

DUNYA FOUNDATION
Financial Statements
FOR THE YEAR ENDED JUNE 30, 2019



QADEER & COMPANY
CHARTERED ACCOUNTANTS

Independent Auditors' Report To The Board Of Governors

We have audited the accompanying financial statements of **DUNYA FOUNDATION** which comprise of the Balance Sheet as at June 30, 2019, and the Income and expenditure Account, and Cash Flow Statement and Statement of Changes in Fund Account for the year then ended, and Notes to the Accounts.

Management's Responsibility for the Financial Statements

The Board of Governor are responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for Accounting and Financial Reporting for Non-government / Non profit organizations and for such internal control as the board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Governors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, (or give a true and fair view of) the Balance Sheet, Income and Expenditure Account, cash flow statement and Statement of changes in Fund Account of **DUNYA FOUNDATION** for the year then ended June 30, 2019 in accordance with guideline for Accounting and Financial Reporting for Non-government / non profit organizations.

Engagement Partner: Nawaz Khan, FCA

Place: Lahore

Dated: September 07, 2019

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**DUNYA FOUNDATION
BALANCE SHEET
AS AT JUNE 30, 2019**

	Note	30-Jun 2019 Rupees	30-Jun 2018 Rupees
FUND AND LIABILITIES			
GENERAL FUND		(111,486,859)	(175,041,789)
CURRENT LIABILITIES			
Short term payable	4	74,022,259	195,346,134
Trade and other payables	5	169,432,816	116,853,017
		243,455,075	312,199,151
Contingencies and commitments	6	-	-
		<u>131,968,216</u>	<u>137,157,362</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	101,095,277	101,746,735
Endowment fund	8	2,045,000	2,045,000
		103,140,277	103,791,735
CURRENT ASSETS			
Loans and advances	9	10,274,725	5,379,353
Cash and bank balances	10	18,553,214	27,986,263
		28,827,939	33,365,623
		<u>131,968,216</u>	<u>137,157,362</u>

Annexed notes 1 to 18 form an integral part of these financial statements.


CHAIRMAN



SECRETARY

**DUNYA FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019**

	30-Jun 2019	30-Jun 2018
Note	Rupees	Rupees
INCOME		
Donation	259,232,750	243,850,373
Fee share	14,126,569	15,100,732
Other Income	1,443,000	2,683,000
	274,802,319	261,634,105
EXPENDITURE		
Scholarships/Financial aid	11 84,135,765	109,513,717
Donations	12 93,444,462	53,650,259
Project expenses	13 14,889,111	17,368,307
Administrative and general expenses	14 915,369	888,863
	193,384,707	181,421,146
Finance Cost	15 17,862,682	30,042,435
Excess Of Income Over Expenditures carried to General Fund Account	63,554,930	50,170,524

Annexed notes 1 to 18 form an integral part of these financial statements.


CHAIRMAN


SECRETARY

**DUNYA FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

	30-Jun 2019 Rupees	30-Jun 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus for the year	63,554,930	50,170,524
Adjustments for non cash and other items:		
-Depreciation	651,459	734,059
-Finance cost	17,862,682	30,042,435
	18,514,141	30,776,494
Working capital changes	82,069,071	80,947,018
Loans and advances	(4,895,367)	1,020,979
Short term payable	(121,323,875)	(80,448,756)
Trade and other liabilities	34,717,567	(3,314,057)
Net working capital changes	(91,501,675)	(82,741,834)
Finance cost paid	(450)	(4,315)
Cash used in operating activities	(9,433,054)	(1,799,131)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in fixed assets	-	-
Cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from financing activities	-	-
NET CASH OUTFLOW DURING THE YEAR	(9,433,054)	(1,799,131)
Cash and cash equivalent at the beginning of the year	27,986,268	29,785,399
Cash and cash equivalent at the end of the year	18,553,214	27,986,268

Annexed notes 1 to 18 form an integral part of these financial statements.


CHAIRMAN


SECRETARY

DUNYA FOUNDATION
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

(Rupees)

Particulars	General Fund	Total
Balance as on June 30, 2017	(225,212,313)	(225,212,313)
Excess of income over expenditure for the year	50,170,524	50,170,524
Balance as on June 30,2018	<u><u>(175,041,789)</u></u>	<u><u>(175,041,789)</u></u>
Excess of income over expenditure for the year	63,554,930	63,554,930
Balance as on June 30,2019	<u><u>(111,486,859)</u></u>	<u><u>(111,486,859)</u></u>

Annexed notes 1 to 18 form an integral part of these financial statements.


CHAIRMAN


SECRETARY

**DUNYA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1 LEGAL STATUS AND OPERATIONS

Dunya Foundation was registered on August 10, 1985 as a non-profit organization under the name Islamic Commerce Educational Society under the Societies Registration Act, 1860. The registered office of the society is situated at 63 E-1, Gulberg III, Lahore. The Society has been striving hard to promote social justice and eradicate the social evils with the spirit of providing high quality professional education from under graduate to post graduate levels along with contributing towards health promotion by providing donation to different recognized institutes for free treatment of deserving patient.

The Society transferred the management of all seventeen institutions of professional education under its administration, to M/s Educational Excellence Limited and M/s Able Diversified Limited, through separate agreements dated 12th July, 1999. As a result of merger of Able Diversified Limited into Educational Excellence Limited and National Communications Services (SMC-Pvt.) limited these campuses has been transferred to these Companies accordingly. Dunya Foundation is now committed to promote primary & basic education (Schooling) to the disadvantaged sectors of the country.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of "Guideline for Accounting and Financial Reporting for Non-government / Non-profit organizations" as issued by the Institute of Chartered Accountants of Pakistan, and IFRS for SME's.

2.2 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupee (PKR) which is the Society's functional currency.

2.3 Accounting Convention

These Accounts have been prepared under the historical cost convention on accrual basis without any adjustments for the effect of inflation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Society.

3.1 Property, plant and equipment

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and accumulated impairment losses. Surplus on revaluation of freehold land when such land is revalued is credited to 'Surplus on Revaluation of Fixed Assets'.

Depreciation on Property, plant and equipment is charged to the Income and Expenditure Account, applying the Reducing Balance Method, whereby the cost of an asset is written off over its estimated useful life. Depreciation charge commences from the month in which asset is available for use and continues until the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on disposals are determined by comparing sale proceeds with carrying amount and are accordingly adjusted in the Income and Expenditure Account.

Assets so acquired are depreciated over their respective useful lives at rates mentioned in Note 8.

3.2 Taxation

Having been established solely for educational purposes and not for the purpose of profit, the society avail tax credit under section 100 C (a) of Income Tax Ordinance 2001.

3.3 Revenue Recognition

Donation are recognized whenever received.

Rentals and fee share are recognized annually on the basis of Agreement between the Society and Educational Excellence Limited and National Communications Services (SMC-Pvt.) Ltd.

3.4 Provisions

Provisions are recognized when the company has a 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 obligations and a reliable estimate of the amount can be made.

3.5 Impairment

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances.

3.7 Off Setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.8 Contingencies and commitments

Capital commitments and contingencies, unless those are actual liabilities are not incorporated in the accounts.

	Note	2019 Rupees	2018 Rupees
4 SHORT TERM PAYABLE			
Educational Excellence Limited	4.1	<u>74,022,259</u>	<u>195,346,134</u>
		<u>74,022,259</u>	<u>195,346,134</u>
4.1	It represents loan obtained from Educational Excellence Limited an associated company and will be repayable to Educational Excellence Limited within next Twelve month. The rate of mark up is 9% to 11% per annum (2018: 9%).		
5 TRADE AND OTHER PAYABLES			
Accrued mark up - EEL		128,265,625	110,403,393
Audit fee Payable		133,100	66,550
Other payables		<u>41,034,091</u>	<u>6,383,074</u>
		<u>169,432,816</u>	<u>116,853,017</u>
6 CONTINGENCIES AND COMMITMENTS			

There is no amount observed for contingencies and commitments as on reporting date

7 PROPERTY PLANT AND EQUIPMENT

(Rupees)

Description	COST				DEPRECIATION					NET BOOK VALUE AS AT JUNE 30, 2019
	AS AT JULY 01, 2018	ADDITION	DELETION	AS AT JUNE 30, 2019	RATE %	AS AT JULY 01, 2018	ADJUSTMENTS	FOR THE YEAR	AS AT JUNE 30, 2019	
Freehold Land	95,530,380		-	95,530,380	-	-	-	-	-	95,530,380
furniture and fixtures	28,796,152		-	28,796,152	10	26,038,408	-	275,774.36	26,314,183	2,481,969
Electrical equipment	5,778,852		-	5,778,852	10	5,382,470	-	39,638.18	5,422,108	356,744
Computer equipment	12,231,208	-	-	12,231,208	30	12,182,511	-	14,609.10	12,197,120	34,088
Electric fitting	15,119,770	-	-	15,119,770	10	12,334,394	-	278,537.60	12,612,932	2,506,838
Library books	5,775,284	-	-	5,775,284	20	5,738,490	-	7,358.80	5,745,849	29,435
Vehicles	3,837,568		-	3,837,568	20	3,673,522	-	32,809.20	3,706,331	131,237
Generator	286,000		-	286,000	10	258,682	-	2,731.80	261,414	24,586
June 30, 2019	167,355,214	-	-	167,355,214		65,608,478	-	651,459	66,259,937	101,095,277
June 30, 2018	167,355,214	-	-	167,355,214		64,874,419	-	734,059	65,608,478	101,746,736

	Note	2019 Rupees	2018 Rupees
8 ENDOWEMENT FUND			
Endowment fund	8.1	<u>2,045,000</u>	<u>2,045,000</u>
		<u>2,045,000</u>	<u>2,045,000</u>
8.1 This amount represents endowment fund required by the respective boards and universities, in respect of colleges owned by Dunya Foundation, in pursuance of affiliation terms and conditions.			
9 LOANS AND ADVANCES			
Advance against school expenses-(Unsecured but considered good)		8,515,731	3,624,838
Advances to employees-(Unsecured but considered good)		109,972	109,972
Punjab Agri Farm Kasur		1,520,000	1,520,000
Advance income tax		129,022	124,548
		<u>10,274,725</u>	<u>5,379,358</u>
10 CASH AND BANK BALANCES			
Cash-in-hand		49,900	49,900
Cash at bank :			
Current accounts		18,503,314	27,936,368
		<u>18,553,214</u>	<u>27,986,268</u>
11 SCHOLARSHIPS/FINANCIAL AID			
Financial Aid	11.1	80,204,265	105,914,217
Ideal Muslim School Model Town	11.2	3,931,500	3,599,500
		<u>84,135,765</u>	<u>109,513,717</u>

11.1 Dunya Foundation is contributing towards the cause of supporting the welfare of society for their future betterment. This amount represents donation provided by Dunya Foundation to Akhuwat, Jahandad Society, Employees' children education support and other miscellaneous donation. Akhuwat, an interest free micro finance NGO, dedicated to improve the living standards of financially abused, abandoned and disregarded strata of society. Moreover, Jahandad Society was financially assisted with the aim of serving the underprivileged and marginalized population of Pakistan.

11.2 Ideal Muslim School (IMS) is located in E-block Model Town Lahore, providing education up to matriculation. Dunya Foundation sponsors/pays full fee of students of IMS who are also taking Quranic education from Darul Huda Quranic Education Trust subject to the condition of 80% attendance with the intention of promoting Quranic/Islamic education among youth. Around 199 students on average per month were sponsored in the year 2018-2019 after ensuring 80% attendance from attendance register.

12 DONATIONS	Note	2019	2018
		Rupees	Rupees
Cardiac Associates	12.1	18,527,592	18,278,049
Rising Sun Institute	12.2	1,200,000	1,200,000
Darul Huda Quranic Educational Trust Model Town	12.3	8,400,000	8,350,000
A Block Masjid Model Town	12.4	1,105,508	1,426,776
E Block Quarter Masjid	12.5	257,739	1,177,467
Central Park Teaching Hospital	12.6	16,685,927	16,317,826
Care Foundation	12.7	2,400,000	2,400,000
Al Mawrid and Ishraq	12.8	19,956,675	3,662,980
Model Town Health Care Trust	12.9	23,877,377	-
D Block Masjid		600,000	456,049
Jamia Muhammadia		-	57,112
Model Town Library		144,000	144,000
Mile Stone Society		180,000	180,000
Muhammadi Masjid Ghora Hospital Lahore		109,644	-
		93,444,462	53,650,259

- 12.1 Dunya Foundation is contributing towards the cause of supporting the treatment of heart patients who can not afford their treatment by providing Rs.140,000 per patient upto the limit of Rs.1,500,000/- per month. Needy and deserving patients all over from Pakistan approaches the medical board to get their treatment sponsored by Dunya Foundation. Medical board get the insight view of patients illness and ensures that whether the patient is truly deserving after securitizing their backgrounds and obtaining their ID cards. Patient is then referred to Cardiac Associate or Doctor Hospital for treatment. Around 275 patients were given free treatment in 2018-2019 including Surgery, Medicines and Consultation fee.
- 12.2 Rising sun institute is located in 544/2, Sector XX, Phase III, Khayaban-e-Iqbal DHA, Lahore and registered under Pakistan center for philanthropy in 2005, providing education, Speech Therapy, Physio, Hydro, Sensory integration therapy and vocational training to over 500 Special Children. Dunya Foundation contributes Rs.100,000/- per month as donation to completely Sponsor 20 special children for the betterment of their future.
- 12.3 Dar-ul-Huda Quranic Educational Trust Model Town is situated in E-Block Model Town Lahore, providing Quranic and Islamic Education. Monthly salaries of Ideal Muslim School teachers are being paid by Dunya Foundation to promote Islamic/Quranic Education.
- 12.4 A-Block Masjid is situated in A-Block Store market, Model Town Lahore and built under the sponsorship of Dunya Foundation. All ongoing expenses are beared by Dunya Foundation including Utilities, Repair & Maintenance and Salary to Imam Masjid.
- 12.5 E-Block Quarter Masjid is situated in E-Block, Model Town Lahore. All ongoing expenses are beared by Dunya Foundation including Utilities, Repair & Maintenance and Salary to Imam Masjid.
- 12.6 Dunya Foundation is supporting the poor patients unable of getting their treatment due to financial constraints. About 285+ patients were referred by the Camp organized in Khudian Kasur for the full medical facility including medical treatment, medicines and transportation to Central Park Teaching Hospital and Bhatti International Hospital. Patients are referred to Central Park Teaching Hospital after proper scrutinizing their backgrounds and obtaining ID Cards to ensure the patient truly deserves the free treatment.
- 12.7 Care Foundation is a Pakistan center for philanthropy registered organization, situated at 21 Waris Road, Lahore working towards the cause of education with over 200,000 students and 500+ Schools nationwide. Dunya Foundation is supporting this cause by sponsoring a school, contributing Rs. 200,000/- per month, intending to create differences in the lives of underprivileged children by helping to provide them with quality education for a bright future.
- 12.8 Al-Mawrid is a Foundation for Islamic Research and Education and ISHRAQ is a Monthly Journal, published by Al-Mawrid. Dunya Foundation is supporting to the cause of imparting Islamic Education to the masses.
- 12.9 Dunya Foundation is contributing towards the cause of supporting the treatment of patients who can not afford their eye treatment. A state of art eye clinic is under construction in Model Town Trust Hospital. Dunya Foundation is donating to Model Town Trust Hosptial to purchase state of the art eye clinic equipments. This eye clinic will serve hundreds of eye patients from all over Pakistan in future.

	Note	2019 Rupees	2018 Rupees
13 PROJECT EXPENSES			
Punjab School Khudian Kasur			
Non- Recurring Cost	13.1	230,730	541,916
Running Expenses		6,892,890	11,321,662
		7,123,620	11,863,578
Medical Dispensary Khudian Kasur			
Non- Recurring Cost	13.2	-	-
Running Expenses		1,322,467	942,276
		1,322,467	942,276
Al- Hamd Campus Sargodha			
Running Expenses	13.3	2,026,561	4,562,453
		2,026,561	4,562,453
Technical Training Centre Kasur			
Running Expenses		4,416,463	-
		4,416,463	-
		14,889,111	17,368,307

Non recurring cost represent the cost that incurred only one time in the period i.e.; Repair & Maintenance, Furniture & Fixture, medical & surgical equipment and electric fittings for the project.

- 13.1 Allied School Khudian (ASK) Kasur is a project of Dunya Foundation, contributing towards the cause of quality education to the children belong to khudian and surrounded villages. Around 1,054 deserving students (boys and girls in separate buildings) are getting free education along with free uniforms and books/stationary. Allied School Khudian is fully sponsored by Dunya Foundation bearing all of its operating and administrative expenses.
- 13.2 Khudian Dispensary (KD) is operating under the umbrella of Dunya Foundation, contributing towards the medical supervision of needy patients of khudian and surrounded villages. Special medical camp is organized every Friday comprising team of doctors approachable to all patients. Patients are examined and treated well including free medicines. Serious patients are identified and referred to the Central Park Teaching Hospital. Deserving patients are provided with the free medical treatment (both indoor and outdoor facility) including medicines.
- 13.3 Around 200 students are getting free education along with books and uniforms under the sponsorship of Dunya Foundation.

	Note	2019 Rupees	2018 Rupees
14 ADMINISTRATIVE AND GENERAL EXPENSES			
Insurance fee expense		4,612	4,614
Audit Fee		66,550	66,550
Legal and professional charges		27,000	12,000
Depreciation on fixed assets	7	651,458	734,059
Office Supplies		67,018	-
Fee and subscription		3,000	3,000
Carriage And Freight		11,737	-
Utilities expenses		65,994	64,640
Printing and stationery		18,000	4,000
		915,369	888,863
15 FINANCE COST			
Mark up -Educational Excellence Limited		17,862,232	30,038,120
Bank charges		450	4,315
		17,862,682	30,042,435

Note	2019 Rupees	2018 Rupees
16 RELATED PARTY TRANSACTIONS		
Following are the transactions with related Parties:		
Rental Income		
Educational Excellence Limited	1,216,464	1,216,464
National Communications Services (SMC-Pvt.) Limited	<u>226,536</u>	<u>226,536</u>
	1,443,000	1,443,000
Fee Share		
Educational Excellence Limited	5,017,914	5,171,201
National Communications Services (SMC-Pvt.) Limited	<u>9,108,655</u>	<u>9,929,531</u>
	14,126,569	15,100,732
Mark up Expense		
Educational Excellence Limited	<u>17,862,232</u>	<u>30,038,120</u>
	17,862,232	30,038,120
Short Term Receivable/Payable		
Educational Excellence Limited	<u>74,022,259</u>	<u>195,346,134</u>
	74,022,259	195,346,134

17 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 07, 2019 by the Board Members.

18 GENERAL

- These figures have been rounded off to the nearest Pakistani rupee.
- Comparative figures have been re-arranged and re-classified whenever necessary for the purpose of comparison.


CHAIRMAN


SECRETARY