Kashf Foundation

Financial Statements for the year ended
30 June 2015

KPMG Taseer Hadi & Co.
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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 2015 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 Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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 2015 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).

KPMG Taseer Hadi & Co.

Lahore

Date: 06 November 2015

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 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
Non-current assets			
Operating fixed assets	5	**304,261,545**	305,509,103
Capital work-in-progress	6	**95,497,760**	57,614,752
Intangible assets	7	**761,305**	1,268,844
Long term investments	8	**840,000,000**	80,000,000
Long term loans - considered good	9	**216,196,348**	273,627,028
Long term Micro-credit loan portfolio	10	**2,490,543**	-
Long term deposits		**5,270,200**	5,270,200
		1,464,477,701	723,289,927
Current assets			
Micro-credit loan portfolio	11	**4,359,335,148**	3,622,199,601
Kashf Murabaha	12	**117,976,522**	56,134,612
Short term investments	13	**343,730,919**	375,012,719
Advances, deposits, prepayments and other receivables	14	**139,854,078**	58,947,148
Accrued service charges		**70,561,263**	56,953,669
Accrued Murabaha profit		**-**	208,076
Cash and bank balances	15	**514,869,815**	418,471,001
		5,546,327,745	4,587,926,826
Total assets		**7,010,805,446**	5,311,216,753
EQUITY AND LIABILITIES			
Equity			
Donated funds		**195,960,238**	620,116,859
General funds		**402,733,477**	(359,143,414)
Grants related to fixed assets		**16,059,256**	16,448,494
Fair value reserve		**5,397,586**	5,012,719
		620,150,557	282,434,658
Surplus on revaluation of land	16	**131,598,330**	131,598,330
Non-current liabilities			
Borrowings from financial institutions and others	17	**2,998,790,396**	1,668,031,700
Current liabilities			
Current maturity of non-current liabilities	18	**2,916,929,478**	3,007,038,533
Short term borrowings	19	**51,838,681**	17,653,389
Capacity building grants	20	**48,362,558**	73,868,553
Other grants un-utilized	21	**350,565**	350,565
Advance Murabaha Income		**86,196**	-
Accrued markup	22	**150,155,172**	78,991,887
Trade and other payables	23	**92,543,513**	51,249,138
		3,260,266,163	3,229,152,065
Contingencies and commitments	24		
Total equity and liabilities		**7,010,805,446**	5,311,216,753

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

Lahore 06 NOV 2015

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 2015

	Note	2015 Rupees	2014 Rupees
Service and other charges on micro-credit loan portfolio	25	**1,594,299,085**	1,384,629,959
Profit on Kashf Murabaha		**32,487,860**	6,778,287
Return on investments and bank deposits	26	**159,936,153**	82,581,797
Other income	27	**35,110,744**	32,661,199
		1,821,833,842	1,506,651,242
Less:			
Finance cost	28	**(640,629,630)**	(526,211,206)
		1,181,204,212	980,440,036
Less: Operating expenses			
General and administrative expenses	29	**(805,392,834)**	(686,781,800)
Impairment on loan to associate	9	**(87,337,348)**	-
Seminar, workshop, research and staff training expenses		**(8,433,011)**	(3,943,276)
Other expenses	30	**-**	(6,172,356)
(Provision) / Reversal of loan loss	11.7 & 12.1.2	**(20,286,630)**	(15,513,557)
		(921,449,823)	(712,410,989)
Capacity building grants recognized as income - core business	20.1	**50,176,258**	21,941,087
		309,930,647	289,970,134
Add: Non operating income			
Capacity building grant - non core business	20.1	**125,377,602**	118,478,443
Other income	31	**11,193,994**	8,353,847
		136,571,596	126,832,290
Less: Non operating expenses			
Capacity building grant - non core business	32	**(125,377,602)**	(118,478,443)
Surplus for the year		**321,124,641**	298,323,981

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

Lahore **Chief Executive** **Director**

06 NOV 2015