



**CYTE FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2020**

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



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LA/7457/21  
07 April 2021

The Governing Body  
**CYTE FOUNDATION**  
255 MB, Phase VI  
DHA  
Lahore

Dear Sirs

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

We are pleased to enclose herewith one copy of the above duly signed by us.

Yours faithfully

*EY Ford Rhodes*

## **INDEPENDENT AUDITOR'S REPORT**

**To the governing body of CYTE Foundation**

**Report on the Audit of the Financial Statements for the year ended 30 June 2020**

### **Opinion**

We have audited the accompanying financial statements of **CYTE Foundation ('the Foundation')**, which comprise the statement of financial position as at 30 June 2020 and the income and expenditure account, statement of changes in funds, 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 2020, and its financial performance, changes in funds and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

### **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 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 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 is 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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

4/7



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 Foundation'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 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 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 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: 07 April 2021**



**CYTE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020		2019
		Donation Fund	Zakat Fund	
		(Rupees)		
<b>Non-current assets</b>				
Fixed assets	5	1,619,434	-	1,619,434
Long term security deposit		240,000	-	240,000
<b>Current assets</b>				
Cash and bank balances	6	16,165,079	3,526,487	19,691,566
<b>Total assets</b>		<b>18,024,513</b>	<b>3,526,487</b>	<b>21,551,000</b>
<b>Less: Current liabilities</b>				
Accrued expenses and other liabilities	7	2,780,576	-	2,780,576
<b>Net assets</b>		<b>15,243,937</b>	<b>3,526,487</b>	<b>4,320,521</b>
<b>Represented By:</b>				
Accumulated Surplus		<b>15,243,937</b>	<b>3,526,487</b>	<b>18,770,424</b>

The annexed notes 1 to 11 form an integral part of these financial statements.

  
 CHAIRMAN

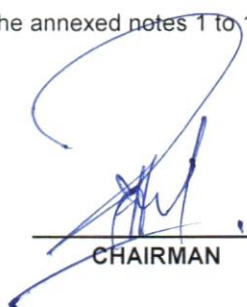
  
 GENERAL SECRETARY

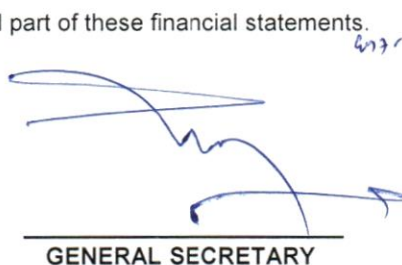
  
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**CYTE FOUNDATION  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020		Total	2019
		Donation Fund	Zakat Fund		
----- (Rupees) -----					
<b>INCOME</b>					
Donation	8	36,852,330	-	36,852,330	9,502,633
Zakat		-	1,908,813	1,908,813	2,159,000
<b>Total Income</b>		<b>36,852,330</b>	<b>1,908,813</b>	<b>38,761,143</b>	<b>11,661,633</b>
<b>EXPENDITURE</b>					
Tuition fee	9	13,828,720	1,094,939	14,923,659	6,889,535
Travelling and lodging expense		177,979	-	177,979	178,485
Web designing and domain charges		-	-	-	19,762
Printing and stationery expense		198,020	-	198,020	86,968
Office rent		715,000	-	715,000	-
Salaries expense		3,411,873	-	3,411,873	1,113,680
Courier charges		172,368	-	172,368	6,970
Advertising expense		34,530	-	34,530	1,074,711
Bank charges		108,096	-	108,096	67,332
Audit fee		150,000	-	150,000	150,000
Depreciation	5	225,495	-	225,495	64,227
Other expenses		6,000	-	6,000	11,385
Utilities		150,135	-	150,135	-
Repair and maintenance		176,450	-	176,450	46,090
Office expense		369,935	-	369,935	178,952
Project expenses	10	3,078,120	-	3,078,120	467,351
Event expense		316,080	-	316,080	185,010
Legal and professional charges		97,500	-	97,500	50,000
<b>Total expenditure</b>		<b>23,216,301</b>	<b>1,094,939</b>	<b>24,311,240</b>	<b>10,590,458</b>
<b>Surplus for the year</b>		<b>13,636,029</b>	<b>813,874</b>	<b>14,449,903</b>	<b>1,071,175</b>
Opening surplus balance		1,607,908	2,712,613	4,320,521	3,249,346
Closing surplus balance		<b>15,243,937</b>	<b>3,526,487</b>	<b>18,770,424</b>	<b>4,320,521</b>

The annexed notes 1 to 11 form an integral part of these financial statements.

  
CHAIRMAN

  
GENERAL SECRETARY

  
TRUSTEE


**CYTE FOUNDATION  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 30 JUNE 2020**

	<u>Donation</u> (Rupees)	<u>Zakat</u> (Rupees)	<u>Total</u> (Rupees)
Balance as at 01 July 2018	1,479,033	1,770,313	3,249,346
Surplus for the year	128,875	942,300	1,071,175
Balance as at 30 June 2019	<u>1,607,908</u>	<u>2,712,613</u>	<u>4,320,521</u>
Surplus for the year	<b>13,636,029</b>	<b>813,874</b>	<b>14,449,903</b>
Balance as at 30 June 2020	<u><b>15,243,937</b></u>	<u><b>3,526,487</b></u>	<u><b>18,770,424</b></u>

The annexed notes 1 to 11 form an integral part of these financial statements.



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CHAIRMAN



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GENERAL SECRETARY



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**CYTE FOUNDATION  
STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 (Rupees)	2019 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		14,449,903	1,071,175
Adjustments for:			
- Depreciation	5	225,495	64,227
Surplus before working capital changes		<u>14,675,398</u>	<u>1,135,402</u>
<b>WORKING CAPITAL CHANGES</b>			
Increase in accrued and other liabilities	7	2,500,576	74,980
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<u>17,175,974</u>	<u>1,210,382</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed assets purchased	3	(944,000)	(863,410)
Proceeds from sale of fixed assets	3	15,000	-
Security deposit paid		-	(240,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(929,000)</u>	<u>(1,103,410)</u>
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		16,246,974	106,972
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		3,444,592	3,337,620
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	6	<u><u>19,691,566</u></u>	<u><u>3,444,592</u></u>

The annexed notes 1 to 11 form an integral part of these financial statements. 6/27

  
CHAIRMAN

  
GENERAL SECRETARY

  
TRUSTEE

# CYTE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### 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 BASIS FOR PREPERATION AND STATEMENT OF COMPLIANCE

##### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

##### 2.2 Basis of measurement

These financial statements have been prepared under historical cost convention. All transaction reflected in these financial statements are on receipt basis.

##### 2.3 Functional and 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, Unless otherwise stated.

#### 3 Summary of significant accounting policies

##### 3.1 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's residual value and useful life are reviewed and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. Subsequent costs 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 income and expenditure 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.

##### 3.2 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.

##### 3.3 Revenue recognition

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

##### 3.4 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.

##### 3.5 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.

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## 5 FIXED ASSETS

2019	COST			DEPRECIATION			Net Book Value		Depreciation Rate %
	As at 01 July 2019	Additions	Disposals	As at 30 June 2020	Accumulated as at 01 July 2019	Charge for the year	Accumulated as at 30 June 2020	As at 30 June 2020	
----- (Rupees) -----									
<b>OWNED ASSETS</b>									
Fixtures	794,630	324,600	-	1,119,230	46,776	94,573	141,349	977,881	10%
Office equipment	266,277	619,400	15,000	870,677	98,202	130,922	229,124	641,553	20%
	<u>1,060,907</u>	<u>944,000</u>	<u>15,000</u>	<u>2,004,907</u>	<u>144,978</u>	<u>225,495</u>	<u>370,473</u>	<u>1,619,434</u>	

2018	COST			DEPRECIATION			Net Book Value		Depreciation Rate %
	As at 01 July 2018	Additions	Disposals	As at 30 June 2019	Accumulated as at 01 July 2018	Charge for the year	Accumulated as at 30 June 2019	As at 30 June 2019	
----- (Rupees) -----									
<b>OWNED ASSETS</b>									
Fixtures	55,200	739,430	-	794,630	17,571	29,205	46,776	747,854	10%
Office equipment	142,297	123,980	-	266,277	63,180	35,022	98,202	168,075	20%
	<u>197,497</u>	<u>863,410</u>	<u>-</u>	<u>1,060,907</u>	<u>80,751</u>	<u>64,227</u>	<u>144,978</u>	<u>915,929</u>	

617



	2020			2019
	Donation Fund	Zakat Fund	Aggregate	
<b>6 CASH AND BANK BALANCE</b>	----- (Rupees) -----			
Cash in hand	21,084	-	21,084	-
Cash at bank - current account	16,143,995	3,526,487	19,670,482	3,444,592
	<u>16,165,079</u>	<u>3,526,487</u>	<u>19,691,566</u>	<u>3,444,592</u>
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>				
Salaries and others payable	415,876	-	415,876	-
Tuition fee payable	2,062,300	-	2,062,300	-
Audit fee	302,400	-	302,400	280,000
	<u>2,780,576</u>	<u>-</u>	<u>2,780,576</u>	<u>280,000</u>

**8 DONATION**

This includes amounts received from KFC and Shahid Afridi Foundation (SAF) under agreement.

**9 TUITION FEE**

There are total 21 schools (2019: 22 Schools) registered with the CYTE Foundation, where monthly fee for selected students is paid directly to these schools. Further, the foundation also pays monthly fee for selected students studying in unregistered schools, academies and universities.

Note	No. of Active Students		2020			2019	
	2020	2019	Donation Fund	Zakat Fund	Aggregate		
			----- (Rupees) -----				
The Smart School	8	19	201,100	-	201,100	210,200	
Bright Way Public Middle School	75	28	23,800	357,200	381,000	212,000	
Tahira Educational Grammar School	22	40	-	216,730	216,730	319,950	
Lahore Public Girls High School	100	150	852,000	-	852,000	786,300	
The High Achievers School	25	25	185,000	-	185,000	175,000	
Iqra Community Model School (AJK)	50	50	12,000	138,000	150,000	60,000	
Mohai Ud Din Model Public School (AJK)	150	50	800,000	-	800,000	40,000	
Mustafai Model School	300	25	1,550,000	-	1,550,000	120,000	
Nauman Public School (AJK)	50	10	50,800	43,209	94,009	13,200	
Al-Noor Model Science College (AJK)	350	50	1,800,000	-	1,800,000	60,000	
Rising Public School (AJK)	40	25	62,800	36,200	99,000	70,000	
Shaheen Public School Jandar sari (AJK)	70	25	210,000	-	210,000	70,000	
University Model Public School (AJK)	50	25	24,000	126,000	150,000	50,000	
SAF Malik Pur Campus	380	313	4,101,150	-	4,101,150	3,052,280	
Al-Firdous Welfare Association	-	129	-	-	-	281,600	
Al-Suffah School (KPK)	300	50	1,541,000	-	1,541,000	60,000	
Fatheen Learning Institue (KPK)	50	-	16,000	84,000	100,000	-	
Sana Model Public School (KPK)	300	-	1,500,000	-	1,500,000	-	
Broshal Model Girls School (KPK)	35	-	70,000	-	70,000	-	
Rising Star Public School (AJK)	25	-	2,400	93,600	96,000	-	
School fee, tuition fee and others	9.1	40	45	826,670	-	826,670	1,285,005
		<u>2,375</u>	<u>1,059</u>	<u>13,828,720</u>	<u>1,094,939</u>	<u>14,923,659</u>	<u>6,865,535</u>

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

10 PROJECT EXPENSES	Note	2020	2019
		(Rupees)	(Rupees)
Welfare activities	10.1	2,742,460	467,351.00
Training activities	10.2	335,660	-
		<u>3,078,120</u>	<u>467,351.00</u>

**10.1** This includes expenses incurred for food distribution during the lockdown and for the repair and maintenance of houses affected during the flood in Laswa village, Azad Jammu and Kashmir.

**10.2** This consists of amount paid for the training of teachers.


**10 NUMBER OF EMPLOYEES**

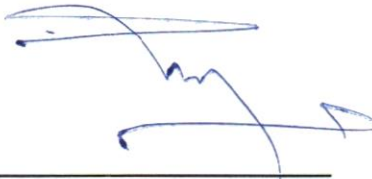
The total number of employees at the Foundation.

2020	2019
7	6

**11 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved and authorized for issue by the Governing Body on \_\_\_\_\_ 4/12/21

  
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CHAIRMAN

  
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GENERAL SECRETARY

  
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