

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE 66 SCHOLARSHIP FOUNDATION**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **The 66 Scholarship Foundation**, which comprise the statement of financial position as at June 30, 2022, and the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in accumulated 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, statement of income and expenditure, statement of other comprehensive income, the statement of changes in accumulated 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 Foundation's affairs as at June 30, 2022 and of the surplus, the other comprehensive income, the changes in accumulated 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 Foundation 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 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 accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Foundation or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

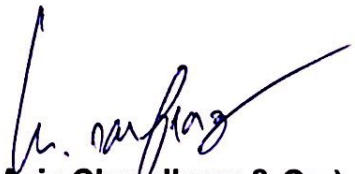
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Foundation 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 other comprehensive income, the statement of changes in accumulated 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 Foundation's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Date: October 03, 2022
Place: Lahore
UDIN: AR202210342N6d5mbaS


(A. Aziz Chaudhury & Co.)
CHARTERED ACCOUNTANTS
(M. Sarfraz Chaudhury)

The 66 Scholarship Foundation

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

Statement of Financial Position

As at June 30, 2022

<u>ASSETS</u>	Note	2022 Rupees	2021 Rupees
<u>Non Current Assets</u>			
Property Plant and Equipments	5	34,446	21,986
<u>Current Assets</u>			
Investment	6	10,248,600	7,120,837
Advance Income Tax		-	36,173
Cash and Bank Balances	7	677,127	1,339,109
		<u>10,925,727</u>	<u>8,496,119</u>
		<u>10,960,173</u>	<u>8,518,105</u>

EQUITY AND LIABILITIES

EQUITY
REPRESENTED BY.

Accumulated Fund :

Members' Fund

Restricted Fund

9,353,571	7,650,048
1,606,602	868,057

Total Equity

<u>10,960,173</u>	<u>8,518,105</u>
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Contingencies & Commitments

8

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



Chief Executive




Director

The 66 Scholarship Foundation
 (A Company Incorporated under section 42 of Companies Act, 2017)
Statement of Income and Expenditure
For the Year Ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<u>Income</u>			
Donation Received		5,315,613	3,061,412
<u>Expenditure</u>			
General & Administrative Expenses	9	4,964,887	2,945,590
Finance Cost	10	245	35
		<u>4,965,132</u>	<u>2,945,625</u>
		350,481	115,787
Other Income		-	-
Surplus Before Taxation		350,481	115,787
Taxation		(146,958)	(103,159)
Surplus After Taxation		<u>203,523</u>	<u>12,628</u>

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



Chief Executive




Director

The 66 Scholarship Foundation

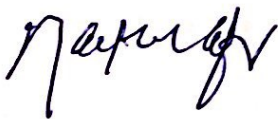
(A Company Incorporated under section 42 of Companies Act, 2017)

Statement of Other Comprehensive Income

For the Year Ended June 30, 2022

Note	2022 Rupees	2021 Rupees
Surplus After Taxation	203,523	12,628
Other Comprehensive Income	-	-
Total Comprehensive Surplus For The Year	<u>203,523</u>	<u>12,628</u>

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



Chief Executive



Director

The 66 Scholarship Foundation

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

Statement of Cash Flows
For the Year Ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<u>Cash Flows From Operating Activities</u>			
Surplus Before Tax		350,481	115,787
Adjustment for Non Cash Items			
Depreciation		14,763	9,423
Cash Generated From Operations		365,244	125,210
Income Tax Paid		(110,785)	(36,173)
Net Cash Flows from Operating Activities		254,459	89,037
<u>Cash Flows From Investing Activities</u>			
Capital Expenditure		(27,223)	-
Investment		(3,127,763)	(4,194,629)
Net Cash Used In Investing Activities		(3,154,986)	(4,194,629)
<u>Cash Flows From Financing Activities</u>			
Capital Fund		2,238,545	1,918,057
Net Cash Flows from Financing Activities		2,238,545	1,918,057
Net Decrease In Cash And Cash Equivalents		(661,982)	(2,187,535)
Cash And Cash Equivalents At The Beginning Of The Year	7	1,339,109	3,526,644
Cash And Cash Equivalents At The End Of The Year	7	677,127	1,339,109

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



Chief Executive




Director

(A Company Incorporated under section 42 of Companies Act, 2017)
Statement of Changes in Accumulated Fund
For The Year Ended June 30, 2022

	Note	Member's Fund	Restricted Fund	Accumulated Surplus	Total
-----Rupees-----					
Balance as at June 30, 2020		6,130,000	-	457,420	6,587,420
Surplus for the year		-	-	12,628	12,628
Contribution from Members (Equity Fund)		1,050,000	-	-	1,050,000
Restricted Fund			868,057		868,057
Balance as at June 30, 2021		7,180,000	868,057	470,048	8,518,105
Surplus for the year		-	-	203,523	203,523
Contribution from Members	11	1,500,000	-	-	1,500,000
Restricted Fund	11	-	738,545	-	738,545
Balance as at June 30, 2022		8,680,000	1,606,602	673,571	10,960,173

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, 2022**

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.

The Company determines at each reporting date whether there is any objective evidence that the investment is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount and its carrying value and recognizes the amount in the statement of income and expenditure

4.11 Taxation

Income tax expense represents tax expense for current and prior years. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

Subject to certain conditions, the Foundation is entitled to 100% tax credit of the income tax payable, including minimum and final taxes payable, under section 100C of the Income Tax Ordinance, 2001. Therefore, no provision of current income tax has been accounted for in these financial statements.

(The Company Incorporated under section 42 of the Companies Act, 2017)
Notes To The Financial Statements
For The Year Ended June 30, 2022

Notes		2022 Rupees	2021 Rupees
5	<u>Property Plant and Equipments</u>		
	Cost	5.1 91,323	64,100
	Less: Accumulated Depreciation	5.1 56,877	42,114
		<u>34,446</u>	<u>21,986</u>
6	<u>Investment</u>		
	NBP Daily Dividend Fund	10,248,600	4,034,533
	NBP-Mahana Amdani Fund	-	3,086,304
		<u>10,248,600</u>	<u>7,120,837</u>
7	<u>Cash and Bank Balances</u>		
	Cash in Hand	-	27,223
	Cash at Bank - Current Account	677,127	1,311,886
		<u>677,127</u>	<u>1,339,109</u>

8. Contingencies and Commitments

There were no significant contingencies and commitments at the date of statement of financial position.

9 <u>General and Administrative Expenses</u>	Charitable Activities	Administrative & General	2022	2021
			Total	Rupees
		Rupees.....	
Students Stipend & Fee	4,735,365	-	4,735,365	2,699,451
Salaries and Wages	75,000	-	75,000	170,000
Printing and Stationery	-	5,240	5,240	29,820
Entertainment	-	7,647	7,647	-
General Expenses	-	107,790	107,790	15,279
Website Development	19,082	-	19,082	9,439
Legal & Professional	-	-	-	12,178
Depreciation	-	14,763	14,763	9,423
	<u>4,829,447</u>	<u>135,440</u>	<u>4,964,887</u>	<u>2,945,590</u>

**The 66 Scholarship Foundation
Operating Fixed Assets (2022)**

Note 5.1

DESCRIPTION	COST			Rate %	DEPRECIATION			W.D.V As At 30-06-2022
	As on 01-07-2021	Addition/ (Deletion)	Total as on 30-06-2022		As on 01-07-2021	For the year	Total as at 30-06-2022	
Owned Assets Computers	64,100	27,223	91,323	30%	42,114	14,763	56,877	34,446
Total	64,100	27,223	91,323	-	42,114	14,763	56,877	34,446

**The 66 Scholarship Foundation
Operating Fixed Assets (2021)**

Note 5.1

DESCRIPTION	COST			Rate %	DEPRECIATION			W.D.V As At 30-06-2021
	As on 01-07-2020	Addition/ (Deletion)	Total as on 30-06-2021		As on 01-07-2020	For the year	Total as at 30-06-2021	
Owned Assets Computers	64,100	-	64,100	30%	32,691	9,423	42,114	21,986
Total	64,100	-	64,100	-	32,691	9,423	42,114	21,986

The 66 Scholarship Foundation

	2022 Rupees	2021 Rupees
10 Finance Cost		
Bank Charges	245	35
11 Contribution from Members		
Mr. Naveed Afraz (Chief Executive)	100,000	100,000
Mr. Akhtar Uddin Ahmad	250,000	200,000
Mr. Sohail Bashir Rana	200,000	200,000
Mr. Maqsood Ahmad	250,000	100,000
Mr. Tauqir Ahmad Sharifi	200,000	300,000
Mr. Sikander Hamid Khan	150,000	150,000
Ms. Nazish Afraz	200,000	-
Ms. Hadeel Fatima	100,000	-
Ms. Mahwash Fawad	50,000	-
	<u>1,500,000</u>	<u>1,050,000</u>
12 Restricted Fund	<u>1,606,602</u>	<u>868,057</u>
	<u><u>3,106,602</u></u>	<u><u>1,918,057</u></u>

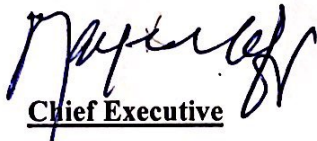
13 Date of Authorization of Issue

The Board of Directors of the foundation authorized the financial statements for the issuance on October 03, 2022.

14 Figures

-Figures have been rounded off to the nearest rupee.

-Corresponding figures have been rearranged, wherever necessary for the purpose of comparison.


Chief Executive




Director