

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Pakistan Alliance for Early Childhood

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Alliance for Early Childhood ('the Company'), which comprise the statement of financial position as at 30 June 2023, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in general fund, 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 income and expenditure statement, the statement of comprehensive income, the statement of changes in general fund and the statement of cash flows 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 2023 and of the surplus, other comprehensive income, the changes in general fund 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. However no such information is published along with these financial statements.

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.

Riaz Ahmad & Company

Chartered Accountants

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.

Riaz Ahmad & Company

Chartered Accountants

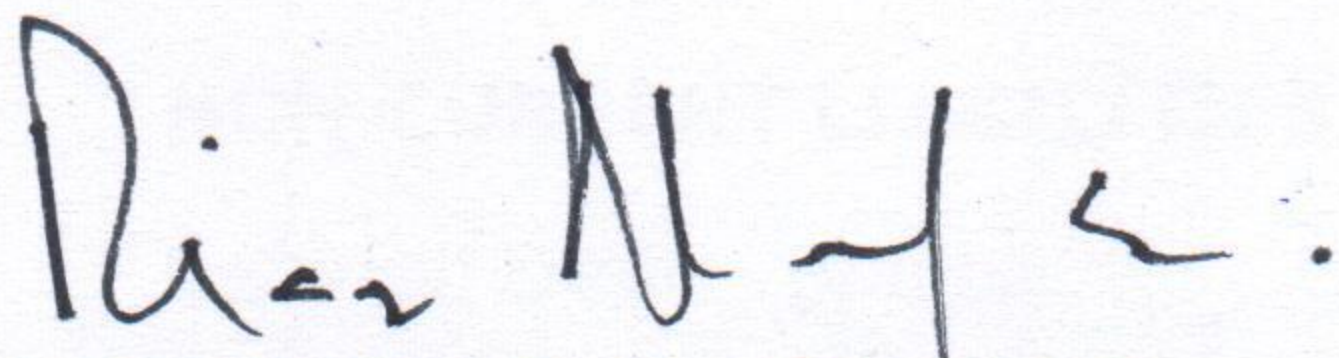
We communicate with board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 general fund 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 Raheel Arshad.



RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

Date: 01 September 2023

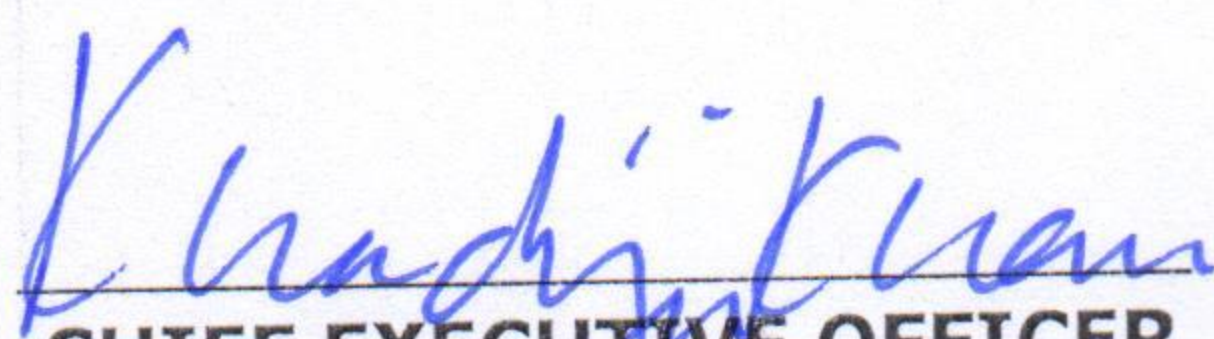
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PAKISTAN ALLIANCE FOR EARLY CHILDHOOD
(A Company setup under Section 42 of the Companies Act, 2017)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 Rupees	Restated 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	3	749,429	414,937
Deferred income tax asset	4	2,269	23,454
		<u>751,698</u>	<u>438,391</u>
CURRENT ASSETS			
Consultation fee receivable		10,521,972	-
Advance against salary		10,000	-
Taxation - net	5	779,982	760,179
Cash and bank balances	6	16,410,319	14,211,465
		<u>27,722,273</u>	<u>14,971,644</u>
TOTAL ASSETS		<u><u>28,473,971</u></u>	<u><u>15,410,035</u></u>
FUND AND LIABILITIES			
General fund		25,715,991	9,795,134
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred credit - grants	7	-	5,268,678
Deferred capital grant	8	180,630	202,473
		<u>180,630</u>	<u>5,471,151</u>
CURRENT LIABILITIES			
Payable to consultants		2,427,350	-
Accrued expense		150,000	143,750
		<u>2,577,350</u>	<u>143,750</u>
TOTAL LIABILITIES		<u><u>2,757,980</u></u>	<u><u>5,614,901</u></u>
CONTINGENCIES AND COMMITMENTS			
		-	-
TOTAL FUND AND LIABILITIES		<u><u>28,473,971</u></u>	<u><u>15,410,035</u></u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

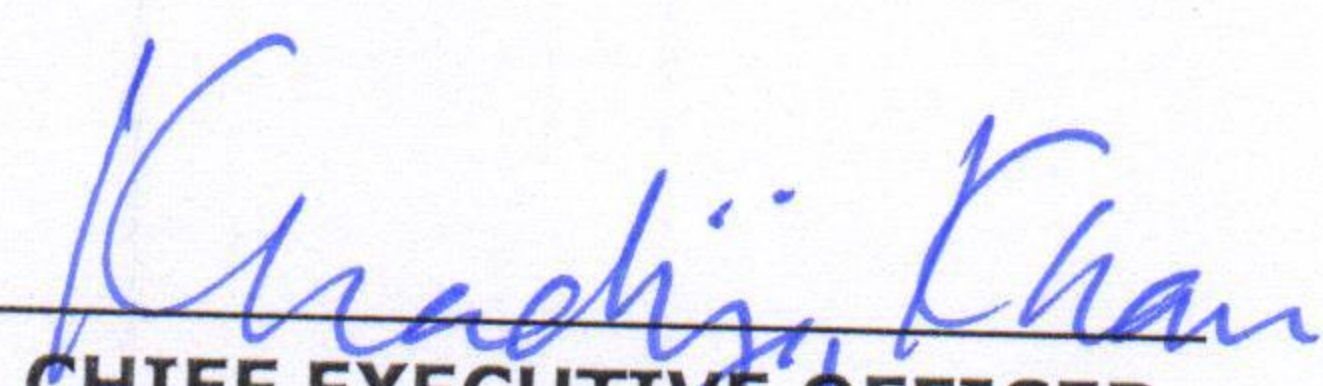
PAKISTAN ALLIANCE FOR EARLY CHILDHOOD
(A Company setup under Section 42 of the Companies Act, 2017)

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Rupees	Restated 2022 Rupees
INCOME			
Consultation fee	9	41,528,745	11,039,287
Amortization of:			
- deferred credit - grants	7	5,268,678	11,287,505
- deferred capital grants	8	21,843	136,165
Donation		-	4,632,869
Other income	10	1,663,945	150,932
TOTAL INCOME		<u>48,483,211</u>	<u>27,246,758</u>
EXPENDITURE			
Consultation expenses	11	15,081,489	456,844
Programme expenses	12	5,268,678	11,287,505
Administrative expenses	13	9,557,336	4,858,956
Depreciation expense	3.1	21,843	136,165
TOTAL EXPENDITURE		<u>29,929,346</u>	<u>16,739,470</u>
SURPLUS BEFORE TAXATION		<u>18,553,865</u>	<u>10,507,288</u>
TAXATION	14	(2,633,008)	(189,286)
SURPLUS FOR THE YEAR		<u>15,920,857</u>	<u>10,318,002</u>

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


CHIEF EXECUTIVE OFFICER

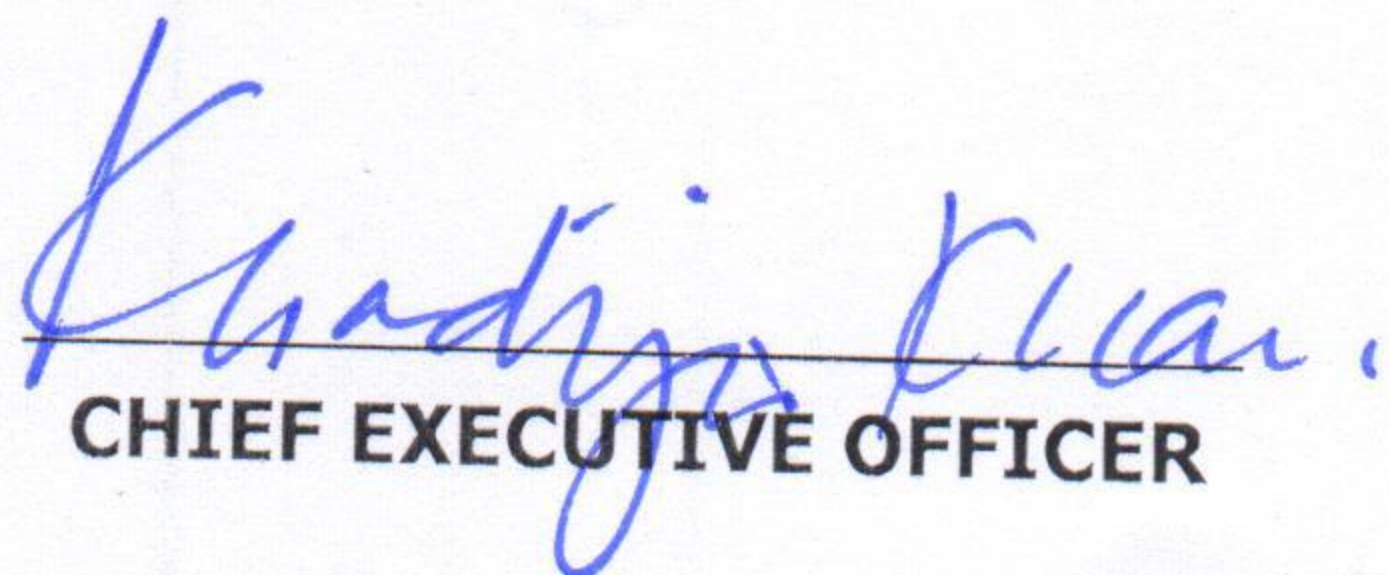

DIRECTOR

PAKISTAN ALLIANCE FOR EARLY CHILDHOOD
(A Company setup under Section 42 of the Companies Act, 2017)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	2023 Rupees	Restated 2022 Rupees
SURPLUS AFTER TAXATION	15,920,857	10,318,002
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to income and expenditure	-	-
Items that may be reclassified subsequently to income and expenditure	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>15,920,857</u>	<u>10,318,002</u>

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


CHIEF EXECUTIVE OFFICER

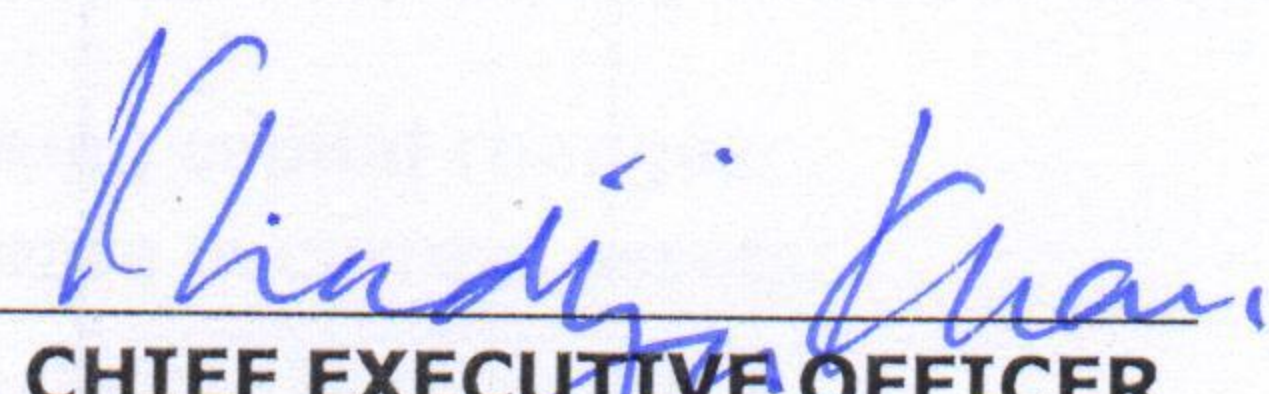

DIRECTOR

PAKISTAN ALLIANCE FOR EARLY CHILDHOOD
(A Company setup under Section 42 of the Companies Act, 2017)

STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2023

	Rupees
Balance as at 1 July 2021	(522,868)
Surplus for the year	10,318,002
Balance as at 30 June 2022 - restated	<u>9,795,134</u>
Surplus for the year	15,920,857
Balance as at 30 June 2023	<u><u>25,715,991</u></u>

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


CHIEF EXECUTIVE OFFICER

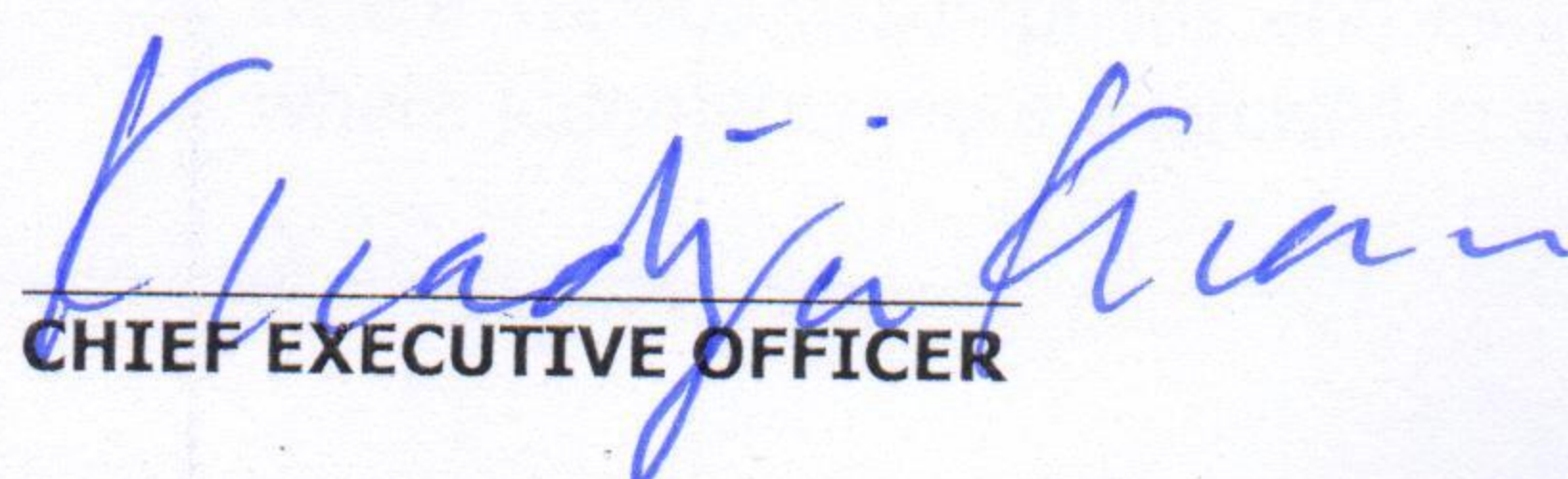

DIRECTOR

PAKISTAN ALLIANCE FOR EARLY CHILDHOOD
(A Company setup under Section 42 of the Companies Act, 2017)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 Rupees	Restated 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	18,553,865	10,507,288
Adjustments for non-cash charges and other items:		
Amortization of:		
- deferred credit - grants	(5,268,678)	(11,287,505)
- deferred capital grants	(21,843)	(136,165)
	(5,290,521)	(11,423,670)
Security deposit written off	-	7,000
Gain on disposal of operating fixed assets	-	(18,932)
Depreciation	227,783	189,849
Cash used in operating activities before working capital changes	13,491,127	(738,465)
Working capital changes:		
Increase in current assets:		
Consultation fee receivable	(10,521,972)	-
Advance against salary	(10,000)	-
(Decrease) / increase in current liabilities:		
Payable to consultants	2,427,350	-
Accrued expense	6,250	45,150
	(8,098,372)	45,150
Cash from / (used in) operations	5,392,755	(693,315)
Income tax paid	(2,631,626)	(1,378,537)
Security deposits	-	173,000
Net cash used in operating activities	2,761,129	(1,898,852)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(562,275)	(276,404)
Proceeds from disposal of operating fixed assets	-	47,000
Net cash used in investing activities	(562,275)	(229,404)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	2,198,854	(2,128,256)
Cash and cash equivalents at the beginning of the year	14,211,465	16,339,721
Cash and cash equivalents at the end of the year	16,410,319	14,211,465

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

PAKISTAN ALLIANCE FOR EARLY CHILDHOOD
(A Company setup under Section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 STATUS AND OPERATIONS

Pakistan Alliance for Early Childhood was incorporated in Pakistan as a Company Limited by Guarantee not having share capital, under section 42 of the Companies Act, 2017 on 07 December 2018. The registered office of the Company is situated at Office No. 3 to 6, 1st floor, Time Square Plaza, G-8 Markaz, Islamabad. The main objective of the Company is to promote the concept of holistic and inclusive Early Childhood Development (ECD) and its methods in Pakistan as a fundamental tool to child development so that ECD can be recognized in its own right as an important sector of educational development.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

(a) 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 Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; 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 for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(b) Accounting convention

These financial statements have been prepared under the historical cost convention except as stated otherwise in respective accounting policies.

(c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment and intangibles with a corresponding effect on the depreciation / amortization charge and impairment.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.2 Operating fixed assets - owned

Operating fixed assets are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to statement of income and expenditure on reducing balance method. Depreciation on additions to operating fixed assets is charged from the month in which an item is put to use while no depreciation is charged for the month in which the item is derecognized / disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Maintenance and repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off.

An item of operating fixed assets is derecognized upon its disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of income and expenditure in the year the asset is derecognized.

2.3 Taxation

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the surplus for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The Company is subject to tax credit of 100% including minimum and final tax payable under section 100(c) of the Income Tax Ordinance, 2001. The Company has a valid approval for Section 2(36) till 30 June 2023. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of income and expenditure, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on review of all outstanding amount at the year end. Bad debts are written off when identified.

2.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at book value which approximates their fair value. For the purpose of the statement of cash flows, cash equivalents comprise cash in hand, cash at banks and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.6 General fund

Surplus / (deficit) for the year is accumulated to general fund.

2.7 Grants

(a) Deferred grants

Grants received for specific purposes are shown as deferred grants. Such grants are transferred to income as grants to the extent of actual expenditure incurred there against. Expenditure incurred against grant committed but not received is accrued and recognized in income and is reflected as receivable from donors. Unspent portion of such grants are reflected as deferred grants in the statement of financial position. Profit earned on bank balances is credited to respective grant amount.

(b) Deferred capital grants

Grants utilized for capital expenditure are transferred to deferred capital grant and amortized as income over the useful life of the respective items of operating fixed assets.

2.8 Accrued and other liabilities

Accrued and other liabilities are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

2.9 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

2.10 Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as under:

a) Rendering of services

Revenue is measured at fair value of consideration received or receivable and represents amounts receivable for services rendered in the normal course of business.

Revenue in relation to the rendering of services is recognised over the period of time, when the services are rendered to customers which is the key performance obligation of the Company.

b) Deferred grants

Income from deferred credit - grants and deferred capital grants are recognized, using deferral method in statement of income and expenditure over the period necessary to match them with the expenses that they are intended to compensate.

c) Donations

Donation income is recognized on receipt basis.

d) Other income

Other income is recognized when it is received or when the right to receive is established.

2.11 Functional allocation of expenses

The cost of various activities is summarized on program basis in the statement of income and expenditure. Costs are allocated between management and general and the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall direction and support to the Company.

2.12 Financial instruments

Financial instruments carried on the statement of financial position include loans and advances, bank balances, interest accrued, other payables etc. Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the statement of income and expenditure. The particular measurement methods adopted are disclosed in individual policy statements associated with each item.

2.13 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of income and expenditure except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.14 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legal enforceable right to setoff the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

2.15 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.16 Restatement of prior year financial statements

Durring last year, consultation fee from NIBAF was recorded as deferred credit grant instead of revenue, resulting in overstatement of deferred credit grant and understatement of general fund.

Now this has been restated retrospectively in accordance with the requirements of section 12 'Accounting Policies, Changes in Accounting Estimates and Errors'.

	30 June 22		
	As previously reported	Adjustment	Restated
-----Rupees-----			
Effect on the preceding audited annual published financial statements			
Statement of financial position			
General fund	(787,309)	10,582,443	9,795,134
Deferred credit - grants	15,851,121	(10,582,443)	5,268,678
Statement of income and expenditure			
Consultation fee	-	12,275,634	12,275,634
Amortization of deferred credit - grants	12,980,696	(1,693,191)	11,287,505

3 OPERATING FIXED ASSETS

	Furniture and fittings	Office equipment	Computer equipment	Electrical appliances	Total
	----- Rupees -----				
At 30 June 2021					
Cost	282,157	109,196	109,123	74,383	574,859
Accumulated depreciation	(96,136)	(65,010)	(37,205)	(20,058)	(218,409)
Net book value	<u>186,021</u>	<u>44,186</u>	<u>71,918</u>	<u>54,325</u>	<u>356,450</u>
Year ended 30 June 2022					
Opening net book value	186,021	44,186	71,918	54,325	356,450
Additions	-	73,150	203,254	-	276,404
Disposals:					
Cost	(63,292)	-	-	-	(63,292)
Accumulated depreciation	35,224	-	-	-	35,224
	(28,068)	-	-	-	(28,068)
Depreciation charge	(57,983)	(9,145)	(108,683)	(14,038)	(189,849)
Closing net book value	<u>99,970</u>	<u>108,191</u>	<u>166,489</u>	<u>40,287</u>	<u>414,937</u>
At 30 June 2022					
Cost	218,865	182,346	312,377	74,383	787,971
Accumulated depreciation	(118,895)	(74,155)	(145,888)	(34,096)	(373,034)
Net book value	<u>99,970</u>	<u>108,191</u>	<u>166,489</u>	<u>40,287</u>	<u>414,937</u>
Year ended 30 June 2023					
Opening net book value	99,970	108,191	166,489	40,287	414,937
Additions	-	-	562,275	-	562,275
Depreciation charge	(14,996)	(16,229)	(190,515)	(6,043)	(227,783)
Closing net book value	<u>84,974</u>	<u>91,962</u>	<u>538,249</u>	<u>34,244</u>	<u>749,429</u>
At 30 June 2023					
Cost	218,865	182,346	874,652	74,383	1,350,246
Accumulated depreciation	(133,891)	(90,384)	(336,403)	(40,139)	(600,817)
Net book value	<u>84,974</u>	<u>91,962</u>	<u>538,249</u>	<u>34,244</u>	<u>749,429</u>
Depreciation rate per annum (%)	15	15	30	15	

3.1 Depreciation charge for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Purchased assets	13	205,940	53,684
Donated assets	8	21,843	136,165
		<u>227,783</u>	<u>189,849</u>

4 DEFERRED INCOME TAX ASSET

It represents deferred income tax asset on deductible temporary difference in respect of accelerated tax depreciation. It has been charged to statement of income and expenditure (Note 14).

	Note	2023 Rupees	2022 Rupees
5 TAXATION - NET			
Opening balance		760,179	(396,486)
Provision for the year	14	(2,611,823)	(221,872)
Income tax paid / deducted at source during the year		2,631,626	1,378,537
Closing balance		<u>779,982</u>	<u>760,179</u>

6 CASH AND BANK BALANCES

Cash in hand		15,460	7,834
Cash at bank - current account		16,394,859	14,203,631
		<u>16,410,319</u>	<u>14,211,465</u>

7 DEFERRED CREDIT - GRANTS

Foundation Open Society Institute (FOSI)			
		2023 Rupees	Restated 2022 Rupees
Balance as on 01 July		5,268,678	16,556,183
Amortization of grant - programme expenses	12	(5,268,678)	(11,287,505)
Balance as at 30 June		<u>-</u>	<u>5,268,678</u>

Foundation Open Society Institute had made an agreement with the Company dated 16 March 2020 for professionalize, up skill and institutionalize Early Childhood Development (ECD) / Early Childhood Care and Education (ECCE) workforce in Pakistan. Grant period was from 01 April 2020 to 31 March 2022.

	Note	2023 Rupees	Restated 2022 Rupees
8 DEFERRED CAPITAL GRANTS			
Balance as on 01 July		202,473	338,638
Amortization during the year	3.1	(21,843)	(136,165)
Balance as at 30 June		<u>180,630</u>	<u>202,473</u>

9 CONSULTATION FEE

Consultation fee	46,179,764	12,275,634
Less:		
Sales tax	(4,651,019)	(1,236,347)
	<u>41,528,745</u>	<u>11,039,287</u>

- 9.1 It represents fee received from the National Institute of Banking and Finance (NIBAF) to develop financial literacy curriculum and to integrate it into the National Curriculum for Primary Level (Grade 1-5) and for Secondary level (Grade 6-12). In addition to integrating Financial Literacy into the curriculum, the Company will also be responsible to reach out to around 100,000 students across the country through training teachers on Financial Literacy. The project is part of the State Bank's project, the 'National Financial Literacy Programme for Youth' (NFLP-Y).

	Note	2023 Rupees	Restated 2022 Rupees
10 OTHER INCOME			
From non-financial assets:			
Conference receipts		1,663,945	128,500
Scrap sales		-	3,500
Gain on disposal of operating fixed assets		-	18,932
		<u>1,663,945</u>	<u>150,932</u>
11 CONSULTATION EXPENSES			
Salaries and wages		366,000	-
Printing and stationery		141,410	-
Travelling and lodging		4,213,304	-
Entertainment		776,039	-
Marketing and advertisement		20,000	-
Consultancies and translations		7,428,000	-
Rates and taxes		2,136,736	456,844
		<u>15,081,489</u>	<u>456,844</u>
12 PROGRAMME EXPENSES			
Salaries and wages		1,845,000	4,562,194
Printing and stationery		1,129,745	546,248
Travelling and lodging		1,038,108	1,457,742
Entertainment		32,035	653,680
Venue		266,000	187,800
Training		-	82,294
Consultancies and translations		850,000	3,296,667
Website cost		107,790	407,160
Audit fee		-	93,720
		<u>5,268,678</u>	<u>11,287,505</u>
13 ADMINISTRATIVE EXPENSES			
Salaries and allowances		6,794,884	2,216,726
Utilities		319,580	167,241
Rent, rates and taxes		-	990,131
Printing and stationery		185,770	21,876
Entertainment		241,006	142,219
Travelling and lodging		286,948	44,835
Communication		146,534	318,162
Conference expenses		554,800	-
Repair and maintenance		320,624	259,762
Auditor's remuneration		150,000	125,000
Depreciation	3.1	205,940	53,684
Legal and professional charges		183,000	486,300
Advertisement and publicity		-	6,770
Insurance		166,250	-
Miscellaneous		2,000	26,250
		<u>9,557,336</u>	<u>4,858,956</u>
14 TAXATION			
Current			
- current year		1,851,644	221,872
- prior year		760,179	-
	5	<u>2,611,823</u>	<u>221,872</u>
Deferred	4	21,185	(32,586)
		<u>2,633,008</u>	<u>189,286</u>

14.1 Reconciliation of tax expense and product of accounting surplus and applicable rate is as follows:

	2023 Rupees
Surplus before tax	18,553,865
Tax on surplus @ 29% (2022: 29%)	5,380,621
Tax effect of lower rate	(3,525,234)
Tax effect of prior year	760,179
Others	17,442
	<u>2,633,008</u>

14.2 Reconciliation of tax expense and product of accounting surplus and applicable rate of prior year has not been presented being impracticable due to minimum tax on turnover as per the Income Tax Ordinance, 2001.

	2023	2022
15 NUMBER OF EMPLOYEES		
Total number of employees as at 30 June	05	07
Average number of employees during the year	06	05

16 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

	Chief Executive Officer	
	Rupees	Rupees
	2023	2022
Managerial remuneration	1,860,000	1,780,000
Medical expenses	120,000	115,000
House rent	1,200,000	860,000
Utilities	420,000	365,000
	<u>3,600,000</u>	<u>3,120,000</u>
Number of persons	01	01

16.1 No remuneration has been paid to any Directors of the Company.

17 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Chief Executive Officer, Directors of the Company and Key management personnel. Significant transactions with related parties have been disclosed in relevant notes to the financial statements.

18 FINANCIAL INSTRUMENT BY CATEGORIES

	Amortized cost	
	2023 Rupees	2022 Rupees
Assets as per statement of financial position		
Consultation fee receivable	10,521,972	-
Advance against salary	10,000	-
Cash and bank balances	16,410,319	14,211,465
	<u>26,942,291</u>	<u>14,211,465</u>
Liabilities as per statement of financial position		
Payable to consultants	2,427,350	-
Accrued expense	150,000	143,750
	<u>2,577,350</u>	<u>143,750</u>

19 DATE OF AUTHORIZATION FOR ISSUE

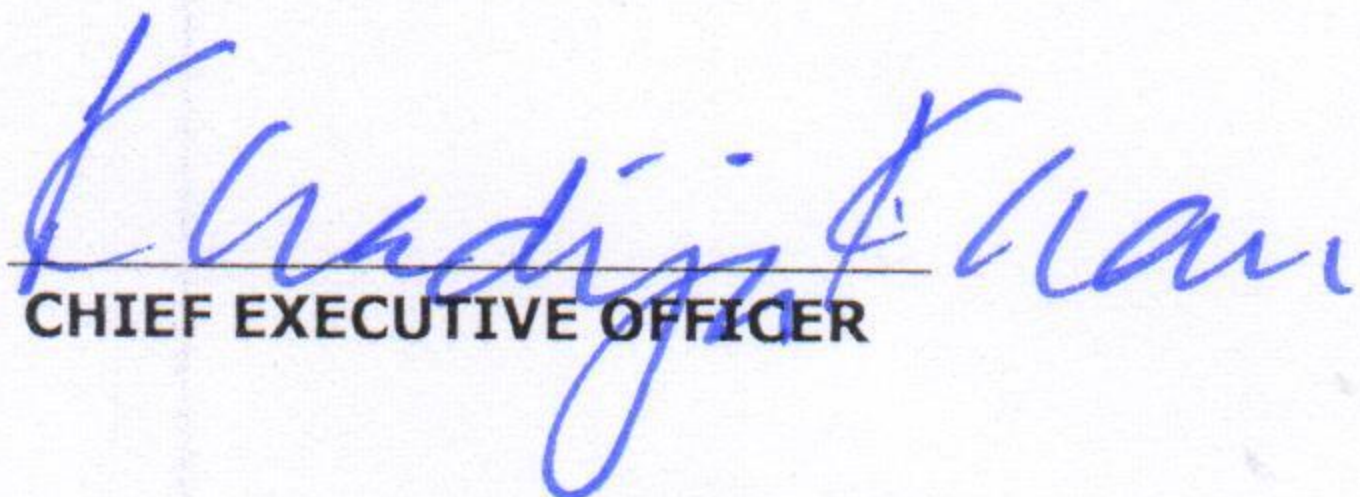
These financial statements were authorized for issue on **31 AUG 2023** by the Board of Directors of the Company.

20 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison and better presentation. No other significant reclassification / rearrangements of corresponding figures have been made.

21 GENERAL

Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE OFFICER


DIRECTOR