

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;

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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: 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
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	230,052,640	208,874,976
Intangible assets	8	-	-
CURRENT ASSETS			
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
CURRENT LIABILITIES			
Accrued expenses and other liabilities	12	1,151,504	7,030,004
NET WORKING CAPITAL			
		67,825,275	7,764,611
		297,877,915	216,639,587
NON CURRENT LIABILITIES			
Deferred contribution / donation	13	272,333,712	190,639,140
Contingencies and commitments	14	-	-
NET ASSETS			
		25,544,203	26,000,447
FUNDS REPRESENTED BY:			
Un-Restricted funds	15	25,544,203	26,000,447
Restricted funds	15	-	-
TOTAL FUNDS			
		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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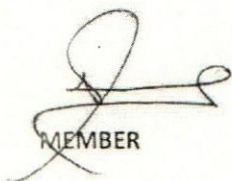

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EASTERN BREEZE FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Donations received	16	118,113,591	142,857,819
		118,113,591	142,857,819
EXPENSES			
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.


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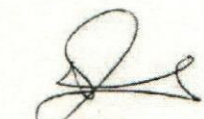

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**EASTERN BREEZE FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2021**

	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
CASH FLOW FROM OPERATING ACTIVITIES:			
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)
Working capital changes			
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>
CASH FLOW FROM INVESTING ACTIVITIES			
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>
CASH FLOW FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		52,570,558	2,350,358
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>63,972,732</u>	<u>11,402,174</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 2021**

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-3, Gulberg III, Lahore. The Head Office of the Company is situated at 366-A, Shah Rukan-e-Alam Colony, Multan

2 SIGNIFICANT TRANSACTIONS 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.

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.

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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.

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.

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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	Vehicles	Total
	Rupees						
At 30 June 2019							
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)
Net book value as at 30 June 2019	74,849,160	145,042,200	772,460	3,082,590	74,270	-	223,820,680
Year ended 30 June 2020							
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)
Net book value as at 30 June 2020	74,849,160	130,537,980	676,693	2,708,754	102,389	-	208,874,976
Year ended 30 June 2021							
Additions	36,500,000	-	1,127,000	1,979,260	-	8,005,500	47,611,760
Disposals							
Cost	11,175,000	-	-	-	-	-	11,175,000
Depreciation	-	-	-	-	-	-	-
Net book value	11,175,000	-	-	-	-	-	11,175,000
Depreciation charge for the year (note 7.01)	-	(13,053,798)	(270,554)	(703,202)	(30,717)	(1,200,825)	(15,259,096)
Net book value as at 30 June 2021	100,174,160	117,484,182	1,533,139	3,984,812	71,672	6,804,675	230,052,640
At 30 June 2020							
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)
Net book value in Rupees	74,849,160	130,537,980	676,693	2,708,754	102,389	-	208,874,976
Annual rates (%) of depreciation 2020	-	10	15	15	30	15	
At 30 June 2021							
Cost	100,174,160	200,858,000	2,561,065	5,980,130	375,200	8,005,500	317,954,055
Accumulated depreciation	-	(83,373,818)	(1,027,926)	(1,995,318)	(303,528)	(1,200,825)	(87,901,415)
Net book value in Rupees	100,174,160	117,484,182	1,533,139	3,984,812	71,672	6,804,675	230,052,640
Annual rates (%) of depreciation 2021	-	10	15	15	30	15	

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

	30 June 2021	30 June 2020
	Rupees	Rupees
Other operating expenses	15,259,096	15,145,534

EASTERN BREEZE FOUNDATION

		2021	2020
		Rupees	Rupees
8 INTANGIBLE ASSETS	Note		
Accounting software		-	-
8.01 Net carrying value			
Accounting software		-	20,000
Less: Amortization charge for the year		-	20,000
Net book value (NBV) as at 30 June		-	-
Gross carrying value			
Cost		-	100,000
Less: Accumulated amortization		-	100,000
Net book value		-	-
Amortization rate per annum (%)		20	20
9 TAX REFUND DUE FROM GOVERNMENT			
Advance income tax		641,461	641,461
10 Loans and Advances			
Loan to employees		415,000	350,500
Loan to other persons - Qarz-e-Hasna		9,827,200	2,400,480
-Provision for Qarz-e-Hasna		(5,879,614)	-
		4,362,586	2,750,980
11 CASH AND BANK BALANCES			
Cash in hand		161,057	261,744
Cash at banks - current accounts		63,811,675	11,140,430
		63,972,732	11,402,174
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Accrued expenses		751,504	830,004
Advance against land for sale		-	6,000,000
Other payables		400,000	200,000
		1,151,504	7,030,004
13 DEFERRED CONTRIBUTION / DONATION			
Opening deferred donation		190,639,140	210,171,360
Donations received for the year - Deferred Portion		100,085,745	-
		290,724,885	210,171,360
Donations utilized/adjusted against operational expenses	13.01	18,391,173	19,532,220
Closing deferred donation		272,333,712	190,639,140
<p>13.01 This represents donations in kind, donations deferred and to be utilized in future periods. It has been utilised against operational expenses on systematic basis.</p>			
14 CONTINGENCIES AND COMMITMENTS			
Contingencies and commitments as at statement of financial position date were Rs. Nil (2020: Rs. Nil).			
15 FUNDS	Note	2021	2020
		Rupees	Rupees
Opening balance		26,000,447	24,887,381
Surplus/(Deficit) for the year		(456,244)	1,113,066
		25,544,203	26,000,447
15.01 Restricted funds		-	-
Unrestricted funds		25,544,203	26,000,447
		25,544,203	26,000,447
16 DONATIONS RECEIVED			
Donations		91,510,630	117,496,041
Zakat		13,386,788	5,829,558
		104,897,418	123,325,599
Donations in kind	13	13,216,173	19,532,220
		118,113,591	142,857,819

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EASTERN BREEZE FOUNDATION

	Note	2021 Rupees	2020 Rupees
17 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, wages and other benefits		1,198,000	865,200
Legal and professional charges		1,660,000	146,500
Utility expenses		281,213	916,863
Repair and Maintenance		307,311	261,185
Travelling and conveyance		156,802	89,210
Rent, rates and taxes		524,347	523,465
Printing and stationery		78,135	101,817
Entertainment expenses		160,133	331,032
Auditors remuneration	17.01	200,000	200,000
Miscellaneous expenses		128,947	6,000
Amortization of intangible assets		-	20,000
		<u>4,694,888</u>	<u>3,461,272</u>
17.01 Auditors remuneration			
Audit fee		<u>200,000</u>	<u>200,000</u>
18 OTHER OPERATIVE EXPENSES			
Salaries, wages and other benefits		4,573,400	3,938,300
Repair and Maintenance		3,516,965	1,275,937
Fuel expenses		247,107	425,351
Security expenses		923,000	885,986
Printing and stationery		475,093	576,535
Communication expenses		118,908	124,221
Utility expenses		1,124,853	2,050,584
Provision for Qarz-e-Hasna		5,879,614	-
Depreciation	7.01	<u>15,259,096</u>	<u>15,145,534</u>
		<u>32,118,035</u>	<u>24,422,448</u>
19 CHARITY AND DONATIONS			
Monthly Wazeefa		10,989,207	9,189,821
Weekly Wazeefa		1,207,522	1,985,828
House Rent Charity		7,705,028	9,061,833
Utilities Charity		5,472,121	6,200,950
Milk Charity		870,710	1,817,660
Medical Charity		8,114,141	10,972,934
Ration and langar expenses		20,137,233	23,765,276
Corona charity		6,763,268	15,260,022
Miscellaneous Charity		2,724,378	2,298,741
Education Charity		11,089,057	19,493,759
Marriage Charity		3,778,106	7,261,042
Zakat donations		2,904,221	6,552,819
		<u>81,754,992</u>	<u>113,860,685</u>
20 FINANCE COST			
Bank charges		<u>1,920</u>	<u>348</u>
21 OPERATIONAL SELF SUFFICIENCY (LOSS) RATIO			
Total financial income		118,113,591	142,857,819
Finance cost		1,920	348
Total income		118,115,511	142,858,167
Administrative and general expenses		4,694,888	3,461,272
Other operative expenses		32,118,035	24,422,448
Charity and donations		81,754,992	113,860,685
Total expenditure		<u>118,567,915</u>	<u>141,744,405</u>
Operational self sufficiency (loss) ratio		<u>100%</u>	<u>99%</u>

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EASTERN BREEZE FOUNDATION

22 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2021 Rupees	2020 Rupees
Financial assets as per statement of financial position			
Loans and Advances		4,362,586	3,493,961
Cash and bank balances		<u>63,972,732</u>	<u>11,402,174</u>
		<u>68,335,318</u>	<u>14,896,135</u>
Financial liabilities as per statement of financial position			
Accrued expenses and other liabilities		<u>1,151,504</u>	<u>7,030,004</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	2021 Rupees	2020 Rupees
Loans and advances		4,362,586	2,750,980
Cash and Bank balances		63,972,732	11,402,174
		<u>68,335,318</u>	<u>14,153,154</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 2021	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	1,151,504	1,151,504	1,151,504	-	-	-	-
	<u>1,151,504</u>	<u>1,151,504</u>	<u>1,151,504</u>	-	-	-	-
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>	-	-	-	-

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	2021 Rupees	2020 Rupees
- Number of employees as at end of the year were		36	41
- Average number of employees during the period were		38	41

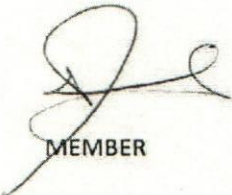
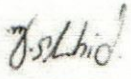
27 DATE OF AUTHORIZATION

The financial statements were authorized for issue by the board of directors on 05 October 2021.

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