

The Chairperson,
Kiran Foundation,
Karachi.

December 28, 2017
K-48/AA-0952/17

AUDIT OF FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

Gentlemen,

We have completed the audit of Kiran Foundation's financial statements for the above mentioned year and have pleasure in enclosing herewith two copies of draft financial statements together our draft audit report thereon duly initialed by us for identification purposes. We shall be pleased to sign our audit report in its present or amended form after the financial statements has been approved by the Board of Directors and signed on their behalf by the authorized signatories and upon receipt of the following:

1. Letter of representation addressed to us signed on behalf of the Board of Directors by the Management as per draft provided by us.
2. Board of Directors approval / agreement in respect of the following:
 - Additions to property, plant and equipment amounting to Rs. 5.553 million
 - Disposals of property, plant and equipment amounting to Rs. 0.500 million
 - Additions to capital work in progress during the year amounting to Rs. 6.121 million
 - Charity made during the year amounting to Rs. 6.669 million
 - Investment in ordinary shares amounting to Rs. 8.786 million
 - Investment in mutual fund units amounting to Rs. 40 million
 - Investment in Islamic certificates amounting to Rs. 59.210 million
 - Capital grant received from the government during the year amounting to Rs.69.210 million

Page - 1

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

CHAIR PERSON



Our comments and observations on this set of financial statements are as follows:

1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

- 1.1 The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in section 249 of the Companies Act, 2017 and International Standards on Auditing.
- 1.2 While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the directors. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Foundation and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

2. PROPERTY, PLANT AND EQUIPMENT

- 2.1 We have observed that fixed assets register has not been maintained. This is an important record as it enables the management to exercise itemized control over the fixed assets of the Foundation. We recommend that a fixed assets register should be maintained for exercising control over the fixed assets of the Foundation.
- 2.2 We have observed that the Foundation does not have a proper capitalization policy duly approved by the management of the Foundation. In the absence of a proper capitalization policy there is a risk that certain material items of the assets may not be capitalized which may result in the distortion of the operating results of the Foundation. We recommend that proper capitalization policy should be formulated in order to bring consistency in accounting for capital and revenue expenditure.
- 2.3 We have observed that insurance coverage is not obtained for property, plant and equipment. We recommend that the property, plant and equipment should be insured to mitigate the risk of loss in the event of unforeseen circumstances.

Page - 2

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

CHAIR PERSON



3. STAFF ADVANCES

We have observed that the Foundation does not have any proper written policy in respect of staff advances. In the absence of a policy, proper cash management cannot be exercised by the Foundation. Further, there is a risk that certain advances may be released by the Foundation to potential defaulting employees which may ultimately result in financial loss to the Foundation. We recommend that proper staff advance policy duly approved by the Board of Directors should be established in order to preserve the financial assets of the Foundation.

4. CORRECTION OF PRIOR PERIOD ERROR

In prior years, the donation received and expenditure incurred for Alumni fund was erroneously recorded to general fund. The donations received in Alumni fund is for specific purpose and be expended for that purpose only. The Foundation has identified and corrected error by reversing the accumulated fund balance from general fund to Alumni fund as disclosed in note 3.11 to the financial statements. This correction has been accounted for retrospectively as per the requirements of IAS 8 "Accounting policies, changes in estimates and errors". Kindly confirm that this is in order.

5. ACCRUED INTEREST

We have observed that the Society has not accrued interest on investments in certificates on account of non-availability of bank rates. We recommend that management should make the efforts to obtain the rates from bank and accrue the interest on investment in certificates.

6. INVESTMENT POLICY

The Foundation has classified the investments in equity shares and mutual funds units as long term investments on the basis of intention of management to carry it for long term capital appreciation and earning the return through dividend income rather than short term profit taking. However, the management has not maintained a documented investment policy setting out the criteria for investments to be classified as long term or short term, investment objectives, strategies and portfolio risks etc. We recommend that a documented investment policy should be developed and approved by the Board of Directors. Kindly confirm that the investments in equity shares and mutual funds units are held for long term purposes.

7. CONTINGENCIES AND COMMITMENTS

We have been advised by the management that there were no contingencies and commitments other than those disclosed in the financial statements as at the balance sheet date. Kindly confirm that this is in order.

8. RELATED PARTY TRANSACTIONS

We have been informed by the management that there were no transactions with the related parties other than those disclosed in the notes to the financial statements.

9. UNCHANGED BALANCES

We have observed that following balances remain unchanged as at balance sheet date.

Description	Amount (million)
Loan as Qard-e-hasna	0.419

We recommend that the unchanged balance be adjusted after appropriate scrutiny.

We take this opportunity to thank your staff in the accounts department for the courtesy and cooperation extended to us in the course of our review.

Yours faithfully,

BDO Ebrahim & Co.
BDO EBRAHIM & CO.

AUDITORS' REPORT TO THE BOARD OF DIRECTORS

Opinion

We have audited the accompanying financial statements of **KIRAN FOUNDATION (the Foundation)** which comprise the balance sheet as at June 30, 2017, the related income and expenditure account, cash flow statement and statement of changes in accumulated funds together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

In our opinion, the financial statements give a true and fair view of the Foundation's affairs as at June 30, 2017 and of its financial performance and cash flows for the year then ended.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KARACHI

DATED: 03 JAN 2018

BDO Ebrahim & Co.
BDO
CHARTERED ACCOUNTANTS
Engagement Partner: Raheel Shahnawaz



**KIRAN FOUNDATION
BALANCE SHEET AS AT JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees (Restated)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	31,408,712	32,241,182
Capital work in progress	5	6,121,379	-
Long term loans	6	419,320	419,320
Long term deposits	7	271,200	-
Long term investments	8	44,195,174	-
		<u>82,415,785</u>	<u>32,660,502</u>
CURRENT ASSETS			
Short term investments	9	59,210,000	40,000,000
Loans and advances	10	762,997	220,100
Short term prepayments	11	414,920	-
Advance tax		348,920	100,462
Accrued profit		-	269,312
Cash and bank balances	12	64,502,749	30,965,678
		<u>125,239,586</u>	<u>71,555,552</u>
TOTAL ASSETS		<u>207,655,371</u>	<u>104,216,054</u>
EQUITY AND LIABILITIES			
Unrestricted fund		126,098,374	93,791,486
Restricted fund		18,773,003	7,924,568
Fair value reserve on available for sale investments		(6,798,076)	-
		<u>138,073,301</u>	<u>101,716,054</u>
NON CURRENT LIABILITIES			
Deferred capital grant	13	69,210,000	-
CURRENT LIABILITIES			
Short term borrowings	14	-	2,500,000
Accrued expenses		372,070	-
		<u>372,070</u>	<u>2,500,000</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	15	<u>207,655,371</u>	<u>104,216,054</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.


CHAIRPERSON


GENERAL SECRETARY


FINANCE SECRETARY

CHAIR PERSON


Chair

**KIRAN FOUNDATION
CASH FLOWS STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

	2017 Rupees	2016 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	27,306,888	14,158,027
Adjustments for items not involving movement of funds:		
Depreciation	6,035,656	5,221,551
Loss on disposal of fixed assets	50,000	-
Profit on investments	(1,741,044)	(1,294,405)
Surplus before working capital changes	<u>31,651,500</u>	<u>18,085,173</u>
(Increase) / decrease in current assets		
Loans and advances	(542,898)	99,900
Short term prepayments	(414,920)	-
	(957,818)	99,900
Increase / (decrease) in current liabilities		
Accrued expenses	372,070	(526,000)
Cash generated from operations	<u>31,065,752</u>	<u>17,659,073</u>
Taxes paid	(248,458)	(100,461)
Net cash generated from operating activities	<u>30,817,293</u>	<u>17,558,612</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(5,553,186)	(4,994,057)
Proceeds from disposal of property, plant and equipment	300,000	-
Capital work in progress	(6,121,378)	-
Long term security deposits	(271,200)	-
Long term investments	(50,993,250)	-
Short term investments	(9,210,000)	(40,000,000)
Profit received on investments	2,010,356	1,025,093
Net cash used in investing activities	<u>(69,838,658)</u>	<u>(43,968,964)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short term borrowings	(2,500,000)	-
Endowment fund received	5,000,000	40,000,000
Alumni fund received	10,848,435	4,062,152
Deferred capital grant	69,210,000	-
Net cash generated from financing activities	<u>82,558,435</u>	<u>44,062,152</u>
Net increase in cash and cash equivalents	43,537,070	17,651,800
Cash and cash equivalents at the beginning of the year	30,965,678	13,313,878
Cash and cash equivalents at the end of the year	<u>74,502,749</u>	<u>30,965,678</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	64,502,749	30,965,678
Short term investments	10,000,000	-
	<u>74,502,749</u>	<u>30,965,678</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.


CHAIRPERSON


GENERAL SECRETARY


FINANCE SECRETARY

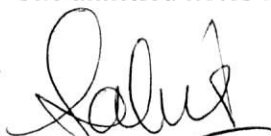
CHAIR PERSON



**KIRAN FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees (Restated)
Unrestricted fund			
Income	16	69,127,038	36,240,037
Administrative expenses	17	<u>(45,962,277)</u>	<u>(22,825,733)</u>
Gross surplus		23,164,761	13,414,304
Restricted fund			
Income transferred from Alumni fund	18	<u>10,160,909</u>	<u>8,052,840</u>
Alumni specific program expenses	19	<u>(10,160,909)</u>	<u>(8,052,840)</u>
Other income	20	4,667,052	1,770,222
Specific program expenses	21	(524,925)	(1,026,499)
Surplus for the year		<u><u>27,306,888</u></u>	<u><u>14,158,027</u></u>

The annexed notes from 1 to 27 form an integral part of these financial statements.


CHAIRPERSON


GENERAL SECRETARY


FINANCE SECRETARY

CHAIR PERSON


Bdo

**KIRAN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

1 NATURE AND STATUS OF BUSINESS

Kiran Foundation ("the Foundation") was registered on June 19, 2014 under the Societies Registration Act, XXI of 1860. The registered office of the Foundation is situated at Office No. 2, 2nd Floor, OAK Tower, Sultanabad, PIDC, Karachi. The principal activities of the Foundation are to undertake and carry on social and economic well being of the people.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) applicable to non-corporate entities issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or current value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Foundation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

These are stated at cost less accumulated depreciation less accumulated impairment (if any).

Depreciation / amortization is charged to income applying the straight line method. The rates used are stated in note 4 to the financial statements. In respect of additions during the year depreciation is charged for full year, however, no depreciation is charged in the year of disposal. Profit or loss on disposal of assets is included in income currently.

Normal repairs and maintenance are charged to income as and when incurred.

Gains and losses on disposal of property, plant and equipment are included in the income and expenditure account.

3.2 Cash and bank balances

Cash in hand and at bank are carried at nominal amount.

3.3 Financial assets

3.3.1 Classification

a) Loans and receivables

Investment classified as loan and receivables are carried at amortised cost using the effective yield method, less impairment loss, if any.

b) Held to maturity

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Foundation has a positive intent and ability to hold to maturity.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or financial assets at fair value through profit or loss.

3.3.2 Initial recognition and measurement

Investments in securities are initially recognized at cost, being the fair value of the consideration given, including the transaction cost associated with the investment, except in case of investments at fair value through profit or loss, in which case these transaction cost are charged to the profit or loss account. All regular way of purchases and sale of investments are recognized / derecognized on the trade date.

3.3.3 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as loans and receivables, held to maturity and available for sale are valued as follows:

a) **Loans and receivables**

Loans and receivables are carried at amortised cost.

b) **Held to maturity**

Subsequent to initial measurement, held to maturity investments are carried at amortised cost.

c) **Available for sale**

Subsequent to initial measurement, available for sale investments are revalued and are remeasured to fair value.

Surplus or deficit arising on changes in fair value of available for sale financial assets are taken to equity until these are derecognised or impaired at which time, the cumulative surplus or deficit previously recognised in equity is transferred to the profit and loss account.

3.3.4 Impairment

The carrying value of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership attached to such financial assets. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

3.4 Taxation

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

The Foundation intends to claim tax credit equal to one hundred per cent of the tax payable under section 100C of Income Tax Ordinance, 2001, including minimum tax and final taxes payable. Therefore, no provision for taxation has been recorded in these financial statements.

3.5 Government grants

Grants received from the Government for capital expenditure are credited to "Deferred Capital Grant". Amount equal to the depreciation during the year is transferred to income and expenditure account.

3.6 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.7 Revenue recognition

(a) Donation and grants

Donations are recognized as income as and when received. Donations received in kind are recognized at the fair value prevailing at the time of receipt of such donation.

Grants and donations received for revenue expenditure are taken to income and expenditure account.

(b) Return on bank deposits

Return on bank deposits is accounted for on accrual basis.

3.8 Funds

(a) Restricted funds

Funds received as granted for specific purposes are classified as restricted fund. For this purpose:

-when grants received are in excess of their outlay, these are recognized income to the extent of related / budgeted expenses incurred. The excess balance is carried forward as restricted fund balance.

-when grants received are less than related expenditure incurred, the balance to the extent of commitment is recognized as receivable, if there is a strong probability of recovery of the contractual receivable from the respective donors.

(b) Unrestricted funds

Funds received for ongoing operations without any restriction on utilization are classified as unrestricted funds. These funds are recognized as income when received. The expenses incurred against such funds are recognized in the income and expenditure account as and when incurred.

3.9 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Foundation's accounting policies, management has made significant estimates and judgments that are disclosed in respective notes to the financial statements.

3.10 Correction of prior period errors

During the year, the Foundation has identified and corrected error related to grant received in respect of Alumni Fund which is a restricted fund. The donations received in Alumni Fund is for specific purpose and be expended for that purpose only. However, in prior years, the donations received for Alumni Fund was erroneously recorded as unrestricted fund instead of restricted fund. Consequently, the whole amount of fund received was recognised in income and expenditure account resulting in overstatement of net surplus and general fund in prior year financial statements. This correction of error has been accounted for retrospectively as per the requirements of IAS 8 "Accounting policies, changes in estimates and errors" and the comparative figures have been restated by recognizing the amount as Alumni Fund being restricted fund and reversing the donation credited in income and expenditure account. The impact to each financial statement area is quantified as follows:

	Cumulative effect up to June 30, 2016	Effect for the year ended June 30, 2016	Cumulative effect up to July 01, 2015
Effect on accumulated funds			
Increase in Alumni fund	7,924,568	4,062,152	3,862,416
Decrease in General fund	<u>(7,924,568)</u>	<u>(4,062,152)</u>	<u>(3,862,416)</u>
Effect on income and expenditure account			
Decrease in income	(26,081,308)	(12,114,992)	(13,966,316)
Increase in expenditure	<u>18,156,740</u>	<u>8,052,840</u>	<u>10,103,900</u>
Decrease in surplus for the year	<u>(7,924,568)</u>	<u>(4,062,152)</u>	<u>(3,862,416)</u>

CHAIR PERSON

Jalvis
B.A.

	Note	2017 Rupees	2016 Rupees
5 CAPITAL WORK IN PROGRESS			
Capital work in progress	5.1	<u>6,121,379</u>	<u>-</u>
5.1 The movement in carrying amount of capital work in progress is as follows:			
Balance as at July 01		-	-
Additions during the year		<u>6,121,379</u>	<u>-</u>
		6,121,379	-
Transferred during the year		<u>-</u>	<u>-</u>
Balance as at June 30		<u>6,121,379</u>	<u>-</u>
6 LONG TERM LOANS			
Qard-e-hasna	6.1	<u>419,320</u>	<u>419,320</u>
6.1 This represents amount given by the Foundation to the parents of childrens as a Qard-e-hasna for moral and financial support which is interest free.			
7 LONG TERM DEPOSITS			
Security deposits		<u>271,200</u>	<u>-</u>
LONG TERM INVESTMENTS			
Available for sale			
Ordinary shares - listed	8.1	8,498,085	-
Mutual fund units	8.2	<u>35,697,089</u>	<u>-</u>
		44,195,174	-
		<u>44,195,174</u>	<u>-</u>
8.1 Ordinary shares - listed			
At cost		8,786,255	-
Adjustment arising from remeasurement to fair value		<u>(288,170)</u>	<u>-</u>
		8,498,085	-
		<u>8,498,085</u>	<u>-</u>

Details of investments in listed ordinary shares are as follows:

2017	2016		Rupees 2017	Rupees 2016
Number of shares		Name of Company		
450	-	Abbot Laboratories (Pakistan) Limited	420,570	-
600	-	Attock Petroleum Limited	375,858	-
20,000	-	Aisha Steel Mills Limited	406,800	-
5,000	-	Colony Textile Mills Limited	24,850	-
27,500	-	Dolmen City Real Estate Investment Trust	325,325	-
1,500	-	Engro Corporation Limited	488,865	-
10,000	-	Fauji Cement Company Limited	410,300	-
8,500	-	Gul Ahmed Textile Mills Limited	348,330	-
2,000	-	The General Tyre & Rubber Company Limited	607,000	-
7,000	-	International Steels Limited	895,230	-
2,100	-	Kohat Cement Company Limited	481,446	-
10,000	-	Meezan Bank Limited	790,000	-
4,000	-	Nishat Mills Limited	634,720	-
3,000	-	Oil & Gas Development Company Limited	422,070	-
3,500	-	Pioneer Cement Limited	455,000	-
1,200	-	Pakistan Oilfields Limited	549,780	-
1,300	-	Pakistan State Oil Company Limited	503,555	-
700	-	The Searle Company Limited	358,386	-
			<u>8,498,085</u>	<u>-</u>

8.2 Mutual fund units

At cost	42,206,995	-
Adjustment arising from remeasurement to fair value	(6,509,906)	-
	<u>35,697,089</u>	<u>-</u>

Details of investment in mutual fund units are as follows:

2017	2016	2017	2016
Number of units			
<u>467,178</u>	<u>-</u>	<u>35,697,089</u>	<u>-</u>

9 SHORT TERM INVESTMENTS

Certificate of Islamic Investment			
Meezan Bank Limited	9.1	49,210,000	10,000,000
Monthly Modaraba Certificate			
Meezan Bank Limited	9.2	10,000,000	-
Term Deposit Receipts			
Bank Islami Limited		-	10,000,000
Dubai Islamic Bank Limited		-	20,000,000
		-	30,000,000
		<u>59,210,000</u>	<u>40,000,000</u>

9.1 This certificate carries markup at the rates ranging from 4% to 5% per annum (June 30, 2016: 5.13%) per annum having maturity of six months.

9.2 This certificate carries markup at the rates ranging from 4% to 5% per annum having maturity of one month.

	Note	2017 Rupees	2016 Rupees
10. LOANS AND ADVANCES			
Unsecured - considered good			
Loan to staff		725,450	220,100
Advances to staff		37,547	-
		<u>762,997</u>	<u>220,100</u>
SHORT TERM PREPAYMENTS			
Prepaid expenses		<u>414,920</u>	<u>-</u>
12 BANK BALANCES			
Cash at bank			
Current accounts		46,449,847	9,852,831
Saving accounts	12.1	<u>18,052,902</u>	<u>21,112,847</u>
		<u>64,502,749</u>	<u>30,965,678</u>

12.1 The saving accounts carry markup at the rates ranging from 2% to 3% (June 30, 2016: 2.4% to 4%) per annum.

13 DEFERRED CAPITAL GRANT

13.1 The Foundation received an amount of Rs. 69,210,000 from Government of Sindh under initiative of Sindh Education Program as a capital grant for construction of DCTO Campus School, Karachi. The grant will be credited to income over the useful life of the asset after construction of building and when it will become available for use.

14 SHORT TERM BORROWINGS

Loan from associated undertaking	14.1	<u>-</u>	<u>2,500,000</u>
----------------------------------	------	----------	------------------

14.1 This corresponding figure represents interest free loan obtained from an NGO named "AKHUWAT" which is an associated undertaking. The loan has been repaid during the year.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There were no contingencies as at the balance sheet date.

15.2 Commitments

There were no commitments as at the balance sheet date.

	Note	2017 Rupees	2016 Rupees (Restated)
16 INCOME			
Donation income		<u>69,127,038</u>	<u>36,240,037</u>
17 ADMINISTRATIVE EXPENSES			
Renovation expenses		1,517,600	-
Eid expenses		20,000	188,500
Utility bills		554,469	175,300
Training and work shops		505,406	204,315
Stationary		852,958	626,803
Salaries		21,366,213	10,414,380
Repair and maintenance		2,213,420	1,139,165
Miscellaneous		1,977,245	1,631,249
House keeping		262,674	139,925
Charity		6,669,158	1,832,489
Fuel		1,302,933	880,161
Food and kitchen		734,438	371,474
Field trip		597,545	-
Auditor's remuneration		75,000	-
Depreciation expense	4	6,035,656	5,221,551
Consultancy charges		583,000	-
Fee and subscription		215,550	-
Security charges		165,780	-
Travelling charges		34,690	-
Rent expense		100,000	-
Bank charges		28,542	421
Bad debt expense		100,000	-
Loss on disposal of fixed assets		50,000	-
		<u>45,962,277</u>	<u>22,825,733</u>

	Note	2017 Rupees	2016 Rupees (Restated)
18 INCOME TRANSFERRED FROM ALUMNI FUND			
Income transferred to income and expenditure account	18.1	<u>10,160,909</u>	<u>8,052,840</u>
18.1 This represents income transferred form Alumni fund against which donation is received by the Foundation from donors for the purpose of education and other related expenses of the children as specified by the donors.			
19 ALUMNI SPECIFIC PROGRAM EXPENSES			
Conveyance charges		1,248,200	712,200
Eid expenses		1,459,371	970,000
School fees		5,846,011	4,682,280
Field trip		382,525	389,720
School uniforms and course books		1,224,802	1,298,640
		<u>10,160,909</u>	<u>8,052,840</u>
20 OTHER INCOME			
Interest income		712,301	338,417
Profit on investment		1,741,044	1,294,405
Others		-	137,400
Exchange gain		6,712	-
Dividend income		2,206,995	-
		<u>4,667,052</u>	<u>1,770,222</u>
21 SPECIFIC PROGRAM EXPENSES			
Kiran green society		-	11,775
Tuck shop		81,050	169,924
Roadside café		279,325	225,000
Integrated people		74,550	619,800
Wellness programs		90,000	-
		<u>524,925</u>	<u>1,026,499</u>
22 FINANCIAL INSTRUMENTS RELATED DISCLOSURES			
22.1 Currency risk			

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As of balance sheet date, the Foundation is not exposed to any foreign currency risk arising due to foreign exchange fluctuation.