



**Building a better  
working world**

**CYTE FOUNDATION**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2018**

## INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF CYTE FOUNDATION

### Opinion

We have audited the accompanying financial statements of **CYTE Foundation** ("the Foundation") which comprise the statement of financial position as at 30 June 2018 and the income and expenditure account, statement of changes in fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies ('hereinafter referred to as the financial statements').

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CYTE Foundation as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

### Basis of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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 Those Charged with Governance for the Financial Statements

The Board of Governors are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board of Governors determine 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, the Board of Governors are responsible for assessing the Foundation'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 Foundation or to cease operation, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

### Auditors' 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 auditors' 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, 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 the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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 those charged with governance 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.



**EY Ford Rhodes**  
**Chartered Accountants**  
**Audit Engagement Partner: Abdullah Fahad Masood**  
**Lahore: 05 April 2019**


**DYTE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

Note	2018		Total	2017	
	Donation Fund	Zakat Fund			
----- Rupees -----					
<b>Non-current assets</b>					
Equipment	3	116,746	-	116,746	134,325
<b>Current assets</b>					
Cash and bank balances	4	1,567,307	1,770,313	3,337,620	907,880
<b>Total assets</b>		<u>1,684,053</u>	<u>1,770,313</u>	<u>3,454,366</u>	<u>1,042,205</u>
<b>Less: Current liabilities</b>					
Accrued expenses and other liabilities	5	205,020	-	205,020	169,400
<b>Net assets</b>		<u>1,479,033</u>	<u>1,770,313</u>	<u>3,249,346</u>	<u>872,805</u>
<b>Represented By:</b>					
Accumulated Surplus		<u>1,479,033</u>	<u>1,770,313</u>	<u>3,249,346</u>	<u>872,805</u>

The annexed notes 1 to 9 form an integral part of these financial statements.

  
CHAIRMAN

  
GENERAL SECRETARY

  
TRUSTEE

**DYTE FOUNDATION**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018		2017	
		Donation Fund	Zakat Fund		Total
----- Rupees -----					
<b>INCOME</b>					
Donation	6	7,428,621	-	7,428,621	5,776,165
Zakat		-	1,412,196	1,412,196	1,314,920
Membership fee		5,000	-	5,000	7,500
<b>Total Income</b>		<b>7,433,621</b>	<b>1,412,196</b>	<b>8,845,817</b>	<b>7,098,585</b>
<b>EXPENDITURE</b>					
Tuition fee	7	4,665,672	445,150	5,110,822	5,905,513
Travelling and lodging expense		32,477	-	32,477	152,421
Web designing and domain charges		3,330	-	3,330	32,180
Printing and stationery expense		31,615	-	31,615	43,194
Communication charges		3,200	-	3,200	22,600
Salaries expense		696,080	-	696,080	708,550
Courier charges		4,080	-	4,080	5,380
Advertising expense		12,000	-	12,000	130,446
Bank charges		26,267	-	26,267	28,748
Audit fee		80,000	-	80,000	30,000
Depreciation	3	33,579	-	33,579	31,279
Electricity and telephone expense		-	-	-	57,660
Other expenses		29,917	-	29,917	269,237
Insurance expense		-	-	-	1,917
Repair and maintenance		-	-	-	7,450
Office expense		9,710	-	9,710	14,367
Project Expenses		346,199	50,000	396,199	-
<b>Total Expenditure</b>		<b>5,974,126</b>	<b>495,150</b>	<b>6,469,276</b>	<b>7,440,942</b>
<b>Surplus / (Deficit) for the year</b>		<b>1,459,495</b>	<b>917,046</b>	<b>2,376,541</b>	<b>(342,357)</b>
Opening surplus		19,538	853,267	872,805	1,215,162
<b>Closing surplus</b>		<b>1,479,033</b>	<b>1,770,313</b>	<b>3,249,346</b>	<b>872,805</b>

The annexed notes 1 to 9 form an integral part of these financial statements.

6/27/18

  
CHAIRMAN

  
GENERAL

  
TRUSTEE

**RYTE FOUNDATION  
CASH FLOW STATEMENT  
AS AT 30 JUNE 2018**

	Note	2018 (Rupees)	2017 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus / (Deficit) for the year		2,376,541	(342,357)
Adjustments for:			
-Depreciation		33,579	31,279
<b>Deficit before working capital changes</b>		<u>2,410,120</u>	<u>(311,078)</u>
<b>Decrease / (Increase) in current assets</b>			
Prepayments		-	276,850
<b>Increase / (Decrease) in current liabilities</b>			
Accrued and other liabilities		35,620	114,400
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		2,445,740	80,172
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property and equipment purchased	3	(16,000)	(3,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(16,000)</u>	<u>(3,000)</u>
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		2,429,740	77,172
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		907,880	830,708
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u><u>3,337,620</u></u>	<u><u>907,880</u></u>

The annexed notes 1 to 8 form an integral part of these financial statements.



CHAIRMAN



GENERAL SECRETARY



TRUSTEE

**CYTE FOUNDATION  
STATEMENT OF CHANGES IN FUNDS  
AS AT 30 JUNE 2018**

	<u>Accumulated Funds (Rupees)</u>
Balance as at 30 June 2016	1,215,162
Deficit for the year	(342,357)
<b>Balance as at 30 June 2017</b>	<u>872,805</u>
Surplus for the year	2,376,541
<b>Balance as at 30 June 2018</b>	<u><u>3,249,346</u></u>

The annexed notes 1 to 8 form an integral part of these financial statements.

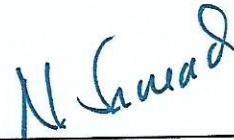
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CHAIRMAN



GENERAL SECRETARY



TRUSTEE

# CYTE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### 1 STATUS AND NATURE OF ACTIVITIES

CYTE Foundation (hereinafter referred to as "the Foundation") was incorporated in Pakistan and registered under Societies Registration Act, XXI of 1860 in 2013 as Non-Governmental Organization (NGO). Its core objective is to financially enable under-privileged children to have the right to quality education. CYTE Foundation is striving to contribute positively in the development of the country by "Changing Youth Through Education".

The registered office of the Foundation is situated at Sugyan Khuda Yar, Park View Scheme, Waterland Road Near Mahar Estate Agency Shahdara, Lahore, Pakistan.

#### 2 SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. These comprise of Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

##### 2.2 Presentation currency

These financial statements are presented in Pak Rupee, which is the Foundation's functional currency. Figures have been rounded off to the nearest Pak Rupee.

##### 2.3 Operating fixed assets

These are stated at historical cost less accumulated depreciation and impairment, if any. Depreciation on assets is charged to income using straight line method whereby the cost of the asset is written off over its estimated useful life. Depreciation on additions to property and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

Asset residual value and useful life are reviewed and adjusted if appropriate, at each balance sheet date. An assets carrying amount is written down immediately to its recoverable amount if the asset carrying amount is greater than its estimated recoverable amount. Subsequent cost are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably. All other repair and maintenance cost are charge to profit and loss account during the year in which these are incurred.

The gain or loss on disposal or retirement of an asset, represented by the difference between the sale proceeds and the carrying amount of an asset, is recognized as an income or an expense.

##### 2.4 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalent comprises of cheques in hand, cash and bank balances. The cash and cash equivalents are subject to insignificant risk of changes in value.

##### 2.5 Revenue recognition

Donation, Zakat and the life time membership fee income are recognized on actual basis.

##### 2.6 Accrued Liabilities

These are stated initially at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Foundation.

##### 2.7 Taxation - Current

The Foundation is approved as a non-profit organization under section 2(36) of Income tax Ordinance 2001 (the Ordinance) by the Commissioner of Inland Revenue, therefore its income is exempt from tax under section 100C of the Ordinance. The society is also exempt from levy of minimum tax under section 113 vide clause 11A of Part IV, Second Schedule of Income Tax Ordinance, 2001, therefore, no provision has been made in these financial statements



PROPERTY AND EQUIPMENT

2017	COST			DEPRECIATION			Net Book Value		Deprecia Rate %
	As at 01 July 2017	Additions	As at 30 June 2018	Accumulated as at 01 July 2017	Charge for the year	Accumulated as at 30 June 2018	As at 30 June 2018		
				(Rupees)					

OWNED ASSETS	COST			DEPRECIATION			Net Book Value		Deprecia Rate %
	As at 01 July 2016	Additions	As at 30 June 2017	Accumulated as at 01 July 2016	Charge for the year	Accumulated as at 30 June 2017	As at 30 June 2017		
Fixtures	47,200	8,000	55,200	12,451	5,120	17,571	37,629	10%	
Office equipment	134,297	8,000	142,297	34,721	28,459	63,180	79,117	20%	
	<u>181,497</u>	<u>16,000</u>	<u>197,497</u>	<u>47,172</u>	<u>33,579</u>	<u>80,751</u>	<u>116,746</u>		

OWNED ASSETS	COST			DEPRECIATION			Net Book Value		Deprecia Rate %
	As at 01 July 2016	Additions	As at 30 June 2017	Accumulated as at 01 July 2016	Charge for the year	Accumulated as at 30 June 2017	As at 30 June 2017		
Fixtures	47,200	-	47,200	7,731	4,720	12,451	34,749	10%	
Office equipment	131,297	3,000	134,297	8,162	26,559	34,721	99,576	20%	
	<u>178,497</u>	<u>3,000</u>	<u>181,497</u>	<u>15,893</u>	<u>31,279</u>	<u>47,172</u>	<u>134,325</u>		

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Note	2018			2017 Rupees
	Donation Fund	Zakat Fund Rupees	Aggregate	
<b>CASH AND BANK BALANCE</b>				
Cash in hand	-	-	-	-
Cash at bank - current Account	1,567,307	1,770,313	3,337,620	907,880
	<u>1,567,307</u>	<u>1,770,313</u>	<u>3,337,620</u>	<u>907,880</u>
No prepayments exists at year end.				

**ACCRUED EXPENSES AND OTHER LIABILITIES**

Salaries payable	75,020	-	75,020	-
Tuition Fee payable	-	-	-	119,400
Audit fee	130,000	-	130,000	50,000
	<u>205,020</u>	<u>-</u>	<u>205,020</u>	<u>169,400</u>

**DONATION**

Donation includes amount received from KFC and SAF under an agreement.

**TUITION FEE**

There are total 12 schools (2017: 12 Schools) registered with the CYTE Foundation, where monthly fee for selected students is paid directly to these schools.

Note	2018			2,017 Rupees
	Donation Fund	Zakat Fund Rupees	Aggregate	
The Smart School	67,000	34,400	101,400	265,900
Bright Way Public Middle School	187,500	14,000	201,500	269,490
Tahira Educational Grammar School	117,000	64,500	181,500	354,000
Onward Public High School System	96,750	71,550	168,300	301,500
Ask Public School	84,800	-	84,800	508,800
Ayesha Educational School System	-	-	-	180,000
EFA School System	200	-	200	322,200
Habib Lyceum	-	-	-	230,300
Lahore Public Girls High School/KFC	480,000	-	480,000	347,000
Noor e ilm School	-	30,000	30,000	192,000
The Country School	227,500	100,000	327,500	345,100
Quaid Public High School/SAF	1,653,700	-	1,653,700	542,600
School fee, tuition fee and others	7.1 1,751,222	130,700	1,881,922	2,046,623
	<u>4,665,672</u>	<u>445,150</u>	<u>5,110,822</u>	<u>5,905,513</u>

1 This relates to the school fee paid for individual students studying in unregistered schools, academies and universities.

2 Total number of students as at year end are 679 (2017: 683).

**NUMBER OF EMPLOYEES**

The total number of employees of the Foundation.


2018	2017
4	3

**DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved and authorized for issue by the Governing Body on \_\_\_\_\_

3/4/20

  
CHAIRMAN

  
GENERAL SECRETARY

  
TRUSTEE