

Financial Statements

DHORAJI YOUTH SERVICES FOUNDATION

For the Year Ended June 30, 2022

INDEPENDENT AUDITORS' REPORT

To the members of **DHORAJI YOUTH SERVICES FOUNDATION**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of '**DHORAJI YOUTH SERVICES FOUNDATION**', which comprise the statement of financial position as at June 30, 2022 and the statement of Income and expenditure, and 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 our 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 & expenditure 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 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 income and expenditure, the surplus or deficit, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the international Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accounts' *Code of Ethics for Professional Accounts* 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 Board of Governance 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 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 operations, or has no realistic alternative but to do so.

Board of Governance 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 are 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 are 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.
- 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 governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Foundation for recording its assets and liabilities and income and expenditure
- b) The statement of financial position, the income and expenditure account, the statement of surplus or deficit, and the statement of cash flows together with the notes thereon have been drawn up in agreement with the books of account and returns;

RAFIQ & CO.
CHARTERED ACCOUNTANTS

Mohammad Rafiq Tumbi
F.C.A.

- 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).

RAFIQ & CO.
CHARTERED ACCOUNTANTS

Karachi:

Date:



DHORAJI YOUTH SERVICES FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON - CURRENT ASSETS			
Operating fixed assets		244,990	124,073
PCP Certification	4	202,000	-
Lease Hold Land - School		4,988,032	3,745,992
		5,435,022	3,870,065
CURRENT ASSETS			
Short term investments	5	260,246,445	180,462,132
Income tax refundable		9,638,234	7,419,001
Loans and advances	6	453,776	441,756
Other receivable		346	2,613,972
Cash in hand		5,000	5,000
Cash at bank	7	60,392,531	94,775,976
		330,736,332	285,717,837
TOTAL ASSETS		336,171,354	289,587,902
FUNDS AND LIABILITIES			
FUNDS			
General fund	8	6,070,172	5,914,158
Other Funds			
Patients' Welfare Fund	9	18,887,421	14,816,119
Scholarship Fund	10	1,389,923	8,250,668
Education Endowment Fund	11	294,226,263	252,342,855
Community Development Fund	12	8,922,575	3,734,102
School Building Fund	13	6,645,000	4,500,000
		330,071,182	283,643,744
CURRENT LIABILITIES			
Audit fee payable		30,000	30,000
		30,000	30,000
TOTAL FUNDS & LIABILITIES		336,171,354	289,587,902

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

PRESIDENT

HON. GENERAL SECRETARY

TREASURER

DHORAJI YOUTH SERVICES FOUNDATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
INCOME			
Fees received		-	500
Gain on Disposal		7,554	-
Net income from Annual Academic Excellence Awards	14	13,054,330	13,311,313
		13,061,884	13,311,813

ADMINISTRATIVE EXPENSE

Salaries and wages	1,064,887	939,101
Utilities	237,554	197,975
Printing and stationery	46,855	20,995
Repair and maintenance	33,850	8,200
Registration / Renewal Fees	200,000	-
Frieght and Postage	19,507	15,220
Audit fee	30,000	30,000
Bank charges	-	11,505
Education and Welfare Activities	2,000	-
Miscellaneous expenses	137,080	91,519
Depreciation	134,137	19,043
	1,905,870	1,333,558
	<u>11,156,014</u>	<u>11,978,255</u>

Surplus/(Deficit) for the year

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

H. GENERAL SECRETARY

TREASURER

DHORAJI YOUTH SERVICES FOUNDATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	11,156,014	11,978,255
Adjustments for :		
Funds Transfer to specific funds	(11,000,000)	(12,595,145)
Depreciation for the year	134,137	19,043
Surplus / (Deficit) before Working capital changes	290,151	(597,847)
Changes in Working Capital		
<u>(Increase)/Decrease in Current Assets</u>		
Loans and Advances	(12,020)	(56,000)
Income tax refundable	(2,219,233)	(1,504,405)
Receivable from members of BOG	-	215,000
Other receivable	2,613,626	(2,613,972)
	382,373	(3,959,377)
<u>Increase/(Decrease) in Current Liabilities</u>		
Other payable	-	(256,129)
	382,373	(4,215,506)
	672,524	(4,813,353)
Cash (used in)/generated from operation		
CASH FLOW FROM INVESTING ACTIVITIES		
Investments made during the year	(79,784,313)	11,945,229
Addition in fixed asset	(457,054)	-
Work in process	(1,242,040)	-
Proceeds of specific funds	46,427,438	46,258,072
Net cash inflow from investing activities	(35,055,969)	58,203,301
	(34,383,445)	53,389,948
Net increase in cash & cash equivalents	94,780,976	41,391,028
Cash and cash equivalents at the beginning of the year	60,397,531	94,780,976
Cash and cash equivalents at the end of the year		

PRESIDENT

H. GENERAL SECRETARY

TREASURER

DHORAJI YOUTH SERVICES FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE

Dhoraji Youth Services Foundation, (the Foundation) has been established as a Society under the Societies Registration Act, 1860 on March 16, 2006. The Foundation is a non-political and non-profit organization. The main activities of the Foundation are to promote education, provide healthcare to the needy patients and participate in the job placements, relief and rehabilitation projects. The registered office of Foundation is located at Dhoraji Institute of Information Technology, Shopping Centre, Dhoraji Colony, Karachi-74800

2. IMPACT OF COVID-19 PANDEMIC

A novel strain of Corona Virus (Covid-19) that first surfaced in China was classified as a pandemic by W.H.O on March 11, 2020 impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the Covid-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown and disruptions to various business. The lockdown however excluded companies involved in the business of supplying necessary consumer goods and rendering essential services. As of the release date of these financial statements, there has been no specifically material quantifiable impact of Covid-19 on the company's financial condition or result of operations.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

These financial statements have been prepared in accordance with the guidelines for Accounting and Financial Reporting by Non-Profit Organizations as issued by the Institute of Chartered Accountants of

3.2 Basis of Preparation

These financial statements have been prepared using the receipts and expenditure basis of accounting, where revenue is recognized when received rather than earned and expenses are recognized when incurred i.e. on an accrual basis.

3.3 Accounting Convention

These financial statements are prepared under the historical cost convention, except for certain investments which are carried at fair value.

3.4 Operating fixed assets

These are stated at cost less accumulated depreciation. Depreciation is charged to receipts and expenditure account applying the diminishing balance method. The rates used are stated in note 3 to the financial statements. Full year's depreciation is charged on addition in the year of purchase, while no depreciation is charged in the year of disposal.

Gain or loss on sale or retirement of fixed assets if any, is included in current year's receipt and expenditure account currently.

Maintenance and normal repairs are charged to receipts and expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced if any, are retired.

3.5 Lease Hold Land for School

Represents net cost till date of 99 years lease-hold land measuring 1920 square yard acquired in the year 2014-2015 at Dhoraji Town, in Scheme 33, Malir Cantt, Karachi for School Building from Dhoraji Co-operative Housing Society.

3.6 Investments - Available for sale

Mutual Fund units and shares are carried at fair value. These include investments held for trading and investments designated upon initial recognition as available for sale.

Investments are classified as held for trading if they are acquired for the purpose of selling in the near future.

Gain or Loss on revaluation of investment and gain or loss realized upon disposal is recognized in the Education Endowment Fund.

3.7 Revenue recognition

Subscription fee and contributions from donors are recognized as and when received. Donations in kind are recorded at estimated values determined by the management on the basis of estimated price.

Proceeds from the Annual Academic Excellence Award Ceremony are recorded on receipt basis and directly taken to the respective fund.

Profits on investments are recognized on receipt basis and directly credited to Education Endowment Fund..

3.8 OTHER FUNDS

3.8.1 Patients' Welfare Fund (PWF)

The Patients' Welfare Fund (PWF) is managed to treat the needy patients through referrals to the approved network of healthcare centres.

Contributions, comprising zakat are recorded as and when received, while payments are recorded on disbursement of fund.

3.8.2 Scholarship Fund (SF)

Scholarship Fund (SF) is managed to provide financial assistance to the students on merit cum-need basis for pursuing studies at the Pre-primary, Primary, Secondary, Higher Secondary and Higher Studies levels.

Contributions from the donors for the fund are recorded as and when received.

Payments are made directly to the educational institutions and related service providers and are recorded on disbursement of fund.

3.8.3 Education Endowment Fund (EEF)

The Foundation has established Education Endowment Fund (EEF) for the Long term sustainability of the Scholarship program. The contributions received from the donors are recorded as and when received. From the last year the Board of Governors had decided to take the net receipt of annual academic excellence award ceremony to Education Endowment Fund. The principal amount is kept intact and invested, while the income earned on investment is utilized through the Scholarship Fund.

3.8.4 Community Development Fund (CDF) & General Masses Fund (GMF)

The Foundation has established Community Development Fund (CDF) & General Masses Fund (GMF) for the general and economic welfare of the vulnerable people. The contributions from the donors are recorded as and when received, while payments are recorded on disbursement of fund.

3.8.5 School Building Fund (SBF)

The Foundation has established School Building Fund (SBF) for the acquisition of land and construction of its own School at Dhoraji Town in Scheme 33, Malir Cantt, Karachi. The initial contribution has been made by members of the Board of Governors.

3.9 Transfer to General Fund

The Foundation transfer surplus / deficit of receipts over expenditure to General Fund in the year in which it is approved.

3.10 Taxation

The Foundation's income is exempt from income tax under section 100 C of the Income Tax Ordinance, 2001. Consequently, no provision for taxation has been made in these financial statements.

3.11 Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of a past event and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.12 Impairment

The carrying amounts of the Foundation's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated and the impairment loss is recognized as an expense in the receipts and expenditure

4. FIXED ASSETS

4.1 Tangible Assets

Particulars	C O S T			D E P R E C I A T I O N			W D V			
	As At	Addition	(Deletion)	As At	Rate	As At	For the	As At	As At	
	01.07.2021			30.06.2022	%	01.07.2021	(Deletion)	Year	30.06.2022	30.06.2022
Office Renovation	232,821	-	-	232,821	20	224,630	-	1,638	226,268	6,553
Furniture and Fixtures	228,599	-	-	228,599	10	181,534	-	4,707	186,241	42,358
Office Equipments	147,316	144,500	-	291,816	10	91,472	-	20,034	111,506	180,310
Computers	97,617	10,000	(446)	107,171	30	84,644	-	6,758	91,402	15,769
June 30, 2022	706,353	154,500	(446)	860,407		582,280	-	33,137	615,417	244,990
June 30, 2021	706,353	-	-	706,353		563,237	-	19,043	582,280	124,073

Intangible Assets

Particulars	C O S T			D E P R E C I A T I O N			W D V			
	As At	Addition	(Deletion)	As At	Rate	As At	For the	As At	As At	
	01.07.2021			30.06.2022	%	01.07.2021	(Deletion)	Year	30.06.2022	30.06.2022
PCP Certification	-	303,000	-	303,000	33	-	-	101,000	101,000	202,000
June 30, 2022	-	303,000	-	303,000		-	-	101,000	101,000	202,000

Note	2022 Rupees	2021 Rupees
	<u>4,988,032</u>	<u>3,745,992</u>

4.2 Lease Hold Land - School

4.2.1 Represent net cost till date of 99 years lease-hold land measuring 1920 square yard acquired in the year 2014-2015 at Dhoraji Town, in Scheme 33, Malir Cantt, Karachi for School Building from Dhoraji Co-operative Housing Society.

5. SHORT TERM INVESTMENTS

Available for sale

4.1 Mutual Fund units - At fair value

No. of Units		Cost	2022	2021
2022	2021		Rupees	Rupees
-	942,616	-	-	59,739,351
1,419	1,320	72,545	71,809	66,697
1,972,219	945,414	105,218,956	101,895,469	48,775,629
918	918	92,354	92,555	92,328
625	625	63,502	62,785	62,763
122	122	12,640	12,391	12,370
262,175	-	26,217,492	26,217,492	-
-	-	110,000,000	110,000,000	-
671,637	615,713	6,851,493	6,880,378	6,288,090
1,139,498	1,139,498	18,727,814	15,013,566	18,487,667
4,048,613	3,646,226	267,256,796	260,246,445	133,524,895

4.2 Stock - At fair value		Cost	2022 Rupees	2021 Rupees
No. of Shares				
2022	2021			
-	31,900	-	-	2,769,877
-	115,000	-	-	10,742,150
-	60,000	-	-	4,216,200
-	-	-	-	-
-	10,000	-	-	950,300
-	50,000	-	-	2,536,500
-	25,000	-	-	5,275,500
-	5,000	-	-	1,969,300
-	5,500	-	-	3,081,210
-	10,000	-	-	1,179,200
-	15,000	-	-	345,000
-	7,500	-	-	1,681,875
-	75,000	-	-	3,543,000
-	15,000	-	-	1,831,050
-	2,500	-	-	2,158,600
-	7,500	-	-	2,209,575
-	10,000	-	-	502,900
-	12,500	-	-	1,329,750
-	25,000	-	-	615,250
-	482,400	-	-	46,937,237
		<u>267,256,796</u>	<u>260,246,445</u>	<u>180,462,132</u>

6. LOANS AND ADVANCES

Loans - unsecured, considered good
Advances - considered good

Note	2022 Rupees	2021 Rupees
6.1	393,776	376,756
6.2	60,000	65,000
	<u>453,776</u>	<u>441,756</u>

- 6.1 Represents interest free loan given for education purpose and are recoverable in due course.
6.2 Represents advance to employee.

7. CASH AT BANK

Habib Metropolitan Bank Ltd - General Fund
Habib Metropolitan Bank Ltd - Patient Welfare Fund
Habib Metropolitan Bank Ltd - Scholarship Fund
JS Bank Ltd - Scholarship Fund
Dubai Islamic Bank - Scholarship Fund
Habib Metropolitan Bank Ltd - Education Endowment Fund
Bank Al Habib Ltd - Education Endowment Fund
Al Baraka Bank - Education Endowment Fund
Bank Islami - Education Endowment Fund
Burj Bank - Education Endowment Fund
Bank Al Habib Ltd - Community Development & General Masses Fund
Al-Baraka Bank - Community Development & General Masses Fund

1,586,483	1,615,689
19,005,971	14,409,669
2,017,939	9,362,608
212,399	5,401
22,564,686	107,064
2,260,937	4,392,080
2,247,080	13,147,959
1,444,905	48,000,091
55	55
1,257	1,257
9,050,435	3,733,719
384	384
<u>60,392,531</u>	<u>94,775,976</u>

8 GENERAL FUND

Opening balance
(Deficit) / Surplus for the year

Less: Transfer to Scholarship Fund
Transfer to Education Endowment Fund

Closing balance

9 PATIENTS' WELFARE FUND

Opening balance
Received during the year

Less : Disbursed during the year

Closing balance

10 SCHOLARSHIP FUND

Opening balance
Received during the year
Add: Transferred from Education Endowment Fund
Transferred from General Fund

Less: Disbursed during the year
Transferred to Education Endowment Fund
Expenses relating to the fund

Closing balance

11 EDUCATION ENDOWMENT FUND

Opening balance
Received during the year

Add: Rerturn on bank deposit
Dividend Income on Shares
Dividend Income on Mutual Funds Units
Capital Gain / Loss on disposal of Shares
Capital Gain / Loss on disposal of Mutual Funds Units
Gain/ Loss on revaluation of Mutual Funds Units
Gain/ Loss on revaluation of Shares
Transferred from General Fund
Transferred from Scholarship Fund

2022
Rupees

2021
Rupees

	5,914,158	6,531,048
	11,156,014	11,978,255
	17,070,172	18,509,303
	-	(1,500,000)
	(11,000,000)	(11,095,145)
	(11,000,000)	(12,595,145)
	6,070,172	5,914,158
	14,816,119	18,578,009
	15,735,434	19,936,000
	30,551,553	38,514,009
	(11,664,132)	(23,697,890)
	(11,664,132)	(23,697,890)
	18,887,421	14,816,119
	8,250,668	5,641,622
	40,182,768	45,112,720
	3,517,407	2,557,356
	-	1,500,000
	51,950,843	54,811,698
	(42,556,529)	(44,972,371)
	(6,000,000)	-
	(2,004,391)	(1,588,659)
	(50,560,920)	(46,561,030)
	1,389,923	8,250,668
	252,342,855	204,999,699
	26,215,000	7,270,000
	278,557,855	212,269,699
	5,022,106	2,910,619
	3,579,054	1,840,871
	6,193,718	4,861,847
	818,865	6,969,328
	154,182	(879,034)
	(9,402,654)	10,636,031
	(4,182,490)	5,383,970
	11,000,000	11,095,145
	2,482,593	-
	15,665,374	42,818,777

	2022 Rupees	2021 Rupees
Less: Capital Gain tax on disposal of Shares	-	6,129
Capital Gain tax on disposal of Mutual Funds Units	120,765	(1,028)
Transaction charges on Shares / Mutual Funds Units	(100,938)	(191,332)
Management fee on Mutual Funds	(13,290)	-
Expenses relating to the fund	(3,503)	(2,034)
Transferred to Scholarship Fund	-	(2,557,356)
	3,034	(2,745,621)
Closing balance	<u>294,226,263</u>	<u>252,342,855</u>

12 COMMUNITY DEVELOPMENT & GENERAL MASSES FUND

Opening balance	3,734,102	5,316,342
Received during the year	10,579,883	2,255,409
	14,313,985	7,571,751
Less: Disbursed during the year	(5,391,410)	(3,837,609)
Expenses	-	(40)
	(5,391,410)	(3,837,649)
Closing balance	<u>8,922,575</u>	<u>3,734,102</u>
	<u>6,645,000</u>	<u>4,500,000</u>

13 SCHOOL BUILDING FUND

Represent fund contributed by the members of Board of Governors for School Building Fund.

14 NET INCOME FROM ACADEMIC EXCELLENCE AWARDS

14.1 RECEIPTS

Sponsorships	10,063,160	9,735,000
Gold Medals Sponsorship	6,940,000	4,080,000
Annual Day Booklet Advertisements	2,024,790	3,878,600
Dinner Contribution by Board members	215,000	405,000
Annual Day Donations	150,000	200,000
	19,392,950	18,298,600

14.2 EXPENSES

Cost of Gold Medals	(3,780,000)	(2,910,000)
Printing of booklet and allied expenses	(1,300,000)	(1,470,000)
Cost of Shields	(298,650)	(125,250)
Back drops & banners' cost	(104,460)	(20,800)
Event Management expenses	(534,510)	(69,015)
Audio visual services	(321,000)	(392,222)
	(6,338,620)	(4,987,287)
	<u>13,054,330</u>	<u>13,311,313</u>

	Note	2022 Rupees	2021 Rupees
15 NUMBER OF EMPLOYEES			
Total number of employees as at June 30, 2022		5	5
Average number of employees during the year		5	5

16 GENERAL

Figures have been rounded off to the nearest rupee.

17 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Governors of Dhoraji Youth Services Foundation on September 15, 2022.



18 RECLASSIFICATION

Figures have been reclassified and re-arranged where necessary.

PRESIDENT

H. GENERAL SECRETARY

TREASURER