

*EASTERN BREEZE FOUNDATION
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2020*

Independent Auditor's Report
To the members of Eastern Breeze Foundation
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Eastern Breeze Foundation (the Company), which comprise the statement of financial position as at 30 June 2020, the statement of income and expenditure, the statement of changes in 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, the statement of income and expenditure, the statement of changes in 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 Company's affairs as at 30 June 2020 and of the deficit, the changes in 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 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.

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.

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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.
- 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:

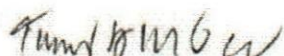
- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of income and expenditure, the statement of changes in fund and the statement of cash flows together with the notes thereon have been 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 Company's business; and
- (d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Shahid Mehmood.

Date: 04 October 2020
Lahore


Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

EASTERN BREEZE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	208,874,976	223,820,680
Intangible assets	8	-	20,000
CURRENT ASSETS			
Tax refund due from government	9	641,461	641,461
Loans and Advances	10	2,750,980	2,672,400
Cash and bank balances	11	11,402,174	9,051,816
		14,794,615	12,365,677
CURRENT LIABILITIES			
Accrued expenses and other liabilities	12	7,030,004	1,147,616
NET WORKING CAPITAL		7,764,611	11,218,061
		216,639,587	235,058,741
NON CURRENT LIABILITIES			
Deferred contribution / donation	13	190,639,140	210,171,360
Contingencies and commitments	14	-	-
NET ASSETS		26,000,447	24,887,381
FUNDS REPRESENTED BY:			
Un-Restricted funds	15	26,000,447	24,887,381
Restricted funds	15	-	-
TOTAL FUNDS		26,000,447	24,887,381

The annexed notes from 01 to 28 form an integral part of these financial statements.

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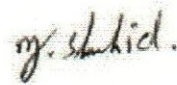
EASTERN BREEZE FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Donations received	16	142,857,819	94,444,797
		142,857,819	94,444,797
EXPENSES			
Administrative and general expenses	17	3,461,272	3,509,376
Other operating expenses	18	24,422,448	25,474,557
Charity and donations	19	113,860,685	62,208,217
		141,744,405	91,192,150
Operating Surplus/(deficit)		1,113,414	3,252,647
Finance cost	20	348	2,088
Surplus/(Deficit) for the year		1,113,066	3,250,559
Other comprehensive income		-	-
Total comprehensive income for the year		1,113,066	3,250,559

The annexed notes from 01 to 28 form an integral part of these financial statements.

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**EASTERN BREEZE FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2020**

	Rupees	Rupees
	UNRESTRICTED FUND	TOTAL
Balance as at 01 July 2018	21,636,822	21,636,822
Surplus for the year	3,250,559	3,250,559
Other comprehensive income for the year	-	-
Balance as at 01 July 2019	24,887,381	24,887,381
Surplus/(Deficit) for the year	1,113,066	1,113,066
Other comprehensive income for the year	-	-
Balance as at 30 June 2020	26,000,447	26,000,447

The annexed notes from 01 to 28 form an integral part of these financial statements.


MEMBER


MEMBER

**EASTERN BREEZE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 Rupees	2019 Rupees
CASH FLOW FROM OPERATING ACTIVITIES:			
Surplus/(Deficit) for the year		1,113,066	3,250,559
Adjustments for:			
Donation in kind		(19,532,220)	(15,035,800)
Depreciation		15,145,534	16,827,934
Amortization of intangible assets		20,000	20,000
Finance cost		348	2,088
		(4,366,338)	1,814,222
Cash flow before working capital changes		(3,253,272)	5,064,781
Working capital changes			
Increase/(decrease) in current assets			
Loans and advances		(78,580)	(2,672,400)
Increase/(decrease) in current liabilities			
Accrued expenses and other liabilities		5,882,388	(1,434,455)
Cash flows after working capital changes		2,550,536	957,926
Finance cost paid		(348)	(2,088)
Tax paid		-	(114,180)
Net cash inflow from operating activities		2,550,188	841,658
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property and equipment		(199,830)	(3,310,305)
Net cash used in investing activities		(199,830)	(3,310,305)
CASH FLOW FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		2,350,358	(2,468,647)
Cash and cash equivalents at the beginning of the year		9,051,816	11,520,463
Cash and cash equivalents at the end of the year		11,402,174	9,051,816

The annexed notes from 01 to 28 form an integral part of these financial statements.

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