FINANCIAL STATEMENTS
OF
DURBEEN
(A COMPANY SETUP UNDER SECTION 42
OF THE COMPANIES ACT, 2017)
FOR THE YEAR ENDED
JUNE 30, 2023

BDO

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The Board of Directors (the board)
Durbeen
(A Company setup under section 42 of the Companies Act, 2017),
Karachi.

August 30, 2023
AA-1347/23

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Dear Board Members,

We are pleased to enclose draft financial statements of Durbeen (A Company set up under section 42 of the Companies Act, 2017) for the year ended June 30, 2023 together with our draft audit report thereon duly initialled by us for identification purposes. We shall be pleased to sign our audit report in its present or amended form after the financial statements have been approved by the Board of Directors (the board) and signed on their behalf by the Chief Executive Officer and Director of the Company and upon receipt of the following:

1. Letter of representation addressed to us on behalf of the Board of Directors and signed by Chief Executive and Chief Financial Officer as per draft provided by us.

2. The Board's approval in respect of the following:

    - Additions to operating fixed assets including;

        - Transfer from CWIP - Structural improvements - restricted amounting to Rs. 22.438 million and Rs. 1.345 million;
        - Office equipment - restricted amounting to Rs. 8.459 million;
        - Furniture and fixtures - restricted amounting to Rs. 2.725 million; and
        - Vehicle - restricted amounting to Rs. 1.346 million.

    - Additions to Capital Work-in-progress - restricted amounting to Rs. 8.718 million;
    - Donations received restricted and un restricted amounting to Rs. 14.990 million and Rs. 99.615 million respectively;
    - Contingencies and commitments as disclosed in note 13 to the financial statements;
    - Transaction with related parties as disclosed in note 21 to the financial statements; and
    - Remuneration of Key Management Personnel as disclosed in note 22 to the financial statements.

3. Response to confirmation request from Habib Bank Limited.

4. Response to confirmation request from Uzair Hamid Faisal and Company.

5. Director's report as required under section 223(6) of Companies Act, 2017.

We would like to advise you that unless we sign our report, these draft financial statements shall remain and be deemed un-audited.

Below are the matters which we would like to bring into attention of the Board:

1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in section 249 of the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Company's management.

The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of fraud and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

2. SIGNIFICANT MATTERS

Our audit has highlighted certain significant matters, which are set forth in the ensuing paragraphs. These matters came to our knowledge during the conduct of normal audit procedures designed primarily with a view to enable us to form an opinion on the Company's financial statements. The matters set forth cannot, therefore, be expected to highlight all possible issues that a more extensive special examination may have highlighted. These matters also include some important communications to you that we are required to make under ISA 260 - Communication with those Charged with Governance.

3. BUSINESS CONTINUITY PLANNING

As of the date of this report, Pakistan's economy is under pressure on account of a significant current account deficit, devaluation of local currency, rapid inflation and depletion of foreign reserves.

The Board needs to take cognizance of the above factors before making any decisions regarding further expansions and other key economic decisions related to the Company's operations. We recommend that the management should review its expenditure policies, expansion plans along with risk management policies and ensure that a plan is in place to address contingencies.

4. UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN)

To enhance public trust on auditor's report, the Institute of Chartered Accountants of Pakistan (ICAP) has issued a Directive 4.27, whereby it is required that every practicing-chartered accountant will place UDIN generated from ICAP portal on the following reports:

- Auditors' Report on General Purpose Financial Statements;
- Auditors' Report on Interim Financial Information; and
- Auditors' Report on Statement of Compliance with Code of Corporate Governance.

In order to obtain the UDIN, auditors are required to upload certain financial information of the reporting entity. Accordingly, we are required to upload the information on ICAP's portal for generation of UDIN. The ICAP, in its frequently asked questions, has assured that client's confidential data would be entered by the concerned engagement partner himself and such data would not be available for any unauthorized use. Compliance of the above ICAP Directive is mandatory and non-compliance will result in professional misconduct under Chartered Accountants Ordinance, 1961.

We hereby bring this into the attention of the management and the Board of the Company.

5. PROVISION FOR TAXATION

As per management, there is no impact of tax on financial report as no tax is payable by Association for Durbeen (A Company set up under section 42 of the Companies Act, 2017) in accordance with section 100C of the Income Tax Ordinance, 2001.

Section 100C describes that the income of non-profit organizations, trusts or welfare institutions, as mentioned in sub-section (2) of the Income Tax Ordinance, 2001 shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable under any of the provisions of Income Tax Ordinance, 2001, subject to the following conditions, namely:

(a) return has been filed;
(b) tax required to be deducted or collected has been deducted or collected and paid;
(c) withholding tax statements for the immediately preceding tax year have been filed:
(d) the administrative and management expenditure does not exceed 15% of the total receipts.

We have been informed by the management that the Company is in compliance with the all the conditions of Section 100C of Income Tax Ordinance, 2001 to claim the 100% tax credit. As such, no provision for taxation has been made in the statement of income and expenditure. Kindly confirm that this is in order.

6. APPORTIONMENT AMONG RESTRICTED AND UN RESTRICTED FUNDS

During the audit, we have observed that there is no proper the Board approved policy for the apportionment between restricted and unrestricted funds based on intended use for expense on assets as well as utilization of restricted funds. We recommend that the Company should devise a policy in respect of restricted funds.

7. USEFUL LIFE OF STRUCTURAL IMPROVEMENTS

The Board of Directors, in the meeting held on February 01, 2022, approved revised useful life for structural improvements with effect from 01 July 2021 from 10 years to 20 years. The Company expects to extend the Operation and Maintenance contract of GECE project beyond the current 10 years' period. This revision in useful life was accounted for prospectively as a change in accounting estimates in the financial statements for the year ended 30 June 2023.

We seek concurrence of the Board that the Operation & Maintenance Contract of GECE project would be extended beyond March 01, 2029 which has resulted in revision of estimate of useful life of Structural Improvements to 20 years i.e. up to June 30, 2039.

8. PROPERTY AND EQUIPMENT

During the course of our audit, we noted that fixed assets register for property and equipment is not maintained by the Company in accordance with the Technical Release issued by the Institute of Chartered Accountants of Pakistan (ICAP). This is an important record as it enables the management to provide itemized control over the fixed assets of the Company. We recommend that fixed assets register should be maintained as required under the Companies Act, 2017 in the manner prescribed by ICAP to provide the required details for exercising itemized control over the fixed assets of the Company.

9. RELATED PARTY TRANSACTIONS

We have been informed by management that there were no transactions with related parties other than those disclosed in the financial statements. Kindly confirm the representations made by management.

10. COMPLIANCE WITH STATUTORY LAWS AND REGULATIONS

We have been informed by the management that there were no instances of non-compliance with statutory laws and regulations that would have financial reporting implications. We require the Board to confirm the representations made by management to this effect.

11. FRAUD AND ERRORS

We have been informed by the management that no case of fraud and error, has been brought to their knowledge during the year. Kindly confirm the representations made by management.

12. CONTINGENCIES AND COMMITMENTS

We have been informed by the management that there are no contingencies and commitments as on the reporting date other than those disclosed in financial statements. Kindly confirm the representations made by management.

13. SUBSEQUENT EVENTS

We have been informed by management that there were no events subsequent to the reporting period, other than those disclosed in the financial statements, which would require adjustment or disclosure in the accompanying financial statements.

We take this opportunity to thank your management and for the courtesy and cooperation extended to us during the course of our audit.

Yours faithfully,

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
Enclosed as above

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURBEEN (A COMPANY SETUP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)

Opinion

We have audited the annexed financial statements of Durbeen (A Company set up under section 42 of the Companies Act, 2017), which comprise the statement of financial position as at June 30, 2023 and the statement of income and expenditure account, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 other comprehensive income, the statement of cash flows and the statement of changes in equity 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 June 30, 2023 and of the loss and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the 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 the information included in the director's 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 approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the 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 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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).

Other Matter

The financial statements of Durbeen (A Company set up under section 42 of the Companies Act, 2017) for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on October 06, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Arqam Ayubi.

KARACHI

DATED: 12 SEP 2023

UDIN: ' AR202310742H1XoMLNjUs

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

DURBEEN
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	90,303,408	81,904,169
Intangible assets	6	2,007,567	4,015,134
		92,310,975	85,919,303
CURRENT ASSETS			
Short-term investment	7	46,892,734	2,543,466
Advances, deposits and prepayments	8	3,397,980	2,591,158
Tax deducted at source		880,716	533,977
Cash and bank balances	9	12,015,084	30,955,653
		63,186,514	36,624,254
TOTAL ASSETS		155,497,489	122,543,557
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted fund		8,337,032	5,181,701
Restricted funds	10	135,897,341	110,351,028
		144,234,373	115,532,729
NON CURRENT LIABILITIES			
Deferred capital grants	11	6,761,677	-
CURRENT LIABILITIES			
Accrued and other payables	12	4,501,439	5,010,828
Loan from related parties	13	-	2,000,000
		4,501,439	7,010,828
TOTAL LIABILITIES AND RESERVES		155,497,489	122,543,557
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes 1 to 26 form an integral part of these financial statements. BDO

Chief Executive Officer

Director

DURBEEN
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

		2023			2022		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	------- Rupees -------			------- Rupees -------		
INCOME							
Donations	15	14,990,928	91,136,590	106,127,518	261,150	95,039,957	95,301,107
Other income	16	7,406,553	1,716,323	9,122,876	2,577,204	-	2,577,204
		22,397,481	92,852,913	115,250,394	2,838,354	95,039,957	97,878,311
EXPENDITURE							
Operational expenses	17	(15,894,956)	(62,457,840)	(78,352,796)	(2,490,817)	(50,054,659)	(52,545,476)
Administrative expenses	18	(3,282,834)	(4,848,760)	(8,131,594)	(173,490)	(7,346,976)	(7,520,466)
Bank charges		(64,360)	-	(64,360)	(39,763)	-	(39,763)
		(19,242,150)	(67,306,600)	(86,548,750)	(2,704,070)	(57,401,635)	(60,105,705)
Taxation	4.5	-	-	-	-	-	-
Net surplus for the year		3,155,331	25,546,313	28,701,644	134,284	37,638,322	37,772,606

The annexed notes 1 to 26 form an integral part of these financial statements.

Chief Executive Officer

Director

DURBEEN
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Rupees			Rupees		
Net surplus for the year	3,155,331	25,546,313	28,701,644	134,284	37,638,322	37,772,606
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	3,155,331	25,546,313	28,701,644	134,284	37,638,322	37,772,606

The annexed notes 1 to 26 form an integral part of these financial statements. BDO

Chief Executive Officer

Director

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دوربین

DURBEEN
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Unrestricted fund	Restricted funds	Grand Total
	Rupees		
Balance as at July 1, 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
Balance as at July 01, 2022	5,181,701	110,351,028	115,532,729
Surplus for the year	3,155,331	25,546,313	28,701,644
Other comprehensive income	-	-	-
Total comprehensive income for the year	3,155,331	25,546,313	28,701,644
Balance as at June 30, 2023	8,337,032	135,897,341	144,234,373

The annexed notes 1 to 26 form an integral part of these financial statements. BDO

Chief Executive Officer

Director

DURBEEN (INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year		28,701,644	37,772,606
Adjustment for non cash and other items:			
Depreciation	5.1	12,849,092	8,955,869
Unrealised loss on investments		288,434	-
Amortisation of deferred grant		(1,716,323)	
Amortisation	6.1	2,007,567	2,007,567
Finance cost		64,360	39,763
		13,493,130	11,003,199
(Increase) / decrease in current assets			
Short-term investment		(44,637,702)	570,619
Advances, deposits and prepayments		(806,822)	(195,536)
Tax deducted at source		(346,739)	(328,469)
		(45,791,263)	46,614
Decrease in current liabilities			
Accrued and other payables		(509,389)	(1,463,688)
Cash generated from operations		(4,105,878)	47,358,731
Finance cost paid		(64,360)	(39,763)
Net cash flow generated from operating activities		(4,170,238)	47,318,968
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment		(4,052,052)	(9,619,941)
Additions to Capital work in progress (CWIP) - structural improvements		(8,718,279)	(15,806,341)
Net cash used in investing activities		(12,770,331)	(25,426,282)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from related parties and Net cash generated from / (used in) financing activities		(2,000,000)	(3,093,810)
Net (decrease) / increase in cash and cash equivalents		(18,940,569)	18,798,876
Cash and cash equivalents as at the beginning of the year		30,955,653	12,156,777
Cash and cash equivalents as at the end of the year	9	12,015,084	30,955,653

The annexed notes 1 to 26 form an integral part of these financial statements. BDO

Samma A. Alam
Chief Executive Officer

دوربین

King Mahel
Director

دوربین

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 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). The Company is also engaged in construction of the GECE implementation project under the contract.

1.2 GEOGRAPHICAL LOCATION

The registered office and geographical location of the Company is Government Elementary College of Education, Hussainabad, Federal B Area, Block 2, Karachi.

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 a historical cost basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

2.4 Significant accounting judgements and estimates

The preparation of these financial statements is in conformity with accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements 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 recognized in the period in which the estimate is revised and in any future periods affected.

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

	Note
Useful lives of property and equipment and methods of depreciation	4.1 & 5.1
Provision of expected credit losses	4.7
Contingencies	4.10 & 13

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

	Effective date (annual periods beginning on or after)
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 - First Time Adoption of International Financial Reporting Standards; and
IFRS 17 - Insurance Contracts.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with all the year presented. The principal accounting policies are summarised below:

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 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 recognized 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 Impairment of non-financial assets

The carrying amounts of Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the statement of statement of income and 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.

4.4 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.

4.5 Taxation

In accordance with section 100C of the Income Tax Ordinance, 2001 (the Ordinance), the Company is allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final tax payable, under any of the provisions of the Ordinance, subject to conditions as outlined in section 100C. Accordingly, no provision for tax, has been recognized in the financial statement of the Company.

The Company intended to claim tax credit equal to one hundred per cent of the tax payable under section 100C of the Income Tax Ordinance, 2001, including minimum tax and final taxes payable. Moreover, in exercise of the power conferred by section 2(36) of the Income Tax Ordinance, 2001, the Company has to apply for approval by Commissioner Inland Revenue(CIR) for the purpose of the Section. The Company has not applied for approval from CIR.

No provision for taxation has been made for the year in this financial statement based on section 100C of the Income Tax Ordinance, 2001.

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.

4.6.1 Financial assets

a) Initial recognition and measurement

Financial assets are recognised at the time when the Company becomes the party to the contractual provisions of the instruments and are derecognised when the Company losses control of the contractual rights that comprises the financial assets. Any gain or loss on derecognition of financial assets are recognised in the statement of profit or loss.

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. A financial asset is initially measured at cost, which is the fair value of consideration paid and subsequently measured at amortised cost. All the financial assets of the Company as at statement of financial position date are carried at amortised cost and fair value through profit or loss. .

b) Amortised cost

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

it is held with in a business model whose objective is to hold assets to collect cash flows; and contractual

its contractual terms give rise on specified dates to cash flows that are solely principal and interest on the principal amount outstanding.

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

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

c) **Impairment of 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.

d) **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.

4.6.2 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.

a) 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.

b) 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.

4.6.3 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 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are reviewed at each Statement of financial position date to reflect the current best estimate.

4.9 Revenue recognition

Income from donations is recognized 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.

4.10 Accumulated funds

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.

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.

4.11 Related party transactions

Transactions with related parties are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

5 PROPERTY AND EQUIPMENT

	Note	2023 Rupees	2022 Rupees
Operating fixed assets	5.1	85,017,977	62,899,044
Capital work in progress (CWIP) - structural improvements	5.2	5,285,431	19,005,125
		90,303,408	81,904,169

5.1 Operating fixed assets

	Cost						Depreciation				
	As at July 01, 2022	Transfer from capital work in progress	Addition	Deletion	As at June 30, 2023	Rate %	As at July 01, 2022	For the year	Adjustment	As at June 30, 2023	Written down value as at June 30, 2023
	Rupees						Rupees				
Restricted - GECE project											
Structural improvements (5.1.1)	58,260,858	22,437,973	-	-	80,698,831	5	11,012,734	2,913,043	-	13,925,777	66,773,054
Office equipment	18,716,028	-	8,458,697	-	27,174,725	33	9,686,067	8,251,825	-	17,937,892	9,236,833
Furniture and fixtures	8,560,731	-	2,725,205	-	11,285,936	14	2,459,691	1,464,591	-	3,924,282	7,361,654
Vehicle	-	-	1,346,150	-	1,346,150	10	-	91,853	-	91,853	1,254,297
	85,537,617	22,437,973	12,530,052	-	120,505,642		23,158,492	12,721,312	-	35,879,804	84,625,838
Unrestricted											
Office equipment	296,783	-	-	-	296,783	33	296,783	-	-	296,783	-
Furniture and fixtures	912,715	-	-	-	912,715	14	392,796	127,780	-	520,576	392,139
	1,209,498	-	-	-	1,209,498		689,579	127,780	-	817,359	392,139
	86,747,115	22,437,973	12,530,052	-	121,715,140		23,848,071	12,849,092	-	36,697,163	85,017,977

	Cost						Depreciation				
	As at July 01, 2021	Transfer from capital work in progress	Addition	Deletion	As at June 30, 2022	Rate %	As at July 01, 2021	For the year	Adjustment	As at June 30, 2022	Written down value as at June 30, 2022
	Rupees						Rupees				
Restricted - GECE project											
Structural improvements	56,915,467	1,345,391	-	-	58,260,858	5	8,138,932	2,873,802	-	11,012,734	47,248,124
Office equipment	11,119,693	-	7,596,335	-	18,716,028	33	4,771,054	4,915,013	-	9,686,067	9,029,961
Furniture and fixtures	6,537,125	-	2,023,606	-	8,560,731	14	1,460,113	999,578	-	2,459,691	6,101,040
	74,572,285	1,345,391	9,619,941	-	85,537,617		14,370,099	8,788,393	-	23,158,492	62,379,125
Unrestricted											
Office equipment	296,783	-	-	-	296,783	33	257,087	39,696	-	296,783	-
Furniture and fixtures	912,715	-	-	-	912,715	14	265,016	127,780	-	392,796	519,919
	1,209,498	-	-	-	1,209,498		522,103	167,476	-	689,579	519,919
	75,781,783	1,345,391	9,619,941	-	86,747,115		14,892,202	8,955,869	-	23,848,071	62,899,044

5.1.1 As per the approval of the Board of Directors dated October 22, 2021, the company revised it's useful life for structural improvements with effect from July 01, 2021 from 10 year to 20 years. The company expects to exercise the option to extend the Operation & Maintenance contract GECE project beyond the current 10 years period. The revision was accounted for prospectively as a change in accounting estimate and a result of the depreciation charges of the company for the current financial year ended has decreased by Rs. 2,913,042. The amount of the effect in future periods cannot be accurately determined.

		Note	2023 Rupees	2022 Rupees
5.2	**Capital work in progress (CWIP) - structural improvements**			
	Restricted - GECE project			
	As at July 01		19,005,125	4,544,175
	Capital expenditure incurred / advances made during the year	5.2.1	8,718,279	15,806,341
	Transfer to operating fixed assets during the year		(22,437,973)	(1,345,391)
	As at June 30		5,285,431	19,005,125

5.2.1 This represents expenditure incurred on the renovation of the GECE building.

6 INTANGIBLE ASSETS

	Note	2023 Rupees	2022 Rupees
Curriculum development costs (note 6.1.1)	6.1	2,007,567	4,015,134

6.1 Net book value basis (NBV) - Restricted - GECE project

	Note	2023 Rupees	2022 Rupees
Opening book value	6.1.1	4,015,134	6,022,701
Amortization charged		(2,007,567)	(2,007,567)
Closing net book value		2,007,567	4,015,134
Amortisation rate per annum		20%	20%

6.1.1 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. 10.038 million are being amortised over a period of five years, commencing from July, 2019.

7 SHORT-TERM INVESTMENT

	Note	2023 Rupees	2022 Rupees
Treasury bills	7.1 & 7.3	28,931,943	-
Term deposit receipt	7.2	17,960,791	2,543,466
		46,892,734	2,543,466

7.1 **Treasury Bills 'at fair value through profit or loss' (certificates having a nominal value of Rs.100 each)**

Particulars	Face value				Balance as at June 30, 2023			Market value as a percentage of net asset	Market value as a percentage of total investments
	As at July 01, 2022	Purchased during the year	Disposed / matured during the year	As at June 30, 2023	Carrying value	Market value	Appreciation / (diminution)		
	Rupees							Percentage	
Held by Debt Sub-Fund									
Treasury Bills - 1 year	-	35,000,000	-	35,000,000	29,220,378	28,931,944	(288,434)	19%	100%
Treasury Bills - 3 months	-	25,000,000	25,000,000	-	-	-	-	-	-
June 30, 2023	-	60,000,000	25,000,000	35,000,000	29,220,378	28,931,944	(288,434 00)	-	-
June 30, 2022	-	-	-	-	-	-	-		

7.2 This represents term deposit receipt carrying nature of roll over with commercial bank under conventional banking relationship carrying profit rate of 20% (2022: 6.5%) per annum.

7.3 These Market Treasury Bills carried effective yield 21.99% per annum.

	Note	2023 Rupees	2022 Rupees
8 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advances			
- to suppliers	8.1	3,213,184	2,459,562
Deposits		48,700	25,500
Prepayments		136,096	106,096
		3,397,980	2,591,158

8.1 This 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 million out of which Rs. 1.161 million (2022: Rs. 2.323 million) has been paid as of the reporting date.

9 CASH AND BANK BALANCES

	Note	2023	2022
Cash in hand		56,401	28,099
Cash at bank;			
Deposit accounts	9.1	11,739,738	25,436,462
Current accounts		218,945	5,491,092
		11,958,683	30,927,554
		12,015,084	30,955,653

9.1 These carry profit rates ranging from 12.26% to 19.51% (2022: 5.5% to 10.76%) per annum.

	GECE project	Impact study and advocacy campaign project	Total
	------------------	Rupees	--------------------
10 RESTRICTED FUNDS			
Balance as at July, 01 2021	71,376,566	1,336,140	72,712,706
Donations received during the year	90,353,222	4,686,735	95,039,957
Expenditure incurred 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
Donations received during the year	89,698,612	1,437,978	91,136,590
Expenditure made during the year	(63,661,743)	(1,621,729)	(65,283,472)
Balance as at June 30, 2023	130,514,597	5,689,549	136,204,146

11 DEFERRED CAPITAL GRANT

Deferred capital grant - GECE project	11.1	6,761,677	-

11.1 Deferred capital grant - GECE project

Additions to operating fixed assets	11.1.1	8,478,000	-
Released to revenue to the extent of:			
Depreciation of restricted tangible assets		(1,716,323)	-
Balance as at June 30		6,761,677	-

11.1.1 This represents the office equipment and vehicle received as Grant for GECE project.

	Note	2023 Rupees	2022 Rupees
12 ACCRUED AND OTHER PAYABLES			
Accounts payable	11.1	2,419,007	3,719,026
Salaries payable		845,209	506,359
Withholding tax payable		587,328	455,372
EOBI payable		139,049	29,719
Audit fee payable		192,500	100,000
Security Deposit		318,346	155,000
Other payables		-	45,352
		4,501,439	5,010,828

12.1 This includes Rs. 20,519 (2022: Rs. 20,401) due to the Chief Executive Officer of the Company on account of expenses incurred on behalf of the Company.

	Note	2023 Rupees	2022 Rupees
13 LOAN FROM RELATED PARTIES			
Loan from a Director		-	2,000,000

13.1 This represents unsecured and interest free loan obtained from a Director of the Company for the purpose of working capital requirements. The loan has been repaid during the year.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no contingencies and commitments as at June 30, 2023 (2022: Nil)

14.2 Commitments

13.2.1 The company has entered into a contract with M.A.Sons during the year for renovation work of GECE Administration Block Hussainabad Karachi. The negotiated amount of this contract is Rs. 10,063,645 out of which Rs. 3,019,095 has been paid as an advance and Rs. 4,502,756 has been accrued as Capital Work in Progress based on work completed and invoiced.

15 DONATIONS

	Note	2023 Unrestricted	2023 Restricted: GECE project (note 15.1)	2023 Restricted: Impact study and advocacy campaign project (note 15.2)	2023 Restricted: Total	2023 Grand total	2022 Unrestricted	2022 Restricted: GECE project (note 15.1)	2022 Restricted: Impact study and advocacy campaign project (note 15.2)	2022 Restricted: Total	2022 Grand total
		Rupees					Rupees				
Donations received		14,990,928	89,698,612	1,437,978	91,136,590	106,127,518	261,150	90,353,222	4,686,735	95,039,957	95,301,107
		14,990,928	89,698,612	1,437,978	91,136,590	106,127,518	261,150	90,353,222	4,686,735	95,039,957	95,301,107

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

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

16 OTHER INCOME

	2023 Unrestricted	2023 GECE project	2023 Impact study	2023 Total	2023 Grand total	2022 Unrestricted	2022 GECE project	2022 Impact study	2022 Total	2022 Grand total
Income from financial assets										
Profit on:										
- short-term investments - term deposit receipt	3,924,932	-	-	-	3,924,932	164,571	-	-	-	164,571
Treasury Bills income	1,668,628	-	-	-						
- deposit accounts	1,352,609	-	-	-	1,352,609	1,881,677	-	-	-	1,881,677
	6,946,169	-	-	-	5,277,541	2,046,248	-	-	-	2,046,248
Income from non-financial assets										
Reversal of academic bill previously booked as liability	-	-	-	-	-	-	-	-	-	-
Discount received on running bills	59,715	-	-	-	59,715	154,110	-	-	-	154,110
Amortization of deferred capital grant - GECE project	-	1,716,323	-	-	-					
Miscellaneous income	400,669	-	-	-	400,669	376,846	-	-	-	376,846
	460,384	1,716,323	-	-	460,384	530,956	-	-	-	530,956
	7,406,553	1,716,323	-	-	5,737,925	2,577,204	-	-	-	2,577,204

17 OPERATIONAL EXPENSES

	Note	2023 Unrestricted	2023 GECE project	2023 Impact study	2023 Total	2023 Grand total	2022 Unrestricted	2022 GECE project	2022 Impact study	2022 Total	2022 Grand total
Salaries and other benefits		10,248,520	33,973,858	241,282	34,215,140	44,463,660		31,847,169	-	31,847,169	31,847,169
Depreciation	5.1	127,780	12,721,312	-	12,721,312	12,849,092	167,476	8,788,393	-	8,788,393	8,955,869
Amortisation	6	-	2,007,567	-	2,007,567	2,007,567	-	2,007,567	-	2,007,567	2,007,567
Curriculum consultancy charges	5.2	-	-	-	-	-	-	9,400	-	9,400	9,400
Printing and stationary		-	595,481	-	595,481	595,481	-	210,050	-	210,050	210,050
Website development		-	-	-	-	-	15,698	-	-	-	15,698
Supplies and consumables		-	1,254,016	-	1,254,016	1,254,016	-	1,004,404	-	1,004,404	1,004,404
Marketing and promotional expenses		-	377,291	-	377,291	377,291	-	318,604	149,575	468,179	468,179
Information technology and communication charges		948,264	1,071,532	-	1,071,532	2,019,796	-	2,106,711	-	2,106,711	2,106,711
Repair and maintenance		-	1,674,696	-	1,674,696	1,674,696	-	1,695,777	-	1,695,777	1,695,777
Travelling and conveyance		1,169,130	-	-	-	1,169,130	-	1,068,469	-	1,068,469	1,068,469
Utilities		-	223,210	-	223,210	223,210	-	118,548	-	118,548	118,548
Books and periodicals		-	245,470	12,978	258,448	258,448	-	29,823	-	29,823	29,823
Fee and subscription		2,056,800	537,436	1,161,543	1,698,979	3,755,779	2,254,016	-	-	-	2,254,016
Insurance		-	1,031,514	-	1,031,514	1,031,514	-	294,146	-	294,146	294,146
Gardeners expenses		1,056,027	-	-	-	1,056,027				-	-
Teachers Education Expenses		-	4,015,402	-	4,015,402	4,015,402	-	-	-	-	-
Others		288,435	1,107,326	205,926	1,313,252	1,601,687	53,627	406,023	-	406,023	459,650
		15,894,956	60,836,111	1,621,729	62,457,840	78,352,796	2,490,817	49,905,084	149,575	50,054,659	52,545,476

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.

18 ADMINISTRATIVE EXPENSES

	Note	2023 Unrestricted	2023 GECE project	2023 Impact study	2023 Total	2023 Grand total	2022 Unrestricted	2022 GECE project	2022 Impact study	2022 Total	2022 Grand total
Salaries and other benefits		-	2,896,593	-	2,896,593	2,896,593	-	2,816,775	-	2,816,775	2,816,775
Legal and professional charges		967,625	799,807	-	799,807	1,767,432	73,490	1,206,655	-	1,206,655	1,280,145
Auditors' remuneration	18.1	192,500	-	-	-	192,500	100,000	-	-	-	100,000
Security charges		-	1,152,360	-	1,152,360	1,152,360	-	1,204,007	-	1,204,007	1,204,007
Other expenses		84,860	-	-	-	84,860	-	-	-	-	-
Janitorial expenses		2,037,849	-	-	-	2,037,849	-	2,119,539	-	2,119,539	2,119,539
		3,282,834	4,848,760	-	4,848,760	8,131,594	173,490	7,346,976	-	7,346,976	7,520,466

	2023 Rupees	2022 Rupees
18.1 Auditors' remuneration - unrestricted		
Statutory audit fee	175,000	100,000
Out of pocket expenses	17,500	-
	192,500	100,000

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.

19.1 Market risk

Market risk is a risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk; currency risk, interest rate risk and price risk

(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. 0.468 million (2022: Rs. 0.279 million) 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.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. As at reporting date, the Company does not have any financial assets that are subject to price risk.

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	2023 Rupees	2022 Rupees
The maximum exposure to credit risk at reporting date is as follows:			
Short-term investment	7	46,892,734	2,543,466
Deposits	8	48,700	25,500
Bank balances	9	11,958,683	30,927,554
		58,900,117	33,496,520

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The credit quality of cash at bank (in Current and deposit accounts) as per credit rating agencies is as follows:

Name of Banks	Ratings		
	Rating agency	Short-term	Long-term
Habib Bank Limited	JCR-VIS	A-1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Bank Al Habib Limited	PACRA	A-1+	AAA

19.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Note	2023 Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
		---------- Rupees ----------				
Non-derivative						
Financial liabilities						
Accrued and other payables	11	3,456,716	3,456,716	3,456,716	-	
Loan from related parties	12	-	-	-	-	-
		3,456,716	3,456,716	3,456,716	-	-

	Note	2022 Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
		---------- Rupees ----------				
Non-derivative						
Financial liabilities						
Accrued and other payables	11	4,370,737	4,370,737	4,370,737	-	-
Loan from related parties	12	2,000,000	2,000,000	2,000,000		
		6,370,737	6,370,737	6,370,737	-	-

20 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 between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
Level 3: Inputs for the asset or liability that are not based on observable market data (that is unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

	2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees			
Investments at fair value through profit or loss				
Market treasury bills	28,931,943	-	-	-

20.1 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.

21 TRANSACTIONS WITH RELATED PARTIES

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:

21.1 Name of related party	Nature of Relation	Basis of Relation
Getz Pharma (Private) Limited	Associated company	Common directorship
Infaq Foundation	Associated company	Common directorship
Zindagi Trust	Associated company	Common directorship
Alucan (Private) Limited	Associated company	Common directorship
Mr. Khalid Mahmood	Director	Director

Name of related party	Nature of Relation	Basis of Relation
Mrs. Salma Ahmed Alam	Key management personnel	Chief Executive Officer
Mr. Al Naseer Noorani	Key management personnel	Chief Operating Officer

21.2 Transactions during the year

Name of related party	Nature of Transactions	2023 Rupees	2022 Rupees
Getz Pharma (Private) Limited	Donation received	18,697,622	7,000,000
Infaq Foundation	Donation received	-	100,000
Zindagi Trust	Donation collected on behalf of Company	-	13,198,222
Key Management Personnel	Remuneration and other benefits	9,109,644	6,407,904
	behalf of the company by Chief Executive	557,033	194,309

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

21.4 Details of compensation to the key management personnel have been disclosed in the note 20 to these financial statements.

22 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

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

	2023			2022		
	Chief Executive	Other Executives	Total	Chief Executive	Other Executives	Total
	----Rupees----			----Rupees----		
Gross salary	2,784,024	6,435,000	9,219,024	2,451,528	3,030,400	5,481,928
Other allowance / benefits	712,020	2,787,400	3,499,420	817,176	1,148,800	1,965,976
	3,496,044	9,222,400	3,268,704	3,268,704	4,179,200	3,268,704
Number	1	2	3	1	3	4

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

23 NUMBER OF EMPLOYEES

The number of employees as at year end was 40 (2022: 33) and the average number of employees during the year was 40 (2022: 25).

24 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison. However, no significant reclassification has been made during the year.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 12 SEP 2023 by the Board of Directors of the Company.

26 GENERAL

26.1 Figures have been rounded off to the nearest rupee, unless otherwise stated. BDO

Chief Executive Officer

Director