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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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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 2014, 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 2014, 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: 19 June 2015



Karachi

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
BALANCE SHEET
AS AT 30 JUNE 2014

	Note	2014 Rupees	2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	6	4,283,847	6,552,172
Long-term investment	7	<u>1,318,749,949</u>	<u>977,369,558</u>
		1,323,033,796	983,921,730
CURRENT ASSETS			
Short-term investment	8	183,665,125	440,909,969
Accrued interest on investments		55,659,349	39,548,008
Deposits and prepayments	9	3,514,000	650,000
Advances and other receivable	10	3,645,377	1,849,436
Bank balance	11	<u>2,790,607</u>	<u>4,497,324</u>
		249,274,458	487,454,737
TOTAL ASSETS		<u><u>1,572,308,254</u></u>	<u><u>1,471,376,467</u></u>
ACCUMULATED SURPLUS AND LIABILITIES			
ACCUMULATED SURPLUS			
Endowment Fund	12	1,000,000,000	1,000,000,000
Accumulated Surplus	13	<u>568,558,899</u>	<u>467,556,834</u>
		1,568,558,899	1,467,556,834
CURRENT LIABILITIES			
Creditors and other liabilities	14	3,749,355	3,819,633
		<u><u>1,572,308,254</u></u>	<u><u>1,471,376,467</u></u>
COMMITMENTS	15		

The annexed notes from 1 to 18 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 2014

	Note	2014 Rupees	2013 Rupees
INCOME			
Investment income		176,066,100	158,179,417
Profit on PLS savings account		670,971	495,435
Gain on sale of fixed assets		-	738,800
Other Income		1,138,966	630,650
		177,876,037	160,044,302
EXPENDITURE			
Cost of projects	16	(52,551,857)	(25,327,331)
Administrative and general expenses	17	(24,322,115)	(25,738,393)
		(76,873,972)	(51,065,724)
Surplus for the year		101,002,065	108,978,578

The annexed notes from 1 to 18 form an integral part of these financial statements.


 Trustee


 Trustee


 Trustee




ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	2014 Rupees	2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	101,002,065	108,978,578
Adjustments for non-cash items:		
Interest income on Market Treasury Bills	(38,181,913)	(38,448,328)
Depreciation	2,554,051	2,634,927
Amortization income	(1,285,941)	(1,140,999)
	<u>64,088,262</u>	<u>72,024,178</u>
(Increase) / decrease in current assets		
Deposits and prepayments	(1,795,941)	(2,049,436)
Accrued interest on investments	(16,111,341)	(431,287)
(Decrease) / increase in current liabilities		
Creditors and other liabilities	(70,278)	3,672,363
Net cash generated from operating activities	<u>46,110,702</u>	<u>73,215,818</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of fixed assets	(285,726)	(2,555,814)
Investments made during the year	(1,252,172,281)	(1,630,204,077)
Investments matured during the year	1,204,640,588	1,559,150,000
Net cash used in investing activities	<u>(47,817,419)</u>	<u>(73,609,891)</u>
Net decrease in cash and cash equivalents	<u>(1,706,717)</u>	<u>(394,073)</u>
Cash and cash equivalents at the beginning of the year	4,497,324	4,891,397
Cash and cash equivalents at the end of the year	<u><u>2,790,607</u></u>	<u><u>4,497,324</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

 _____ Trustee	 _____ Trustee	 _____ Trustee
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ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 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 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.

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

June 2014									
Particulars	Cost			Accumulated Depreciation				Written Down Value	
	As at 01 July 2013	Additions during the year	Deletions during the year	As at 30 June 2014	As at 01 July 2013	Charge during the year	Deletions during the year	As at 30 June 2014	as at 30 June 2014
	Rupees				Rupees				Rupees
Motor Vehicles	6,335,905	-	-	6,335,905	3,000,256	1,267,181	-	4,267,437	2,068,468
Computer Equipment	1,440,672	206,626	-	1,647,298	613,727	468,527	-	1,082,254	565,044
Office and multi-media equipment	4,019,207	79,100	-	4,098,307	1,629,629	818,343	-	2,447,972	1,650,335
	<u>11,795,784</u>	<u>285,726</u>	<u>-</u>	<u>12,081,510</u>	<u>5,243,612</u>	<u>2,554,051</u>	<u>-</u>	<u>7,797,663</u>	<u>4,283,847</u>

June 2013									
Particulars	Cost			Accumulated Depreciation				Written Down Value	
	As at 01 July 2012	Additions during the year	Deletions during the year	As at 30 June 2013	As at 01 July 2012	Charge during the year	Deletions during the year	As at 30 June 2013	as at 30 June 2013
	Rupees				Rupees				Rupees
Motor Vehicles	5,959,200	2,728,705	2,352,000	6,335,905	2,350,953	1,590,103	940,800	3,000,256	3,335,649
Computer Equipment	891,821	548,851	-	1,440,672	283,720	330,007	-	613,727	826,945
Office and multi-media equipment	3,329,749	689,458	-	4,019,207	914,812	714,817	-	1,629,629	2,389,578
	<u>10,180,770</u>	<u>3,967,014</u>	<u>2,352,000</u>	<u>11,795,784</u>	<u>3,549,485</u>	<u>2,634,927</u>	<u>940,800</u>	<u>5,243,612</u>	<u>6,552,172</u>

7. LONG-TERM INVESTMENT

Pakistan Investment Bonds	Note 7.1	2014 Rupees	2013 Rupees
		<u>1,318,749,949</u>	<u>977,369,558</u>

7.1 Particulars of investment

	Face Value Rupees	Interest Rate	Maturity
Pakistan Investment Bonds	986,000,000	12.00%	August 2018
	50,000,000	11.50%	August 2016
	285,000,000	11.25%	July 2016

8. SHORT-TERM INVESTMENT

Market Treasury Bills	Note 8.1	2014 Rupees	2013 Rupees
		<u>183,665,125</u>	<u>440,909,969</u>

8.1 These Investments have face value of Rs.184.9 million maturing by August 2014.

9. DEPOSITS AND PREPAYMENTS

Rent prepayment	3,014,000	150,000
Security deposit	<u>500,000</u>	<u>500,000</u>
	<u>3,514,000</u>	<u>650,000</u>

10. ADVANCES AND OTHER RECIEVABLES

Advance given for various projects	10.1	1,886,390	1,768,186
Advance to staff		1,687,737	10,000
Rent receivable from Sindh Indigenous & Traditional Crafts Company		<u>71,250</u>	<u>71,250</u>
		<u>3,645,377</u>	<u>1,849,436</u>

10.1 This represents advance given to Le Tropical, Project Dhandi and Noukot Fort Project amounting to Rs. 1.102 million, Rs. 0.3 million and Rs. 0.484 million respectively.

11. BANK BALANCE

Cash in hand	106,221	250,883
PLS Savings Account	<u>2,684,386</u>	<u>4,246,441</u>
	<u>2,790,607</u>	<u>4,497,324</u>

11.1 These carry interest at the rate of 7.5% (2013: 7.5%) per annum.

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

	Note	2014 Rupees	2013 Rupees
12. ENDOWEMENT FUND			
Received from the Government of Sindh	12.1	<u>1,000,000,000</u>	<u>1,000,000,000</u>
12.1 The income of the Endowment Fund will be available for the programmer'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.			
13. ACCUMULATED SURPLUS			
Balance at the beginning of the year		467,556,834	358,578,256
Surplus for the year		<u>101,002,065</u>	<u>108,978,578</u>
Balance at the end of the year		<u>568,558,899</u>	<u>467,556,834</u>
14. CREDITORS AND OTHER LIABILITIES			
Payable to suppliers		2,176,057	2,130,151
Salaries payable		1,215,512	1,380,065
Others		<u>357,786</u>	<u>309,417</u>
		<u>3,749,355</u>	<u>3,819,633</u>
15. COMMITMENTS			
The Trust is committed to provide assistance / financial grant to following executors in accordance with the terms of the project agreements:			
Project Preservation of Music by Maestors		10,340,000	10,500,000
Preservation & Restoration of Sehwan Museum		9,693,890	-
Restoration of Khairpur Mir Monuments		7,000,000	7,000,000
Project Mohatta Palace Museum		7,000,000	-
Preservation Restoration and Rehabilitation Odho Haveli Complex		6,721,892	329,403
Project Ranikot		5,988,550	-
Preservation Restoration and Development of Tomb Dewan Shurfa Khan Tomb		5,000,000	7,014,000
Preservation & Restoration of Mir Haram		4,490,000	-
Project CDC Jamshoro		3,768,602	17,539,000
Project Dargha Sharif Pir Sarhandi		2,796,670	4,000,000
Preparation and Printing of a Book Karachi Nostalgia		2,876,880	3,200,000
Project Compilation, Edit & Publication of Cultural Books		2,619,503	-
Preservation & Restoration of Shah Bahar		2,000,000	-
Preservation & Restoration of Darigh Bala		2,200,000	-
Project Documentation of Heritage of Sindh		2,000,000	2,000,000
Preservation & Restoration of the late 19th Century Karachi Press Club		1,750,000	-
Project All Material with Radio Pakistan		1,050,000	-
Conservation of Kot Diji Fort Granaries		1,750,000	1,750,000
Project Antique Woodwork of Sindh		1,680,000	2,500,000
Naukot Fort District		1,542,503	5,000,000
Preparation of District Wise illustrated Guide Book on monument of Sindh		1,435,000	1,435,000
Project Dhandi Masjid		1,387,051	2,000,000
Project 'Forts of Sindh' (a book)		1,200,000	1,500,000
Rescue and Restoration of 120 years Old Sirai Mujahid Jumani House Kot Digi		1,060,000	1,060,000
Project The Chachnama		991,240	1,000,000
Project History on Sindh by Mumtaz Pathan		850,000	-
Purchase of artifacts and antiquities for Sehwan Museum Culture Material		778,700	2,000,000
Preservation of 4 Old Mud Houses of Thatta		682,500	785,000
Project Nasab Nam-e-Sindh		500,000	600,000
Preservation & Restoration of Shaib Malal		595,100	-
Project Study of Art & Architecture		552,512	1,000,000
Cultural Policy (Draft)		480,000	500,000
Sindh Provincial Museum Hyderabad Sindh		412,200	533,100
Preservation & Restoration of White Palace		344,000	-
Project Makli Monuments		187,500	-
Project Mandam Waro Bungalow		175,000	-
carried forward		<u>93,899,293</u>	<u>73,245,503</u>

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

	Note	2014 Rupees	2013 Rupees
brought forward		93,899,293	73,245,503
Project Dargah Shahd Site		175,000	-
Workshop on Conserving Cultural Heritage of Sindh		173,253	173,253
Project Topographic Survey Khawaja Khizar		138,550	-
(Project) Dr. NA Baloch Commemoration Ceremony		149,476	1,000,000
Project Tarik Taza-e- Nawa-e- Mareekh		130,549	-
Project Fresco Painting		42,125	750,000
Project Shikarpur Heritage		27,395	1,202,520
Project Heritage Foundation Karachi		25,656	1,000,000
Restoration of Hyderabad Mir Monuments		-	2,637,106
Project Documentation/ Preservation of Historical and Architectural sites of Hyderabad		-	1,000,000
Project Library M.Salahuddin Qureshi		-	2,000,000
Preservation of Music Archives Shah Jo Raag		-	621,003
		94,761,297	83,629,385
16. COST OF PROJECTS			
Project CDC Jamshoro		13,458,835	311,563
Restoration of Hyderabad Mir Monuments		9,957,489	3,226,830
Preservation of Music Archives Shah Jo Raag		7,131,076	4,194,697
Preservation Restoration and Rehabilitation Odho Haveli Complex		4,543,380	3,652,728
Project Ranikot		2,011,450	-
Project Library M.Salahuddin Qureshi		2,000,000	29,000
Project Shikarpur Heritage		1,175,125	-
Project Dargah Sharif Pir Sarhandi		1,203,330	50,000
Utility expenses (Projects)		1,112,841	779,693
Purchase of artifacts and antiquities for Sehwan Museum Culture Material		1,069,500	1,151,800
Naukot Fort District		1,009,649	2,447,848
Preservation & Restoration of Darigh Bala		1,000,000	-
Project Fresco Painting		338,500	369,375
Project 'Forts of Sindh' (a book)		100,000	200,000
Preservation & Restoration of the late 19th Century Karachi Press Club		750,000	-
Preservation & Restoration of White Palace		656,000	-
Preservation & Restoration of Mir Haram		510,000	-
Preservation & Restoration of Shah Bahar		500,000	-
Project Documentation/ Preservation of Historical and Architectural sites of Hyderabad		500,000	500,000
Project All Material with Radio Pakistan		450,000	-
Project Dhandi Masjid		412,949	200,000
Preservation & Restoration of Shaib Malal		404,900	-
Project Compilation, Edit & Publication of Cultural Books		380,497	-
Preservation & Restoration of Sehwan Museum		306,110	-
Project Symposium Seminar		200,265	-
Project Translation of Jang Nama		200,000	-
Preparation and Printing of a Book Karachi Nostalgia		185,120	138,000
Project Tarik Taza-e- Nawa-e- Mareekh		169,451	-
Project History on Sindh by Mumtaz Pathan		150,000	-
Project Mandam Waro Bungalow		141,800	-
Project Topographic Survey Khawaja Khizar		136,450	-
Project Training of Craftsman		85,000	-
Project Dargah Shahd Site		75,000	-
Project Makli Monuments		62,500	-
Preservation of 4 Old Mud Houses of Thatta		62,500	40,000
Sindh Provincial Museum Hyderabad Sindh		54,000	66,900
Cost of surveys / site visits		20,350	1,052,171
(Project) Dr. NA Baloch Commemoration Ceremony		17,790	832,734
Project Antique Woodwork of Sindh		10,000	810,000
Project Preservation of Music by Maestors		-	160,000
Project Nasab Nam-e-Sindh		-	100,000
Project Documentation of Heritage of Sindh		-	37,000
Cultural Policy		-	20,000
Project The Chachnama		-	8,760
Mohatta Palace Museum		-	3,000,000
Project Heritage Foundation Karachi		-	974,344
Project Lok Mela Festival		-	526,400
Project Study of Art & Architecture		-	447,488
		52,551,857	25,327,331

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

	2014 Rupees	2013 Rupees
17. ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries, allowances and other benefits	16,044,404	15,537,925
Rent and taxes	2,299,000	3,140,000
Utilities	835,621	832,277
Insurance	109,424	109,422
Depreciation	2,554,051	2,634,927
Travelling and conveyance	315,755	129,061
Advertisement	441,610	299,260
Books, fee and subscription	336,163	1,141,588
Printing and stationary	233,287	978,142
Repairs and maintenance	218,201	132,575
Fuel	510,030	341,957
Others	424,569	461,259
	<u>24,322,115</u>	<u>25,738,393</u>

18. GENERAL

18.1 Amounts have been rounded off to the nearest rupee.

18.2 These financial statements were authorised for issue by the Board of Trustees on _____.



Trustee



Trustee