



### **Independent Auditors' Report to the Board of Directors**

We have audited the accompanying financial statements of **Punjab Education Foundation** ("the foundation") which comprise of balance sheet as at 30 June 2013, the income & expenditure account, statement of comprehensive income, statement of cash flows, statement of changes in fund balances for the year then ended and notes to the financial statements containing summary of significant accounting policies and other explanatory information ("financial statements").

#### ***Management's responsibility***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan and the provisions of the Punjab Education Foundation Act, 2004 and the Punjab Education Foundation Rules, 2005. 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.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing 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 selected procedures depend on the auditors' judgment, including the assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making these 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.

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***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of the foundation as at 30 June 2013, and of its surplus, its comprehensive income, its cash flows and changes in fund balances for the year then ended in accordance with Approved Accounting Standards as applicable in Pakistan and the provisions of the Punjab Education Foundation Act, 2004 and the Punjab Education Foundation Rules, 2005.

***Emphasis of matter***

We, without qualifying our opinion, draw attention to note 21.1 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 the foundation because of failure on its part to complete the construction on the allotted plot within the stipulated time.

**Rahman Sarfaraz Rahim Iqbal Rafiq**  
CHARTERED ACCOUNTANTS  
Engagement Partner: A. Rahman Mir

LAHORE: 24 FEB 2014