

AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the annexed balance sheet of **PUNJAB EDUCATION FOUNDATION** as at **June 30, 2016** and the related income & expenditure account, statement of comprehensive income, statement of cash flow, statement of changes in fund balances together with notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Foundation's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and income & expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied
 - (ii) the expenditure incurred during the year was for the purpose of the foundation's operations; and
 - (iii) The operations conducted, investments made and the expenditure incurred during the year were in accordance Punjab Education Foundation Act 2004 and the Punjab Education Foundation Rules, 2005.
- (c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income & expenditure account, statement of cash flow, statement of comprehensive income and statement of changes in fund balances together with notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the foundation's affairs as at June 30, 2016 and of the surplus, its comprehensive income, its cash flows and changes in fund balances for the year then ended; and
- (d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

NZAJ



- (e) We without qualifying our opinion, draw attention to note 22.1 of the accompanying financial statements which describes the uncertainty related to the outcome of request for waiver of the building surcharge amounting to Rs. 18.9 million levied by Lahore Development Authority (LDA) on foundation because of failure on its part to complete the construction on the allotted plot, within the stipulated time.

Naveed Zafar Ashfaq Jaffery & Co

Dated: *May 3, 2017*
Place: Lahore

NAVEED ZAFAR ASHFAQ JAFFERY & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Shahid Mohsin Shaikh