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A. F. FERGUSON & CO.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Saleem Memorial Trust Hospital (a 'Company' set up under section 42 of the Companies Ordinance, 1984) as at June 30, 2015 and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in accumulated 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 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 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 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 account 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;

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(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 accumulated 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 June 30, 2015 and of the surplus, its cash flows and changes in accumulated 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).

We draw attention to note 1.1 to the annexed financial statements which describes the matter regarding a condition contained in the conditions for grant of license to the Company. Our opinion is not qualified in respect of this matter.

Chartered Accountants

Lahore, October 08, 2015

Engagement partner: Muhammad Masood

SALEEM MEMORIAL TRUST HOSPITAL
(a Company set up under section 42 of the Companies Ordinance, 1984)

BALANCE SHEET AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
RESERVES			
Fund balance		203,355,214	176,093,461
REPRESENTED BY:			
NON-CURRENT ASSETS			
Property, plant and equipment	5	203,061,918	174,439,902
CURRENT ASSETS			
Income tax receivable		48,296	38,816
Cash and bank balances	6	320,000	2,057,318
		368,296	2,096,134
LESS: NON-CURRENT LIABILITY			
Retention money		-	442,575
LESS: CURRENT LIABILITY			
Other payable		75,000	-
CONTINGENCIES AND COMMITMENTS	7		
		203,355,214	176,093,461

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive **Director**

SALEEM MEMORIAL TRUST HOSPITAL

(a Company set up under section 42 of the Companies Ordinance, 1984)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Other income	8	27,777,616	176,236,275
Less: Expenditure			
Administrative expenses		514,819	154,440
Bank charges		1,044	1,625
		515,863	156,065
Surplus of income over expenditure before taxation		27,261,753	176,080,210
Taxation	9	-	-
Surplus of income over expenditure after taxation		27,261,753	176,080,210

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive

For Lal. Saleem

Director

SALEEM MEMORIAL TRUST HOSPITAL

(a Company set up under section 42 of the Companies Ordinance, 1984)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees
Surplus of income over expenditure	27,261,753	176,080,210
Other comprehensive income:		
Items that may be reclassified subsequently to income and expenditure account	-	-
Items that will not be reclassified subsequently to income and expenditure account	-	-
	-	-
Total comprehensive income	27,261,753	176,080,210

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive

For hal- Saleem

Director

SALEEM MEMORIAL TRUST HOSPITAL
(a Company set up under section 42 of the Companies Ordinance, 1984)

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Cash flows from operating activities			
Surplus of income over expenditure before tax		27,261,753	176,080,210
Increase in current liability		75,000	-
Cash generated from operations		27,336,753	176,080,210
Income tax paid		(9,480)	(38,762)
Net cash inflow from operating activities		27,327,273	176,041,448
Cash flows from investing activities			
Fixed capital expenditure		(28,622,016)	(174,439,902)
(Decrease) / increase in retention money		(442,575)	442,575
Net cash outflow from investing activities		(29,064,591)	(173,997,327)
Net (decrease) / increase in cash and cash equivalents		(1,737,318)	2,044,121
Cash and cash equivalents at the beginning of the year		2,057,318	13,197
Cash and cash equivalents at the end of the year	6	320,000	2,057,318

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive

Director

SALEEM MEMORIAL TRUST HOSPITAL

(a Company set up under section 42 of the Companies Ordinance, 1984)

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	Total Rupees
Balance as on June 30, 2013	13,251
Total comprehensive income for the year ended June 30, 2014:	
Surplus of income over expenditure	176,080,210
Other comprehensive income	-
Total comprehensive income for the year	176,080,210
Balance as on June 30, 2014	176,093,461
Total comprehensive income for the year ended June 30, 2015:	
Surplus of income over expenditure	27,261,753
Other comprehensive income	-
Total comprehensive income for the year	27,261,753
Balance as on June 30, 2015	203,355,214

The annexed notes 1 to 13 form an integral part of these financial statements.

Farhat Saleem

Chief Executive **Director**

SALEEM MEMORIAL TRUST HOSPITAL
(a Company set up under section 42 of the Companies Ordinance, 1984)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1. Legal status and nature of business

1.1 Constitution and ownership

Saleem Memorial Trust Hospital (the 'Company') was incorporated as an association not having share capital without addition of the words "(Guarantee) Limited" to its name under section 42 of the Companies Ordinance, 1984 on October 11, 2012. The registered office of the Company is situated at 31-Q, Gulberg II, Lahore.

The Company was granted a License dated September 25, 2012 under section 42 of the Companies Ordinance, 1984. Clause 5 of the Conditions of Grant of License to the Company requires that each subscriber to the Memorandum and Articles of Association of the Company shall contribute a reasonable amount but not less than Rs 75,000,000 as a start up donation and the same shall be deposited in the Company's account within a period of six months of the date of its incorporation which will be used for the attainment of the object and shall not be reverted back to the subscribers, directly or indirectly through any means. However, as of June 30, 2015, the subscribers have contributed Rs 115.082 million as referred to in note 8.1 to these financial statements against an aggregate requirement of Rs 300 million under the aforesaid clause and the management is taking steps to resolve this.

1.2 Activities

The Company was formed with the primary objective to promote health by establishing, owning, operating, maintaining, funding, supporting and providing health care facilities, establishments, units and products including hospitals and other like facilities or services etc. The Company intends to apply its profits and income towards the above objects and prohibits the payment of any dividend or profit to its members.

2. Basis of preparation

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan ("SECP") differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Subsequent to the year end, SECP has made amendments in the Fifth Schedule to the Companies Ordinance, 1984, through SRO 928(I)/2015 dated September 10, 2015. These amendments relate to the changes made in the classification of non-listed companies for the purpose of preparation of their financial statements. Further, through SRO 929(I)/2015 dated September 10, 2015, SECP has directed non-listed companies as classified under the amended Fifth Schedule to the Companies Ordinance, 1984, to follow applicable financial and accounting reporting standards. As a result of these amendments, the Company is required to follow International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) for annual accounting periods beginning on or after January 01, 2015 i.e. from the next financial year beginning on July 1, 2015. However, such amendments are not expected to have a significant impact on the Company's financial statements.

2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

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2.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2014 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2015 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

3. Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention.

3.2 The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policy the management considers critical because of their complexity, judgment and estimation involved in their application and their impact on these financial statements. 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. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates which have been explained as follows:

a) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with the law, the amounts are shown as contingent liabilities.

4. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Income recognition

Income is recognized when it is probable that the economic benefits will flow to the entity and the income can be measured reliably. Income is measured at the fair value of the consideration received or receivable on the following basis:

Donations are recognized when received. Profit on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.2 Property, plant and equipment

4.2.1 Operating fixed assets

Freehold land is stated at cost less any identified impairment loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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 Company and the cost of the item can be measured reliably. All other repair and maintenance costs are included in the income and expenditure account during the period in which they are incurred.

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The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.3 Financial assets

4.3.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within twelve months, otherwise, they are classified as non current.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortized cost.

4.3.2 Recognition and measurement

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income and expenditure account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income and expenditure account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income and expenditure account as part of other income when the Company's right to receive payments is established.

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Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the Fund are included in the income and expenditure account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income and expenditure account. Dividends on available-for-sale equity instruments are recognised in the income and expenditure account when the Company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from the fund and recognised in the income and expenditure account. Impairment losses recognised in the income and expenditure account on equity instruments are not reversed through the income and expenditure account.

4.4 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.5 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is de-recognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the income and expenditure account.

4.6 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.7 Provisions

Provisions are recognized when the Company 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.

4.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, pay order in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

4.9 Taxation

Income tax expense comprises current and deferred tax. Income tax is charged or credited to income and expenditure account except to the extent that it relates to items recognized directly in other comprehensive income or statement of changes in accumulated funds, in which case it is recognized in other comprehensive income or statement of changes in accumulated funds.

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Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the surplus for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable income. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable income or deficit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income and expenditure account, except in the case of items credited or charged to other comprehensive income or fund in which case it is included in other comprehensive income or fund.

		2015 Rupees	2014 Rupees
5. Property, plant and equipment			
Operating fixed assets	- note 5.1	192,506,750	170,014,150
Capital work-in-progress	- note 5.2	10,555,168	4,425,752
		203,061,918	174,439,902

The reconciliation of the carrying amount is as follows:

	Operating fixed assets - Freehold Land Rupees	Capital work-in-progress Rupees
Opening balance as on July 1, 2013	-	-
Additions during the year	170,014,150	4,425,752
Closing balance as on June 30, 2014	170,014,150	4,425,752
Opening balance as on July 1, 2014	170,014,150	4,425,752
Additions during the year	22,492,600	6,759,435
Adjustments	-	(630,019)
Closing balance as on June 30, 2015	192,506,750	10,555,168

5.1 This represents freehold land situated at Mauza Chung Panjgrain, Lahore. The land has been purchased for the purpose of construction of a hospital.

5.2 This is comprised of:

	2015 Rupees	2014 Rupees
Advances to creditors	2,408,333	4,425,752
Civil works	8,146,835	-
	10,555,168	4,425,752

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		2015 Rupees	2014 Rupees
6. Cash and bank balances			
Pay order in hand		-	2,000,000
Cash at bank:			
- On saving account	- note 6.1	320,000	57,318
		320,000	2,057,318

6.1 This represents the balance with MCB Bank Limited, a related party (associated company). It bears mark up at the rates ranging from 6.5% to 7% (2014: 6.0% to 7.0%) per annum.

7 Contingencies and commitments

7.1 Contingencies - Nil

7.2 Commitments in respect of capital expenditure aggregating Rs 30.76 million (2014: Nil).

		2015 Rupees	2014 Rupees
8. Other income			
Income from financial assets			
Profit on saving account		94,803	102,275
Income from non-financial assets			
Donations	- note 8.1	27,682,813	176,134,000
		27,777,616	176,236,275

8.1 The donations were received from the related parties. The detail of donations received is as follows :

8.1.1 Directors	2015 Rupees	2014 Rupees
Shahzad Saleem - Chief Executive	416,250	51,161,900
Yahya Saleem	-	33,821,900
Farhat Saleem	-	12,079,250
Sehar Adil	566,563	16,910,950
	982,813	113,974,000

This represents start up donations by the subscribers to the Memorandum and Articles of Association of the Company (subscribers). The aggregate contributions by the subscribers up to June 30, 2015 are Rs 115.082 million (2014: Rs 114.099 million).

8.1.2 Associated companies	2015 Rupees	2014 Rupees
Nishat Chunian Power Limited	26,700,000	42,160,000
Nishat (Chunian) Limited	-	20,000,000
	26,700,000	62,160,000

9. Taxation

Current	-	-
Deferred	-	-
	-	-

9.1 Relationship between tax expense and accounting income

Surplus of income over expenditure before taxation	27,261,753	176,080,210
Tax at the applicable rate of 33% (2014: 34%)	8,996,378	59,867,271
Tax effect of amounts that are:		
Exempt for tax purposes	-	(59,885,560)
Deferred tax asset not recognised on tax loss	138,950	18,289
Allowable as tax credit	(9,135,328)	-
	-	-

9.2 The Company has filed an application for grant of approval in terms of section 2(36) of the Income Tax Ordinance, 2001 ('Ordinance') in order to be designated as "Non Profit Organization" to avail exemption from income tax which is pending with the relevant tax authorities. No provision for taxation has been made in these financial statements in the current year as while a tax credit equivalent to the amount of tax payable in respect of donations is available to the Company under section 100C(2)(f) of the Ordinance, the remaining income subject to tax is less than expenditure, thus not attracting a charge of tax.

10. Related party transactions

The related parties comprise the associated companies and undertakings, directors and key management personnel. Significant related party transactions have been disclosed in respective notes in these financial statements.

11. Financial risk management

11.1 Financial risk factors

The Company's activities may expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board has provided 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to any currency risk.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant interest rate risk.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its balance at bank. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was of cash and cash equivalents of Rs 320,000.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating	2015	2014
	Short term	Long term	Agency	Rupees	Rupees
Bank balance					
MCB Bank Limited	A1+	AAA	PACRA	320,000	57,318

After giving due consideration to the counter party's strong financial standing, management does not expect non-performance of its obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

As of June 30, 2015, the Company's financial liability is payable within a year whereas the financial liability as of June 30, 2014 was payable within one to five years from the balance sheet date.

11.2 Fair value estimation

The carrying values of the financial assets and financial liabilities reflected in the financial statements approximate their fair value. Fair value is determined on the basis of objective evidence at the reporting date.

11.3 Financial assets and financial liabilities subject to offsetting

There are no financial assets and financial liabilities that are subject to offsetting.

11.4 Financial instruments by categories

Financial assets as per balance sheet

	Loans and receivables	
	2015	**2014**
	Rupees	**Rupees**
Cash and bank balances	320,000	2,057,318

Financial liabilities as per balance sheet

	Financial liabilities at amortized cost	
	2015	**2014**
	Rupees	**Rupees**
Retention money	-	442,575
Other payable	75,000	-
	75,000	-

12. Number of employees

The Company did not have any employee during the year and as on June 30, 2015 (2014: Nil).

13. Date of authorization for issue

These financial statements were authorized for issue on 08 Oct, 2015 by the Board of Directors of the Company.

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Shahzad Saleem
Chief Executive

Farhat Saleem
Director