

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE***Opinion***

We have audited the financial statements of **The Bantva Educational Society**, which comprise the statement of financial position as at June 30, 2022, and the income and expenditure account for the year ended June 30, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Foundation are prepared, in all material respects, in accordance with the basis of accounting as described in note no. 2.1 to the financial statements.

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 Trust 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.

Responsibilities of Management and Trustees for the Financial Statements

The management committee is responsible for the preparation and fair presentation of the financial statements in accordance with the generally accepted accounting principles as applicable in Pakistan and for such internal control as the management committee 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 committee is responsible for assessing the Foundation'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 Trust or to cease operations, or has no realistic alternative but to do so.

Management committee is responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

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. Misstatement 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 controls.
- 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 Trust'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 Trust'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 Trust to cease to continue as a going concern.

We communicate with the management committee 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.



Reanda Haroon Zakaria & Co
Reanda Haroon Zakaria & Company
Chartered Accountants

Engagement Partner:
Muhammad Haroon

Place: Karachi
Date: September 29, 2022
UDIN: AR2022101363s6o9NRGu

THE BANTVA EDUCATIONAL SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	<i>Note</i>	<i>2022</i> <i>Rupees</i>	<i>2021</i> <i>Rupees</i>
<u>ASSETS</u>			
Non - Current Assets			
Property and equipment	4	5,838,143	6,395,410
Long term loan and deposits	5	72,500	42,500
		<u>5,910,643</u>	<u>6,437,910</u>
Current Assets			
Short-term investments	6	7,597,156	7,061,242
Loans, prepayments and Other receivable	7	5,158,631	6,415,930
Cash and bank balances	8	118,521,225	97,996,711
		<u>131,277,012</u>	<u>111,473,883</u>
		<u>137,187,655</u>	<u>117,911,793</u>
<u>FUNDS AND LIABILITIES</u>			
Funds			
General		31,744,263	27,305,507
School and Educational Development		59,760,451	47,669,730
Education Endowment Fund		29,923,473	26,984,636
	9	121,428,187	101,959,873
Non- Current Liabilities			
Deposit against licensed premises		500,000	500,000
Current Liabilities			
Undisbursed zakat and conditional donations	10	9,949,318	8,530,380
Accrued and other payables	11	5,310,150	6,921,540
		<u>15,259,468</u>	<u>15,451,920</u>
		<u>137,187,655</u>	<u>117,911,793</u>

The annexed notes from 1 to 12 from an integral part of these financial statements.



 President



 General Secretary



THE BANTVA EDUCATIONAL SOCIETY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
<u>INCOME</u>			
Tuition fees		24,450,998	21,999,426
Profit from sale of school books		206,496	194,783
Funds / fees allocated from zakat fund		5,564,564	6,378,535
Funds allocated from conditional donation		1,474,285	2,486,054
Income from bank deposits and investments		5,836,460	4,659,836
License fees		3,480,000	3,480,000
Miscellaneous income		72,600	53,310
		41,085,403	39,251,944


LESS: EXPENDITURES

Food for hostel		1,101,688	1,270,528
Salaries and benefits		13,046,557	13,529,089
Repair and maintenance		712,146	1,334,570
Motor vehicle expenses		348,993	311,230
School fees and educational items for deserving students		1,731,319	2,957,709
Utilities and property taxes		1,084,487	1,019,603
Events and functions		96,750	26,300
Marriage help		659,300	703,000
Medical aid		154,888	176,807
Rent of school building		300,000	300,000
Printing and stationery		170,555	134,417
Entertainment		381,106	458,500
Depreciation	4	724,833	775,725
Audit fee		55,000	62,000
Professional charges		281,540	190,025
Miscellaneous expenses		273,275	472,402
Surplus earned from Rukaiya Hajiani High School transferred to School and Education Development Fund		12,090,721	9,234,129
		33,213,158	32,956,034

LESS: ALLOCATIONS

50% of license fees allocated to Education Endowment Fund	1,758,000	1,758,000
Financial income relating to the Zakat Fund	494,652	323,427
Financial income relating to the Education Endowment Fund	1,180,837	970,280
	3,433,489	3,051,707
Surplus for the Year Transferred to General Fund	4,438,756	3,244,203

The annexed notes from 1 to 12 form an integral part of these financial statements.


 ✓ **President**

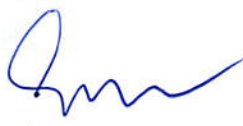

General Secretary



THE BANTVA EDUCATIONAL SOCIETY
SEGMENT-WISE STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022

	2022					2021						
	Safura House	Education Bureau	Rukaiya Hajiani High School	General	Elimination for Inter-Segment Transactions	Total	Safura House	Education Bureau	Rukaiya Hajiani High School	General	Elimination for Inter-Segment Transactions	Total
Note	-Rupees-						-Rupees-					
INCOME												
Tuition fees	-	-	24,450,998	-	-	24,450,998	-	-	21,999,426	-	-	21,999,426
Profit from sale of school books	-	-	206,496	-	-	206,496	-	-	194,783	-	-	194,783
Funds / fees allocated from zakat fund	4,996,114	-	568,450	-	-	5,564,564	5,746,935	-	631,600	-	-	6,378,535
Funds allocated from conditional donation	-	1,474,285	-	-	-	1,474,285	-	2,486,054	-	-	-	2,486,054
Income from bank deposits and investments												
Profit on PLS accounts	16,722	22,977	354,408	521,746	-	915,853	26,510	14,512	342,190	1,226,619	-	1,609,831
Profit on Zakat Fund Account HMBL 2021-2022	-	-	-	333,386	-	333,386	-	-	-	-	-	-
Profit on NBP Investment Fund	-	-	-	645,462	-	645,462	-	-	-	254,039	-	254,039
Profit on HBL Investment Fund	-	-	-	99,720	-	99,720	-	-	-	-	-	-
Profit from term deposit certificates	-	-	-	3,842,039	-	3,842,039	-	-	-	2,795,966	-	2,795,966
Income from bank deposits and investments	16,722	22,977	354,408	5,442,353	-	5,836,460	26,510	14,512	342,190	4,276,624	-	4,659,836
License fees	-	-	-	3,516,000	(36,000)	3,480,000	-	-	-	3,516,000	(36,000)	3,480,000
Miscellaneous income	-	-	72,600	-	-	72,600	-	15,310	38,000	-	-	53,310
	5,012,836	1,497,262	25,652,952	8,958,353	(36,000)	41,085,403	5,773,445	2,515,876	23,205,999	7,792,624	(36,000)	39,251,944
EXPENDITURE												
Food for hostel	1,101,688	-	-	-	-	1,101,688	1,270,528	-	-	-	-	1,270,528
Salaries and benefits	1,633,733	-	11,193,824	219,000	-	13,046,557	1,681,367	155,833	11,472,889	219,000	-	13,529,089
	105,990	143,862	399,544	62,750	-	-	-	-	-	-	-	-
Repair and maintenance	335,730	-	-	13,263	-	712,146	358,895	240,586	447,735	287,354	-	1,334,570
Motor vehicle expenses	-	-	-	-	-	348,993	311,230	-	-	-	-	311,230
educational items for deserving students	88,190	1,340,489	302,640	-	-	1,731,319	367,495	2,067,044	460,900	62,270	-	2,957,709
Utilities and property taxes	538,290	-	546,197	-	-	1,084,487	567,603	-	452,000	-	-	1,019,603
Events and functions	18,250	-	68,500	10,000	-	96,750	-	-	26,300	-	-	26,300
Marriage help	659,300	-	-	-	-	659,300	610,000	-	-	93,000	-	703,000
Medical aid	154,888	-	-	-	-	154,888	176,807	-	-	-	-	176,807
Rent of school building	-	-	300,000	-	-	300,000	-	-	300,000	-	-	300,000
Rent charged by Bantva Educational Society	36,000	-	-	-	(36,000)	-	36,000	-	-	-	(36,000)	-
Printing and stationery	17,065	-	153,490	-	-	170,555	36,257	-	98,160	-	-	134,417
Entertainment	46,846	-	134,260	200,000	-	381,106	89,770	50,000	133,730	185,000	-	458,500
Depreciation	209,434	-	315,374	200,025	-	724,833	181,129	-	250,584	344,012	-	775,725
Audit fee	-	-	-	55,000	-	55,000	-	-	-	62,000	-	62,000
Professional charges	9,640	4,211	32,802	234,887	-	281,540	10,041	2,413	20,785	156,786	-	190,025
	57,792	8,700	115,600	91,183	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	273,275	76,323	-	308,787	87,292	-	472,402
Surplus from School transferred to School and Education Development Fund	-	-	12,090,721	-	-	12,090,721	-	-	9,234,129	-	-	9,234,129
	5,012,836	1,497,262	25,652,952	1,086,108	(36,000)	33,213,158	5,773,445	2,515,876	23,205,999	1,496,714	(36,000)	32,956,034
ALLOCATIONS												
50% of license fees allocated to Education Endowment Fund	-	-	-	1,758,000	-	1,758,000	-	-	-	1,758,000	-	1,758,000
Financial income relating to the Zakat Fund	-	-	-	494,652	-	494,652	-	-	-	323,427	-	323,427
Financial income relating to the Education Endowment	-	-	-	1,180,837	-	1,180,837	-	-	-	970,280	-	970,280
	-	-	-	3,433,489	-	3,433,489	-	-	-	3,051,707	-	3,051,707
Surplus for the year transferred to General Fund	-	-	-	4,438,756	-	4,438,756	-	-	-	3,244,203	-	3,244,203

The annexed notes from 1 to 12 from an integral part of these financial statements.


President


General Secretary



THE BANTVA EDUCATIONAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF ACTIVITIES

The Society is a Not-for-Profit organization registered in Karachi, Pakistan on August 27, 1968, under the Societies Registration Act, 1860 Karachi No. 2523 of 1968-69 and is established to promote education in Pakistan. The Society currently runs the institutions stated below for orphans and needy children. It also manages and grants educational scholarships to financially weak students:

1.1 Safura Bai Memon Girls Boarding House (Safura House)

1.2 The Education Bureau

The Society also manages The Rukiaya Hajiani High School (RHH) for Al-Gilani Foundation without any compensation. By virtue of an agreement entered into with the Foundation, with effect from July 1, 2012, the Society has assumed the complete financial and management responsibility of the school for ten years. The salient features of the agreement are as follows:

- a* The Foundation will transfer all the assets and liabilities, excluding the school building, to the Society.
- b* The society will pay an annual rent of Rs. 300,000 to the Foundation for school building.
- c* The society will bear any losses arising from the operations of RHH School.
- d* Any surplus arising from the operations of RHH School will be set aside in a School and Education Development Fund. This fund can only be utilized for the development of RHH School and promotion of education including granting of financial assistance to needy students.

The activities of the society are funded primarily from donations and zakat.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the generally accepted accounting principles as applicable in Pakistan.

2.2 Basis of measurement

These accounts have been prepared under the historical cost convention, except as otherwise disclosed. Further, accrual basis of accounting is followed in the preparation of these financial statements.

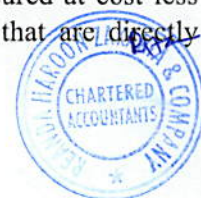
2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the functional currency of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

These are initially recognized at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.



Depreciation on fixed assets is charged to income by applying reducing balance method at the rates specified in the note 4 to the financial statements. Depreciation is charged from the month in which the depreciable assets are available for use and on deletions up to the month of deletion.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace an item of property and equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Gains and losses on disposal of assets, if any, are taken to profit and loss account.

The carrying values of fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

3.2 Loans, prepayments and Other receivable

Deposits are carried at nominal amount which is the fair value of the consideration to be received / adjusted in future. Advances and other receivables are initially stated at their nominal values. Provision for doubtful amounts is established where there is an objective evidence that the Company will not be able to collect the due amounts. Balances considered irrecoverable are written off.

3.3 Cash and bank balances

It comprises of cash in hand and cash at banks in current accounts which are carried at cost. Cash at bank comprise of bank balances and TDRs.

3.4 Accrued and other payables

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

3.5 Revenue recognition

Tuition fees

Tuition fees are recognised in the period when these are earned.

Zakat and donations

Zakat and conditional donations are treated as liabilities when received and taken to income when the related expenses are disbursed.

Unconditional donations are treated as income when received.

Markup income and license fee

Markup income and license fee are recognized on a time proportion basis.

Other income

Other income is recognized on occurrence of transaction on accrual basis.

3.6 Taxation

Income of the society is exempt from tax being non profit organization under section 100 C of the Income Tax Ordinance, 2001.

3.7 Short-term investments

Investments in mutual funds is initially recorded at transaction cost and subsequently at net asset value reported by such funds at the reporting date.



4 PROPERTY AND EQUIPMENT

<i>Description</i>	<i>Written down as at July 01, 2021</i>	<i>Additions during the year</i>	<i>Depreciation charge for the year</i>	<i>Written down value as at June 30, 2022</i>	<i>Rate</i>
<i>----- Rupees -----</i>					
Buildings	3,849,248	-	(192,462)	3,656,786	5%
Furniture and fixture	1,631,875	11,000	(326,925)	1,315,950	20%
Equipment	624,403	139,566	(139,906)	624,063	20%
Computers	54,379	17,000	(18,439)	52,940	30%
Motor Vehicles	235,505	-	(47,101)	188,404	20%
<i>Rupees 2022</i>	<u>6,395,410</u>	<u>167,566</u>	<u>(724,833)</u>	<u>5,838,143</u>	
<i>Rupees 2021</i>	<u>6,724,025</u>	<u>447,110</u>	<u>(775,725)</u>	<u>6,395,410</u>	



	Note	2022 Rupees	2021 Rupees
5 LONG TERM LOAN AND DEPOSITS			
<i>Loans - considered good</i>			
- To Employees		171,000	117,000
Less: current portion	7	(141,000)	(117,000)
		30,000	-
<i>Deposits</i>		42,500	42,500
		72,500	42,500

6 SHORT-TERM INVESTMENTS

- At amortized cost			
NBP Islamic Mahana Amdani Fund		7,597,156	7,061,242

7 LOANS, PREPAYMENTS AND OTHER RECEIVABLE

<i>Loans - considered good</i>			
Current portion of long term loans to employees	5	141,000	117,000
<i>Prepayments against</i>			
- against insurance		3,037	-
<i>Other receivables - considered good</i>			
- from Donor's		13,400	130
- license fees		-	2,030,000
- Fees receivable		328,714	104,645
- Conditional donation		4,545,456	3,879,671
- Markup on TDRs		127,024	284,484
		5,014,594	6,298,930
		5,158,631	6,415,930

8 CASH AND BANK BALANCES

Cash in hand		50,000	74,423
Cash at banks - in profit bearing accounts	8.1 & 8.2	118,471,225	97,922,288
		118,521,225	97,996,711

8.1 These carry markup / profit ranging from 5% to 7% (2021: 5% to 8%) per annum.

	Note	2022 Rupees	2021 Rupees
8.2 Bank balances include term deposit receipts as under:			
Faysal Islamic Cash Fund		1,013,474	-
HBL Management Ltd		1,089,227	1,008,524
United Bank Limited		130,000	130,000
Meezan bank limited		90,000,000	-
	8.2.1	92,232,701	1,138,524

8.2.1 These carry markup / profit ranging from 5% to 7% (2021: 5% to 8%) per annum.



<i>General</i>	<i>School and Educational Development</i>	<i>Education Endowment Fund</i>	<i>Total</i>
<i>----- Rupees -----</i>			

9 FUNDS

<i>At beginning of the year</i>	27,305,507	47,669,730	26,984,636	101,959,873
School surplus for the year	-	12,090,721	-	12,090,721
Allocation of 50% of license fee	-	-	1,758,000	1,758,000
Allocation of financial income	-	-	1,180,837	1,180,837
Surplus for the year	4,438,756	-	-	4,438,756
<i>At end of the year</i>	31,744,263	59,760,451	29,923,473	121,428,187

- a) School & Educational Development Fund has been established in accordance with the agreement dated July 01, 2012 (as discussed in note no. 1) with Gilani Foundation. The agreement stipulates that any surplus from the operations of RHH school is to be set aside in the aforesaid fund which is to be utilized only for the development of the school and promotion of the education.
- b) Education Endowment Fund has been established to grant mark-up free financial assistance to deserving students from the income of the fund.

<i>Conditional Donation</i>	<i>Zakat</i>	<i>Total</i>
<i>----- Rupees -----</i>		

10 UNDISBURSED ZAKAT AND CONDITIONAL DONATIONS

<i>At the beginning of the year</i>	-	8,530,380	8,530,380
Received during the year	808,500	8,254,450	9,062,950
Conditional donation receivable	665,785	-	665,785
Allocation of financial income	-	494,652	494,652
	1,474,285	17,279,482	18,753,767
<i>Disbursed / charged to income during the year</i>			
Safura bai Memon Girls Boarding House	-	(4,996,114)	(4,996,114)
The Education Bureau	(1,474,285)	-	(1,474,285)
Zakat paid to others	-	(1,765,600)	(1,765,600)
Rukiyah Hajiani High School	-	(568,450)	(568,450)
	(1,474,285)	(7,330,164)	(8,804,449)
<i>At the end of the year</i>	-	9,949,318	9,949,318

	<i>Note</i>	<i>2022 Rupees</i>	<i>2021 Rupees</i>
11 ACCRUED AND OTHER PAYABLES			
Amanat payable		-	432,880
Advance tuition fees		366,090	369,690
Rent payable to Al-Gilani Foundation	1	3,000,000	2,700,000
Accrued liabilities		69,878	1,426,124
Advances from donor's		7,870	-
Staff gratuity payable	11.1	1,866,312	1,992,846
		5,310,150	6,921,540



11.1 This represents gratuity payable to employees as a result of gratuity scheme discontinued w.e.f. June 30, 2015. Gratuity is paid when the employee (who was part of the Scheme before discontinuation) leaves the Society.

12 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on September 29, 2022, by the Management Committee of the Society.



✓ *President*

General Secretary