



**Building a better
working world**

CYTE FOUNDATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016**

EY Ford Rhodes
Chartered Accountants
96-B-I, 4th Floor, Pace Mall Building
M. M. Alam Road, Gulberg-II
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13
ey.lhr@pk.ey.com
ey.com/pk

DRAFT INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY

We have audited the accompanying Financial Statement of **CYTE FOUNDATION** (the Foundation) which comprise of the balance sheet as at **30 June 2016** and Income and expenditure account, together with the notes forming part thereof (here-in-after referred to as the financial statements for the year then ended).

Management's Responsibility for the Financial Statements

The Governing Body is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Governing Body, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly in all material respects the financial position of **CYTE FOUNDATION** as at **30 June 2016** and of its surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Chartered Accountants
Audit Engagement Partner: Farooq Hameed
Lahore



**CYTE FOUNDATION
BALANCE SHEET
AS AT 30 JUNE 2016**

	Note	2016			2015 Rupees
		Donation Fund	Zakat Fund Rupees	Aggregate	
Non-current assets					
Equipment	3	162,604	-	162,604	31,612
Current assets					
Cash and bank balances	4	515,691	315,017	830,708	1,982,614
Prepayments	5	276,850	-	276,850	-
		792,541	315,017	1,107,558	1,982,614
Total assets		955,145	315,017	1,270,162	2,014,226
Less: Current liabilities					
Accrued expenses and other liabilities	6	55,000	-	55,000	40,930
Net assets		900,145	315,017	1,215,162	1,973,296
Represented By:					
Surplus		900,145	315,017	1,215,162	1,973,296
		900,145	315,017	1,215,162	1,973,296

The annexed notes 1 to 10 form an integral part of these financial statements.

CHAIRMAN

GENERAL SECRETARY

TRUSTEE

**CYTE FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016		Aggregate	2015 Rupees
		Donation Fund	Zakat Fund		
INCOME					
Donation	7	2,855,135	-	2,855,135	2,358,245
Zakat		-	827,987	827,987	1,823,255
Membership fee		287,500	-	287,500	53,500
Total Income		3,142,635	827,987	3,970,622	4,235,000
EXPENDITURE					
Tuition fee	8	2,753,775	1,295,654	4,049,429	2,320,697
Travelling and lodging expense		68,020	-	68,020	29,940
Web designing and domain charges		5,280	-	5,280	24,500
Printing & stationery expense		56,841	-	56,841	18,017
Communication charges		22,690	-	22,690	9,605
Salaries expense		324,733	-	324,733	292,726
Courier charges		-	-	-	3,050
Advertising expense		98,684	-	98,684	39,000
Fuel charges		15,532	-	15,532	11,902
Bank charges		7,347	-	7,347	1,172
Audit fee		30,000	-	30,000	30,000
Depreciation	3	12,005	-	12,005	3,550
Other expenses		38,195	-	38,195	15,000
Total Expenditure		3,433,102	1,295,654	4,728,756	2,799,159
(Deficit) / Surplus for the year		(290,467)	(467,667)	(758,134)	1,435,841
Opening Surplus		1,190,612	782,684	1,973,296	537,455
Closing Surplus		900,145	315,017	1,215,162	1,973,296

The annexed notes 1 to 10 form an integral part of these financial statements.

CHAIRMAN

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TRUSTEE

CYTE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 the Guideline for Accounting and Financial Reporting by Non-Government Organization's (NGOs) / Non-Profit Organization's (NPOs) as 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 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.4 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.

2.5 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.

2.6 Revenue recognition

Revenue represents the fair value of the consideration received. Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Foundation and the amount of revenue and the associated cost incurred, or to be incurred, can be measured reliably.

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



2.7 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.

2.8 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.



3 EQUIPMENT

		2016				2015			
		COST		DEPRECIATION		NET BOOK VALUE		Rate	
		As at 01 July 2015	Additions	As at 30 June 2016	Accumulated as at 01 July 2015	Charge For The Year	Accumulated as at 30 June 2016	As at 30 June 2016	%
Fixtures		35,500	11,700	47,200	3,888	3,843	7,731	39,469	10%
Equipment		-	131,297	131,297	-	8,162	8,162	123,135	20%
		35,500	142,997	178,497	3,888	12,005	15,893	162,604	
		2015							
		COST		DEPRECIATION		NET BOOK VALUE		Rate	
		As at 01 July 2014	Additions	As at 30 June 2015	Accumulated as at 01 July 2014	Charge For The Year	Accumulated as at 30 June 2015	As at 30 June 2015	%
Fixtures		4,500	31,000	35,500	338	3,550	3,888	31,612	10%
		4,500	31,000	35,500	338	3,550	3,888	31,612	

	2016			2015 Rupees
	Donation Fund	Zakat Fund Rupees	Aggregate	
4 CASH AND BANK BALANCE				
Cash in hand	-	-	-	2,386
Cash at bank - current Account	515,691	315,017	830,708	1,980,228
	<u>515,691</u>	<u>315,017</u>	<u>830,708</u>	<u>1,982,614</u>

5 PREPAYMENTS

This amount relates to prepaid tuition fees for the month of July 2016.

	2016			2015 Rupees
	Donation Fund	Zakat Fund Rupees	Aggregate	
6 ACCRUED EXPENSES AND OTHER LIABILITIES				
Salaries payable	25,000	-	25,000	10,000
Audit fee	30,000	-	30,000	30,000
Communication charges	-	-	-	930
	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>40,930</u>

7 DONATION

Donation includes laptop amounting to Rs. 40,500 received from a donor.

8 TUITION FEE

There are total 12 schools (2015: 5 Schools) registered with the Foundation, where monthly fee for selected students is paid directly to these schools.

Registration of Shahid Memorial Public School was terminated during the year.

	Note	NO OF ACTIVE STUDENTS		2016			2015 Rupees
		2016	2015	Donation Fund	Zakat Fund Rupees	Aggregate	
The Smart School		32	35	192,400	128,500	320,900	325,100
Bright Way Public Middle School		40	60	186,700	28,900	215,600	199,290
Shahid Memorial Public School		73	63	147,790	74,750	222,540	258,800
Tahira Educational Grammar School		60	32	214,000	78,000	292,000	104,500
Onward Public High School System		57	52	253,900	84,150	338,050	112,000
Ask Public School		52	-	96,605	33,600	130,205	-
Ayesha Educational School System		50	-	75,000	15,000	90,000	-
EFA School System		20	-	43,200	-	43,200	-
Habib Lyceum		54	-	134,000	-	134,000	-
Lahore Public Girls High School		37	-	94,700	61,300	156,000	-
Noor e ilm School		37	-	94,500	58,500	153,000	-
Quaid Public High School		80	-	178,470	28,100	206,570	-
School fee, tuition fee and others	8.1	82	144	1,042,510	704,854	1,747,364	1,321,007
		<u>674</u>	<u>386</u>	<u>2,753,775</u>	<u>1,295,654</u>	<u>4,049,429</u>	<u>2,320,697</u>

8.1 This relates to the school fee paid for individual students studying in unregistered schools.

9 NUMBER OF EMPLOYEES

The total number of employees at the Foundation.

2016	2015
2	1

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the Governing Body on _____.

CHAIRMAN

GENERAL SECRETARY

TRUSTEE