

**SOCIETY FOR THE ADVANCEMENT OF EDUCATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**



INDEPENDENT AUDITORS' REPORT

To the members of "SOCIETY FOR THE ADVANCEMENT OF EDUCATION",
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Society For The Advancement Of Education** (the Society), which comprise the statement of financial position as at June 30, 2024, and the income and expenditure account, the statement of cash flow, statement of changes in fund 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 financial position, and the income and expenditure account, the statement of cash flow, statement of changes in fund and notes to the financial statements, including a summary of significant accounting policies and other explanatory information together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan for Not-for-profit Organizations issued by the Institute of Chartered Accountants Of Pakistan.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society 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. The other information obtained at the date of this auditors' report is information included in the members' report but does not include the financial statements of the Society and our auditors' 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.

Responsibilities of Management and Board of Member's 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 for Not-for-profit Organizations issued by the Institute of Chartered Accountants of 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Board of members are responsible for overseeing the Society'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 auditors' 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 scepticism 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society 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 members 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.

We also provide the board of members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matter that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

8

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 Society as required by the applicable accounting standards in Pakistan for Not-for-Profit Organizations issued by the Institute of the chartered Accountants of Pakistan;
- b) the statement of financial position, the income and expenditure account, the receipts and payments, together with the notes thereon have been drawn up in conformity with the applicable accounting standards in Pakistan for Not-For-Profit Organizations issued by the Institute of Chartered Accountants of Pakistan and are in agreement with the books of accounts and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Society's business; and
- d) no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

Other Matter Paragraph

The financial statements of the Society for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on December 15, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shamail Shahid.


S.M.A.R.T.,
Chartered Accountants
Lahore



Date: December 11, 2024
UDIN: AR202410248zULKgSYiA

**SOCIETY FOR THE ADVANCEMENT OF EDUCATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non current assets			
Operating fixed assets			
Long term deposit	5	392,022	126,570
		<u>56,000</u>	<u>56,000</u>
		<u>448,022</u>	<u>182,570</u>
Current assets			
Advances and other receivables			
Cash and bank balances	6	3,327,376	27,849,567
	7	<u>15,167,928</u>	<u>11,989,205</u>
		<u>18,495,304</u>	<u>39,838,772</u>
TOTAL ASSETS		<u>18,943,326</u>	<u>40,021,342</u>
Current liabilities			
Accrued and other liabilities			
	8	<u>375,092</u>	<u>20,595,767</u>
		<u>375,092</u>	<u>20,595,767</u>
CONTINGENCIES AND COMMITMENTS			
	9		
NET ASSETS		<u>18,568,234</u>	<u>19,425,575</u>
General fund			
FUND BALANCE		<u>18,568,234</u>	<u>19,425,575</u>
		<u>18,568,234</u>	<u>19,425,575</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



(CHAIRPERSON)



(EXECUTIVE DIRECTOR)



**SOCIETY FOR THE ADVANCEMENT OF EDUCATION
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
INCOME			
The Malala Fund		14,275,000	13,830,018
International Development Research Centre (IDRC)		-	55,267,212
National Endowment for Democracy (NED)		7,359,155	3,459,111
The World Bank Group		19,898,394	-
University of Reading (UoR)		-	6,540,633
American Institutes for Research (AIR)		-	14,361,640
		<u>41,532,549</u>	<u>93,458,614</u>
Other income- Exchange gain/loss		-	125,209
		<u>41,532,549</u>	<u>93,583,823</u>
EXPENDITURE			
Project and allied expenses	10	39,753,770	83,102,890
Salaries and allowances		919,304	1,225,175
Office rent		546,060	266,468
Utilities		12,500	125,625
Auditor's remuneration		250,000	220,000
Postage & Couriers		1,440	5,260
Legal and Professional		40,000	347,528
Entertainment		144,019	125,393
Office expenses		180,696	268,746
Bank Charges		12,772	11,633
Stationery & Material		211,288	23,931
Travelling & Accommodation		1,600	3,337
Vehicle Running		228,730	193,387
Computer & Equipment Repair & Maintenance		25,650	37,200
Depreciation	5	62,061	29,611
		<u>42,389,890</u>	<u>85,986,184</u>
Excess/(Deficit) of income over expenditure		<u>(857,341)</u>	<u>7,597,639</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



(CHAIRPERSON)



(EXECUTIVE DIRECTOR)

**SOCIETY FOR THE ADVANCEMENT OF EDUCATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess/(Deficit) of income over expenditure	(857,341)	7,597,639
Adjustments for non cash items:		
Loss on sale of operating fixed asset	-	-
Depreciation	62,061	29,611
	62,061	29,611
Operating deficit before working capital Changes	(795,280)	7,627,250
 (Increase) / Decrease in current assets:		
Increase in advance and other receivables	24,522,191	(14,094,305)
Increase in short term prepayments	-	10,827
	24,522,191	(14,083,478)
(Decrease) / Increase in current liabilities:		
Decrease in accrued and other liabilities	(20,220,675)	12,954,824
Net cash flows from operating activities	3,506,236	6,498,596
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed asset	(327,513)	-
Net cash flows from investing activities	(327,513)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
Net Increase / (Decrease) in cash and cash equivalents	3,178,723	6,498,596
Cash and cash equivalents at the beginning of the year	11,989,205	5,490,609
Cash and cash equivalents at the end of year	7 15,167,928	11,989,205

The annexed notes from 1 to 14 form an integral part of these financial statements.



(CHAIRPERSON)



(EXECUTIVE DIRECTOR)



SOCIETY FOR THE ADVANCEMENT OF EDUCATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2024

	General fund 2024
	Rupees
Balance as at 01 July 2022	11,827,936
Excess of income over expenditure	7,597,639
Balance as at 30 June 2023	19,425,575
Excess of income over expenditure	(857,341)
Balance as at 30 June 2024	18,568,234

The annexed notes from 1 to 14 form an integral part of these financial statements.



(CHAIRPERSON)



(EXECUTIVE DIRECTOR)

SOCIETY FOR THE ADVANCEMENT OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. SOCIETY AND ITS OPERATIONS

The Society for the Advancement of Education was established in 1982 under the Societies Act, 1860. The main activities of the society are to direct, monitor, and network various project activities in the fields of Teacher Practice & Professional Development, Governance, Material Development, Assessment, Language, and Citizenship. Registered office of the society is situated 65-C Garden Block, New Garden Town, Lahore Gulberg Town, Lahore.

2. STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Such accounting standards comprise of Guidelines for accounting standards for NPOs as notified by the Institute of Chartered Accountant of Pakistan and Accounting and Financial Reporting Standards for Small Sized entities.

3. BASIS OF MEASUREMENT

These accounts have been prepared under the historical cost convention. The Society maintains its books of accounts on accrual basis.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Operating fixed assets

Fixed assets are initially recognized at cost, including any costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management

Subsequently, fixed assets are measured at cost less subsequent accumulated depreciation.

Depreciation is charged on reducing balance method at the rates mentioned in note 5.

Subsequent cost are added to cost of fixed asset or separately recognized when it is probable that future economic benefits associated with it will flow to the enterprise and cost of it can be measured reliably. All other costs, including repair and maintenance cost, are charged to statement of income and expenditure.

4.2 Revenue recognition

Income is recognized as revenue when it is certain/ approved by donor or actual receipt.

4.3 Taxation

Accounting for minimum taxes and final taxes

The guide was issued by the Institute of Chartered Accountants of Pakistan (ICAP) in May 2024, titled 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12; hence, they should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The guide issued by ICAP provides two approaches to account for minimum and final regime taxes, which is a choice of accounting policy. The Society has chosen the following approach:

The Society is exempt from income tax under Section 100C of the Income Tax Ordinance, 2001, as it operates as a non-profit organization (NPO). This exemption ensures that the Society is not subject to minimum tax, final tax, or any other form of income tax. As a result, approach (a) is adopted. Since the Society is exempt from paying any form of income tax, including minimum and final taxes, the effective tax rate for deferred tax purposes is zero. Therefore, no deferred tax liabilities or assets are recognized in the financial statements.

The above changes have been accounted for in these financial statements as per the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy did not result in the re-statement of financial statements since no deferred tax liability was recognized in the year ended June 30, 2023, as the Society's management believes that temporary differences will not reverse in the foreseeable future due to the fact that the Society is allowed a tax credit equal to 100 percent of tax payable, including minimum tax and final taxes, under Section 100C of the Income Tax Ordinance.

4.4 Foreign currency translation

Assets and liabilities in foreign currency are translated at the rates of exchange ruling on the balance sheet date, while foreign currency transactions are converted into Pak rupees at exchange rates prevailing on the date of the transaction. All exchange gains/losses are included in current year's income.



**SOCIETY FOR THE ADVANCEMENT OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

5 OPERATING FIXED ASSETS

PARTICULARS	2024						NET BOOK VALUE AS ON 30 JUNE 2024	Rate %		
	COST			DEPRECIATION						
	As on 01 July 2023	Additions During the year	Deletions During the year	As on 30 June 2024	As on 01 July 2023	Charge for the year			Deletions	As on 30 June 2024
	----- Rupees -----									
Furniture and fixtures	157,813	-	-	157,813	143,185	1,463	-	144,648	13,165	10%
Office equipment	1,036,970	327,513	-	1,364,483	925,028	60,598	-	985,626	378,857	20%
Vehicles	1,092,455	-	-	1,092,455	1,092,455	-	-	1,092,455	-	20%
Total	<u>2,287,238</u>	<u>327,513</u>	<u>-</u>	<u>2,614,751</u>	<u>2,160,668</u>	<u>62,061</u>	<u>-</u>	<u>2,222,729</u>	<u>392,022</u>	

8

(Signature)

(CHAIRPERSON)

(Signature)

(EXECUTIVE DIRECTOR)

SOCIETY FOR THE ADVANCEMENT OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	Rupees
6 ADVANCES AND OTHER RECEIVABLES			
Advances to staff - against Salary		25,000	-
Receivable from International Development Research Center (IDRC)		-	27,849,567
Receivable from National Endowment for Democracy (NED)		3,302,376	-
		<u>3,327,376</u>	<u>27,849,567</u>
7 CASH AND BANK BALANCES			
Cash in hand		7,079	23,220
Cash at Bank			
Current Accounts		15,160,849	11,965,985
		<u>15,160,849</u>	<u>11,965,985</u>
		<u>15,167,928</u>	<u>11,989,205</u>
8 ACCRUED AND OTHER LIABILITIES			
Other payables		15,360	12,259,023
Accrued liabilities		359,732	8,336,744
		<u>375,092</u>	<u>20,595,767</u>
9 CONTINGENCIES AND COMMITMENTS			
9.1 Contingencies			
Contingencies as on reporting date were Rs. Nil (2023: Rs. Nil)			
9.2 Commitments			
Commitments as on reporting date were Rs. Nil (2023: Rs. Nil)			
10 PROJECT AND ALLIED EXPENSES			
Salaries and allowances	10.1	16,386,792	31,787,973
Consultancy fee	10.2	10,671,000	29,250,608
Logistic Cost	10.3	4,352,093	6,299,767
Project Activities Cost	10.4	5,758,685	13,495,298
General & Administrative Cost	10.5	2,585,200	2,269,244
		<u>39,753,770</u>	<u>83,102,890</u>
10.1 Salaries and allowances			
Project-A The Malala Fund		8,577,898	5,606,750
Project-B International Development Research Centre (IDRC)		-	23,839,364
Project-C National Endowment for Democracy (NED)		4,777,331	-
Project-D The World Bank Group		2,374,223	1,087,722
Project-E American Institutes for Research (AIR)		657,340	1,254,137
		<u>16,386,792</u>	<u>31,787,973</u>
10.2 Consultancy fee			
Project-A The Malala Fund		4,275,000	4,630,952
Project-B International Development Research Centre (IDRC)		-	24,103,656
Project-C National Endowment for Democracy (NED)		1,500,000	290,000
Project-D The World Bank Group		4,896,000	50,000
Project-E American Institutes for Research (AIR)		-	176,000
		<u>10,671,000</u>	<u>29,250,608</u>

4

10.3 Logistic Cost

Project-A The Malala Fund	1,792,122	102,122
Project-B International Development Research Centre (IDRC)	-	5,958,084
Project-C National Endowment for Democracy (NED)	326,777	163,561
Project-D The World Bank Group	2,233,194	15,000
Project-E American Institutes for Research (AIR)	-	61,000
	<u>4,352,093</u>	<u>6,299,767</u>

10.4 Project Activities Cost

Project-A The Malala Fund	4,368,516	765,956
Project-B International Development Research Centre (IDRC)	-	3,607,582
Project-C National Endowment for Democracy (NED)	925,468	100,309
Project-D The World Bank Group	464,701	57,270
Project-E American Institutes for Research (AIR)	-	896,481
	<u>5,758,685</u>	<u>13,495,298</u>

10.5 General & Administrative Cost

Project-A The Malala Fund	1,255,190	950,016
Project-B International Development Research Centre (IDRC)	-	-
Project-C National Endowment for Democracy (NED)	599,980	710,810
Project-D The World Bank Group	730,030	7,250
Project-E American Institutes for Research (AIR)	-	601,168
	<u>2,585,200</u>	<u>2,269,244</u>

12 NUMBER OF EMPLOYEES

The number of employees at the year end were as follows:

Number of employees at the end of the year

Average number of employees during the year

<u>11</u>	<u>13</u>
<u>12</u>	<u>13</u>

13 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Executive Committee on 11-12-2024

14 GENERAL

Figures have been rounded off to the nearest rupee.



(CHAIRPERSON)



(EXECUTIVE DIRECTOR)