

EASTERN BREEZE FOUNDATION  
FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 30 JUNE 2021



**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 2021, 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 2021 and of the surplus, 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.





### 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: 05 October 2021  
Lahore

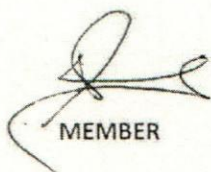
*Tariq Abdul Ghani Maqbool*  
Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

**EASTERN BREEZE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	7	230,052,640	208,874,976
Intangible assets	8	-	-
<b>CURRENT ASSETS</b>			
Tax refund due from government	9	641,461	641,461
Loans and Advances	10	4,362,586	2,750,980
Cash and bank balances	11	63,972,732	11,402,174
		68,976,779	14,794,615
<b>CURRENT LIABILITIES</b>			
Accrued expenses and other liabilities	12	1,151,504	7,030,004
<b>NET WORKING CAPITAL</b>		67,825,275	7,764,611
		297,877,915	216,639,587
<b>NON CURRENT LIABILITIES</b>			
Deferred contribution / donation	13	272,333,712	190,639,140
Contingencies and commitments	14	-	-
<b>NET ASSETS</b>		25,544,203	26,000,447
<b>FUNDS REPRESENTED BY:</b>			
Un-Restricted funds	15	25,544,203	26,000,447
Restricted funds	15	-	-
<b>TOTAL FUNDS</b>		25,544,203	26,000,447

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

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MEMBER

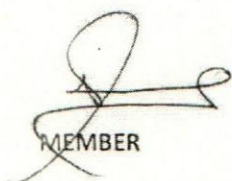
  
MEMBER



EASTERN BREEZE FOUNDATION  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
<b>INCOME</b>			
Donations received	16	118,113,591	142,857,819
		118,113,591	142,857,819
<b>EXPENSES</b>			
Administrative and general expenses	17	4,694,888	3,461,272
Other operating expenses	18	32,118,035	24,422,448
Charity and donations	19	81,754,992	113,860,685
		118,567,915	141,744,405
Operating Surplus/(deficit)		(454,324)	1,113,414
Finance cost	20	1,920	348
Surplus/(Deficit) for the year		(456,244)	1,113,066
Other comprehensive income		-	-
Total comprehensive income for the year		(456,244)	1,113,066

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

  
MEMBER

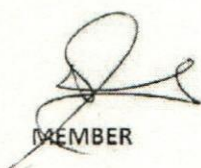
  
MEMBER

**EASTERN BREEZE FOUNDATION  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED 30 JUNE 2021**

	Rupees	Rupees
	UNRESTRICTED FUND	TOTAL
Balance as at 01 July 2019	24,887,381	24,887,381
Surplus for the year	1,113,066	1,113,066
Other comprehensive income for the year	-	-
Balance as at 01 July 2020	26,000,447	26,000,447
Surplus/(Deficit) for the year	(456,244)	(456,244)
Other comprehensive income for the year	-	-
Balance as at 30 June 2021	25,544,203	25,544,203

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

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**EASTERN BREEZE FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Surplus/(Deficit) for the year		(456,244)	1,113,066
Adjustments for:			
Donation in kind		(13,216,173)	(19,532,220)
Depreciation		15,259,096	15,145,534
Provision for Qarz-e-Hasna		5,879,614	-
Amortization of intangible assets		-	20,000
Finance cost		1,920	348
		<u>7,924,457</u>	<u>(4,366,338)</u>
Cash flow before working capital changes		7,468,213	(3,253,272)
<b>Working capital changes</b>			
Increase/(decrease) in current assets			
Loans and advances		(7,491,220)	(78,580)
Increase/(decrease) in current liabilities			
Accrued expenses and other liabilities		(5,878,500)	5,882,388
Cash flows after working capital changes		(5,901,507)	2,550,536
Finance cost paid		(1,920)	(348)
Tax paid		-	-
Net cash inflow from operating activities		<u>(5,903,427)</u>	<u>2,550,188</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions in property and equipment		(197,260)	(199,830)
Disposal in property and equipment		6,000,000	-
Donation received for specific purpose		52,671,245	-
Net cash used in investing activities		<u>58,473,985</u>	<u>(199,830)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net increase in cash and cash equivalents		<u>52,570,558</u>	<u>2,350,358</u>
Cash and cash equivalents at the beginning of the year		11,402,174	9,051,816
Cash and cash equivalents at the end of the year		<u><u>63,972,732</u></u>	<u><u>11,402,174</u></u>

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

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