



**ENDOWMENT FUND TRUST FOR THE
PRESERVATION OF THE HERITAGE OF SINDH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530, Pakistan
Tel: +9221 3565 0007
Fax: +9221 3568 1965
www.ey.com

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the accompanying financial statements of balance sheet of Endowment Fund Trust for the Preservation of Heritage of Sindh (the Trust) as at 30 June 2010, the related statement of income and expenditure and the statement of cash flows together with the notes forming part thereof (here-in-after referred to as the "financial statements"), for the year then ended.

Trustee's responsibility for the financial statements

Trustees of the Trust are responsible for the preparation and fair presentation of these financial statements in accordance with the guideline for Accounting and Financial Reporting by Non-Government Organizations / Non-Profit Organizations as issued by the Institute of Chartered Accountants of Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 auditors' 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 management, 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 give a true and fair view of the financial position of the Trust as at 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with guideline for Accounting and Financial Reporting by Non-Government Organizations / Non-Profit Organizations as issued by the Institute of Chartered Accountants of Pakistan.



Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Date: 05 February 2012

Karachi

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
BALANCE SHEET
AS AT 30 JUNE 2010

	Note	2010 Rupees	2009 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	6	4,817,867	-
Investments	7	961,509,954	-
		<u>966,327,821</u>	<u>-</u>
CURRENT ASSETS			
Deposits, prepayments and other receivables	8	41,573,590	-
Bank balance	9	95,231,621	1,004,071,470
		<u>136,805,211</u>	<u>1,004,071,470</u>
TOTAL ASSETS		<u><u>1,103,133,032</u></u>	<u><u>1,004,071,470</u></u>
REPRESENTED BY:			
Endowment Fund	10	1,000,000,000	1,000,000,000
Accumulated Surplus		103,133,032	4,071,470
		<u><u>1,103,133,032</u></u>	<u><u>1,004,071,470</u></u>
COMMITMENTS	11	-	-

The annexed notes from 1 to 13 form an integral part of these financial statements.



Trustee

Even



Trustee

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2010

			For the period from 30 August 2008 to 30 June 2009
	Note	2010 Rupees	Rupees
INCOME			
Investment income		26,444,506	-
Profit on PLS saving account		85,122,106	4,071,470
		111,566,612	4,071,470
EXPENDITURE			
Cost of Projects	12	(11,250,000)	-
Administrative and General Expenses		(1,255,050)	-
		(12,505,050)	-
Surplus for the year		99,061,562	4,071,470
Surplus at the beginning of the year / period		4,071,470	-
Surplus at the end of the year / period		103,133,032	4,071,470

The annexed notes from 1 to 13 form an integral part of these financial statements.



 Trustee

EYN



 Trustee

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 Rupees	For the period from 30 August 2008 to 30 June 2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year / period	99,061,562	-
<i>Adjustments for non-cash items:</i>		
Investment income	(26,444,506)	-
Depreciation	166,133	-
	<u>72,783,189</u>	-
Increase in current assets		
Prepaid rent	(1,500,000)	-
Security Deposit	(300,000)	-
Accrued interest on Pakistan Investment Bonds	(13,982,466)	-
	<u>(15,782,466)</u>	-
Net cash generated from operating activities	<u>57,000,723</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of fixed assets	(4,984,000)	-
Investments made during the year	(960,856,572)	-
Net cash used in investing activities	<u>(965,840,572)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Grant received from the Government of Sindh	-	1,000,000,000
Net cash from financing activities	-	<u>1,000,000,000</u>
Net (decrease) / increase in cash and cash equivalents	<u>(908,839,849)</u>	<u>1,000,000,000</u>
Cash and cash equivalents at the beginning of the year / period	1,000,000,000	-
Cash and cash equivalents at the end of the year / period	<u>91,160,151</u>	<u>1,000,000,000</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


 Trustee

Eun


 Trustee

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. LEGAL STATUS AND NATURE OF ACTIVITIES

The Government of Sindh vide its notification No. SO(C-IV)/SGA & CD/ 4-41/2008 dated 30 August 2008 constituted the Management Board of the 'Endowment Fund Trust for the Preservation of Heritage of Sindh' (the Trust). The Trust was registered on 16th of September, 2009 and managed by the Management Board. These Funds were transferred from Management Board to the Trust on 25th March, 2010.

The objective of the Trust is mainly to aid in the preservation of Sindh's artistic, tangibles and intangible heritage that are endangered and take necessary steps for its restoration and conservation.

The Trust comprise of 15 members with 12 from private sector and 3 ex-officio members. The Trustees shall receive, hold, invest and mobilize the Endowment amounts that may be received from the Government of Sindh through its Antiquities Department from time to time.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the guideline for Accounting and Financial Reporting by Non-Government Organizations / Non-Profit Organizations as issued by the Institute of Chartered Accountants of Pakistan.

3. BASIS OF MEASUREMENT

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Long term investments

Long term investments are recognised at cost.

4.2 Fixed assets

4.2.1 Tangible fixed assets

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income and expenditure account using the straight-line method. A full month's depreciation is charged for assets purchased at any time in a financial year while no depreciation is charged in the month of an assets' disposal.

The assets' residual values and useful lives are reviewed periodically and adjusted if impact on depreciation is significant.

Gains and losses on disposal of fixed assets, if any, are included in income currently.

4.2.2 Impairment of assets

An assessment is made on periodic basis whether there is any objective evidence of impairment (or reversal of previous impairments), in tangible fixed assets and investments. In the event that an asset's carrying amount exceeds its recoverable amount, an impairment loss is recognised in the income and expenditure account equal to the difference and the carrying amount is reduced to the recoverable amount.

4.3 Revenue recognition - Grants

Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

4.4 Taxation

Income of the Trust is exempt from tax under section 49 of the Income Tax Ordinance, 2001.

4.5 Provisions

A provision is recognised in the balance sheet when the Trust has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.6 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and bank deposits.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. FIXED ASSETS

FIXED ASSETS								Written Down
Particulars	Cost			Rate %	Accumulated Depreciation			Value as at 30
	As at 01 July 2009	Additions during the year	As at 30 June 2010		As at 01 July 2009	Charge during the year	As at 30 June 2010	June 2010
	----- Rupees -----				----- Rupees -----			Rupees
Motor Vehicles	-	4,984,000	4,984,000	20	-	166,133	166,133	4,817,867
					Note	2010 Rupees	2009 Rupees	

7. INVESTMENTS - Held-to-maturity

7.1	Pakistan Investment Bonds	7.2	961,509,954	-
7.2	Original cost of investments carried at the Balance Sheet date amounts to Rs. 960.856 million (2009: Nil). These investments have face value of Rs 986 million having rate of return of 12% (2009: 12%) per annum with maturity in the year 2018.			

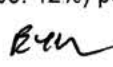
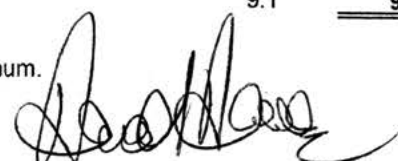
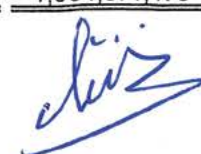
8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit	300,000	
Prepaid rent	1,500,000	
Accrued interest on Pakistan Investment Bonds	39,773,590	
	41,573,590	-

9. BANK BALANCE

PLS Savings Account	9.1	95,231,621	1,004,071,470
---------------------	-----	------------	---------------

9.1 These carry rate of return of 12% (2009: 12%) per annum.

	Note	2010 Rupees	2009 Rupees
10. ENDOWEMENT FUND			
Received from the Government of Sindh	10.1	<u>1,000,000,000</u>	<u>1,000,000,000</u>

10.1 The income of the Endowment Fund will be available for the programme's objectives and in accordance with the Government of Sindh's notification No. SO(C-IV)/SGA & CD/ 4-41/2008 dated 30 August 2008, the Endowment Funds are to be utilized on the following purposes:

- Promote awareness and further study of archaeological sites in Sindh.
- Registration of all archaeological sites and artefacts in Sindh.
- Scientific analysis of archaeological artefacts through qualified laboratories.
- Promote research and analysis of archaeological artefacts in Sindh.
- Work for preservation / conservation, protect, stabilize, repair, restore and maintain the significant archaeological sites and physical heritage.
- Provide suitable protection storage facilities for archaeological artefacts.
- Hire local students to work on archaeological sites under the supervision of qualified archaeological.
- Develop exhibits, displays and events relating to archaeological and physical heritage in Sindh.

11. COMMITMENTS

The Trust is committed to provide assistance / financial grant to following executors in accordance with the terms of the project agreements:

Mohatta Palace Museum	7,000,000	-
Restoration of Khaipur Mir Monuments	7,000,000	-
Restoration of Hyderabad Mir Monuments	7,000,000	-
Sindh Language Authority (Sound Studio)	5,250,000	-
	<u>26,250,000</u>	<u>-</u>

For the period
from 30 August
2008 to 30 June
2009

12. COST OF PROJECTS

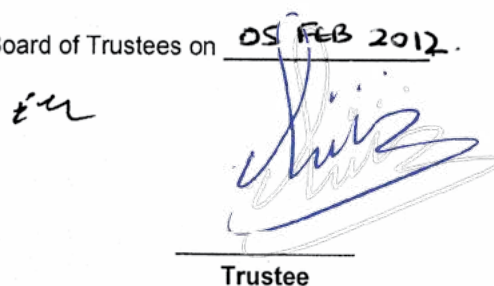
	2010 Rupees	2009 Rupees
Mohatta Palace Museum	3,000,000	-
Restoration of Khaipur Mir Monuments	3,000,000	-
Restoration of Hyderabad Mir Monuments	3,000,000	-
Sindhi Language Authority (Sound Studio)	2,250,000	-
	<u>11,250,000</u>	<u>-</u>

13. GENERAL

13.1 Amounts have been rounded off to the nearest rupee.

13.2 These financial statements were authorised for issue by the Board of Trustees on 05 FEB 2012.


Trustee


Trustee