776,535
Office equipment	6,856,339	4,263,354	-	-	11,119,693	1,481,057	3,289,997	-	4,771,054	6,348,639
Furniture and fixtures	5,248,019	1,289,105	-	-	6,537,125	566,016	894,097	-	1,480,113	5,077,012
	59,942,151	5,552,460	-	9,077,674	74,572,285	5,130,842	9,239,257	-	14,370,099	60,202,186
Unrestricted										
Office equipment	296,783	-	-	-	296,783	159,149	97,938	-	257,087	39,696
Furniture and fixtures	912,715	-	-	-	912,715	134,680	130,336	-	265,016	647,699
	1,209,498	-	-	-	1,209,498	293,829	228,274	-	522,103	687,395
	61,151,649	5,552,460	-	9,077,674	75,781,783	5,424,671	9,467,531	-	14,892,202	60,889,581

		<b>DURBEEN</b>	
		June 30, 2022	June 30, 2021
		Rupees	
6.2	Capital work in progress (CWIP) - structural improvements	Note	
	Restricted - GECE project		
	As at July 01	4,544,175	3,279,528
	Capital expenditure incurred / advances made during the year	15,806,341	10,342,321
	Transfer to operating fixed assets during the year	(1,345,391)	(9,077,674)
	As at June 30	<u>19,005,125</u>	<u>4,544,175</u>

6.2.1 Represents expenditure incurred on the renovation of the GECE building.

## 7 INTANGIBLE ASSETS

	Restricted - GECE project		
	Intangible assets	7.1	<u>4,015,134</u> <u>6,022,701</u>

### 7.1 Intangible assets

	Cost		Accumulated Amortisation			Net book value	Amortisation rate %
	As at July 01	Transfers	As at June 30	As at July 01	Charge for the year (note 17)	As at June 30	
	Rupees						
Curriculum development costs (note 7.1.1)	10,037,835	-	10,037,835	4,015,134	2,007,567	6,022,701	20
2022	<u>10,037,835</u>	<u>-</u>	<u>10,037,835</u>	<u>4,015,134</u>	<u>2,007,567</u>	<u>6,022,701</u>	<u>4,015,134</u>
2021	<u>10,037,835</u>	<u>-</u>	<u>10,037,835</u>	<u>2,007,567</u>	<u>2,007,567</u>	<u>4,015,134</u>	<u>6,022,701</u>

7.1.1 This represents cost incurred on development and designing of curriculum in cooperation with University of Helsinki, Finland (the University). The University will review the design of the existing B. Ed. (Honours) Elementary curriculum, in collaboration with the existing faculty of GECE faculty, make recommendations for its enrichment and build the capacity of the GECE faculty. The development work has been completed and cost aggregating to Rs. 10,037,835/- are being amortised over a period of five years, commencing from July, 2019.

		June 30, 2022	June 30, 2021
		Rupees	
8	SHORT-TERM INVESTMENT	Note	
	Term deposit receipt	8.1	<u>2,543,466</u> <u>3,114,085</u>

8.1 Represents term deposit receipt carrying nature of roll over with commercial bank under conventional banking relationship carrying profit rate of 6.5% (2021: 5.35%) per annum.

		June 30, 2022	June 30, 2021
		Rupees	
9	ADVANCES, DEPOSITS AND PREPAYMENTS	Note	
	Advance - to suppliers	9.1	2,459,562 2,323,086
	Deposits		25,500 23,000
	Prepayments		106,096 49,536
			<u>2,591,158</u> <u>2,395,622</u>

9.1 Represents advance given to Aga Khan University Institute for Educational Development to conduct an impact study of the enriched B. Ed. (Honours) Elementary curriculum of the GECE graduate teachers' learning experiences and outcomes. The negotiated amount of this contract is Rs. 11,615,431 out of which Rs. 2,323,086 (2021: Rs. 2,323,086) has been paid as of the reporting date.

		June 30, 2022	June 30, 2021
	Note	----- Rupees -----	
<b>10 CASH AND BANK BALANCES</b>			
Cash in hand		28,099	16,502
Cash at bank			
Deposit accounts	10.1	25,436,462	10,111,034
Current accounts		5,491,092	2,029,241
		30,927,554	12,140,275
		30,955,653	12,156,777

10.1 These carry profit rates ranging from 5.5% to 10.76% (2021: 5.5% to 6.5%) per annum.

	Note	GECE project	Impact study and advocacy campaign project	Total
		----- Rupees -----		
<b>11 RESTRICTED FUNDS</b>				
Balance as at June 30, 2020		51,618,476	2,173,913	53,792,389
Donations received during the year		64,444,034	2,114,343	66,558,377
Expenditure made during the year		(44,685,944)	(2,952,116)	(47,638,060)
Balance as at June 30, 2021		71,376,566	1,336,140	72,712,706
Donations received during the year	15	90,353,222	4,686,735	95,039,957
Expenditure made during the year		(57,252,060)	(149,575)	(57,401,635)
Balance as at June 30, 2022		104,477,728	5,873,300	110,351,028

	Note	June 30, 2022	June 30, 2021
		----- Rupees -----	
<b>12 ACCRUED AND OTHER PAYABLES</b>			
Accounts payable	12.1	3,719,026	3,479,794
Salaries payable		506,359	2,459,892
Withholding tax payable		455,372	191,692
EOBI payable		29,719	25,039
Audit fee payable		100,000	96,213
Security deposit		155,000	-
Other payables		45,352	221,886
		6,010,828	6,474,516

12.1 This includes Rs. 20,401 (2021: Rs. 35,770) due to the Chief Executive Officer of the Company on account of expenses incurred on behalf of the Company.

	Note	June 30, 2022	June 30, 2021
		----- Rupees -----	
<b>13 LOAN FROM RELATED PARTIES</b>			
Loan from a Director	13.1	2,000,000	2,000,000
Loan from Getz Pharma (Pvt.) Ltd		-	3,093,810
		2,000,000	5,093,810

13.1 Represents unsecured and interest free loan obtained from a Director of the Company for the purpose of working capital requirements. The loan is repayable on demand.

#### 14 CONTINGENCIES AND COMMITMENTS

##### 14.1 Contingencies

As of reporting date, the Company does not have any contingencies that are required to be disclosed in these financial statements.

##### 14.2 Commitments

The company has entered into a contract with Initial Building Solutions during the year for renovation work of GECE women library Hussainabad Karachi. The negotiated amount of this contract is Rs. 1,900,000 out of which Rs. 760,000 has been paid as an advance.

June 30, 2022

June 30, 2021

	Unrestricted		Restricted		Total		Unrestricted		Restricted		Total		Grand total	
	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)
15 DONATIONS														
Donations received	251,150	90,353,222	4,886,735	95,038,857	95,301,107	2,284,500	2,284,500	64,444,034	2,114,343	66,558,377	66,558,377	68,842,877	68,842,877	68,842,877
	251,150	90,353,222	4,886,735	95,038,857	95,301,107	2,284,500	2,284,500	64,444,034	2,114,343	66,558,377	66,558,377	68,842,877	68,842,877	68,842,877

15.1 Represents donations received during the year, restricted for the GECE project. For further details, refer note 1 to these financial statements.

15.2 Represents donation received during the year, restricted for a project impact study and advocacy campaign for the teaching profession.

June 30, 2022

June 30, 2021

	Unrestricted		Restricted		Total		Unrestricted		Restricted		Total		Grand total	
	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)

16 OTHER INCOME

Income from financial assets

Profit on:

- short-term investments - term deposit receipt

- deposit accounts

	164,571	-	-	-	164,571	42,257	-	-	-	-	-	-	42,257	-
	1,891,877	-	-	-	1,891,877	281,263	-	-	-	-	-	-	281,263	-
	2,046,248	-	-	-	2,046,248	303,520	-	-	-	-	-	-	303,520	-

Income from non-financial assets

Reversal of academic bill previously booked as liability

Discount received on running bills

Miscellaneous income

	154,110	-	-	-	154,110	381,361	-	-	-	-	-	-	381,361	-
	376,846	-	-	-	376,846	131,316	-	-	-	-	-	-	131,316	-
	530,956	-	-	-	530,956	248,703	-	-	-	-	-	-	248,703	-
	2,577,204	-	-	-	2,577,204	762,480	-	-	-	-	-	-	762,480	-
		-	-	-		1,066,010	-	-	-	-	-	-	1,066,010	-

June 30, 2022

June 30, 2021

	Unrestricted		Restricted		Total		Unrestricted		Restricted		Total		Grand total	
	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)

17 OPERATIONAL EXPENSES

Salaries and other benefits

Depreciation

Amortisation

Curriculum consultancy charges

Printing and stationery

Website development

Supplies and consumables

Marketing and promotional expenses

Information technology &amp; communication charges

Repair and maintenance

Travelling and conveyance

Utilities

Books and periodicals

Fare and subscription

Insurance

Others

	31,847,169	-	-	-	31,847,169	31,847,169	-	-	-	-	-	-	31,847,169	-
	8,784,393	-	-	-	8,784,393	8,784,393	-	-	-	-	-	-	8,784,393	-
	2,007,567	-	-	-	2,007,567	2,007,567	-	-	-	-	-	-	2,007,567	-
	9,400	-	-	-	9,400	9,400	-	-	-	-	-	-	9,400	-
	210,950	-	-	-	210,950	210,950	-	-	-	-	-	-	210,950	-
	15,898	-	-	-	15,898	15,898	-	-	-	-	-	-	15,898	-
	1,004,404	-	-	-	1,004,404	1,004,404	-	-	-	-	-	-	1,004,404	-
	318,694	-	-	-	318,694	483,179	-	-	-	-	-	-	483,179	-
	2,106,711	-	-	-	2,106,711	2,106,711	-	-	-	-	-	-	2,106,711	-
	1,685,777	-	-	-	1,685,777	1,685,777	-	-	-	-	-	-	1,685,777	-
	1,063,469	-	-	-	1,063,469	1,063,469	-	-	-	-	-	-	1,063,469	-
	118,548	-	-	-	118,548	118,548	-	-	-	-	-	-	118,548	-
	23,023	-	-	-	23,023	23,023	-	-	-	-	-	-	23,023	-
	2,354,016	-	-	-	2,354,016	2,354,016	-	-	-	-	-	-	2,354,016	-
	254,146	-	-	-	254,146	254,146	-	-	-	-	-	-	254,146	-
	406,023	-	-	-	406,023	439,630	-	-	-	-	-	-	439,630	-
	49,905,684	-	-	-	49,905,684	50,084,659	-	-	-	-	-	-	50,084,659	-
	53,627	-	-	-	53,627	53,627	-	-	-	-	-	-	53,627	-
	2,480,817	-	-	-	2,480,817	2,480,817	-	-	-	-	-	-	2,480,817	-

17.1 Represents amount paid during the year to the University in respect of workshop and training of existing faculty to equip them with the newly developed and designed curriculum.

June 30, 2022

June 30, 2021

	Unrestricted		Restricted		Total		Unrestricted		Restricted		Total		Grand total	
	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)	GECE project (note 15.1)	Impact study and advocacy campaign project (note 15.2)

18 ADMINISTRATIVE EXPENSES

Salaries and other benefits

Legal and professional charges

Auditor's remuneration

Security charges

Janitorial expenses

	2,816,775	-	-	-	2,816,775	2,816,775	-	-	-	-	-	-	2,816,775	-
	73,490	-	-	-	73,490	1,280,145	-	-	-	-	-	-	1,280,145	-
	100,000	-	-	-	100,000	100,000	-	-	-	-	-	-	100,000	-
	1,204,007	-	-	-	1,204,007	1,204,007	-	-	-	-	-	-	1,204,007	-
	2,119,539	-	-	-	2,119,539	2,119,539	-	-	-	-	-	-	2,119,539	-
	7,348,976	-	-	-	7,348,976	7,348,976	-	-	-	-	-	-	7,348,976	-



	June 30, 2022	June 30, 2021
	Rupees	
18.1 Auditor's remuneration		
Statutory audit fee	100,000	85,000
Out of pocket expenses	-	11,213
	<u>100,000</u>	<u>96,213</u>

## 19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are market risks, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

### 19.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate and foreign exchange rates which are discussed below:

#### (i) Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to the changes in market interest rates. The Company is exposed to interest rate risk in respect of bank deposits and term deposit receipts. Management of the Company estimates that 1% increase in the market interest rate, with all other factor remaining constant, would decrease the Company's profits for the year by Rs. 279,799 (2021: Rs. 132,251) and a 1% decrease would result in the increase in the Company's profits for the year by the same amount. However, in practice, the actual result may differ from the sensitivity analysis.

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at reporting date, the Company does not have any financial assets or financial liabilities which are denominated in foreign currencies.

### 19.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk mainly on short-term investment, short-term deposits, and bank balances. The Company seeks to minimise the credit risk exposure through having exposure only to parties considered credit worthy and obtaining securities where applicable.

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	Note	June 30, 2022	June 30, 2021
		Rupees	
The maximum exposure to credit risk at reporting date is as follows:			
Short-term investment	8	2,543,466	3,114,085
Deposits	9	25,500	23,000
Bank balances	10	30,927,554	12,140,275
		<u>33,496,520</u>	<u>15,277,360</u>

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	June 30, 2022	June 30, 2021
	----- Rupees -----	
<b>Bank balances</b>		
Ratings		
A1+	30,927,554	12,140,275
	<u>30,927,554</u>	<u>12,140,275</u>
<b>Short-term investment</b>		
Ratings		
A1+	2,543,466	3,114,085
	<u>2,543,466</u>	<u>3,114,085</u>

### 19.3 Liquidity risk

Liquidity risk is that the Company may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Company.

The management forecasts the liquidity of the Company on the basis of expected cashflow considering the level of liquid assets necessary to mitigate the liquidity risk.

2022	On demand	Less than 12 months	More than 12 months	Total
	----- Rupees -----			
Accrued and other payables	-	4,370,737	-	4,370,737
Loan from related parties	2,000,000	-	-	2,000,000
	<u>2,000,000</u>	<u>4,370,737</u>	<u>-</u>	<u>6,370,737</u>
2021	On demand	Less than 12 months	More than 12 months	Total
	----- Rupees -----			
Accrued and other payables	-	6,257,785	-	6,257,785
Loan from related parties	5,093,810	-	-	5,093,810
	<u>5,093,810</u>	<u>6,257,785</u>	<u>-</u>	<u>11,351,595</u>

### 19.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. As of the statement of financial position date, the carrying value of all financial assets and liabilities reflected in these financial statements approximate to their fair values.

### 19.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can maintain a strong capital base to support the sustained development of its businesses. As of the reporting date, the Company does not have long-term financing.

## 20 TRANSACTIONS WITH RELATED PARTIES

- 20.1 Related parties of the Company comprise the companies with common directorship, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Company. Detail of transactions with related parties during the year, other than disclosed elsewhere in these financial statements, are as follows:

Name of related party and relationship with the Company	Nature of Transactions	June 30, 2022	June 30, 2021
		----- Rupees -----	
Associated companies			
(Common directorship)			
Getz Pharma (Private) Limited	Donation received	7,000,000	5,716,874
	Loan received	-	3,093,810
Infraq Foundation	Donation received	100,000	-
Zindagi Trust	Donation collected on behalf of Company	13,198,222	3,804,772
Alucan (Pvt.) Limited	Donation received	-	2,500,000
Key Management Personnel			
	Remuneration and other benefits	6,407,904	4,838,900
	Expenses incurred on behalf of the company by Chief Executive	194,309	138,619

- 20.2 The outstanding balance with related parties as at reporting date have been disclosed in the respective notes to these financial statements.

- 20.3 Details of compensation to the key management personnel have been disclosed in the note 21 to these financial statements.

## 21 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

- 21.1 Aggregate amounts charged in the financial statements in relation to Chief Executive and other Executives are as follows:

	CHIEF EXECUTIVE		OTHER EXECUTIVES	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
----- Rupees -----				
Gross salary	2,451,528	2,414,475	3,030,400	5,282,000
Other allowance / benefits	817,176	584,325	1,148,800	1,655,350
	3,268,704	2,998,800	4,179,200	6,937,350
Number	1	1	3	4

- 21.2 No remuneration was paid / payable to any director of the Company.

**22 NUMBER OF EMPLOYEES**

The number of employees as at year end was 33 (2021: 25) and the average number of employees during the year was 25 (2021: 23).

**23 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 05 OCT 2022 by the Board of Directors of the Company.

**24 GENERAL**

**24.1** Figures have been rounded off to the nearest rupee, unless otherwise stated. *am*

Sabma A. Alam  
Chief Executive Officer

Khalid Muball...  
Director

