

Kashf Foundation

Financial Statements for the year ended
30 June 2013



KPMG Taseer Hadi & Co.
Chartered Accountants
53 L Gulberg III
Lahore Pakistan

Telephone + 92 (42) 3585 0471-76
Fax + 92 (42) 3585 0477
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 2013 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 2013 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: 7 October 2013


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

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

Balance sheet

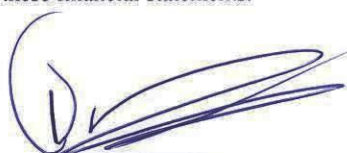
As at 30 June 2013

	Note	2013 Rupees	2012 Rupees
ASSETS			
Non-current assets			
Operating fixed assets	5	305,420,891	263,320,578
Intangible assets	6	165,717	449,802
Assets subject to finance lease	7	-	2,173,330
Long term investments	8	160,000,000	10,806,346
Long term loans - considered good	9	246,555,199	273,793,672
Long term deposits		5,270,200	-
		717,412,007	550,543,728
Current assets			
Micro-credit loan portfolio	10	2,883,287,132	2,273,687,125
Short term investments	11	316,697,048	266,178,902
Advances, deposits, prepayments and other receivables	12	94,806,113	70,015,150
Cash and bank balances	13	568,324,977	674,045,626
		3,863,115,270	3,283,926,803
Total assets		4,580,527,277	3,834,470,531
EQUITY AND LIABILITIES			
Equity			
Donated funds		609,690,604	592,496,960
General funds		(663,822,309)	(783,300,603)
Grants related to fixed assets		19,330,176	24,110,023
Fair value reserve		4,197,048	3,425,127
		(30,604,481)	(163,268,493)
Surplus on revaluation of fixed assets	14	131,598,330	89,927,693
Non-current liabilities			
Liabilities against assets subject to finance lease	15	-	-
Borrowings from financial institutions and others	16	2,583,370,862	1,176,768,996
		2,583,370,862	1,176,768,996
Current liabilities			
Current maturity of non-current liabilities	17	1,607,254,475	2,302,588,737
Short term borrowings	18	12,436,486	268,359,288
Capacity building grants	19	85,986,757	49,473,013
Other grants un-utilized	20	350,565	347,203
Accrued markup	21	156,941,158	72,053,421
Trade and other payables	22	33,193,125	38,220,673
		1,896,162,566	2,731,042,335
Contingencies and commitments	23		
Total equity and liabilities		4,580,527,277	3,834,470,531

The annexed notes 1 to 37 form an integral part of these financial statements.

KASHF

Lahore



Chief Executive



Director

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

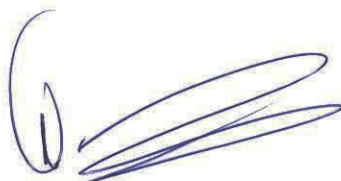
Statement of Income and Expenditure

For the year ended 30 June 2013

	Note	2013 Rupees	2012 Rupees
Service and other charges on micro-credit loan portfolio	24	1,072,131,350	819,286,214
Return on investments and bank deposits	25	88,295,414	61,580,648
Other income	26	40,604,787	34,781,640
		1,201,031,551	915,648,502
Less:			
Finance cost	27	(474,182,658)	(417,170,905)
		726,848,893	498,477,597
Less: Operating expenses			
General and administrative expenses	28	(574,020,823)	(489,768,401)
Impairment on loan to associate	9	(56,990,696)	-
Seminar, workshop, research and staff training expenses		(3,041,789)	(17,488,532)
(Provision) / Reversal of loan loss	10.5	(3,857,922)	5,084,824
		(637,911,230)	(502,172,109)
Capacity building grants recognized as income - core business	19.1	13,253,552	32,449,268
		102,191,215	28,754,756
Add: Non operating income			
Capacity building grant - non core business	19.1	111,701,898	87,946,980
Other income	29	9,511,472	5,690,364
Other grants	20	-	22,706,358
		121,213,370	116,343,702
Less: Non operating expenses			
Capacity building grant - non core business	30	(111,701,898)	(87,946,980)
Other grants	20	-	(22,706,358)
		(111,701,898)	(110,653,338)
Surplus for the year		111,702,687	34,445,120

The annexed notes 1 to 37 form an integral part of these financial statements.

18/06/13



Chief Executive



Director

Lahore