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## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Balochistan Educational Endowment Fund**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of **Balochistan Educational Endowment Fund** ("the Company") which comprise the statement of financial position as at **June 30, 2021**, and statement of income and expenditure and other comprehensive income, the statement of changes in funds, 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 and other comprehensive income, the statement of changes in funds 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 Company's affairs as at **June 30, 2021** and of the surplus, the changes in funds 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 Company 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 comprises the Directors' 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company'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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 Company'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 Company 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 Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement of income and expenditure and other comprehensive income, the statement of changes in funds 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 Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

### **Other Matter**

We also draw attention to the fact that financial statements for the year ended 30 June 2020 were audited by another firm of auditors, whose report dated 03 October, 2020 expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Imran Afzal.

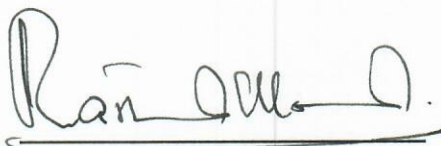
*Grant Thornton Ayman Rahman*  
**CHARTERED ACCOUNTANTS**  
Chartered Accountants  
Lahore

Dated: November 12, 2021

**BALUCHISTAN EDUCATION ENDOWMENT FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

Notes	2021	2020
	Rupees	
5	<u>7,960,789</u>	<u>9,184,148</u>
	7,960,789	9,184,148
6	984,883,747	985,487,418
7	3,402,424,856	2,494,234,089
	47,121,385	11,527,805
8	416,318,720	381,706,002
	4,850,748,708	3,872,955,314
	<u>4,858,709,497</u>	<u>3,882,139,462</u>
9	751,579,192	641,382,405
10	5,575,289	-
	757,154,481	641,382,405
	<u>4,101,555,016</u>	<u>3,240,757,057</u>
	2,176,553,593	1,797,962,405
11	1,925,001,423	1,442,794,652
	<u>4,101,555,016</u>	<u>3,240,757,057</u>
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The annexed notes from 1 to 25 form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Director**



**BALUCHISTAN EDUCATION ENDOWMENT FUND  
STATEMENT OF INCOME AND EXPENDITURE & OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021**

Notes	Restricted Fund					2021	2020
	Higher Study of Lawyers (HSL)	Children of Martyred Lawyers (CML)	Chief Minister's Educational Award (CMEA)	Baluchistan Endowment Fund (BEF)	Baluchistan Education Endowment Fund (BEEF)		
<b>Income</b>							
13 Interest income on investments	18,084,143	21,200,013	64,595,448	14,006,164	1,052,059,496	1,169,945,264	1,183,357,465
13 Profit on bank accounts	1,286,974	1,167,928	3,162,344	-	24,852,402	30,469,648	38,870,175
13 Other income	-	-	-	-	150	150	28,986
	19,371,117	22,367,941	67,757,792	14,006,164	1,076,912,048	1,200,415,062	1,222,256,626
<b>Expenditure</b>							
14 Program cost	73,153,976	5,527,297	-	391,000	613,554,736	692,627,009	431,582,855
15 Administrative expenses	431	-	331	-	84,176,576	84,177,338	55,472,661
Other expenses	-	-	-	-	139,329	139,329	132,038
	73,154,407	5,527,297	331	391,000	697,870,641	776,943,676	487,187,554
	(53,783,290)	16,840,644	67,757,461	13,615,164	379,041,407	423,471,386	735,069,072
<b>Excess of income over expenditure</b>							
Other comprehensive income	-	-	-	-	(450,219)	(450,219)	-
Re-measurement of obligation of employees retirement benefits	-	-	-	-	-	-	-
<b>Deficit/Surplus for the year</b>	(53,783,290)	16,840,644	67,757,461	13,615,164	378,591,188	423,021,167	735,069,072

The annexed notes from 1 to 25 form an integral part of these financial statements.

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*Ran Gula D.*

Chief Executive Officer

*AK Bhandari*

Director

**BALUCHISTAN EDUCATION ENDOWMENT FUND**  
**STATEMENT OF CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Particulars	Restricted Funds					Total
	Higher Study of Lawyers	Children of Martyred Lawyers	Chief Minister's Educational Award	Balochistan Endowment Fund	Balochistan Education Endowment Fund	
						Rupees
<b>Fund Balance as at July 01, 2019</b>	208,196,618	231,386,293	-	-	1,182,783,385	1,622,366,296
Funds received during the year	-	35,805,471	847,516,216	-	-	883,321,687
Surplus for the year	23,495,641	25,674,466	70,719,946	-	615,179,020	735,069,073
<b>Fund Balance as at June 30, 2020</b>	<u>231,692,259</u>	<u>292,866,230</u>	<u>918,236,162</u>	<u>-</u>	<u>1,797,962,405</u>	<u>3,240,757,056</u>
Funds received during the year	109,770,495	-	-	328,006,298	-	437,776,793
Inter Fund Transfer during the year	35,000,000	(35,000,000)	-	-	-	-
Deficit/Surplus for the year	(53,783,290)	16,840,644	67,757,461	13,615,164	378,591,188	423,021,167
<b>Fund Balance as at June 30, 2021</b>	<u>322,679,464</u>	<u>274,706,874</u>	<u>985,993,623</u>	<u>341,621,462</u>	<u>2,176,553,593</u>	<u>4,101,555,016</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

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*Ran Gulra*

Chief Executive Officer

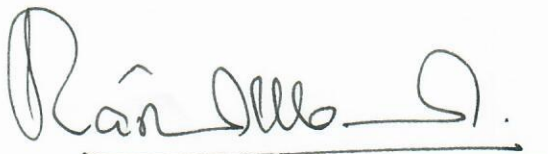
*AK Bhandari*

Director

**BALUCHISTAN EDUCATION ENDOWMENT FUND**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Notes	2021	2020
		Rupees	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Surplus for the year		423,021,167	735,069,072
<u>Adjustments for:</u>			
Depreciation	5	3,263,742	4,291,916
Employee post retirement benefits		5,575,289	-
Loss on disposal of fixed asset		139,329	132,038
		8,978,360	4,423,954
Surplus before working capital changes		431,999,527	739,493,026
<u>(Increase) / Decrease in current assets</u>			
Advances, receivables and prepayments		603,671	(831,688,451)
		603,671	(831,688,451)
<u>(Decrease) / Increase in current liabilities</u>			
Trade and other payables		110,196,787	218,165,251
		110,196,787	218,165,251
Cash generated from operations		542,799,985	125,969,826
Income tax paid		(35,593,580)	(8,784,628)
Net cash inflow from operating activities	A	507,206,405	117,185,199
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of property plant and equipment	5	(2,179,712)	(4,616,821)
Increase in short term investment		(1,689,625,533)	(634,096,846)
Net cash used in from investing activities	B	(1,691,805,245)	(638,713,667)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Funds received during the year		437,776,793	883,321,687
Net cash from financing activities	C	437,776,793	883,321,687
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	(746,822,047)	361,793,219
Cash and cash equivalents at the beginning of the year		1,613,140,767	1,251,347,548
Cash and cash equivalents at the end of the year	21	866,318,720	1,613,140,767

The annexed notes from 1 to 25 form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Director**