

Kashf Foundation

Financial Statements for the year ended
30 June 2014



KPMG Taseer Hadi & Co.
Chartered Accountants
2nd Floor,
Servis House
2-Main Gulberg Jail Road,
Lahore Pakistan

Telephone + 92 (42) 3579 0901-6
Fax + 92 (42) 3579 0907
Internet www.kpmg.com.pk

Auditors' Report to the Members

We have audited the annexed balance sheet of **Kashf Foundation** (a Company setup under section 42 of Companies Ordinance, 1984) as at 30 June 2014 and the related statement of income and expenditure, statement of comprehensive income, cash flow statement and statement of changes in funds together with the notes forming part thereof, for year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

KPMG

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in funds together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2014 and of the surplus, its comprehensive income, its cash flows and changes in fund for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Lahore

Date: 30 September 2014

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Kashf Foundation (A Company Setup Under Section 42 of Companies Ordinance, 1984)

Balance sheet

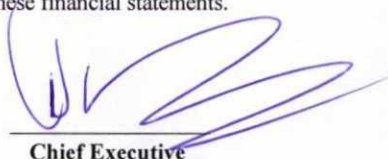
As at 30 June 2014

	Note	2014 Rupees	2013 Rupees
ASSETS			
<u>Non-current assets</u>			
Operating fixed assets	5	305,509,103	305,420,891
Capital work-in-progress	6	57,614,752	-
Intangible assets	7	1,268,844	165,717
Assets subject to finance lease	8	-	-
Long term investments	9	80,000,000	160,000,000
Long term loans - considered good	10	273,627,028	246,555,199
Long term deposits		5,270,200	5,270,200
		723,289,927	717,412,007
<u>Current assets</u>			
Micro-credit loan portfolio	11	3,622,199,601	2,883,287,132
Kashf Murabaha	12	56,134,612	-
Short term investments	13	375,012,719	316,697,048
Advances, deposits, prepayments and other receivables	14	58,947,148	49,275,305
Accrued service charges		56,953,669	45,530,808
Accrued Murabaha profit		208,076	-
Cash and bank balances	15	418,471,001	568,324,977
		4,587,926,826	3,863,115,270
Total assets		5,311,216,753	4,580,527,277
EQUITY AND LIABILITIES			
<u>Equity</u>			
Donated funds		620,116,859	609,690,604
General funds		(359,143,414)	(663,822,309)
Grants related to fixed assets		16,448,494	19,330,176
Fair value reserve		5,012,719	4,197,048
		282,434,658	(30,604,481)
Surplus on revaluation of fixed assets	16	131,598,330	131,598,330
<u>Non-current liabilities</u>			
Borrowings from financial institutions and others	17	1,668,031,700	2,583,370,862
<u>Current liabilities</u>			
Current maturity of non-current liabilities	18	3,007,038,533	1,607,254,475
Short term borrowings	19	17,653,389	12,436,486
Capacity building grants	20	73,868,553	85,986,757
Other grants un-utilized	21	350,565	350,565
Accrued markup	22	78,991,887	156,941,158
Trade and other payables	23	51,249,138	33,193,125
		3,229,152,065	1,896,162,566
Contingencies and commitments	24		
Total equity and liabilities		5,311,216,753	4,580,527,277

The annexed notes 1 to 39 form an integral part of these financial statements.

Kamran

Lahore


Chief Executive


Director

30 SEP 2014

Kashf Foundation (A Company Setup Under Section 42 of Companies Ordinance, 1984)

Statement of Income and Expenditure

For the year ended 30 June 2014

	Note	2014 Rupees	2013 Rupees
Service and other charges on micro-credit loan portfolio	25	1,384,629,959	1,072,131,350
Profit on Kashf Murabaha		6,778,287	-
Return on investments and bank deposits	26	82,581,797	88,295,414
Other income	27	32,661,199	40,604,787
		1,506,651,242	1,201,031,551
<u>Less:</u>			
Finance cost	28	(526,211,206)	(474,182,658)
		980,440,036	726,848,893
<u>Less: Operating expenses</u>			
General and administrative expenses	29	(686,781,800)	(574,020,823)
Impairment on loan to associate	10	-	(56,990,696)
Seminar, workshop, research and staff training expenses		(3,943,276)	(3,041,789)
Other expenses	30	(6,172,356)	-
(Provision) / Reversal of loan loss	11.5 & 12.1.3	(15,513,557)	(3,857,922)
		(712,410,989)	(637,911,230)
Capacity building grants recognized as income - core business	20.1	21,941,087	13,253,552
		289,970,134	102,191,215
<u>Add: Non operating income</u>			
Capacity building grant - non core business	20.1	118,478,443	111,701,898
Other income	31	8,353,847	9,511,472
		126,832,290	121,213,370
<u>Less: Non operating expenses</u>			
Capacity building grant - non core business	32	(118,478,443)	(111,701,898)
Surplus for the year		298,323,981	111,702,687


The annexed notes 1 to 39 form an integral part of these financial statements.

KPHUIN

30 SEP 2014

Lahore


Chief Executive


Director