

# SIRAJ & COMPANY

## CHARTERED ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF SYED FOUNDATION

#### Opinion

We have audited the financial statement of **SYED FOUNDATION**, which comprise the statement of financial position as at June 30, 2020 and the income and expenditure account for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects and give a true and fair view of the financial position of **SYED FOUNDATION** as at June 30, 2020 and of 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 for Opinion

We conducted our audit in accordance with the 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 Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professionals Accountants as adopted by the Institute 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 is 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 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 the Board of Governors is responsible for assessing the Society's ability to continue as going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society 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 whole are free from material misstatements, 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 guarantee that and 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,



---

Suite: SF-4, 3<sup>rd</sup> Floor, Shahnaz Arcade, Main Shaheed e Millat Road, Karachi

# SIRAJ & COMPANY

## CHARTERED ACCOUNTANT

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 Society'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 based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as 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 Society to cease to continue as 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.

Date: January 14, 2020  
Place: Karachi



**Siraj & Company**  
Chartered Accountants

---

**Suite: SF-4, 3<sup>rd</sup> Floor, Shahnaz Arcade, Main Shaheed e Millat Road, Karachi**

Page 2 of 2

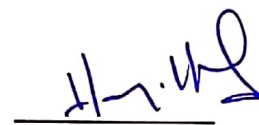
**SYED FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**As at June 30, 2020**

<u>FUND &amp; LIABILITIES</u>	Note	2020 Rupees	2019 Rupees
<b>FUNDS</b>			
General Fund		990,514	3,552
Restricted Fund - Eye Hospital	3	1,968,000	1,168,000
		2,958,514	1,171,552
<b>CURRENT LIABILITIES</b>			
Other Liabilities	4	10,000	-
<b>TOTAL FUND &amp; LIABILITIES</b>		<u>2,968,514</u>	<u>1,171,552</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Long Term Investments	5	808,000	798,000
<b>CURRENT ASSETS</b>			
Advance Tax	6	16,504	-
Cash & Bank Balances	7	2,144,010	373,552
		2,160,514	373,552
<b>TOTAL ASSETS</b>		<u>2,968,514</u>	<u>1,171,552</u>

The annexed notes form an integral part of these financial statements

  
 TRASURER

  
 PRESIDENT


  
 SECRETARY

**SYED FOUNDATION**  
**INCOME & EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
Charities and Donation	8	4,135,012	3,675,048
Less : Donations Expense	9	3,120,150	3,655,408
		1,014,862	19,640
Less : Administrative Expense	10	27,900	16,088
Surplus before taxation		986,962	3,552
<b>TAXATION</b>			
Current	11	-	-
Surplus/(Deficit) for the year		986,962	3,552
<b>APPROPRIATION</b>			
Transfer to General Reserve		3,552	-
Unappropriated surplus carried forward		990,514	3,552

The annexed notes form an integral part of these financial statements

  
 TRASURER

  
 PRESIDENT

  
 SECRETARY



**SYED FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2020**

---

**1 STATUS AND ACTIVITIES**

Syed Foundation (hereinafter called as trust) is a non profit organization registered on August 13, 2018 under Trust Act -(registration department Government of Sindh) Karachi through register no. 651 of S.R Jamshed I. The current office of the foundation is E-3/1 Hill Park apartment at K.M.C.H.S Karachi, with liaison office SF-4, 3rd Floor, Shahnaz Arcade, Shaheed-e-Millat Road, Karachi

The principle activities of the foundation is to look after and work for the welfare and interest of women, children, senior citizens belonging to under privileged people of society.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

**2.1 Basis of preparation**

These financial statements have been prepared under the historical cost

**2.2 Accounting convention and basis of preparation**

These financial statements have been prepared under the accrual basis of accounting except for the donations which are recognized on receipt basis and historical cost convention.

**2.3 Taxation**

The foundation has applied to be registered as a Non-Profit Organization under section 2(36)C of Income Tax Ordinance, 2001 (the Ordinance) and is entitled to tax credit under section 100C of the Ordinance. The provision of minimum tax is also not applicable on the trust under Clause 11A of part 4 of second schedule of the Income Tax Ordinance.

**2.4 Restricted Funds**

Funds received for the purpose to built the Hospital are recorded in "Restricted Funds for eye Hospital" and are strictly used for the purpose only.

**2.5 General Fund**

The fund is used for all general purposes of the Trust. Any surplus / (deficit) arising out of operations of the Trust is transferred from income and expenditure account to this fund.

**2.6 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise of cash in hand and cash with banks on current accounts.

**2.7 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 future for goods and services received, whether or not billed to the Trust.

**SYED FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2020**

	NOTE	2020 Rupees	2019 Rupees
<b>3 RESTRICTED FUND - EYE HOSPITAL</b>			
Opening Balance		1,168,000	-
Donation received during the year	3.1	800,000	1,168,000
		1,968,000	1,168,000
Less: expenditure incurred		-	-
		<u>1,968,000</u>	<u>1,168,000</u>
3.1 It includes major donation received from following donors			
- Mr. D. Syed Family		1,330,000	530,000
- Mrs. Firoza Zaidi Family		268,000	268,000
3.2 It represents the amounts restricted investment in Eye Hospital Projects and related eye treatment venture			
<b>4 OTHER LIABILITIES</b>			
Audit Fee Payable		10,000	-
		<u>10,000</u>	<u>-</u>
<b>5 LONG TERM INVESTMENTS -AT COST</b>			
National investment trust		808,000	798,000
		<u>808,000</u>	<u>798,000</u>
<b>6 Advance Tax</b>			
Advance Tax		16,504	-
		<u>16,504</u>	<u>-</u>
<b>7 CASH &amp; BANK BALANCES</b>			
Cash at bank with current A/c		2,144,010	373,552
		<u>2,144,010</u>	<u>373,552</u>
<b>8 CHARITIES AND DONATION</b>			
Sunday Lunch (Non zakat A/C)		652,560	1,017,948
Donation - D. Syed Family		1,594,232	-
Education Fund (Zakat A/C)		12,000	134,000
Zakat, Ration, Cloth (Zakat A/C)		1,816,220	2,309,100
Dowry (Non zakat A/C)		-	60,000
Medicine (Zakat A/C)		60,000	2,000
Donation in Kind (Non zakat A/C)		-	152,000
		<u>4,135,012</u>	<u>3,675,048</u>

**SYED FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2020**

**9 DONATION EXPENSE**

Sunday Lunch expense (Non zakat A/C)	692,200	1,017,948
Education expense (Zakat A/C)	20,000	130,000
Zakat, Ration, Cloth expense (Zakat A/C)	2,323,000	2,293,460
Dowry expense (Non zakat A/C)	-	60,000
Medicine expense (Zakat A/C)	84,950	2,000
Donation in kind expense (Non zakat A/C)	-	152,000
	<u>3,120,150</u>	<u>3,655,408</u>

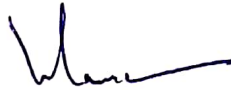
**10 ADMINISTRATIVE EXPENSES**

Withholding Tax	-	12,588
Bank Charges	-	1,000
Printing & Stationery	9,700	2,500
Advertisement & Publicity	5,200	-
Audit Fee	10,000	-
Misc Expense	3,000	-
	<u>27,900</u>	<u>16,088</u>

**11** No provision has been made for the tax because the trust is availing 100% tax credit u/s.100 C (1) by complying the requirments of section 100 C of I.T Ordinance 2001.

**12** Figures have been rounded off to nearest rupee

  
\_\_\_\_\_  
TRASURER

  
\_\_\_\_\_  
PRESIDENT

  
\_\_\_\_\_  
SECRETARY