

The 66 Scholarship Foundation

(A Company Incorporated under section 42 of Companies Act, 2017)

Statement of Changes in Accumulated Fund

For The Year Ended June 30, 2020

	Note	Member's Contribution	Accumulated Surplus	Total
-----Rupees-----				
Balance as at June 30, 2018		1,700,000	91,600	1,791,600
Surplus for the year		-	143,928	143,928
Contribution from Members (Equity Fund)		1,460,000	-	1,460,000
Balance as at June 30, 2019		3,160,000	235,528	3,395,528
Surplus for the year		-	221,892	221,892
Contribution from Members (Equity Fund)	11	2,970,000	-	2,970,000
Balance as at June 30, 2020		6,130,000	457,420	6,587,420

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


Chief Executive




Director

(A Company Incorporated under section 42 of Companies Act, 2017)

**Notes to The Financial Statements
For The Year Ended June 30, 2020**

1 The Foundation and Its Activities:

1.1 The **66 Scholarship Foundation** is a company limited by guarantee not having share capital, incorporated on December 18, 2017 and licensed as a non-profit organization dated November 07, 2017 vide licence No. 1141 under section 42 of Companies Act, 2017 . The Foundation is principally engaged in raising funds in Pakistan and being formed with the primary object "to provide scholarships to students and grant aid including supply of books, stipends, medals, prizes, grants, awards, medicines, educational career support, bursaries and other incentives for purposes of advancement of knowledge, education and literacy. The registered office of the Foundation is situated at House # 68, Block L, Model Town Ext, Lahore.Punjab.

2 Basis of Accounting:

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting standards and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards 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 Institute of Chartered Accountant 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 Standards for NPOs, 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 historical cost convention. All transaction reflected in these financial statements are on accrual basis except for those reflected in cash flows statements.

2.3 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Foundation's functional and presentation currency. All the financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise agreed.

3 Use of Estimates And Judgements

The preparation of financial statement in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

- Useful lives and residual values of depreciable assets
- Impairment of financial instrument
- Provisions and contingencies

4 Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below which have been consistently applied to all the years presented.

4.1 Property, Plant & Equipment

Property, Plant and Equipments are stated at cost less accumulated depreciation and any identified impairment loss, except for freehold land which is stated at cost. Cost comprises of acquisition and other directly attributable costs.

Depreciation on all property, plant and equipment is charged to income and expenditure statement on reducing balance method so as to write off the historical cost of an asset over its estimated useful life at the rates referred to in note 5 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

Depreciation methods, residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted prospectively, if impact on depreciation is

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 Foundation and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure statement during the period in which they are incurred.

The Company assesses at each balance sheet date whether there is any indication that fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of income and expenditure. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

An item of equipment is derecognized upon disposal when no future economic benefits are expected from its use or disposal. Gain or loss on sale of an item of property, plant and equipment are determined by comparing the proceeds from sale with the carrying amount of property, plant and equipment and is recognized in statement of income and expenditure.

4.2 Impairment

The carrying amounts of the Company's 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 profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

4.3 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash with banks in current and saving accounts and other short term financial assets with original term of up to one month and are valued at specific nominal values.

4.4 Surplus for the Year Restricted Fund:

The Surplus for the year is restricted Fund for Capital expenditure towards achieving the objectives of the foundation.

4.5 Other Payables

Other payables are non derivative financial liabilities and are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method if applicable. The Foundation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

4.6 Provisions and Contingencies

Provisions are recognized when the Foundation 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 a reliable estimate can be made of the amount of obligation. However provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

4.7 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Foundation at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognized in income and expenditure statement.

4.8 Income Recognition

Charity, Donation and Zakat

Donations are recognized in income and expenditure statement when received either in cash or in bank account.

Profit from Banks

Profit from bank balances are recognized on a time proportion basis on the principal amount and at the applicable rate.

4.9 Investment

Investment is accounted for using equity method of accounting. Under the equity method, the investment is initially recognized at cost., and carrying amount is increased or decreased to recognize the income or expenditure of the investee after the date of acquisition.