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HABIB UNIVERSITY FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk



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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Habib University Foundation as at 30 June 2015 and the related income and expenditure account, cash flow statement and statement of changes in funds together with the notes forming part thereof, for the 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 Foundation'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 conducted our audit in accordance with the 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 Foundation 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 account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Foundation's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Foundation.
- 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, 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 Foundation's affairs as at 30 June 2015 and of the surplus, its cash flows and changes in funds 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).

Ernst & Young For Phil D. S. H. Hyder
Chartered Accountants
Audit Engagement Partner: Riaz A. Rehman Chamdia
Date: 08 October 2015
Place: Karachi

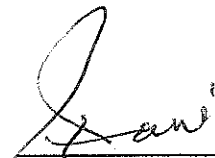
HABIB UNIVERSITY FOUNDATION
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees ----- (Rupees '000) -----	2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,254,958	2,657,137
Intangible assets	6	447,815	497,883
Long term investments	7	342,731	77,009
		4,045,504	3,232,029
CURRENT ASSETS			
Advances	8	11,740	8,424
Deposits and prepayments	9	3,306	6,976
Accrued profit		291	618
Other receivables	10	4,317	23,231
Taxation – net		4,416	9,205
Short term investments	11	139,420	243,560
Cash and bank balances	12	156,743	162,442
		320,233	454,456
TOTAL ASSETS		4,365,737	3,686,485
FUNDS AND LIABILITIES			
FUNDS			
General Fund		3,657,691	3,512,574
Endowment Fund	13	435,241	-
Zakat Fund	14	29,848	-
		4,122,780	3,512,574
NON-CURRENT LIABILITIES			
Non monetary government grant	15	3,986	7,402
CURRENT LIABILITIES			
Trade and other payables	16	235,555	163,093
Current portion of non monetary government grant	15	3,416	3,416
		238,971	166,509
TOTAL FUND AND LIABILITIES		4,365,737	3,686,485

The annexed notes 1 to 28 form an integral part of these financial statements.



 Chief Executive

EXIFAS


 Director

**HABIB UNIVERSITY FOUNDATION
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015**

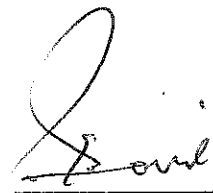
	Note	2015 ----- (Rupees '000) -----	2014 ----- (Rupees '000) -----
INCOME			
Donations	17	1,026,040	1,457,689
Other income	18	9,162	30,259
		1,035,202	1,487,948
EXPENDITURE			
Donations to related parties	19	(347,396)	(10,153)
Scholarship to Habib University students		(39,275)	-
Depreciation	5.1.2	(88,661)	(1,883)
Amortization	6	(54,117)	(261)
Program and administrative expenses	20	(5,208)	(94,518)
		(534,657)	(106,815)
		500,545	1,381,133
Net deficit on projects	21	(8,271)	(8,999)
Surplus for the year		492,274	1,372,134

The annexed notes 1 to 28 form an integral part of these financial statements.

EXHIBIT



Chief Executive




Director

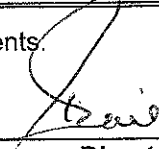
HABIB UNIVERSITY FOUNDATION
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		----- (Rupees '000) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		492,274	1,372,134
Adjustment for non-cash and other items			
Depreciation		93,166	12,276
Amortization		54,117	261
Provision for leave encashment		-	4,670
Amortization of non monetary government grant		(3,416)	(3,416)
Profit on investments		-	(10,314)
Profit on bank accounts earned		(7,820)	(19,869)
Transfer of motor vehicles		11,438	-
Exchange gain		(93)	-
Gain on sale of fixed assets		(1,249)	(75)
		146,143	(16,467)
Working capital changes			
Decrease / (increase) in current assets		24,057	(17,066)
Increase in current liabilities		80,631	50,713
		104,688	33,647
Payment for compensated absences		(8,169)	(2,951)
NET CASH GENERATED FROM OPERATING ACTIVITIES		734,936	1,386,363
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(709,609)	(1,235,704)
Investments made during the year		(238,500)	-
Sale proceeds on disposal of operating fixed assets		4,384	219
Profit received on investments and bank deposits		22,230	18,937
NET CASH USED IN INVESTING ACTIVITIES		(921,495)	(1,216,548)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution received in Endowment Fund		102,104	-
Disbursement to Habib University from Endowment Fund		(51,000)	-
Zakat received		40,288	-
Disbursement to Habib University from Zakat Fund		(10,440)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES		80,952	-
Net (decrease) / increase in cash and cash equivalents		(105,607)	169,815
Cash and cash equivalents at the beginning of the year		401,112	231,297
Cash and cash equivalents at the end of the year		295,505	401,112
CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	156,743	162,442
Short-term investments	11	138,762	238,670
		295,505	401,112

The annexed notes 1 to 28 form an integral part of these financial statements.



 Chief Executive



 Director

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**HABIB UNIVERSITY FOUNDATION
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

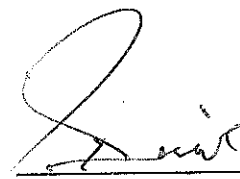
	General Fund	Endowment Fund	Zakat Fund	Total
	----- (Rupees `000) -----			
Balance as on June 30, 2013	2,140,440	-	-	2,140,440
Surplus for the year	1,372,134	-	-	1,372,134
Balance as on June 30, 2014	3,512,574	-	-	3,512,574
Surplus for the year	492,274	-	-	492,274
Transfer from General Fund	(347,157)	347,157	-	-
Contribution for the year	-	102,104	-	102,104
Income for the year	-	36,980	-	36,980
Zakat received during the year	-	-	40,288	40,288
Disbursement to Habib University	-	(51,000)	-	(51,000)
Disbursement to Habib University students	-	-	(10,440)	(10,440)
Balance as on June 30, 2015	3,657,691	435,241	29,848	4,122,780

The annexed notes 1 to 28 form an integral part of these financial statements.

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Chief Executive



Director

**HABIB UNIVERSITY FOUNDATION
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

1. LEGAL STATUS AND NATURE OF BUSINESS

Habib University Foundation (the Foundation) was incorporated in Pakistan as a company limited by guarantee not having share capital under section 42 of the Companies Ordinance, 1984 on October 10, 2007. The Foundation is principally engaged in establishing a research-based university which will focus on Science, Engineering, Social Science and Entrepreneurship. Further, the Foundation is engaged in managing a vocational training institute for enhancing marketable skills for the youth to increase youth employability, and various other philanthropic projects that facilitate access to quality education. The Foundation has also undertaken various youth development projects in collaboration with Government of Sindh with an aim to improve the quality of educational programs in the country. The city campus of Habib University is situated at Gulistan-e-Jauhar and the main campus of Habib University will be situated at Súperhighway, however, construction at the main campus has not yet started. During the year, the city campus of Habib University has commenced its operations. These financial statements do not include the result of operations of Habib University.

2. BASIS OF MEASUREMENT

These financial statements have been prepared on the basis of historical cost convention.

3. 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 Standard for "Medium-Sized Entities (MSEs)" issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail. Further, guidelines for Accounting and Financial Reporting by Non-Profit Organizations as issued by the Institute of Chartered Accountants of Pakistan have been referred for guidance purposes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Significant accounting judgments and estimates

The preparation of the Foundation's financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. Significant accounting judgments and estimates are disclosed in the respective notes to the financial statements.

4.2 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment.

Depreciation is charged to income and expenditure account using straight line method so as to write off the cost of the assets over their estimated useful lives at the rates specified in note 5.1. Depreciation on additions is charged for the full month in which an asset is put to use and on disposal upto the month immediately preceding the disposals. Assets residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end.

Maintenance and normal repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Foundation.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Gains and losses are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the income and expenditure account in the period in which they arise.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses. It consists of expenditure incurred and advances made in respect of operating assets in the course of construction, installation and borrowing costs for qualifying assets if its recognition criteria are met.

4.3 Intangible assets

Costs incurred on the acquisition of computer software are capitalized and are amortized on straight line basis over their estimated useful life. Amortization is charged in the month in which the asset is put to use at the rates stated in note 6 to the financial statements.

Project development cost comprises of cost in relation to development of academic planning & modeling and networking & partnership frameworks. Following initial recognition of the development expenditure as an asset, the cost model will be applied requiring the amount to be carried at cost less any accumulated amortization and accumulated impairment losses, if any. Capitalized development cost will be amortized on a straight-line basis over the period of expected future benefit from the date of completion / development of these assets and the asset is available for use.

Useful lives of intangible assets are reviewed, at each financial year end and adjusted if appropriate.

The carrying value of intangible assets is reviewed for impairment at each financial year end when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts.

4.4 Investments

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity.

These investments are initially recognised at fair value plus transaction costs and subsequently measured at amortized cost.

4.5 Advances and other receivables

These are stated at cost less provision for doubtful balances, if any.

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and short-term highly liquid investments with original maturities of six months or less and running finance under mark-up arrangements.

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4.7 Endowment Fund

The Foundation has established an Endowment Fund restricted for Habib University to support its operations and ensure continued growth and sustainability. The Fund is strengthened by transfer from General Fund and contributions received from donors. The income generated from Endowment Fund is credited to Endowment Fund and utilized for restricted purposes of support to Habib University.

4.8 Zakat Fund

The Foundation has established a Zakat Fund restricted for providing financial assistance to the deserving students of Habib University. Zakat Fund is credited at the time of receipt of zakat and is debited at the time of disbursement to Habib University students.

4.9 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for the goods and services received, whether or not billed to the Foundation.

4.10 Taxation

The Foundation's income is exempt from income tax under section 2(36) (c) of the Income Tax Ordinance, 2001. Consequently, no provision for taxation has been made in these financial statements.

4.11 Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.12 Employees' benefits

The Foundation operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made by the Foundation and the employees to the fund at the rate of 8.33% of basic salary. Contributions from Foundation are charged to income and expenditure account for the year.

The Foundation accounts for employees' compensated absences on the basis of un-availed earned leave balance of each employee at the end of the year.

Subsequent to the commencement of Habib University operations, all operational staff are transferred to Habib University.

4.13 Foreign currency translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to income and expenditure account currently.

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4.14 Revenue recognition

Unrestricted donations in cash are recognized as income as and when received. Unrestricted donations in kind in the form of assets with no future related costs are recognized as income of the period in which it becomes receivable / received, at fair value determined by the independent valuers.

Profit on bank accounts and term deposit receipts are recognized on time proportion basis.

4.15 Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that is intended to compensate. Grants received in the form of non monetary items are recorded at fair value and recognized as deferred income and released to income and expenditure account on a straight line basis over the useful lives of asset from the date the asset is available for internal use.

	Note	2015 ----- (Rupees `000) -----	2014 ----- (Rupees `000) -----
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,633,686	558,545
Capital work-in-progress	5.2	621,272	2,098,592
		3,254,958	2,657,137

5.1 Operating fixed assets

	Cost			Accumulated Depreciation / Amortization		Book value		Rate (%)
	As at July 1, 2014	Additions / (Disposals) / (Transfers)*	As at June 30, 2015	As at July 1, 2014	Charge for the year / (Disposals) / (Transfers)*	As at June 30, 2015	as at June 30, 2015	
----- (Rupees `000) -----								
Leasehold land and building	28,468	-	28,468	17,650	3,416	21,066	7,402	12%
Leasehold land – City Campus	524,683	4,932	529,615	-	-	-	529,615	-
Building on leasehold land – City Campus	-	1,323,852	1,323,852	-	16,548	16,548	1,307,304	3%
Building improvements	2,990	-	-	2,990	-	-	-	46%
Machinery and electrical works	-	452,257	452,257	-	22,613	22,613	429,644	10%
Motor vehicles	22,982	4,859	1,247	10,403	2,678	1,029	218	20%
		(5,811)			(2,707)			
		(20,783)*			(9,345)*			
Office equipments	10,579	125,709	136,255	7,224	13,890	21,112	115,143	20%
		(33)			(2)			
Lab equipments	-	30,287	30,287	-	3,028	3,028	27,259	20%
Furniture and fixtures	4,106	135,562	139,668	3,112	10,166	13,278	126,390	14.3% to 20%
Library books	446	3,874	4,320	436	383	819	3,501	20% to 33%
Computers and multimedia	18,244	101,548	119,792	12,138	20,444	32,582	87,210	33%
2015	612,498	2,182,880	2,765,761	53,953	93,166	132,075	2,633,686	
		(8,834)			(5,699)			
		(20,783)*			(9,345)*			
2014	608,296	5,892	612,498	43,223	12,276	53,953	558,545	
		(1,690)			(1,546)			

*Represent transfer of vehicles at net book value to Habib University during the year.

5.1.1 Includes assets costing Rs. 2,162.48 million with the net book value of Rs. 2,082.31 million, which are in possession and use of Habib University free of cost.

5.1.2 Depreciation / amortization charge for the year has been allocated as under:

	2015	2014
	----- (Rupees `000) -----	
Income and expenditure account	88,661	1,883
Project expenses	4,505	4,544
Capital work in progress	-	2,107
Intangible assets	-	3,742
	<u>93,166</u>	<u>12,276</u>

5.2 Capital work-in-progress

	Civil works - University Building (Note 5.2.1)	Other directly attributable costs	Total 2015	Total 2014
	----- (Rupees `000) -----			
Opening balance	2,021,785	76,807	2,098,592	1,087,327
Capital expenditure incurred / advances made during the year	685,219	-	685,219	1,011,265
Transfer to operating fixed assets	(2,085,732)	(76,807)	(2,162,539)	-
Closing balance	<u>621,272</u>	<u>-</u>	<u>621,272</u>	<u>2,098,592</u>

5.2.1 This represents civil works cost incurred on land at Superhighway and Gulistan-e-Johar, Karachi. The land located at Super Highway was acquired by Habib Education Trust, a related charitable trust for Foundation's use. Accordingly, cost of the said land has not been accounted for in these financial statements.

6. INTANGIBLE ASSETS

	COST		ACCUMULATED AMORTIZATION			BOOK VALUE		Amortization rate %
	As at July 01, 2014	Additions	As at June 30, 2015	As at July 01, 2014	Charge for the year	As at June 30, 2015	As at June 30, 2015	
	----- (Rupees `000) -----							
Computer software	22,313	4,049	26,362	4,337	6,126	10,463	15,899	33
Project development cost (note 6.1)								
- Academic Planning & Modeling	420,890	-	420,890	-	42,089	42,089	378,801	20
- Networking & partnership	59,017	-	59,017	-	5,902	5,902	53,115	20
2015	<u>502,220</u>	<u>4,049</u>	<u>506,269</u>	<u>4,337</u>	<u>54,117</u>	<u>58,454</u>	<u>447,815</u>	
2014	<u>283,674</u>	<u>218,546</u>	<u>502,220</u>	<u>4,076</u>	<u>261</u>	<u>4,337</u>	<u>497,883</u>	

6.1 During the year, project development work has been completed. Accordingly, the amortization of the project development cost has been started.

6.2 Includes assets costing Rs. 501.65 million with the net book value of Rs. 444.58 million, which are in possession and use of Habib University free of cost.

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Habib University Foundation

	Note	2015	2014
		----- (Rupees `000) -----	
7. LONG-TERM INVESTMENTS			
Held to maturity			
Term Deposit Receipts		288,500	50,000
Accrued profit thereon		<u>54,231</u>	<u>27,009</u>
	7.1	<u><u>342,731</u></u>	<u><u>77,009</u></u>

7.1 Represents term deposits with Habib Metropolitan Bank Limited, a related party. These carry profit at the rate of 12.25% (2014: 12.25%) per annum and will mature latest by 2020. The long term investments pertain in entirety to the Endowment Fund.

	Note	2015	2014
		----- (Rupees `000) -----	
8. ADVANCES – unsecured, considered good			
- Employees		1,125	1,817
- Suppliers		<u>10,615</u>	<u>6,607</u>
		<u><u>11,740</u></u>	<u><u>8,424</u></u>

9. DEPOSITS AND PREPAYMENTS

Security deposits		3,296	3,806
Prepayments			
- Insurance		-	590
- Rent		-	1,875
- Others		<u>10</u>	<u>705</u>
		<u><u>3,306</u></u>	<u><u>6,976</u></u>

10. OTHER RECEIVABLES

Considered good			
Due from projects		4,177	9,486
Custom duty / sales tax refundable		-	13,124
Miscellaneous		<u>140</u>	<u>621</u>
		<u><u>4,317</u></u>	<u><u>23,231</u></u>
Considered doubtful			
Benazir Bhutto Shaheed Youth Development Program		<u>602</u>	<u>602</u>
Less: Provision for doubtful receivables		<u>(602)</u>	<u>(602)</u>
		<u><u>4,317</u></u>	<u><u>23,231</u></u>

11. SHORT-TERM INVESTMENTS

Held to maturity			
Term Deposit Receipts		138,762	238,670
Accrued profit thereon		<u>658</u>	<u>4,890</u>
	11.1	<u><u>139,420</u></u>	<u><u>243,560</u></u>

11.1 Represents term deposits receipts with Habib Metropolitan Bank Limited, a related party. These carry profit rate ranging from 6.4% to 7.4% (2014: profit rate of 9% to 9.5%) per annum and have a maturity of six months. This includes Rs. 88.42 million on account of investments made for Endowment Fund.

Estim

Habib University Foundation

		2015	2014
	Note	----- (Rupees `000) -----	
12. CASH AND BANK BALANCES			
Cash in hand:		-	1,042
With banks:			
- in deposit accounts	12.1	153,675	135,077
- in current accounts		3,068	26,323
		156,743	161,400
		156,743	162,442

12.1 Represents deposit accounts maintained with Habib Metropolitan Bank Limited, a related party, which carries profit at the rate ranging from 5.5% to 8% (2014: 5% to 8%) per annum. This includes Rs. 4.09 million on account of deposit made for Endowment Fund.

		2015	2014
	Note	----- (Rupees `000) -----	
13. ENDOWMENT FUND			
Transfer from General Fund		347,157	-
Contribution received during the year		102,104	-
Return on investments		36,980	-
Disbursement during the year to Habib University		(51,000)	-
	13.1	435,241	-
13.1 Endowment Fund			
Represented by			
Long term investment	7	342,731	-
Short term investment	11.1	88,420	-
Cash and bank balances	12.1	4,090	-
		435,241	-
14. ZAKAT FUND			
Received during the year		40,288	-
Disbursement during the year to Habib University students		(10,440)	-
		29,848	-
15. NON MONETARY GOVERNMENT GRANT			
Opening balance		10,818	14,234
Released to income during the year		(3,416)	(3,416)
		7,402	10,818
Current portion shown under current liabilities		(3,416)	(3,416)
		3,986	7,402

Estimate

Habib University Foundation

2015 2014
 (Rupees `000)

16. TRADE AND OTHER PAYABLES

Payable to suppliers and contractors	12	20,629
Retention money	63,748	62,069
Projects payable	13,912	7,180
Accrued liabilities	157,782	31,782
Book over draft	-	32,819
Provision for leave encashment	101	8,270
Others	-	344
	<u>235,555</u>	<u>163,093</u>

2015 2014
 (Rupees `000)
(Unaudited) (Audited)

16.1 Payable to Provident Fund

	<u>-</u>	<u>-</u>
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16.1.1 General disclosures

Size of the fund	4,589	26,182
Cost of investments	4,589	26,182
Fair value of investments	4,589	26,182
Percentage of investments	100%	100%

16.1.2 Categories of investments as a percentage of total assets of provident fund:

	2015 (Unaudited)		2014 (Audited)	
	Rupees `000	(%)	Rupees `000	(%)
Bank deposits	<u>4,589</u>	<u>100%</u>	<u>26,182</u>	<u>100%</u>

16.1.3 Investments of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

Note 2015 2014
 (Rupees `000)

17. DONATIONS

From related parties	17.1	956,198	1,221,900
Other corporate entities		69,842	214,901
Individuals		-	20,888
		<u>1,026,040</u>	<u>1,457,689</u>

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Habib University Foundation

2015 2014
----- (Rupees `000) -----

17.1 From related parties

Mohammadali Habib Welfare Trust	743,813	1,189,650
Indus Motor Company Limited	30,000	20,000
Habib Metropolitan Bank Limited	6,000	6,000
Thal Limited	5,000	4,250
Habib Metro Pakistan (Private) Limited	-	1,000
Mr. Rafiq Habib	332	-
Mr. Mohamedali Rafiq Habib	1,000	1,000
Habib Bank AG Zurich	7,311	-
Jamila Rafiq	25,000	-
Marzia Rafiq	20,000	-
Sayyeda Rafiq	20,000	-
Meherafroze Habib	62,742	-
Mohammad Hyder	30,000	-
Farah Fatimah	5,000	-
	956,198	1,221,900

18. OTHER INCOME

Profit on investments	-	19,869
Profit on bank accounts	7,820	10,315
Gain on sale of fixed assets	1,249	75
Exchange gain	93	-
	9,162	30,259

19. DONATIONS TO RELATED PARTIES

Habib University	346,910	10,116
Children Foundation Trust	486	37
	347,396	10,153

20. PROGRAM AND ADMINISTRATIVE EXPENSES

Networking, partnership and marketing expenses	-	49,482
Project consultancy and development charges	133	2,122
Staff salaries and benefits	-	26,481
Office rent	1,875	2,310
Utilities	1,092	2,181
Communication	-	1,058
Repair and maintenance	-	2,187
Vehicle running and maintenance	-	1,268
Office expenses	84	2,204
Computer and networking charges	22	1,091
Printing and stationary	-	1,182
Legal and professional charges	1,591	215
Auditors' remuneration	406	390
Others	5	2,347
	5,208	94,518

20.1 Subsequent to the commencement of operations by Habib University, all expenses are incurred by Habib University.

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21. NET DEFICIT ON PROJECTS

	2015			2014		
	Income	Expenses (Rupees `000)	Net (Deficit)	Income	Expenses (Rupees `000)	Net (Deficit)
Institute for Advancing Careers and Talents	4,877	(12,954)	(8,077)	5,001	(15,892)	(10,891)
Youth Development Programs	16,540	(16,734)	(194)	12,763	(10,871)	1,892
Rupees	<u>21,417</u>	<u>(29,688)</u>	<u>(8,271)</u>	<u>17,764</u>	<u>(26,763)</u>	<u>(8,999)</u>

22. TAXATION

The Foundation has filed its return of income up to tax year 2014. The return so filed is deemed to be an assessment order issued by the Taxation Authorities on the date the complete return is filed.

23. REMUNERATION OF THE CHIEF EXECUTIVE AND DIRECTORS

	2015	2014
	(Rupees `000)	
Remuneration	-	13,059
Retirement benefits	-	566
Others	-	738
	<u>-</u>	<u>14,363</u>
Number of person	<u>17</u>	<u>17</u>

23.1 No remuneration has been paid / payable during the year to the Chief Executive and any Director of the Foundation.

24. RELATED PARTIES TRANSACTIONS

The related parties include members, entities having directors in common with the Foundation, directors and other key management personnel. Related party transactions and balances, other than those disclosed elsewhere in the financial statements, are as follows:

	2015	2014
	(Rupees `000)	
Investments in term deposit receipts	<u>537,010</u>	<u>362,270</u>
Encashment of term deposit receipts	<u>437,088</u>	<u>196,350</u>
Zakat received	<u>30,500</u>	<u>-</u>
Purchase of fixed assets	<u>25,840</u>	<u>1,446</u>
Profit on bank deposits and term deposit receipts	<u>22,230</u>	<u>18,936</u>
Insurance premium	<u>3,127</u>	<u>1,877</u>

25. NUMBER OF EMPLOYEES

	2015	2014
At year end	<u>2</u>	<u>88</u>

26. CORRESPONDING FIGURES

Due to the commencement of operations by Habib University, certain prior period figures have been reclassified for better presentation. However, there are no material reclassifications.

Signature

27. **DATE OF AUTHORISATION FOR ISSUE**

These financial statements have been authorized for issue on 08-10-2015 by the Board of Directors of the Foundation.

28. **GENERAL**

Figures have been rounded off to the nearest thousand rupees.

ET/15



Chief Executive


Director