



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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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](http://www.ey.com)

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the annexed balance sheet of Endowment Fund Trust for the Preservation of Heritage of Sindh (the Trust) as at 30 June 2012, 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 2012, 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: 18 June 2013

Karachi

**ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2012**

	Note	2012 Rupees	2011 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Operating fixed assets	6	6,631,285	7,625,184
Long-term investment	7	<u>976,228,559</u>	<u>961,956,599</u>
		<b>982,859,844</b>	<b>969,581,783</b>
<b>CURRENT ASSETS</b>			
Short-term investment	8	<u>331,407,564</u>	<u>213,538,375</u>
Accrued interest on investments		<u>39,116,721</u>	<u>39,548,055</u>
Deposits and other receivable	9	<u>450,000</u>	<u>300,000</u>
Bank balance	10	<u>4,891,397</u>	<u>750,407</u>
		<b>375,865,682</b>	<b>254,136,837</b>
<b>TOTAL ASSETS</b>		<u><b>1,358,725,526</b></u>	<u><b>1,223,718,620</b></u>
<b>ACCUMULATED SURPLUS AND LIABILITIES</b>			
<b>ACCUMULATED SURPLUS</b>			
Endowment Fund	11	1,000,000,000	1,000,000,000
Accumulated Surplus	12	<u>358,578,256</u>	<u>222,908,510</u>
		<b>1,358,578,256</b>	<b>1,222,908,510</b>
<b>CURRENT LIABILITIES</b>			
Creditors and other liabilities	13	147,270	810,110
		<u><b>1,358,725,526</b></u>	<u><b>1,223,718,620</b></u>
<b>COMMITMENTS</b>	14		

The annexed notes from 1 to 17 form an integral part of these financial statements.

  
 Trustee

  
 Trustee



**ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 Rupees	2011 Rupees
<b>INCOME</b>			
Investment income		165,045,157	135,876,460
Profit on PLS savings account		997,974	1,920,375
		<b>166,043,131</b>	<b>137,796,835</b>
<b>EXPENDITURE</b>			
Cost of Projects	15	(17,802,600)	(11,235,739)
Administrative and general expenses	16	(12,570,785)	(6,785,618)
		<b>(30,373,385)</b>	<b>(18,021,357)</b>
<b>Surplus for the year</b>		<b>135,669,746</b>	<b>119,775,478</b>

The annexed notes from 1 to 17 form an integral part of these financial statements.

  
Trustee


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Trustee

**ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	2012 Rupees	2011 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	135,669,746	119,775,478
Adjustments for non-cash items:		
Amortization income	(14,271,960)	(446,645)
Interest income on Market Treasury Bills	(32,723,334)	
Depreciation	2,014,460	1,368,892
	<u>90,688,912</u>	<u>120,697,725</u>
<b>(Increase) / decrease in current assets</b>		
Deposits and prepayments	(150,000)	1,500,000
Accrued interest on investments	431,334	(5,327,280)
<b>(Decrease) / increase in current liabilities</b>		
Creditors and other liabilities	(662,840)	810,110
<b>Net cash generated from operating activities</b>	<u>90,307,406</u>	<u>117,680,555</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of fixed assets	(1,020,561)	(4,176,209)
Investments made during the year	(864,645,855)	(579,361,895)
Investments matured during the year	779,500,000	371,376,335
<b>Net cash used in investing activities</b>	<u>(86,166,416)</u>	<u>(212,161,769)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>4,140,990</u>	<u>(94,481,214)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	750,407	95,231,621
<b>Cash and cash equivalents at the end of the year</b>	<u><u>4,891,397</u></u>	<u><u>750,407</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

  
Trustee

  
Trustee

**ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**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 16 September 2009. 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 Investments**

Long-term investments are carried at cost and short-term investments are carried at market value. Premium / discount on purchase of investments is amortized using effective interest rate method over the life of the instrument.

**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

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 are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- Interest income is recognized on accrual basis using effective interest rate method.

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#### 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 judgments, 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

Particulars	Cost			Accumulated Depreciation			Written Down Value as at 30 June 2012 Rupees
	As at 01 July 2011	Additions during the year	As at 30 June 2012	As at 01 July 2011	Charge during the year	As at 30 June 2012	
	Rupees			Rupees			
Motor Vehicles	5,922,000	37,200	5,959,200	1,160,973	1,189,980	2,350,953	3,608,247
Computer Equipment	370,190	521,631	891,821	74,038	209,682	283,720	608,101
Office and multi-media equipment	2,868,019	461,730	3,329,749	300,014	614,798	914,812	2,414,937
	<u>9,160,209</u>	<u>1,020,561</u>	<u>10,180,770</u>	<u>1,535,025</u>	<u>2,014,460</u>	<u>3,549,485</u>	<u>6,631,285</u>

#### LONG-TERM INVESTMENT

Pakistan Investment Bonds	Note	2012 Rupees	2011 Rupees
	7.1	<u>976,228,559</u>	<u>961,956,599</u>

#### 7.1 Particulars of investment

	Face Value Rupees	Interest Rate	Maturity
Pakistan Investment Bonds	986,000,000	12%	August 2018
	Note	2012 Rupees	2011 Rupees

### 8. SHORT-TERM INVESTMENT

Market Treasury Bills	8.1	<u>331,407,564</u>	<u>213,538,375</u>
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8.1 These Investments have face value of Rs.334.7 million maturing by September 2012.

### 9. DEPOSITS AND OTHER RECEIVABLES

Security Deposit	300,000	300,000
Rent receivable from Sindh Indigenous & Traditional Crafts Company	150,000	-
	<u>450,000</u>	<u>300,000</u>

### 10. BANK BALANCE

PLS Savings Account	10.1	<u>4,891,397</u>	<u>750,407</u>
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10.1 These carry interest at the rate of 7.5% (2011: 12%) per annum.



	Note	2012 Rupees	2011 Rupees
<b>11. ENDOWEMENT FUND</b>			
Received from the Government of Sindh	11.1	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>11.1</b> 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:			
i) Promote awareness and further study of archaeological sites in Sindh.			
ii) Registration of all archaeological sites and artifacts in Sindh.			
iii) Scientific analysis of archaeological artifacts through qualified laboratories.			
iv) Promote research and analysis of archaeological artifacts in Sindh.			
v) Work for preservation / conservation, protect, stabilize, repair, restore and maintain the significant archaeological sites and physical heritage.			
vi) Provide suitable protection storage facilities for archaeological artifacts.			
vii) Hire local students to work on archaeological sites under the supervision of qualified archaeological.			
viii) Develop exhibits, displays and events relating to archaeological and physical heritage in Sindh.			
<b>12. ACCUMULATED SURPLUS</b>			
Balance at the beginning of the year		222,908,510	103,133,032
Surplus for the year		<u>135,669,746</u>	<u>119,775,478</u>
Balance at the end of the year		<u>358,578,256</u>	<u>222,908,510</u>
<b>13. CREDITORS AND OTHER LIABILITIES</b>			
Payable to suppliers		50,991	208,192
Salaries payable		74,951	495,061
Others		<u>21,328</u>	<u>106,857</u>
		<u>147,270</u>	<u>810,110</u>
<b>14. COMMITMENTS</b>			
The Trust is committed to provide assistance / financial grant to following executors in accordance with the terms of the project agreements:			
Sindh Provincial Museum Hyderabad Sindh		2,180,000	2,180,000
Mohatta Palace Museum		3,000,000	3,000,000
Restoration of Khaipur Mir Monuments		7,000,000	7,000,000
Restoration of Hyderabad Mir Monuments		7,000,000	7,000,000
Sindh Language Authority (Sound Studio)		2,250,000	2,250,000
Preservation Restoration and Rehabilitation Odho Haveli Complex		9,918,000	-
Preservation Restoration and Development of Tomb Dewan Shurfa Khan Tomb		7,014,000	-
Inventory Publication of Shikarpur Heritage		2,304,000	-
Conservation of Kot Diji Fort Granaries		2,500,000	-
Preparation of District Wise illustrated Guide Book on monument of Sindh		2,050,000	-
Purchase of artifacts and antiquities for Sehwan Museum Culture Material		1,000,000	-
Workshop on Conserve Cultural Heritage of Sindh		500,000	-
Preservation of Music Archives Shah Jo Raag		5,000,000	-
Preparation and Printing of a Book Karachi Nostalgia		2,300,000	-
Preservation of 4 Old Mud Houses of Thatta		1,000,000	-
Rescue and Restoration of 120 years Old Sirai Mujahid Jumani House Kot Digi		1,200,000	-
Restoration of Raja Lakhe Tomb and Enclosure Wall of Mian Noor M. Kalhor		<u>4,000,000</u>	<u>-</u>
		<u>60,216,000</u>	<u>21,430,000</u>
<b>15. COST OF PROJECTS</b>			
Mohatta Palace Museum		-	4,000,000
Sindh Provincial Museum Hyderabad Sindh		1,580,000	1,820,000
Sindh Language Authority (Sound Studio)		2,594,000	3,000,000
Restoration of Hyderabad Mir Monuments		1,136,064	-
Preservation Restoration and Rehabilitation Odho Haveli Complex		5,935,869	-
Preservation Restoration and Development of Tomb Dewan Shurfa Khan Tomb		2,104,200	-
Inventory Publication of Shikarpur Heritage		1,101,480	-
Conservation of Kot Diji Fort Granaries		750,000	-
Preparation of District Wise illustrated Guide Book on monument of Sindh		615,000	-
Purchase of artifacts and antiquities for Sehwan Museum Culture Material		435,200	-
Workshop on Conserve Cultural Heritage of Sindh		326,747	-
Preservation of Music Archives Shah Jo Raag		184,300	-
Preparation and Printing of a Book Karachi Nostalgia		180,000	-
Preservation of 4 Old Mud Houses of Thatta		175,000	-
Rescue and Restoration of 120 years Old Sirai Mujahid Jumani House Kot Digi		140,000	-
Restoration of Raja Lakhe Tomb and Enclosure Wall of Mian Noor M. Kalhor		50,000	-
Project Transparency		40,000	-
Cost of surveys / site visits		<u>454,740</u>	<u>2,415,739</u>
		<u>17,802,600</u>	<u>11,235,739</u>

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

	2012 Rupees	2011 Rupees
<b>16. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Salaries, allowances and other benefits	7,174,099	2,334,500
Rent and taxes	900,000	1,800,500
Utilities	483,526	309,207
Insurance	112,140	112,140
Depreciation	2,014,460	1,368,892
Travelling and conveyance	393,666	115,000
Advertisement	320,850	-
Books, fee and subscription	233,571	-
Printing and Stationary	172,927	-
Repairs and maintenance	196,343	-
Fuel	168,186	-
Legal and professional charges	120,000	-
Others	281,017	745,379
	<u>12,570,785</u>	<u>6,785,618</u>

**17. GENERAL**

17.1 Amounts have been rounded off to the nearest rupee.

17.2 These financial statements were authorised for issue by the Board of Trustees on

**18 JUN 2013**

  
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Trustee

  
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Trustee