

*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:

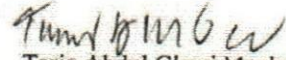
- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of income and expenditure, the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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- (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
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	7	208,874,976	223,820,680
Intangible assets	8	-	20,000
<b>CURRENT ASSETS</b>			
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
<b>CURRENT LIABILITIES</b>			
Accrued expenses and other liabilities	12	7,030,004	1,147,616
<b>NET WORKING CAPITAL</b>			
		7,764,611	11,218,061
		<u>216,639,587</u>	<u>235,058,741</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred contribution / donation	13	190,639,140	210,171,360
Contingencies and commitments	14	-	-
<b>NET ASSETS</b>			
		<u>26,000,447</u>	<u>24,887,381</u>
<b>FUNDS REPRESENTED BY:</b>			
Un-Restricted funds	15	26,000,447	24,887,381
Restricted funds	15	-	-
<b>TOTAL FUNDS</b>			
		<u>26,000,447</u>	<u>24,887,381</u>

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
<b>INCOME</b>			
Donations received	16	142,857,819	94,444,797
		142,857,819	94,444,797
<b>EXPENSES</b>			
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	<b>24,887,381</b>	<b>24,887,381</b>
Surplus/(Deficit) for the year	1,113,066	1,113,066
Other comprehensive income for the year	-	-
Balance as at 30 June 2020	<b>26,000,447</b>	<b>26,000,447</b>

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

  
MEMBER

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

	Note	2020 Rupees	2019 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
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
		<u>(4,366,338)</u>	<u>1,814,222</u>
Cash flow before working capital changes		(3,253,272)	5,064,781
<b>Working capital changes</b>			
<b>Increase/(decrease) in current assets</b>			
Loans and advances		(78,580)	(2,672,400)
<b>Increase/(decrease) in current liabilities</b>			
Accrued expenses and other liabilities		5,882,388	(1,434,455)
Cash flows after working capital changes		<u>2,550,536</u>	<u>957,926</u>
Finance cost paid		(348)	(2,088)
Tax paid		-	(114,180)
Net cash inflow from operating activities		<u>2,550,188</u>	<u>841,658</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions in property and equipment		(199,830)	(3,310,305)
Net cash used in investing activities		<u>(199,830)</u>	<u>(3,310,305)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net increase in cash and cash equivalents		<u>2,350,358</u>	<u>(2,468,647)</u>
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		<u>11,402,174</u>	<u>9,051,816</u>

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

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

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**1 LEGAL STATUS AND OPERATIONS**

EASTERN BREEZE FOUNDATION ("the Company") was incorporated in Pakistan on 04 May 2015 under section 42 of the repealed Companies Ordinance, 1984 vide License No. CLD/RD/Co.42/753/2015 dated 15 April 2015. The Company works for development of human resources, poverty alleviation, promotion of social and economic well-being of the masses, betterment of health, improvement of social status, and social mobilization for a prosperous society. The registered office of the Company is situated at 71-C, Gulberg III, Lahore. The Head Office of the Company is situated at 366-A, Shah Rukan-e-Alam Colony, Multan

**2 SIGNIFICANT TANSCTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE**

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

**3 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting requirements as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.
- Provisions of and directives issued under Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or the Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**4 FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are prepared in Pak Rupees which is the Company's functional currency.

**5 JUDGMENT, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the year in which such revisions are made and in any future years affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which such estimates are revised. Such estimates are:

- Useful life of depreciable assets;
- Provision for doubtful receivables;
- Impairment of assets.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

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**6 SIGNIFICANT ACCOUNTING POLICIES**

**6.01 Basis of preparation**

The significant accounting policies adopted in preparation of these financial statements are set out below. These policies have been consistently applied to all years prescribed, unless otherwise stated.

**6.02 Property and equipment**

- a) Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises acquisition and other directly attributable costs.
- b) Depreciation on all operating fixed assets is charged to the income and expenditure account using reducing balance method in accordance with the rates specified in note 7 to these financial statements after taking into account residual value, if significant. Depreciation on additions to Property and equipment is charged from the month in which an item is put to use while no depreciation is charged for the month in which the item is derecognized /disposed off.
- c) The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.
- d) Maintenance and repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off.
- e) Gains and losses on disposal of fixed assets are included in income currently.

**6.03 Taxation**

**Current**

The Company is a "non-profit organization" as defined under section 2 (36) of the Income Tax Ordinance, 2001. However currently, exemption certificate is in process. Consequently, no provision for tax has been made in these financial statements

**6.04 Impairment of assets**

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment or reversal of previous impairment, including items of Property and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement.

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A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

**6.05 Borrowing costs**

Borrowing costs are recognized as an expense in the year in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying assets. Such borrowing costs, if any are capitalized as part of the cost of the asset.

**6.06 Trade debts**

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

**6.07 Staff retirement benefits**

The Company has an unfunded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. During the year under report, no employee completed the qualifying period as defined under the scheme, therefore, there was no staff retirement benefits obligation as at year end.

**6.08 Intangible assets**

Intangible assets represent film rights acquired and are stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to expenses on the straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on additions is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

The company assesses at each statement of financial position date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in expenses currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future years to allocate the asset's revised carrying amount over its estimated useful life.

**6.09 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**6.10 Cash and cash equivalents**

Cash and cash equivalents are carried in statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, short term running finance and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value, if any.

**6.11 Recognition of grants and donations**

**Unrestricted Fund/General Fund**

Grant from Government are recognized on the basis defined in the agreements with / instruction given by grantor and are recognized as income as soon as the grant is received and such grant is not restricted to specific utilization. Grants related to assets are initially recognized as deferred capital grant and recognized as income systematically over the useful life of asset.

**Restricted Fund**

The company has adopted Deferral method for recognition of its funds, as prescribed by ICAP in "Accounting Standards for Not for Profit Organizations (NPOs)". Restricted funds are recognized as income to the extent they are actually utilized during the year and the unspent amount is treated as restricted funds.

Other income is accounted for on accrual basis.

**6.12 Trade and other payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Restricted funds are recognized as income to the extent they are actually utilized during the year and the unspent amount is treated as restricted funds.

**6.13 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**6.14 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

**6.15 Financial instruments**

**Financial assets**

**(i) Initial Measurement**

The Company classifies its financial assets in to following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

**(ii) Subsequent Measurement**

Debt Investments at FVOCI: These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of income and expenditure. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of income and expenditure.

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Equity Investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of income and expenditure unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of income and expenditure.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in income and expenditure.

Financial assets measured at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of income and expenditure.

#### Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of income and expenditure.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of income and expenditure. Any gain or loss on de-recognition is also recognized in the statement of income and expenditure.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

#### De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

#### Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention on the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

#### 6.16 Contingencies and commitments

Contingent liabilities are disclosed when:

There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. There is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle obligation cannot be measured with sufficient reliability.

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## 7 PROPERTY AND EQUIPMENT

The following is a statement of operating fixed assets (tangible):

	Land	Building	Furniture and fixture	Office equipment	Computers	Total
	Rupees					
<b>At 30 June 2018</b>						
Cost	70,479,160	172,000,000	1,300,000	700,000	300,000	244,779,160
Accumulated depreciation	-	(39,700,000)	(501,638)	(270,113)	(197,100)	(40,668,851)
<b>Net book value as at 30 June 2018</b>	<b>70,479,160</b>	<b>132,300,000</b>	<b>798,362</b>	<b>429,887</b>	<b>102,900</b>	<b>204,110,309</b>
<b>Year ended 30 June 2019</b>						
Additions	4,370,000	28,858,000	110,415	3,196,690	3,200	36,538,305
Disposals						
Cost	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Net book value	-	-	-	-	-	-
Depreciation charge for the year (note 7.01)	-	(16,115,800)	(136,317)	(543,987)	(31,830)	(16,827,934)
<b>Net book value as at 30 June 2019</b>	<b>74,849,160</b>	<b>145,042,200</b>	<b>772,460</b>	<b>3,082,590</b>	<b>74,270</b>	<b>223,820,680</b>
<b>Year ended 30 June 2020</b>						
Additions	-	-	23,650	104,180	72,000	199,830
Disposals						
Cost	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Net book value	-	-	-	-	-	-
Depreciation charge for the year (note 7.01)	-	(14,504,220)	(119,417)	(478,016)	(43,881)	(15,145,534)
<b>Net book value as at 30 June 2020</b>	<b>74,849,160</b>	<b>130,537,980</b>	<b>676,693</b>	<b>2,708,754</b>	<b>102,389</b>	<b>208,874,976</b>
<b>At 30 June 2019</b>						
Cost	74,849,160	200,858,000	1,410,415	3,896,690	303,200	281,317,465
Accumulated depreciation	-	(55,815,800)	(637,955)	(814,100)	(228,930)	(57,496,785)
<b>Net book value in Rupees</b>	<b>74,849,160</b>	<b>145,042,200</b>	<b>772,460</b>	<b>3,082,590</b>	<b>74,270</b>	<b>223,820,680</b>
Annual rates (%) of depreciation 2019	-	10	15	15	30	
<b>At 30 June 2020</b>						
Cost	74,849,160	200,858,000	1,434,065	4,000,870	375,200	281,517,295
Accumulated depreciation	-	(70,320,020)	(757,372)	(1,292,116)	(272,811)	(72,642,319)
<b>Net book value in Rupees</b>	<b>74,849,160</b>	<b>130,537,980</b>	<b>676,693</b>	<b>2,708,754</b>	<b>102,389</b>	<b>208,874,976</b>
Annual rates (%) of depreciation 2020	-	10	15	15	30	

7.01 Depreciation charge for the year has been allocated as follows:

	30 June 2020	30 June 2019
	Rupees	Rupees
Other operating expenses	15,145,534	16,827,934

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		<b>EASTERN BREEZE FOUNDATION</b>	
		<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>8 INTANGIBLE ASSETS</b>	<b>Note</b>		
Accounting software		-	20,000
<b>1.01 Net carrying value</b>			
Accounting software		20,000	40,000
Less: Amortization charge for the year		20,000	20,000
Net book value (NBV) as at 30 June		-	20,000
<b>Gross carrying value</b>			
Cost		100,000	100,000
Less: Accumulated amortization		100,000	80,000
Net book value		-	20,000
Amortization rate per annum (%)		20	20
<b>9 TAX REFUND DUE FROM GOVERNMENT</b>			
Advance income tax		641,461	641,461
<b>10 Loans and Advances</b>			
Loan to employees		350,500	170,400
Loan to other persons - Qarz-e-Hasna		2,400,480	2,502,000
		2,750,980	2,672,400
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		261,744	330,442
Cash at banks - current accounts		11,140,430	8,721,374
		11,402,174	9,051,816
<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Accrued expenses		830,004	724,675
Advance against land for sale		6,000,000	-
Other payables		200,000	422,941
		7,030,004	1,147,616
<b>13 DEFERRED CONTRIBUTION / DONATION</b>			
Opening deferred donation		210,171,360	191,979,160
Donations in kind received for the year		-	33,228,000
		210,171,360	225,207,160
Donations utilized against operational expenses	13.01	19,532,220	15,035,800
Closing deferred donation		190,639,140	210,171,360
<b>13.01</b> This represents donations in kind (Land and Building). It has been utilised against operational expenses on systematic basis.			
<b>14 CONTINGENCIES AND COMMITMENTS</b>			
Contingencies and commitments as at statement of financial position date were Rs. Nil (2019: Rs. Nil).			
<b>15 FUNDS</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
Opening balance		24,887,381	21,636,822
Surplus/(Deficit) for the year		1,113,066	3,250,559
		26,000,447	24,887,381
<b>15.01 Restricted funds</b>			
Unrestricted funds		26,000,447	24,887,381
		26,000,447	24,887,381
<b>16 DONATIONS RECEIVED</b>			
Donations		117,496,041	65,627,261
Zakat		5,829,558	13,781,736
		123,325,599	79,408,997
Donations in kind	13	19,532,220	15,035,800
		142,857,819	94,444,797

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**EASTERN BREEZE FOUNDATION**

	Note	2020 Rupees	2019 Rupees
<b>17 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries, wages and other benefits		865,200	1,030,200
Legal and professional charges		146,500	422,040
Utility expenses		916,863	498,713
Repair and Maintenance		261,185	582,969
Travelling and conveyance		89,210	129,274
Rent, rates and taxes		523,465	400,065
Printing and stationery		101,817	60,703
Entertainment expenses		331,032	170,542
Auditors remuneration	17.01	200,000	185,000
Miscellaneous expenses		6,000	9,870
Amortization of intangible assets		20,000	20,000
		<u>3,461,272</u>	<u>3,509,376</u>
<b>17.01 Auditors remuneration</b>			
Audit fee		<u>200,000</u>	<u>185,000</u>
<b>18 OTHER OPERATIVE EXPENSES</b>			
Salaries, wages and other benefits		3,938,300	3,899,680
Repair and Maintenance		1,275,937	1,311,879
Fuel expenses		425,351	121,300
Security expenses		885,986	712,252
Printing and stationery		576,535	379,080
Communication expenses		124,221	333,702
Utility expenses		2,050,584	1,888,730
Depreciation	7.01	15,145,534	16,827,934
		<u>24,422,448</u>	<u>25,474,557</u>
<b>19 CHARITY AND DONATIONS</b>			
Monthly Wazeefa		9,189,821	7,917,834
Weekly Wazeefa		1,985,828	1,629,900
House Rent Charity		9,061,833	4,998,005
Utilities Charity		6,200,950	2,959,856
Milk Charity		1,817,660	1,389,114
Medical Charity		10,972,934	5,150,405
Ration and langar expenses		23,765,276	15,848,720
Corona charity		15,260,022	-
Miscellaneous Charity		2,298,741	2,172,209
Education Charity		19,493,759	12,266,454
Marriage Charity		7,261,042	2,410,000
Zakat donations		6,552,819	5,465,720
		<u>113,860,685</u>	<u>62,208,217</u>
<b>20 FINANCE COST</b>			
Bank charges		<u>348</u>	<u>2,088</u>
<b>21 OPERATIONAL SELF SUFFICIENCY (LOSS) RATIO</b>			
Total financial income		142,857,819	94,444,797
Finance cost		348	2,088
<b>Total income</b>		<u>142,858,167</u>	<u>94,446,885</u>
Administrative and general expenses		3,461,272	3,509,376
Other operative expenses		24,422,448	25,474,557
Charity and donations		113,860,685	62,208,217
<b>Total expenditure</b>		<u>141,744,405</u>	<u>91,192,150</u>
<b>Operational self sufficiency (loss) ratio</b>		<u>99%</u>	<u>97%</u>

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**EASTERN BREEZE FOUNDATION**

22 FINANCIAL INSTRUMENTS BY CATEGORY	Note	2020		2019	
		Rupees		Rupees	
Financial assets as per statement of financial position					
Loans and Advances		3,493,961		2,672,400	
Cash and bank balances		11,402,174		9,051,816	
		<u>14,896,135</u>		<u>11,724,216</u>	
Financial liabilities as per statement of financial position					
Accrued expenses and other liabilities		<u>7,030,004</u>		<u>1,147,616</u>	

**22.01 Fair values of financial assets and liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

**22.01.1 Fair value hierarchy**

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company does not hold any instrument which could be included in Level 1, Level 2 and Level 3.

**23 FINANCIAL INSTRUMENTS****23.01 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to the Company.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

**(a) Market risk****i) Currency risk**

Currency risk is the risk that value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly due to balances in foreign currency. The Company is not exposed to any such risk.

**ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as the company has no borrowings or interest bearing deposits.

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**Credit risk**

Credit risk is the risk that a party to the financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:

	Note	2020 Rupees	2019 Rupees
Loans and advances		2,750,980	2,672,400
Cash and Bank balances		11,402,174	9,051,816
		<u>14,153,154</u>	<u>11,724,216</u>

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its net funding requirement. The Company manages such risk by maintaining sufficient liquidity at field office level to meet anticipated funding requirements.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2020	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
RUPEES							
Non-derivative Financial Liabilities							
Accrued expenses & other payables	1,030,004	1,030,004	1,030,004	-	-	-	-
	<u>1,030,004</u>	<u>1,030,004</u>	<u>1,030,004</u>	-	-	-	-
30 June 2019	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
RUPEES							
Non-derivative Financial Liabilities							
Accrued expenses & other payables	1,147,616	1,147,616	1,147,616	-	-	-	-
	<u>1,147,616</u>	<u>1,147,616</u>	<u>1,147,616</u>	-	-	-	-

**24 TRANSACTIONS WITH RELATED PARTIES**

Related parties from the Company's perspective comprise associated companies, key management personnel (including Chairman and Directors) and sponsors of the Company.

There were no related party transactions of the company during the year.

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**25 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

No remuneration was paid to Chief Executive, directors and executives.

26 NUMBER OF EMPLOYEES	Note	2020 Rupees	2019 Rupees
- Number of employees as at end of the year were		41	44
- Average number of employees during the period were		41	42

**27 DATE OF AUTHORIZATION**

The financial statements were authorized for issue by the board of directors on 04 October 2020.

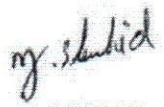
**28 GENERAL**

- Figures in these accounts have been rounded off to the nearest rupee.
- Comparative figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison.

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MEMBER



MEMBER