

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

We have audited the accompanying consolidated financial statements of **KASHMIR EDUCATION FOUNDATION**, which comprise of the consolidated balance sheet as at 30 June 2016, and the related consolidated income and expenditure account, consolidated cash flow statement and consolidated statement of changes in funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved 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 about 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 auditor's 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 present fairly, in all material respects, the financial position of **KASHMIR EDUCATION FOUNDATION** as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

RIAZ AHMAD & COMPANY *Raz*
Chartered Accountants

Date:

ISLAMABAD

Name of engagement partner: Atif Bin Arshad

Board of Trustees
Kashmir Education Foundation
150 Peshawar Road, Westridge 1
Rawalpindi

27 October 2016

Our ref: K-12-083

Gentlemen

AUDIT FOR THE YEAR ENDED 30 JUNE 2016

We are pleased to enclose three copies of the draft consolidated financial statements for the year ended 30 June 2016 together with our draft report to the trustees duly initialed by us for identification purposes only. We shall be glad to sign our report in present or amended form after we have received:

- the enclosed financial statements approved by you and duly signed by the Chairman and one trustee on your behalf;
- balance confirmations from following banks:
 - Habib Bank Limited, Khaigala Tehsil Rawalakot Disst. Poonch, Azad Jammu & Kashmir.
 - Habib Bank Limited, Basali Distt Rawalpindi.
 - MCB Bank Limited, Dudhail, Distt. Chakwal.
 - MCB Bank Limited, the Mall Road, Rawalpindi.
 - MCB Bank Limited, Tehsil Rawalakot Distt. Poonch, Azad Jammu & Kashmir
 - Habib Metropolitan Bank Limited, HBZ Plaza I.I Chundrigar Road Karachi.
 - Habib Allied International Bank Limited, 161 - 163 Commercial Road, London.
- confirmation from legal advisor;
- your specific approval regarding following transactions incorporated in the books of account:

Rupees

Property and equipment – cost of additions	4,069,707
Long term investments – cost of additions	178,346,660
Long term investments – cost of disposals	157,102,337

- management representation letter duly signed by the Chief Executive and Head of Finance.

Riaz Ahmad & Company

Chartered Accountants

2. RESPONSIBILITIES OF THE BOARD OF TRUSTEES AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

- 2.1 The responsibilities of the independent auditors, in a usual examination of financial statements, are explained in International Standard on Auditing – 200. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for the preparation of financial statements is primarily that of the management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of assets and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of account and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.
- 2.2 We would like to inform the management that unless we have signed the auditors' report on these financial statements, the same shall remain and be deemed unaudited.

GENERAL

Finally, we wish to express our appreciation for the cooperation and courtesy extended to us by the management and other staff members in accomplishing our task.

Very truly yours



KASHMIR EDUCATION FOUNDATION
CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2016

	NOTE	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	110,198,594	112,271,586
Long term investments	4	248,933,383	228,162,196
Long term deposits	5	51,840	1,051,840
		<u>359,183,817</u>	<u>341,485,622</u>
CURRENT ASSETS			
Fees receivable		1,786,682	955,830
Advances	6	1,190,273	1,732,774
Security deposits and short term prepayments	7	527,052	442,930
Accrued interest		18,959	1,353,088
Cash and bank balances	8	7,983,193	5,327,328
		<u>11,506,159</u>	<u>9,811,950</u>
TOTAL ASSETS		<u><u>370,689,976</u></u>	<u><u>351,297,572</u></u>
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted funds	9	333,128,036	309,610,524
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred credit	10	31,396,986	32,913,084
Liabilities against assets subject to finance lease	11	-	-
		<u>31,396,986</u>	<u>32,913,084</u>
CURRENT LIABILITIES			
Accrued and other liabilities	12	6,164,954	7,609,909
Current portion of finance lease obligation		-	1,164,055
		<u>6,164,954</u>	<u>8,773,964</u>
TOTAL LIABILITIES		<u>37,561,940</u>	<u>41,687,048</u>
CONTINGENCIES AND COMMITMENTS		-	-
TOTAL FUNDS AND LIABILITIES		<u><u>370,689,976</u></u>	<u><u>351,297,572</u></u>

The annexed notes form an integral part of these consolidated financial statements.

CHAIRMAN

TRUSTEE

KASHMIR EDUCATION FOUNDATION

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 Rupees	2015 Rupees
INCOME			
Fees		33,543,914	28,167,033
Amortization income	10	1,516,098	1,637,668
Donations and voluntary contributions		11,801,150	14,328,081
KEF partnership scheme	13	2,428,500	3,119,457
Dividend income	14	7,892,826	7,053,328
Gain on sale of investment		15,209,850	6,600,040
Other income	15	1,225,287	856,312
		<u>73,617,625</u>	<u>61,761,919</u>
EXPENDITURE			
Salaries, allowances and other benefits		33,798,211	30,417,155
Travelling and conveyance		295,412	321,229
Entertainment		581,861	617,399
Printing and stationery		757,828	637,452
Utilities		1,313,012	1,816,504
Auditors' remuneration		110,000	95,000
Professional charges	16	293,887	397,869
Repair and maintenance		1,095,273	1,732,095
Vehicle running expenses		2,316,591	2,204,152
Advertisement		247,300	294,303
Insurance		409,756	416,134
Depreciation	3	6,142,699	6,127,852
Finance cost	17	722,630	359,775
Rent expense		688,369	607,919
Other expenses	18	854,148	1,052,212
		<u>49,626,977</u>	<u>47,097,050</u>
SURPLUS FOR THE YEAR TRANSFERRED TO GENERAL FUND		<u><u>23,990,648</u></u>	<u><u>14,664,869</u></u>

The annexed notes form an integral part of these consolidated financial statements.

CHAIRMAN

TRUSTEE

KASHMIR EDUCATION FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	23,990,648	14,664,869
Adjustments for non-cash charges and other items:		
Depreciation	6,142,699	6,127,852
Finance cost	722,630	359,775
Dividend income	(7,892,826)	(7,053,328)
Gain on disposal of investment	(15,209,850)	(6,600,040)
Profit on bank deposits	(148,822)	(249,338)
	<u>(16,386,169)</u>	<u>(7,415,079)</u>
Operating cash flow before working capital changes	7,604,479	7,249,790
Working capital changes		
Decrease / (increase) in current assets		
Fees receivable	(830,852)	(218,627)
Security deposits against finance lease	1,000,000	936,100
Advances, deposits, prepayments and other receivables	1,792,508	(2,828,944)
(Decrease) / increase in current liabilities		
Accrued and other liabilities	(1,444,955)	686,104
Restricted funds	-	(31,701,278)
Deferred credit	(1,516,098)	32,913,084
	<u>(999,397)</u>	<u>(213,561)</u>
Cash generated from operations	6,605,082	7,036,229
Finance cost paid	(722,630)	(359,775)
Net cash generated from operating activities	5,882,452	6,676,454
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(4,069,707)	(6,047,169)
Proceeds from sale of investments	172,312,187	10,413,144
Purchase of investments	(178,346,660)	(17,830,198)
Profit on bank deposits	148,822	249,338
Net cash used in investing activities	(9,955,358)	(13,214,885)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend received	7,892,826	7,053,328
Repayment of liabilities against assets subject to finance lease	(1,164,055)	(1,923,871)
Net cash from financing activities	6,728,771	5,129,457
Net increase / (decrease) in cash and cash equivalents	2,655,865	(1,408,974)
Cash and cash equivalents at the beginning of the year	5,327,328	6,736,302
Cash and cash equivalents at the end of the year	<u>7,983,193</u>	<u>5,327,328</u>

The annexed notes form an integral part of these consolidated financial statements. 

CHAIRMAN

TRUSTEE

KASHMIR EDUCATION FOUNDATION
CONSOLIDATED STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2016

Unrestricted funds										Restricted funds		
General fund		Endowment fund			Mrs. Kamala Rahim Khan Memorial Scholarships fund			Total		Flood relief fund	Cheema Trust Public School fund	Total
Fund	Sub total	Fund	Endowment reinvestment fund	Fair value reserve	Sub total	Fund	Fair value reserve	Sub total				
----- Rupees -----												
89,113,252	89,113,252	65,504,035	22,647,686	78,142,001	166,293,722	14,305,523	14,766,463	29,071,986	284,478,960	1,935,249	31,701,278	33,636,527
14,664,869	14,664,869	-	-	-	-	-	-	-	14,664,869	-	-	-
(7,053,328)	(7,053,328)	4,937,330	-	-	4,937,330	2,115,998	-	2,115,998	-	-	-	-
1,935,249	1,935,249	-	-	(6,600,040)	(6,600,040)	-	-	-	(6,600,040)	-	-	(6,600,040)
-	-	-	-	-	-	-	-	-	1,935,249	(1,935,249)	(31,701,278)	(1,935,249)
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	14,129,854	14,129,854	-	1,001,632	1,001,632	15,131,486	-	-	15,131,486
98,660,042	98,660,042	70,441,365	22,647,686	85,671,815	178,760,866	16,421,521	15,768,095	32,189,616	309,610,524	-	-	309,610,524
23,990,648	23,990,648	-	-	-	-	-	-	-	23,990,648	-	-	23,990,648
(2,772,023)	(2,772,023)	1,858,581	-	-	1,858,581	913,442	-	913,442	-	-	-	-
-	-	-	-	(15,209,850)	(15,209,850)	-	-	-	(15,209,850)	-	-	(15,209,850)
-	-	-	-	10,862,209	10,862,209	-	3,874,505	3,874,505	14,736,714	-	-	14,736,714
119,878,667	119,878,667	72,299,946	22,647,686	81,324,174	176,271,806	17,334,963	19,642,600	36,977,563	333,128,036	-	-	333,128,036

The annexed notes form an integral part of these consolidated financial statements.

CHAIRMAN

TRUSTEE

KASHMIR EDUCATION FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1 STATUS AND ACTIVITIES

1.1 Kashmir Education Foundation (the "Foundation") was established on 27 April 1995 under the Societies Registration Act, 1860 (XXI of 1860). The Foundation was also registered under the Trust Act 1882 on 23 September 1994 by the Government of Azad Jammu and Kashmir. The principal activities of the Foundation are to setup and manage institutions for the advancement of quality education and to promote research in all fields including scientific and educational research.

1.2 PROJECTS OF THE FOUNDATION

Following schools / institutions / projects are being run under the auspices of Kashmir Education Foundation:

- Pearl Valley Public School - Rawalakot, Azad Jammu and Kashmir
- Soan Valley Public School - Pakhowal, Rawat
- College of Teacher Education
- Banjosa Valley Public School - Rawalakot, Azad Jammu and Kashmir

The schools and projects are run independently and the financial statements of these institutions / projects are incorporated in these consolidated financial statements.

1.3 BASIS OF CONSOLIDATION

The financial statements of the Foundation have been consolidated from the audited financial statements of the individual projects on an item to item basis. Inter project transactions have been eliminated on consolidation. Certain items presented in the individual financial statements of the projects have been reclassified for the purpose of consolidation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

(a) 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 Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan.

(b) Accounting convention

These financial statements have been prepared under the historical cost convention except as stated otherwise in respective notes and policies.

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and financial reporting standards for medium sized entities requires the management to make judgments, estimates and assumptions that affect the reporting amounts of assets and liabilities and income and expenses. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- i) Useful lives, pattern of economic benefits and impairments
- ii) Provisions

2.3 **Property and equipment**

(a) Owned

Property and equipment except freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost. Cost of tangible assets consists of historical cost and other directly attributable cost of bringing the asset to working condition. Property and equipment donated to the Foundation are stated at the value determined by the trustees on the basis of information provided by the donors' less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure account during the year in which they are incurred.

Depreciation

Depreciation on property and equipment except for leasehold land is charged to income and expenditure account on reducing balance method after taking into account residual value, if any, so as to write off the depreciable amount of an asset over its estimated useful life at the rates given in Note 3. The leasehold land is being amortized over a period of 99 years. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income and expenditure account in the year the asset is derecognized.

(b) Leased

Finance lease

Leases where the Foundation has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost, is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income and expenditure account over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to income and expenditure account.

2.4 **Impairment**

The carrying amounts of the Foundation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of such asset is estimated. Any impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the income and expenditure account. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the initial cost of the asset. A reversal of the impairment loss is recognized in the income and expenditure account.

2.5 **Foreign currencies**

Transactions in foreign currencies are accounted for in Pak Rupees at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rate of exchange ruling at the balance sheet date. Exchange gains or losses are dealt in income and expenditure account.

2.6 **Investments**

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase. Investments are initially measured at fair value plus transaction cost directly attributable to the acquisition.

Available for sale

Investments which are classified as available-for-sale are measured at fair value. Gain or loss on available for sale investments are recognized directly in funds until the investment is sold, de-recognized or is determined to be impaired at which time the cumulative gain or loss previously reported in funds is included in income and expenditure account. Upon impairment, gain / loss including that had been previously recognized directly in funds, is included in income and expenditure account for the year.

2.7 **Financial instruments**

Financial assets and liabilities are recognized when the Foundation becomes a party to the contractual provisions of the instrument. The Foundation derecognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments. The Foundation recognizes the regular way purchase or sale of financial assets using settlement date accounting. The particular measurement methods adopted are disclosed in the following individual policy statements associated with each item and in the accounting policy of investments.

a) **Accrued and other liabilities**

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

b) **Receivables**

Receivables are recognized at nominal amount which is fair value of the consideration to be received in future. Balances considered bad are written off when identified.

c) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks on current and deposit accounts. These are carried at book values which approximate their fair values.

2.8 **Revenue recognition**

a) Fees are recognized on accrual basis.

b) Donations and voluntary contributions are recognized on actual receipts basis. Donations in kind are recognized at value assigned by the donors to the goods at the time of donations. Where there is no assigned value, the asset is recognized at fair value.

c) Profit on investments and deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

d) Dividend on equity investments is recognized when the right to receive the dividend is established.

2.9 **Taxation**

Kashmir Education Foundation is non-profit organization under section 2(36) of the Income Tax Ordinance, 2001. Therefore no provision for taxation has been made in these financial statements.

2.10 **Deferred credit**

Funds utilized for capital expenditure are transferred to deferred credit and amortized as income over the useful life of the respective items of property and equipment.

2.11 **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Foundation has a legally enforceable right to setoff the recognized amounts and the Foundation intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

	Owned										Leased	Total
	Freehold land	Leasehold land	Building	Vehicles	Library books	Furniture and fixture	Office equipment	Computers	Vehicles			
----- Rupees -----												
At 01 July 2014												
Cost	9,329,969	1,325,000	113,776,557	5,641,015	345,926	8,978,908	4,679,690	2,368,649	5,581,200		152,026,914	
Accumulated depreciation	-	(260,449)	(27,078,369)	(2,428,430)	(141,894)	(4,482,623)	(2,168,548)	(2,013,156)	(1,101,176)		(39,674,645)	
Net book value	9,329,969	1,064,551	86,698,188	3,212,585	204,032	4,496,285	2,511,142	355,493	4,480,024		112,352,269	
Year ended 30 June 2015												
Opening net book value	9,329,969	1,064,551	86,698,188	3,212,585	204,032	4,496,285	2,511,142	355,493	4,480,024		112,352,269	
Additions	-	-	4,250,901	-	66,420	643,129	260,619	826,100	-		6,047,169	
Depreciation charge	-	(10,753)	(4,428,118)	(321,259)	(21,747)	(447,613)	(293,502)	(156,858)	(448,002)		(6,127,852)	
Closing net book value	9,329,969	1,053,798	86,520,971	2,891,326	248,705	4,691,801	2,478,259	1,024,735	4,032,022		112,271,586	
At 30 June 2015												
Cost	9,329,969	1,325,000	118,027,458	5,641,015	412,346	9,622,037	4,940,309	3,194,749	5,581,200		158,074,083	
Accumulated depreciation	-	(271,202)	(31,506,487)	(2,749,689)	(163,641)	(4,930,236)	(2,462,050)	(2,170,014)	(1,549,178)		(45,802,497)	
Net book value	9,329,969	1,053,798	86,520,971	2,891,326	248,705	4,691,801	2,478,259	1,024,735	4,032,022		112,271,586	
Year ended 30 June 2016												
Opening net book value	9,329,969	1,053,798	86,520,971	2,891,326	248,705	4,691,801	2,478,259	1,024,735	4,032,022		112,271,586	
Additions	-	-	3,165,980	-	215,820	165,480	406,067	116,360	-		4,069,707	
Transfers												
Cost	-	-	-	5,581,200	-	-	-	-	(5,581,200)		-	
Accumulated depreciation	-	-	-	(1,549,178)	-	-	-	-	1,549,178		-	
	-	-	-	4,032,022	-	-	-	-	(4,032,022)		-	
At 30 June 2016												
Depreciation charge	-	-	(4,314,454)	(692,335)	(27,711)	(452,135)	(295,582)	(360,482)	-		(6,142,699)	
Closing net book value	9,329,969	1,053,798	85,372,497	6,231,013	436,814	4,405,146	2,588,744	780,613	-		110,198,594	
At 30 June 2016												
Cost	9,329,969	1,325,000	121,193,438	11,222,215	628,166	9,787,517	5,346,376	3,311,109	-		162,143,790	
Accumulated depreciation	-	(271,202)	(35,820,941)	(4,991,202)	(191,352)	(5,382,371)	(2,757,632)	(2,530,496)	-		(51,945,196)	
Net book value	9,329,969	1,053,798	85,372,497	6,231,013	436,814	4,405,146	2,588,744	780,613	-		110,198,594	
Annual rate of depreciation (%)		1/99	5	10	10	10	10	33	10			

4 LONG TERM INVESTMENTS

Available for sale

ENDOWMENT FUND INVESTMENTS

	30 June 2016			30 June 2015		
	Shares/units	Cost Rupees	Fair value Rupees	Shares/units	Cost Rupees	Fair value Rupees
UBL Government Security Fund	84,812	8,945,950	8,945,950	57,845	6,179,115	6,190,111
Principal Protected Fund III	-	-	-	313,644	31,053,964	35,496,179
Principal Protected Fund II	-	-	-	142,567	13,165,235	16,503,605
Al Amin Islamic Active Allocation Plan-I	131,864	13,196,264	14,269,335	129,125	12,912,481	12,935,339
Al Amin Islamic Active Allocation Plan-1 Class B	3,033	303,552	328,236	29,924	299,243	299,773
UBL Asset Allocation Fund - Class C	2,609	332,685	323,725	-	-	-
UBL Islamic Principal Preservation Fund-III	-	-	-	142,697	11,576,629	15,578,184
Asset Allocation Fund - Class C	129,620	15,913,799	16,084,236	-	-	-
Al Amin Shariah Stock Fund	181,015	22,788,397	23,276,692	-	-	-
UBL Liquidity Plus Fund - Class C	1,736	182,963	174,584	-	-	-
UBL Stock Advantage Fund	368,223	23,812,307	23,117,061	-	-	-
Al Amin Active Allocation Plan-II	64,103	6,416,973	7,023,844	-	-	-
Pharmagen Limited (Note 4.1)	3,600,000	36,000,000	119,276,463	3,600,000	36,000,000	111,294,720
Security Leasing Corporation Limited - Quoted	219,999	2,066,660	351,999	219,999	2,066,660	657,797
UBL Asset Allocation Fund - Class C	1,710	208,314	212,179	-	-	-
Al Ameen Islamic Active Allocation Plan II	10,259	1,026,983	1,124,108	-	-	-
UBL Gold Fund	12,233	1,472,101	1,517,940	8,552	695,698	694,396
		132,666,948	216,026,352		113,949,025	199,650,104

MRS. KAMALA RAHIM KHAN MEMORIAL SCHOLARSHIP FUND INVESTMENT

Pharmagen Limited	753,906	7,539,060	24,978,678	753,906	7,539,060	23,307,155
UBL Wealth Builder Plan	85,489	6,516,907	6,652,463	91,556	5,234,201	5,204,937
Asset Allocation Fund - Class C	10,282	1,243,694	1,275,890	-	-	-
		147,966,609	248,933,383		126,722,286	228,162,196
Add: Fair value adjustment		100,966,774			101,439,910	
		<u>248,933,383</u>			<u>228,162,196</u>	

4.1 Breakup value on the basis of audited financial statements for the year ended 30 June 2016 has been used to calculate fair value.

5 LONG TERM DEPOSITS

Deposits against finance lease
Other deposits

NOTE	2016 Rupees	2015 Rupees
	-	1,000,000
	51,840	51,840
	<u>51,840</u>	<u>1,051,840</u>

6 ADVANCES

Advances to employees against:

- Salaries
- Expenses

Advances to suppliers

	100,889	79,425
	251,998	253,349
	837,386	1,400,000
	<u>1,190,273</u>	<u>1,732,774</u>

7 SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS

Security deposits
Prepayments

	266,500	186,500
	260,552	256,430
	<u>527,052</u>	<u>442,930</u>

8 CASH AND BANK BALANCES

Cash in hand

Cash at bank - deposit accounts
- current accounts


8.1
8.2

	509,039	323,100
	6,182,735	4,037,217
	1,291,419	967,011
	7,474,154	5,004,228
	<u>7,983,193</u>	<u>5,327,328</u>

8.1 The balances in current and saving accounts include US \$ 95 (2015: US \$ 319) and GBP 168 (2015: GBP 9,110).

8.2 The balances in current and saving accounts carry rate of profit ranging from 0.25 % to 4.5% (2015: 0.15 % to 4.5%).

	NOTE	2016 Rupees	2015 Rupees
9 UNRESTRICTED FUNDS			
General fund		119,878,667	98,660,042
Endowment fund	9.1	176,271,806	178,760,866
Mrs. Kamala Rahim Khan Memorial Scholarships Fund	9.2	36,977,563	32,189,616
		<u>333,128,036</u>	<u>309,610,524</u>
9.1 Fund maintained to support financially capital or recurrent expenditure of the foundation and to support activities connected with research and development of new school / Institutes. Major source of income of this fund is from donations, dividends and other funds allocated by Board of Trustees.			
9.2 Fund donated by Mrs. Kamala Rahim Khan in the form of 753,906 shares of Pharmagen Limited.			
		2016 Rupees	2015 Rupees
10 DEFERRED CREDIT			
Opening balance		32,913,084	-
Cost of asset transferred from restricted funds		-	31,701,278
Additions during the period		-	2,849,474
Amortization representing depreciation of related building		(1,516,098)	(1,637,668)
Closing balance		<u>31,396,986</u>	<u>32,913,084</u>
11 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Minimum lease payments		-	1,170,025
Less: Un-amortized finance charges		-	(5,970)
Present value of minimum lease payments		-	1,164,055
Less: Current portion shown under current liabilities		-	(1,164,055)
		<u>-</u>	<u>-</u>
12 ACCRUED AND OTHER LIABILITIES			
Accrued liabilities		965,005	3,328,077
Unearned income		211,500	-
Security deposits		4,800,489	4,157,153
Withholding tax payable		2,554	24,679
Auditors' remuneration		110,000	100,000
Others		75,406	-
		<u>6,164,954</u>	<u>7,609,909</u>
13 KEF PARTNERSHIP SCHEME			
Foundation introduced Kashmir Education Foundation Partnership Scheme. Under this scheme trustees and general public donates amount of 300 Rupees per month.			
14 DIVIDEND INCOME			
It represents dividend income from Pharmagen Limited, of which Rupees 6,584,384 (2015: Rupees 4,937,330) relates to endowment fund and Rupees 1,308,442 (2015: Rupees 2,115,998) relates to Mrs. Kamala Rahim Khan Fund.			
		2016 Rupees	2015 Rupees
15 OTHER INCOME			
Profit on bank deposits		148,822	249,338
Sponsorship fee		180,000	-
Exchange gain - net		-	35,436
Miscellaneous income		896,465	571,538
		<u>1,225,287</u>	<u>856,312</u>
16 PROFESSIONAL CHARGES			
It includes an amount of Rupees Nil (2015: Rupees 227,331) paid to UBL fund manager as a management fee. According to the agreement with UBL fund managers, return earned over and above the benchmark rate will be shared with UBL fund managers in ratio of 75% and 25%. Benchmark rate for this year is 15% (2015: 15%).			

	2016 Rupees	2015 Rupees
17 FINANCE COST		
Mark-up on finance lease	3,906	159,877
Exchange loss - net	59,242	104,719
Bank charges	659,482	95,179
	<u>722,630</u>	<u>359,775</u>
18 OTHER EXPENSES		
Annual day expenses	33,820	-
Mess expenses	167,000	175,039
Teacher training workshop	85,000	-
Gardening	82,682	163,262
Cleaning materials	117,359	104,529
Newspaper	68,617	21,303
Board affiliation fee	56,566	50,000
Workshop and teachers training	-	131,620
Sport	15,430	201,370
Master Hassan Din Scholarship	10,000	8,000
Miscellaneous	217,674	197,089
	<u>854,148</u>	<u>1,052,212</u>
19 DATE OF AUTHORIZATION FOR ISSUE		
These financial statements were authorized for issue on _____ by the Board of Trustees of the Foundation.		
20 CORRESPONDING FIGURES		
No significant reclassification / rearrangement of corresponding figures have been made. 		
21 GENERAL		
Figures have been rounded off to the nearest Rupee.		

CHAIRMAN

TRUSTEE