



**FINANCIAL STATEMENTS
OF
KIRAN FOUNDATION
FOR THE YEAR ENDED
JUNE 30, 2018**

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF KIRAN FOUNDATION

Opinion

We have audited the accompanying financial statements of **KIRAN FOUNDATION** ("the Foundation") which comprise the statement of financial position as at June 30, 2018, the related statement of income and expenditure, statement of comprehensive income, 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 accompanying financial statements give a true and fair view of the financial position of **KIRAN FOUNDATION** as at June 30, 2018 and of its financial performance and cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

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: 07 FEB 2019

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

**KIRAN FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees (Restated)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	99,561,372	31,408,712
Capital work in progress	5	-	6,121,379
Long term loans	6	354,320	419,320
Long term deposits	7	474,000	271,200
Long term investments	8	59,948,484	44,195,174
		<u>160,338,176</u>	<u>82,415,785</u>
CURRENT ASSETS			
Short term investments	9	-	59,210,000
Loans and advances	10	3,859,984	762,997
Short term prepayments	11	11,880	414,920
Advance tax		908,951	348,920
Cash and bank balances	12	45,368,597	64,502,749
		<u>50,149,412</u>	<u>125,239,586</u>
		<u>210,487,588</u>	<u>207,655,371</u>
TOTAL ASSETS			
FUNDS AND LIABILITIES			
Unrestricted fund		124,791,578	113,467,504
Restricted fund		23,359,713	31,403,873
Fair value reserve on available-for-sale investments		(2,487,975)	(6,798,076)
		<u>145,663,316</u>	<u>138,073,301</u>
NON CURRENT LIABILITIES			
Deferred capital grant	13	61,543,021	69,210,000
CURRENT LIABILITIES			
Accrued expenses		3,281,251	372,070
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
	14	<u>210,487,588</u>	<u>207,655,371</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


CHAIRPERSON


GENERAL SECRETARY


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**KIRAN FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees (Restated)
Unrestricted fund			
Income	15	33,677,370	23,127,038
Administrative expenses	16	(4,996,076)	(4,843,089)
Gross surplus		<u>28,681,294</u>	<u>18,283,949</u>
Restricted funds			
Income transferred from Alumni fund	17	12,104,195	10,160,909
Alumni specific program expenses	18	(12,104,195)	(10,160,909)
		-	-
Income transferred from DCTO School fund	19	58,324,063	33,369,130
DCTO School expenses	20	(58,324,063)	(33,369,130)
		-	-
Other income	21	4,067,060	4,667,052
Specific program expenses	22	(8,805,925)	(8,274,983)
Impairment loss recognized in respect of available-for-sale-investment	8.2	(12,618,355)	-
Surplus for the year		<u>11,324,074</u>	<u>14,676,018</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


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**KIRAN FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018**

	2018 Rupees	2017 Rupees (Restated)
Surplus for the year	11,324,074	14,676,018
Other comprehensive loss for the year		
Items that will be reclassified to income and expenditure account subsequently		
Unrealized loss on revaluation of available-for-sale investments	(2,199,805)	(6,798,076)
Impairment loss recognized in statement of income and expenditure in respect of available-for-sale investment	6,509,906	-
Total comprehensive income for the year	<u>15,634,175</u>	<u>7,877,942</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


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**KIRAN FOUNDATION
CASH FLOWS STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018**

	2018 Rupees	2017 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	11,324,074	14,676,018
Adjustments for items not involving movement of funds:		
Depreciation	6,625,190	6,035,656
Incremental depreciation on deferred capital grant	7,666,979	
Loss on disposal of fixed assets	-	50,000
Profit on investments	(781,551)	(1,741,044)
Surplus before working capital changes	<u>24,834,692</u>	<u>19,020,630</u>
(Increase) in current assets		
Loans and advances	(3,096,987)	(542,898)
Short term prepayments	403,040	(414,920)
	<u>(2,693,947)</u>	<u>(957,818)</u>
Increase in current liabilities		
Accrued expenses	2,909,181	372,070
Cash generated from operations	<u>25,049,926</u>	<u>18,434,882</u>
Taxes paid	(560,032)	(248,458)
Net cash generated from operating activities	<u>24,489,894</u>	<u>18,186,424</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(82,444,828)	(5,553,186)
Proceeds from disposal of property, plant and equipment	-	300,000
Capital work in progress	6,121,379	(6,121,378)
Long term security deposits	(202,800)	(271,200)
Long term loans	65,000	-
Long term investments	(11,443,209)	(50,993,250)
Short term investments	49,210,000	(9,210,000)
Profit received on investments	781,551	2,010,356
Net cash used in investing activities	<u>(37,912,907)</u>	<u>(69,838,658)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short term borrowings	-	(2,500,000)
Endowment fund received	-	5,000,000
Alumni fund received	(3,387,076)	10,848,435
DCTO School fund received	(4,657,084)	12,630,870
Deferred capital grant	(7,666,979)	69,210,000
Net cash (used in) / generated from financing activities	<u>(15,711,139)</u>	<u>95,189,305</u>
Net (decrease) / increase in cash and cash equivalents	<u>(29,134,152)</u>	<u>43,537,071</u>
Cash and cash equivalents at the beginning of the year	74,502,749	30,965,678
Cash and cash equivalents at the end of the year	<u>45,368,597</u>	<u>74,502,749</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	45,368,597	64,502,749
Short term investments	-	10,000,000
	<u>45,368,597</u>	<u>74,502,749</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


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**KIRAN FOUNDATION
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Unrestricted Fund		Restricted Fund			Fair value reserve on available for sale investments	Total
	General fund	General Endowment fund	Alumni fund	Rupees			
				Alumni Endowment fund	DCTO School		
Balance as at June 30, 2016 as reported	53,791,486	40,000,000	7,924,568	-	-	-	101,716,054
Surplus transferred from income and expenditure account (restated)	14,676,018	-	-	-	-	-	14,676,018
Funds received during the year (restated)	-	5,000,000	14,922,126	6,087,218	46,000,000	-	72,009,344
Transferred to income and expenditure account (restated)	-	-	(10,160,909)	-	(33,369,130)	-	(43,530,039)
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	-	(6,798,076)	(6,798,076)
Balance as at June 30, 2017	68,467,504	45,000,000	12,685,785	6,087,218	12,630,870	(6,798,076)	138,073,301
Surplus transferred from income and expenditure account	11,324,074	-	-	-	-	-	11,324,074
Funds received during the year	-	-	7,867,119	850,000	46,000,000	-	54,717,119
Transferred to income and expenditure account	-	-	(12,104,195)	-	(50,657,084)	-	(62,761,279)
Unrealized loss on remeasurement of available-for-sale investments	-	-	-	-	-	(2,199,805)	(2,199,805)
Impairment loss recognized in respect of available-for-sale-investment	-	-	-	-	-	6,509,906	6,509,906
Balance as at June 30, 2018	79,791,578	45,000,000	8,448,709	6,937,218	7,973,786	(2,487,975)	145,663,316

The annexed notes from 1 to 28 form an integral part of these financial statements.


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KIRAN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 statement of income and expenditure 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 statement of income and expenditure.

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 statement of income and expenditure.

3.3.4 Impairment

The carrying value of assets are reviewed at each date of statement of financial position 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 statement of income and expenditure.

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 statement of income and expenditure.

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 statement of income and expenditure 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 DCTO, a restricted fund. The donations received in DCTO Fund is to be utilized for specific purpose and be expended for that purpose only, however, in prior year, the donations received for DCTO Fund was erroneously accounted for as unrestricted fund instead of restricted fund. Consequently, the whole amount of fund received was recognized in income and expenditure account resulting in overstatement of net surplus and unrestricted 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 DCTO Fund being restricted fund and reversing the donation credited in the statement of income and expenditure. The impact to each financial statement area is quantified as follows:

	Cumulative effect up to June 30, 2017	Effect for the year ended June 30, 2017	Cumulative effect up to July 01, 2016
Effect on statement of financial position			
Increase in restricted funds	12,630,870	12,630,870	-
Decrease in unrestricted funds	<u>(12,630,870)</u>	<u>(12,630,870)</u>	-
Effect on income and expenditure account			
Decrease in income - unrestricted fund	46,000,000	46,000,000	-
Increase in DCTO school expenses - restricted fund	(33,369,130)	(33,369,130)	-
Decrease in administrative expenses - unrestricted fund	(33,369,130)	(33,369,130)	-
Increase in income transferred from DCTO School Fund - restricted fund	33,369,130	33,369,130	-
Decrease in surplus for the year	<u>12,630,870</u>	<u>12,630,870</u>	-

PROPERTY PLANT AND EQUIPMENT

	Cost			Rate %	Accumulated depreciation			Written down value as at June 30, 2018
	As at July 01, 2017	Additions	Disposal		As at June 30, 2018	As at July 01, 2017	For the year	
Owned assets								
Land and building	-	9,685,785	-	9,685,785	-	-	-	9,685,785
Lease hold improvements	24,090,339	54,852,963	-	78,943,302	10%	7,894,330	-	14,921,379
Solar energy plant	1,724,950	539,400	-	2,264,350	10%	342,090	226,435	568,525
Furniture and fixtures	2,251,959	6,118,101	-	8,370,060	15%	669,973	1,255,509	1,925,482
Auditorium equipments	2,117,500	-	-	2,117,500	15%	952,875	317,625	1,270,500
Electric equipments	3,273,880	5,205,434	-	8,479,314	15%	1,033,955	1,271,897	2,305,852
Office equipments	2,793,202	3,698,080	-	6,491,282	15%	817,980	973,692	1,791,672
Computers	1,684,750	748,500	-	2,433,250	30%	1,255,695	729,975	1,985,670
Computer lab	975,000	50,000	-	1,025,000	15%	438,750	153,750	592,500
Vehicles	3,780,000	-	-	3,780,000	15%	1,228,500	567,000	1,795,500
Library books	4,375,000	5,382	-	4,380,382	15%	1,968,750	657,057	2,625,807
Sports equipments	91,470	1,541,183	-	1,632,653	15%	13,721	244,898	258,619
Total rupees - 2018	47,158,050	82,444,828	-	129,602,878		15,749,338	14,292,168	30,041,506
Total rupees - 2017	42,104,864	5,553,186	(500,000)	47,158,050		9,863,682	6,035,656	15,749,338
Allocation of depreciation		Rupees 2018	Rupees 2017					
DCTO School expenses		6,625,190	6,035,656					
Deferred capital grant		7,666,979	-					
		14,292,169	6,035,656					

	Note	2018 Rupees	2017 Rupees
5 CAPITAL WORK IN PROGRESS			
Capital work in progress	5.1	-	6,121,379
5.1 The movement in carrying amount of capital work in progress is as follows:			
Balance as at July 01,		6,121,379	-
Additions during the year		65,798,043	6,121,379
		71,919,422	6,121,379
Transferred during the year	5.2	(71,919,422)	-
Balance as at June 30,		-	6,121,379
5.2 This represents various transfers made to property, plant and equipment during the year including leasehold improvements, furniture and fixtures, land and building and electric equipments amounting to Rs. 53.690 million, Rs. 5.475 million, Rs. 2.641 million and Rs. 3.556 million respectively.			
6 LONG TERM LOANS			
Qard-e-hasna	6.1	354,320	419,320
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		474,000	271,200
8 LONG TERM INVESTMENTS			
Available for sale			
Ordinary shares - listed	8.1	30,359,844	8,498,085
Mutual fund units	8.2	29,588,640	35,697,089
		59,948,484	44,195,174
8.1 Ordinary shares - listed			
At cost		32,847,819	8,786,255
Adjustment arising from remeasurement to fair value		(2,487,975)	(288,170)
		30,359,844	8,498,085

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Details of investments in listed ordinary shares are as follows:

2018	2017		Rupees 2018	Rupees 2017
Number of shares		Name of Company		
1,850	450	Abbot Laboratories (Pakistan) Limited	1,267,250	420,570
600	600	Attock Petroleum Limited	353,994	375,858
64,000	20,000	Aisha Steel Mills Limited	1,009,280	406,800
700	-	Al-Ghazi Tractors Limited	476,000	-
200	-	Akzo Nobel Pakistan Limited	37,352	-
950	-	Archroma Pakistan Limited	479,750	-
30,000	5,000	Colony Textile Mills Limited	108,300	24,850
525,000	27,500	Dolmen City Real Estate Investment Trust	6,772,500	325,325
4,400	1,500	Engro Corporation Limited	1,380,984	488,865
13,699	-	Engro Polymer and Chemicals Limited	429,601	-
30,000	10,000	Fauji Cement Company Limited	685,500	410,300
6,000	-	Fauji Foods Limited	193,680	-
8,000	-	Ghani Global Glass Limited	98,640	-
1,000	-	Ghandhara Industries Limited	706,690	-
23,000	8,500	Gul Ahmed Textile Mills Limited	987,390	348,330
1,700	-	HASCOL Petroleum Limited	533,392	-
1,500	-	Honda Atlas Cars (Pakistan) Limited	474,585	-
5,600	2,000	The General Tyre & Rubber Company Limited	930,720	607,000
12,000	7,000	International Steels Limited	1,220,400	895,230
-	2,100	Kohat Cement Company Limited	-	481,446
50,500	-	Kot Addu Power Company Limited	2,722,409	-
10,000	-	Lotte Chemical Pakistan Limited	119,600	-
260	10,000	Meezan Bank Limited	21,247	790,000
120	-	Millat Tractors Limited	142,567	-
6,000	4,000	Nishat Mills Limited	845,520	634,720
5,000	-	Nishat Chunian Power Limited	140,700	-
5,600	3,000	Oil & Gas Development Company Limited	871,472	422,070
9,000	3,500	Pioneer Cement Limited	421,740	455,000
300	-	Packages Limited	146,916	-
14,000	-	Pak Electron Limited	496,440	-
1,200	1,200	Pakistan Oilfields Limited	806,148	549,780
4,340	1,300	Pakistan State Oil Company Limited	1,381,465	503,555
8,000	-	Pakistan Telecommunication Company Limited	91,520	-
2,000	-	Pakistan Synthetics Limited	50,180	-
5,720	-	Sazgar Engineering Works	1,630,086	-
13,500	-	Sui Northern Gas Pipelines Limited	1,352,970	-
12,500	-	Unity Foods	366,000	-
1,788	700	The Searle Company Limited	606,856	358,386
			<u>30,359,844</u>	<u>8,498,085</u>

8.2 Mutual fund units

At cost	42,206,995	42,206,995
Adjustment arising from remeasurement to fair value	(12,618,355)	(6,509,906)
	<u>29,588,640</u>	<u>35,697,089</u>

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Details of investment in Al Meezan Islamic Fund units are as follows:

2018 Number of shares	2017 Number of shares	Name of Company	Rupees 2018	Rupees 2017
<u>467,178</u>	<u>467,178</u>		<u>29,588,640</u>	<u>35,697,089</u>

9 SHORT TERM INVESTMENTS

Certificate of Islamic Investment Meezan Bank Limited	9.1	-	49,210,000
Monthly Modaraba Certificate Meezan Bank Limited	9.2	-	10,000,000
		-	<u>59,210,000</u>

9.1 This certificate carried markup at the rates ranging from 4% to 5% per annum (June 30, 2017: 4% to 5%) per annum having maturity of six months.

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

10 LOANS AND ADVANCES

Unsecured - considered good			
Loans to staff		908,383	725,450
Advances to vendors		2,437,809	-
Advances to staff		513,792	37,547
		<u>3,859,984</u>	<u>762,997</u>

11 SHORT TERM PREPAYMENTS

Prepaid expenses		<u>11,880</u>	<u>414,920</u>
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12 BANK BALANCES

Cash at bank			
Current accounts		4,361,209	46,449,847
Saving accounts	12.1	41,007,388	18,052,902
		<u>45,368,597</u>	<u>64,502,749</u>

12.1 The saving accounts carry markup at the rates ranging from 2% to 3% (June 30, 2017: 2% to 3%) per annum.

	Note	Rupees 2018	Rupees 2017 (Restated)
13 DEFERRED CAPITAL GRANT			
Capital grant		69,210,000	69,210,000
Amortization during the year		(7,666,979)	-
		<u>61,543,021</u>	<u>69,210,000</u>

- 13.1 The Foundation received an amount of Rs. 69.21 million 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 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no contingencies as at the date of statement of financial position.

14.2 Commitments

There were no commitments as at the date of statement of financial position.

15 INCOME

Donation income		<u>33,677,370</u>	<u>23,127,038</u>
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16 ADMINISTRATIVE EXPENSES

Renovation expenses		-	1,173,270
Utility bills		130,853	111,796
Training and work shops		-	6,900
Stationary		108,908	189,513
Salaries		2,367,000	879,300
Repair and maintenance		342,083	684,882
Concerts and events		212,029	729,836
House keeping		180,379	107,070
Fuel		398,076	357,925
Food and kitchen		357,250	56,340
Field trip		74,775	77,265
Auditor's remuneration		125,000	75,000
Consultancy charges		166,500	50,000
Fee and subscription		114,970	65,450
Rent expense		385,910	100,000
Bank charges		32,343	28,542

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	Note	2018 Rupees	2017 Rupees (Restated)
Bad debt expense		-	100,000
Loss on disposal of fixed assets		-	50,000
		<u>4,996,076</u>	<u>4,843,089</u>

17 INCOME TRANSFERRED FROM ALUMNI FUND

Income transferred to income and expenditure account	17.1	<u>12,104,195</u>	<u>10,160,909</u>
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17.1 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.

18 ALUMNI SPECIFIC PROGRAM EXPENSES

Conveyance charges		1,540,650	1,248,200
Eid expenses		1,627,105	1,459,371
School fees		7,646,469	5,846,011
Field trip		520,768	382,525
School uniforms and course books		769,203	1,224,802
		<u>12,104,195</u>	<u>10,160,909</u>

19 INCOME TRANSFERRED FROM DCTO SCHOOL FUND

Income transferred to income and expenditure account	19.1	50,657,084	33,369,130
Amortization of deferred capital grant	13.1	7,666,979	-
		<u>58,324,063</u>	<u>33,369,130</u>

19.1 This represents income transferred from DCTO School Fund against which donation is received by the Foundation from Government of Sindh for the purpose of education and other related expenses of the children.

20 DCTO SCHOOL EXPENSES

Renovation expenses		3,310,954	344,330
Eid expenses		-	20,000
Utility bills		565,085	442,673
Training and workshop		397,750	498,506
Stationery		1,117,159	663,445
Salaries		28,500,888	19,406,013
Repair and maintenance		3,358,556	1,528,538
Concerts and events		1,742,587	1,247,409
Housekeeping		545,540	155,604
Conveyance and travelling		161,237	34,690

	2018	2017
	Rupees	Rupees
		(Restated)
Fuel	1,935,906	945,008
Food and kitchen	386,502	678,098
Field trip	682,281	520,280
Depreciation expense	14,292,169	6,035,656
Consultancy	110,000	533,000
Fee and subscription	371,109	150,100
Security charges	846,340	165,780
	<u>58,324,063</u>	<u>33,369,130</u>

	2018	2017
	Rupees	Rupees
21 OTHER INCOME		
Interest income	1,063,180	712,301
Profit on investment	781,551	1,741,044
Others	308,856	-
Exchange gain	415,548	6,712
Dividend income	1,497,925	2,206,995
	<u>4,067,060</u>	<u>4,667,052</u>

	2018	2017
	Rupees	Rupees
		(Restated)
22 SPECIFIC PROGRAM EXPENSES		
Tuck shop	193,780	81,050
Community help	5,738,040	6,669,158
Roadside café	513,171	279,325
Integrated people	-	74,550
Kiran evening school	2,193,200	1,080,900
Wellness programs	167,734	90,000
	<u>8,805,925</u>	<u>8,274,983</u>

23 FINANCIAL INSTRUMENTS RELATED DISCLOSURES

23.1 Currency risk

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

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23.2 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management believes that the Foundation is not exposed to any significant level of liquidity risk.

23.3 Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. The Foundation manages this risk through having exposures only to those parties, which are considered to be credit worthy, and obtaining security deposits wherever applicable. All the financial assets of the Foundation except for cash in hand are exposed to credit risk.

23.4 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the interest rates. The Foundation manages this risk through risk management strategies.

At the reporting date, the interest rate profile of the Foundation's significant financial assets is as follows:

	2018	2017
Fixed rate instruments		
Term deposit receipts	-	-
Variable rate instruments		
Certificates of Islamic investments	-	49,210,000
Monthly Modaraba Certificate	-	10,000,000
Balances maintained with banks	41,007,388	18,052,902

The rates of interest have been disclosed in the respective notes to the financial statements.

23.5 Fair value of financial instruments

The carrying value of all the financial assets and financial liabilities are estimated to approximate their fair values.

24 TRANSACTIONS WITH RELATED PARTIES

Related parties includes associated companies / undertakings, other related undertakings / persons and key management personnel. The Foundation in normal course of business carries out transactions with various related parties.

Relation with the Foundation	Nature of transactions	2018 Rupees	2017 Rupees
Director	Donation received	770,000	455,000
Spouse of Director	Donation received	-	50,000
Associated undertaking	Donation received	850,000	2,214,560

25 NUMBER OF EMPLOYEES **2018** **2017**

Number of employees as at June 30,	135	114
Average number of employees during the year	125	86

26 DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Foundation authorized these financial statements for issue on 07 FEB 2019.

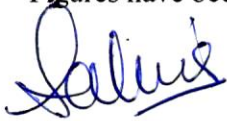
27 COMPARATIVE FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. Following significant reclassification has been made during the year.

Description	Reclassified from	Reclassified to	2017 Rupees
Charity	Administrative expenses - Unrestricted fund	Specific program expenses	6,669,158
Salaries	Administrative expenses - Unrestricted fund	Specific program expenses	1,080,900

28 GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.


CHAIRPERSON


GENERAL SECRETARY


FINANCE SECRETARY

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