

KASHMIR EDUCATION FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

AUDIT FOR THE YEAR ENDED 30 JUNE 2018

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF KASHMIR EDUCATION FOUNDATION

Opinion

We have audited the consolidated financial statements of Kashmir Education Foundation ("the Foundation"), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated income and expenditure account, consolidated statement of changes in fund, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the 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 the 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 other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, the 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.

Rau.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Rao

Riaz Ahmad & Company

Chartered Accountants

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Ran

Date: 08 JUL 2019

ISLAMABAD


Name of engagement partner: Raheel Arshad

KASHMIR EDUCATION FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

| | NOTE | 2018 Rupees | 2017 Rupees |
|--|------|---------------------------|---------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property and equipment | 3 | 109,539,949 | 108,107,479 |
| Long term investments | 4 | 288,787,640 | 268,413,876 |
| Long term deposits and prepayments | | 208,040 | 340,040 |
| | | <u>398,535,629</u> | <u>376,861,395</u> |
| CURRENT ASSETS | | | |
| Fee receivable | | 3,020,588 | 2,778,982 |
| Advances | 5 | 1,302,766 | 1,061,447 |
| Security deposits and short term prepayments | 6 | 630,615 | 608,711 |
| Other receivable | | 981,260 | 160,511 |
| Cash and bank balances | 7 | 5,167,516 | 5,126,937 |
| | | <u>11,102,745</u> | <u>9,736,588</u> |
| TOTAL ASSETS | | <u><u>409,638,374</u></u> | <u><u>386,597,983</u></u> |
| FUNDS AND LIABILITIES | | | |
| Funds | 8 | 370,356,535 | 348,347,354 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Deferred credit | 9 | 28,335,780 | 29,827,137 |
| KEF's retirement benefit scheme payable | 10 | 3,178,924 | 1,570,944 |
| CURRENT LIABILITIES | | | |
| Accrued and other liabilities | 11 | 7,767,135 | 6,852,548 |
| TOTAL LIABILITIES | | 39,281,839 | 38,250,629 |
| CONTINGENCIES AND COMMITMENTS | | | |
| TOTAL FUNDS AND LIABILITIES | | <u><u>409,638,374</u></u> | <u><u>386,597,983</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 2018

| | NOTE | 2018 Rupees | 2017 Rupees |
|---|------|----------------|----------------|
| INCOME | | | |
| Fee | | 38,775,325 | 35,136,080 |
| Amortization income | 9 | 1,491,357 | 1,569,849 |
| Donations and voluntary contributions | | 16,096,901 | 16,117,234 |
| KEF support a child scheme | 12 | 1,877,266 | 3,869,863 |
| Dividend income | 13 | 7,071,157 | 11,849,867 |
| Gain on sale of investment | | 769,479 | 13,729,534 |
| Other income | 14 | 2,020,951 | 1,385,774 |
| | | 68,102,436 | 83,658,201 |
| EXPENDITURE | | | |
| Salaries, allowances and other benefits | | 41,855,568 | 37,466,660 |
| Travelling and conveyance | | 384,138 | 258,238 |
| Entertainment | | 575,525 | 512,300 |
| Printing and stationery | | 1,095,574 | 770,952 |
| Utilities | | 1,731,692 | 1,509,269 |
| Auditor's remuneration | | 110,000 | 110,000 |
| Professional charges | | 338,070 | 557,717 |
| Repair and maintenance | | 2,371,412 | 1,343,278 |
| Vehicle running expenses | | 2,037,538 | 1,952,136 |
| Annual day expenses | | 226,200 | 1,084,733 |
| Advertisement | | 866,952 | 249,418 |
| Insurance | | 370,863 | 371,839 |
| Depreciation | 3 | 5,961,191 | 5,976,177 |
| Finance cost | | 421,865 | 2,948,287 |
| Rent expense | | 2,187,936 | 416,867 |
| Other expenses | 15 | 2,035,133 | 985,506 |
| | | 62,569,657 | 56,513,377 |
| SURPLUS FOR THE YEAR TRANSFERRED TO GENERAL FUND | | 5,532,779 | 27,144,824 |

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


CHAIRMAN


TRUSTEE

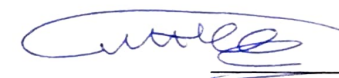
KASHMIR EDUCATION FOUNDATION
CONSOLIDATED STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

| Funds | | | | | | | | | |
|---|----------------|-----------------------------|--------------------|--------------|---|--------------------|-------------|-------------|--------------|
| General fund | Endowment fund | | | | Mrs. Kamala Rahim Khan Memorial Scholarships fund | | | Total | |
| Fund | Fund | Endowment reinvestment fund | Fair value reserve | Sub total | Fund | Fair value reserve | Sub total | | |
| ----- Rupees ----- | | | | | | | | | |
| Balance as at 30 June 2016 | 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 |
| Surplus for the year | 27,144,824 | - | - | - | - | - | - | - | 27,144,824 |
| Transfer to Endowment Fund and Mrs. Kamala Rahim Khan fund | (8,464,866) | 7,278,266 | - | - | 7,278,266 | 1,186,600 | - | 1,186,600 | - |
| Gain realized on sale of investments | - | - | - | (13,729,534) | (13,729,534) | - | - | - | (13,729,534) |
| Gain on remeasurement of available for sale investments - net | - | - | - | 4,304,848 | 4,304,848 | - | (2,500,820) | (2,500,820) | 1,804,028 |
| Balance as at 30 June 2017 | 138,558,625 | 79,578,212 | 22,647,686 | 71,899,488 | 174,125,386 | 18,521,563 | 17,141,780 | 35,663,343 | 348,347,354 |
| Surplus for the year | 5,532,779 | - | - | - | - | - | - | - | 5,532,779 |
| Transfer to Endowment Fund and Mrs. Kamala Rahim Khan fund | (7,071,157) | 6,503,419 | - | - | 6,503,419 | 567,738 | - | 567,738 | - |
| Gain realized on sale of investments | - | - | - | (1,253,453) | (1,253,453) | - | 483,975 | 483,975 | (769,478) |
| Gain on remeasurement of available for sale investments - net | - | - | - | 13,299,907 | 13,299,907 | - | 3,945,973 | 3,945,973 | 17,245,880 |
| Balance as at 30 June 2018 | 137,020,247 | 86,081,631 | 29,151,105 | 83,945,942 | 192,675,259 | 19,089,301 | 21,571,728 | 40,661,029 | 370,356,535 |

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

Law.


CHAIRMAN

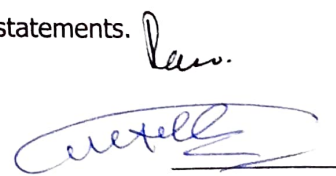

TRUSTEE

KASHMIR EDUCATION FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

| | 2018 Rupees | 2017 Rupees |
|---|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Surplus for the year | 5,532,779 | 27,144,824 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 5,961,191 | 5,976,177 |
| Finance cost | 421,865 | 2,948,287 |
| Dividend income | (7,071,157) | (11,849,867) |
| Gain on disposal of investment | (769,479) | (13,729,534) |
| Amortization income | (1,491,357) | (1,569,849) |
| Profit on bank deposits | (161,540) | (533,193) |
| | (3,110,477) | (18,757,979) |
| Operating cash flow before working capital changes | 2,422,302 | 8,386,845 |
| Working capital changes | | |
| Decrease / (increase) in current assets | | |
| Fee receivable | (241,606) | (992,300) |
| Advances, deposits, prepayments and other receivables | (1,083,972) | (94,385) |
| (Decrease) / increase in current liabilities | | |
| Accrued and other liabilities | 914,587 | 687,594 |
| KEF's retirement benefit scheme payable | 1,607,980 | 1,570,944 |
| | 1,196,989 | 1,171,853 |
| Cash generated from operations | 3,619,291 | 9,558,698 |
| Finance cost paid | (421,865) | (2,948,287) |
| Net cash generated from operating activities | 3,197,426 | 6,610,411 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (7,393,661) | (3,885,062) |
| Proceeds from sale of investments | 55,367,959 | 164,727,986 |
| Long term deposits and prepayments | 132,000 | (288,200) |
| Purchase of investments | (58,495,842) | (182,404,451) |
| Profit on bank deposits | 161,540 | 533,193 |
| Net cash used in investing activities | (10,228,004) | (21,316,534) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend received | 7,071,157 | 11,849,867 |
| Net cash from financing activities | 7,071,157 | 11,849,867 |
| Net increase / (decrease) in cash and cash equivalents | 40,579 | (2,856,256) |
| Cash and cash equivalents at the beginning of the year | 5,126,937 | 7,983,193 |
| Cash and cash equivalents at the end of the year | 5,167,516 | 5,126,937 |

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 2017

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
- Jon Atkinson 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.

BASIS OF CONSOLIDATION

The consolidated financial statements of the Foundation have been consolidated from the financial statements of the individual projects on an item to item basis. Inter project transactions have been eliminated in 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 consolidated 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 consolidated financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Revised Accounting and Financial Reporting Standards for Small-Sized Entities and Accounting Standard for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan.

(b) Accounting convention

These consolidated 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 approved accounting and financial reporting standards 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

Ran

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 Employee benefit

The Foundation operates an un-approved retirement / separation benefit scheme covering all permanent employees of the Foundation. Equal monthly contributions are made both by the Foundation and employees at the rate of 10 percent of basic salary to the scheme. The Foundation's contributions to the scheme are charged to income and expenditure account.

Law

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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 consolidated financial statements.

2.11 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.

2.12 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.

Law.

3 PROPERTY AND EQUIPMENT

| | Owned | | | | | | | Total | |
|--|------------------|------------------|-------------------|------------------|----------------|-----------------------|------------------|------------------|--------------------|
| | Freehold land | Leasehold land | Building | Vehicles | Library books | Furniture and fixture | Office equipment | | Computers |
| | R u p e e s | | | | | | | | |
| At 01 July 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 | - | (281,845) | (35,810,298) | (4,991,202) | (191,352) | (5,382,371) | (2,757,632) | (2,530,496) | (51,945,196) |
| Net book value | <u>9,329,969</u> | <u>1,043,155</u> | <u>85,383,140</u> | <u>6,231,013</u> | <u>436,814</u> | <u>4,405,146</u> | <u>2,588,744</u> | <u>780,613</u> | <u>110,198,594</u> |
| Year ended 30 June 2017 | | | | | | | | | |
| Opening net book value | 9,329,969 | 1,043,155 | 85,383,140 | 6,231,013 | 436,814 | 4,405,146 | 2,588,744 | 780,613 | 110,198,594 |
| Additions | - | - | 2,639,060 | - | 15,880 | 338,476 | 829,381 | 62,265 | 3,885,062 |
| Depreciation charge | - | (10,537) | (4,283,163) | (623,100) | (44,955) | (428,805) | (311,527) | (274,090) | (5,976,177) |
| Closing net book value | <u>9,329,969</u> | <u>1,032,618</u> | <u>83,739,037</u> | <u>5,607,913</u> | <u>407,739</u> | <u>4,314,817</u> | <u>3,106,598</u> | <u>568,788</u> | <u>108,107,479</u> |
| At 30 June 2017 | | | | | | | | | |
| Cost | 9,329,969 | 1,325,000 | 123,832,498 | 11,222,215 | 644,046 | 10,125,993 | 6,175,757 | 3,373,374 | 166,028,852 |
| Accumulated depreciation | - | (292,382) | (40,093,461) | (5,614,302) | (236,307) | (5,811,176) | (3,069,159) | (2,804,586) | (57,921,373) |
| Net book value | <u>9,329,969</u> | <u>1,032,618</u> | <u>83,739,037</u> | <u>5,607,913</u> | <u>407,739</u> | <u>4,314,817</u> | <u>3,106,598</u> | <u>568,788</u> | <u>108,107,479</u> |
| Year ended 30 June 2018 | | | | | | | | | |
| Opening net book value | 9,329,969 | 1,032,618 | 83,739,037 | 5,607,913 | 407,739 | 4,314,817 | 3,106,598 | 568,788 | 108,107,479 |
| Additions | - | - | 3,388,580 | 165,400 | 240,179 | 1,091,736 | 1,066,790 | 1,440,976 | 7,393,661 |
| Depreciation charge | - | (10,430) | (4,121,451) | (564,420) | (46,396) | (441,644) | (431,522) | (345,328) | (5,961,191) |
| Closing net book value | <u>9,329,969</u> | <u>1,022,188</u> | <u>83,006,166</u> | <u>5,208,893</u> | <u>601,522</u> | <u>4,964,909</u> | <u>3,741,866</u> | <u>1,664,436</u> | <u>109,539,949</u> |
| At 30 June 2018 | | | | | | | | | |
| Cost | 9,329,969 | 1,325,000 | 127,221,078 | 11,387,615 | 884,225 | 11,217,729 | 7,242,547 | 4,814,350 | 173,422,513 |
| Accumulated depreciation | - | (302,812) | (44,214,912) | (6,178,722) | (282,703) | (6,252,820) | (3,500,681) | (3,149,914) | (63,882,564) |
| Net book value | <u>9,329,969</u> | <u>1,022,188</u> | <u>83,006,166</u> | <u>5,208,893</u> | <u>601,522</u> | <u>4,964,909</u> | <u>3,741,866</u> | <u>1,664,436</u> | <u>109,539,949</u> |
| Annual rate of depreciation (%) | | 1/99 | 5 | 10 | 10 | 10 | 10 | 33 | <i>Rao</i> |

4 LONG TERM INVESTMENTS

Available for sale

| | 30 June 2018 | | | 30 June 2017 | | |
|---|----------------|-------------|-------------|----------------|-------------|-------------|
| | Shares / units | Cost | Fair value | Shares / units | Cost | Fair value |
| | | Rupees | Rupees | | Rupees | Rupees |
| ENDOWMENT FUND INVESTMENTS | | | | | | |
| UBL Active Principal Preservation Plan | 192,585 | 19,824,486 | 19,385,734 | - | - | - |
| UBL Al Ameen Islamic Active Principal Preservation Plan I Class 'A' | 9,684 | 994,267 | 972,672 | - | - | - |
| Pharmagen Limited (Note 4.1) | 3,600,000 | 36,000,000 | 127,872,000 | 3,600,000 | 36,000,000 | 104,328,000 |
| UBL Growth and Income Fund | 8,255 | 710,086 | 737,305 | - | - | - |
| Security Leasing Corporation Limited | - | - | - | 219,999 | 2,066,660 | 1,066,995 |
| UBL Al Amin Shariah Stock Fund | 326,491 | 46,529,428 | 43,841,262 | 459,546 | 65,159,075 | 70,430,022 |
| UBL Liquidity Plus Fund | 19,933 | 2,080,000 | 2,117,234 | - | - | - |
| UBL Al-Amin Shariah Stock Fund | - | - | - | - | - | - |
| UBL Asset Allocation Fund | 42,434 | 5,656,364 | 5,710,677 | - | - | - |
| UBL Al-Ameen Islamic Sovereign Fund | - | - | - | 44,688 | 4,748,653 | 4,507,274 |
| UBL Stock Advantage Fund | 153,191 | 10,564,228 | 10,495,096 | 130,947 | 8,923,483 | 9,982,080 |
| UBL Al-Amin Active Allocation Plan | 404,842 | 40,569,942 | 39,147,281 | 384,255 | 38,799,687 | 40,911,609 |
| UBL Money Market Fund | - | - | - | 44,627 | 4,704,129 | 4,479,712 |
| | | 162,928,801 | 250,279,260 | | 160,401,687 | 235,705,692 |
| MRS. KAMALA RAHIM KHAN MEMORIAL SCHOLARSHIP FUND INVESTMENT | | | | | | |
| Pharmagen Limited (Note 4.1) | 753,906 | 7,539,060 | 26,778,741 | 753,906 | 7,539,060 | 21,848,196 |
| UBL Al-Ameen Islamic Sovereign Fund | - | - | - | 61,501 | 6,535,320 | 6,203,123 |
| UBL Al-Ameen Shariah Stock Fund | 35,844 | 5,373,329 | 4,813,092 | - | - | - |
| UBL Al-Ameen Islamic Active Allocation Plan | 13,879 | 1,387,918 | 1,250,494 | 13,821 | 1,382,076 | 1,338,797 |
| UBL Al Ameen Active Allocation Plan | 5,942 | 593,701 | 588,905 | - | - | - |
| UBL Al Ameen Active Principal Preservation Plan | 9,740 | 1,000,000 | 978,280 | - | - | - |
| UBL Money Market Fund | - | - | - | 18,731 | 1,974,394 | 1,880,203 |
| UBL Stock Advantage Fund | 11,577 | 861,477 | 793,170 | - | - | - |
| UBL Asset Allocation Fund | 4,281 | 576,238 | 576,139 | - | - | - |
| | | 17,332,223 | 35,778,821 | | 17,430,850 | 31,270,319 |
| KEF'S RETIREMENT SEPARATION BENEFIT SCHEME FUND | | | | | | |
| UBL Al Ameen Islamic Active Principal Preservation Plan I | 4,930 | 506,170 | 495,176 | - | - | - |
| United Growth and Income Fund | 3,146 | 273,686 | 281,018 | - | - | - |
| UBL Liquidity Plus Fund | 3,074 | 324,988 | 326,457 | 4,031 | 287,693 | 307,304 |
| Al-Ameen Shariah Stock Fund | 7,107 | 1,203,088 | 954,358 | 6,275 | 1,078,344 | 961,722 |
| UBL Stock Advantage Fund | 4,031 | 287,693 | 276,182 | - | - | - |
| UBL Asset Allocation Fund | 879 | 117,544 | 118,278 | - | - | - |
| UBL - Al Ameen Islamic Active Allocation Plan VII | 409 | 40,918 | 36,885 | 409 | 40,918 | 40,136 |
| UBL - Al Ameen Islamic Active Allocation Plan VIII | 1,337 | 133,116 | 120,443 | 1,331 | 133,116 | 128,703 |
| UBL - Al Ameen Islamic Active Allocation Plan - IX | 1,219 | 121,744 | 120,761 | - | - | - |
| | | 3,008,947 | 2,729,559 | | 1,540,071 | 1,437,865 |
| | | 183,269,971 | 288,787,640 | | 179,372,608 | 268,413,876 |
| | | 105,517,669 | | | 89,041,268 | |
| | | 288,787,640 | | | 268,413,876 | |
| Add: Fair value adjustment | | | | | | |

4.1 Breakup value on the basis of audited financial statements has been used to calculate fair value.

| | NOTE | 2018 Rupees | 2017 Rupees |
|---|------|------------------|------------------|
| 5 ADVANCES | | | |
| Advances to employees against: | | | |
| - Salaries | | 144,319 | 79,820 |
| - Expenses | | 580,324 | 406,949 |
| Advances to suppliers | | 578,123 | 574,678 |
| | | <u>1,302,766</u> | <u>1,061,447</u> |
| 6 SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS | | | |
| Security deposits | | 256,500 | 266,500 |
| Prepayments | | 374,115 | 342,211 |
| | | <u>630,615</u> | <u>608,711</u> |
| 7 CASH AND BANK BALANCES | | | |
| Cash in hand | | 240,234 | 527,958 |
| Cash at bank - deposit accounts | 7.1 | 4,689,647 | 3,667,018 |
| - current accounts | 7.2 | 237,635 | 931,961 |
| | | 4,927,282 | 4,598,979 |
| | | <u>5,167,516</u> | <u>5,126,937</u> |

7.1 The balances in current and saving accounts include USD \$ 31 (2017: USD \$ 980) and GBP 117 (2017: GBP 1,164).

7.2 The balances in saving accounts carry rate of profit ranging from 7% to 8% (2017: 0.25 % to 4.5%).

lan.

| | NOTE | 2018 Rupees | 2017 Rupees |
|---|---|------------------------|------------------------|
| 8 FUNDS | | | |
| General fund | | 137,020,247 | 138,558,625 |
| Endowment fund | 8.1 | 192,675,259 | 174,125,386 |
| Mrs. Kamala Rahim Khan Memorial Scholarships Fund | 8.2 | 40,661,029 | 35,663,343 |
| | | <u>370,356,535</u> | <u>348,347,354</u> |
| 8.1 | This represents fund maintained to support capital 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. | | |
| 8.2 | This represents fund donated by Mrs. Kamala Rahim Khan in the form of 753,906 shares of Pharmagen Limited. | | |
| | | 2018 Rupees | 2017 Rupees |
| 9 DEFERRED CREDIT | | | |
| Opening balance | | 29,827,137 | 31,396,986 |
| Amortization representing depreciation of related building | | <u>(1,491,357)</u> | <u>(1,569,849)</u> |
| Closing balance | | <u>28,335,780</u> | <u>29,827,137</u> |
| 10 KEF'S RETIREMENT BENEFIT SCHEME PAYABLE | | | |
| Opening balance | | 1,570,944 | - |
| Contributions during the year | | 1,654,432 | 1,634,606 |
| Payment made | | <u>(46,452)</u> | <u>(63,662)</u> |
| Closing balance | | <u>3,178,924</u> | <u>1,570,944</u> |
| It is a contributory scheme involving contribution at the rate of 10% of basic salary by both the employees and the Foundation. All the contributions have been invested with UBL Fund Managers. The gain or loss realised on this investment will be distributed proportionally to all employees. To be entitled to full benefits under this scheme employees must have atleast three years of service started from 1 July 2016. | | | |
| | | 2018 Rupees | 2017 Rupees |
| 11 ACCRUED AND OTHER LIABILITIES | | | |
| Accrued liabilities | | 785,691 | 777,289 |
| Advance fee | | 159,055 | 307,177 |
| Security deposits | | 6,281,102 | 5,445,710 |
| Withholding tax payable | | 69,914 | 3,939 |
| Auditor's remuneration | | 218,500 | 110,000 |
| Others | | <u>252,873</u> | <u>208,433</u> |
| | | <u>7,767,135</u> | <u>6,852,548</u> |
| 12 KEF SUPPORT A CHILD SCHEME | | | |
| The Foundation introduced Kashmir Education Foundation Partnership Scheme, under which trustees and general public donate an amount of Rupees 300 per month per student. | | | |
| 13 DIVIDEND INCOME | | | |
| Endowment fund | | 5,846,742 | 10,663,267 |
| Mrs. Kamala Rahim Khan memorial scholarship fund | | <u>1,224,415</u> | <u>1,186,600</u> |
| | | <u>7,071,157</u> | <u>11,849,867</u> |
| 14 OTHER INCOME | | | |
| Profit on bank deposits | | 161,540 | 533,193 |
| Exchange gain - net | | 266,686 | 89,741 |
| Miscellaneous income | | <u>1,592,725</u> | <u>762,840</u> |
| | | <u>2,020,951</u> | <u>1,385,774</u> |
| 15 OTHER EXPENSES | | | |
| Mess expenses | | 52,366 | 121,485 |
| Gardening | | 181,305 | 46,020 |
| Cleaning materials | | 133,308 | 104,670 |
| Newspaper | | - | 13,359 |
| Board affiliation fee | | 157,295 | 34,536 |
| Staff uniform expense | | 61,350 | - |
| Workshops and teacher training expenses | | 1,001,287 | 246,803 |
| Sports | | 69,066 | 9,659 |
| Master Hassan Din Scholarship | | - | 6,000 |
| Miscellaneous | | 379,156 | 402,974 |
| | | <u>2,035,133</u> | <u>985,506</u> |

Law

16 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 16 FEB 2019 by the Board of Trustees of the Foundation.

17 CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures have been made.

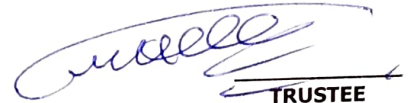
18 GENERAL

Figures have been rounded off to the nearest Rupee.

Ran



CHAIRMAN



TRUSTEE