AKHUWAT

Financial Statements

FOR THE YEAR ENDED

June 30, 2015

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
134-A, Abubakar Block
New Garden Town, Lahore,
Pakistan

Tel: + 92 (0) 42 35913595-7
+ 92 (0) 42 35440520
Fax: + 92 (0) 42 35440521

www.deloitte.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of **Akhuwat** ("the Organization"), which comprise of the statement of financial position as at June 30, 2015, and the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ("IFRSs") as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2015, and of its financial performance and its cash flows for the year then ended in accordance with the IFRSs as applicable in Pakistan.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner
Rana M. Usman Khan

Date: December 25, 2015
Lahore

AKHUWAT

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2015

	Note	2015	2014
		------------Rupees------------	
ASSETS			
Cash and cash equivalents	7	1,342,140,225	1,249,611,246
Investment at fair value through profit and loss	8	146,552,992	61,525,271
Financial assets held to maturity	9	104,500,000	21,500,000
Micro loans receivable-net	10	4,782,494,165	2,441,099,962
Receivables and other assets	11	43,276,847	24,173,867
Property and equipment	12	271,921,534	231,474,751
Intangible assets	13	17,423,129	18,826,345
Total assets		6,708,308,892	4,048,211,442
LIABILITIES			
Creditors, accrued and other liabilities	14	40,858,698	25,071,202
Provident fund payable	15	9,443,538	7,550,825
Loan for credit pool	16	5,620,845,414	3,248,297,410
Total liabilities		5,671,147,650	3,280,919,437
FUNDS			
Unrestricted			
General fund		(54,442,265)	(101,482,480)
Restricted			
Donated fund		983,196,114	819,048,982
Takaful fund		1,133,266	(1,417,505)
Rehabilitation fund		1,724,467	1,605,873
Contributed fund		101,424,017	49,537,135
Reserves for loan loss		4,125,643	-
		1,091,603,507	868,774,485
Total equity		1,037,161,242	767,292,005
Total liabilities and equity		6,708,308,892	4,048,211,442

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The annexed notes from 1 to 27 form an integral part of these financial statements.

Executive Director

Chief Financial Officer

AKHUWAT

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2015

	Note	Unrestricted fund	Restricted					2015	2014
			Donated fund	Takaful fund	Rehabilitation fund	Contributed fund	Reserves for loan loss		
		Rupees							
Operating income	18	491,947,721	-	-	-	-	-	491,947,721	228,400,419
Other income	19	58,637,198	-	-	-	-	-	58,637,198	38,065,168
Donations received during the year	20	-	244,898,526	27,146,676	-	-	-	272,045,202	206,568,916
Contributions received during the year	21	-	-	-	-	71,254,388	4,125,643	75,380,031	40,157,372
Return on Rehabilitation fund		-	-	-	186,094	-	-	186,094	80,424
Expenditure									
General and administrative expenses	22	477,285,477	-	-	-	-	-	477,285,477	339,373,570
Provision for loan loss	10.5	29,074,305	-	-	-	-	-	29,074,305	15,522,199
Donations paid during the year		-	80,751,394	-	-	-	-	80,751,394	9,312,479
Zakat paid during the year		-	-	21,780,827	-	-	-	21,780,827	9,479,996
Stipends paid during the year		-	-	-	67,500	-	-	67,500	122,000
Death claims settled during the year		-	-	-	-	19,367,506	-	19,367,506	10,219,781
		506,359,782	80,751,394	21,780,827	67,500	19,367,506	-	628,327,009	384,030,025
Surplus for the year		44,225,137	164,147,132	5,365,849	118,594	51,886,882	4,125,643	269,869,237	129,242,274

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The annexed notes from 1 to 27 form an integral part of these financial statements.

Executive Director

Chief Financial Officer

AKHUWAT

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

	Note	2015	2014
		---------Rupees---------	
Surplus for the year		**269,869,237**	129,242,274
Other comprehensive income		-	-
Total comprehensive income for the year		**269,869,237**	129,242,274

The annexed notes from 1 to 27 form an integral part of these financial statements.

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Executive Director

Chief Financial Officer

AKHUWAT

STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2015

	Note	2015	2014
		---------Rupees---------	
Cash flow from operating activities			
Surplus for the year		**269,869,237**	129,242,274
Adjustments for:			
Depreciation on property and equipment	12	**7,457,803**	4,492,594
Amortization of Intangibles	13	**1,915,680**	682,679
Write off of intangibles	13	**-**	1,735,534
Profit on bank deposits and investments		**(49,515,844)**	(32,777,818)
Provision for loan loss	10.5	**29,074,305**	15,522,199
		(11,068,056)	(10,344,812)
		258,801,181	118,897,462
Change in working capital			
Increase in micro loans portfolio		(2,370,468,508)	(910,019,960)
(Decrease) / Increase in advances and other receivables		(19,102,980)	4,253,074
(Decrease) / increase in creditors, accrued and other liabilities		15,787,496	(8,244,813)
Increase in provident fund payable		1,892,713	2,319,415
		(2,371,891,279)	(911,692,284)
Net cash used in operating activities		**(2,113,090,098)**	(792,794,822)
Cash flow from investing activities			
Purchase of property and equipment	12	**(47,904,586)**	(141,017,088)
Purchase of intangible assets	13	**(512,464)**	(19,069,992)
Maturity / (purchase) of investments		**(168,027,721)**	131,403,472
Profit on bank deposits		**49,515,844**	32,777,818
Net cash generated / (used) in investing activities		**(166,928,927)**	4,094,210
Cash flow from financing activities			
Loan for credit pool received		2,372,548,004	1,143,258,011
Net cash generated from financing activities		2,372,548,004	1,143,258,011
Net increase in cash and cash equivalents		92,528,979	354,557,399
Cash and cash equivalent at the beginning of the year		1,249,611,246	895,053,847
Cash and cash equivalents at the end of the year		1,342,140,225	1,249,611,246

The annexed notes from 1 to 27 form an integral part of these financial statements.

Executive Director

Chief Financial Officer

AKHUWAT

STATEMENT OF CHANGES IN FUNDS
AS AT JUNE 30, 2015

	Unrestricted	Restricted					
	General fund	Donated fund	Takaful fund	Rehabilitation fund	Contributed fund	Reserves for loan loss	Total
	Rupees						
Balance as at June 30, 2013	(14,654,537)	634,940,104	(3,482,829)	1,647,449	19,599,544	-	638,049,731
Comprehensive income:							
Surplus / (deficit) for the year	(88,430,182)	184,108,878	3,667,563	(41,576)	29,937,591	-	129,242,274
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	(88,430,182)	184,108,878	3,667,563	(41,576)	29,937,591	-	129,242,274
Deficit of Akhuwat Clinic transferred to Takaful fund	1,602,239	-	(1,602,239)	-	-	-	-
Balance as at June 30, 2014	(101,482,480)	819,048,982	(1,417,505)	1,605,873	49,537,135	-	767,292,005
Comprehensive income:							
Surplus for the year	44,225,137	164,147,132	5,365,849	118,594	51,886,882	4,125,643	269,869,237
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	44,225,137	164,147,132	5,365,849	118,594	51,886,882	4,125,643	269,869,237
Deficit of Akhuwat Clinic transferred to Takaful fund	2,815,078	-	(2,815,078)	-	-	-	-
Balance as at June 30, 2015	**(54,442,265)**	**983,196,114**	**1,133,266**	**1,724,467**	**101,424,017**	**4,125,643**	**1,037,161,242**

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The annexed notes from 1 to 27 form an integral part of these financial statements.

Executive Director

Chief Financial Officer

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

1 General information

1.1 Legal status and nature of business

Akhuwat ("the Organization") was registered in Pakistan on May 13, 2003 as a society, under the Societies Registration Act,1860. It has 352 (2014: 262) branches all over the country.

The Organization was established to provide interest fee micro credit and to launch ancillary programmes of various short and long term nature. The Organization is principally engaged to carry on the following objectives:

- Organizing women in particular and men in general into socially viable community groups called Self Help Groups.
- Providing interest-free micro-credit finance services to the poor women through Self Help Groups and the individuals.
- Capacity building through interest-free micro-credit enhancement to the poor in urban areas with a view to make them self-reliant.
- Creating avenues for self-employment and broadening scope of opportunities available to the poor.
- Identifying people/organizations desirous of planning and executing such programmes elsewhere and providing them with necessary support and resources.

The Organization is also operating a clinic, under the umbrella of Akhuwat Health Services (AHS), aimed at providing subsidized health services to the poor.

Following assets were purchased under the terms of a micro finance scheme approved on September 18, 2009 supported by Pakistani Italian Debt for Development Swap Agreement (PIDSA) signed in Islamabad on November 04, 2006 between the Government of the Italian Republic and the Government of the Islamic Republic of Pakistan to provide Rs. 46 million. At the year end, out of the total funds provided by PIDSA, Rs. 37.57 million are available to the Organization for the purpose of disbursement to the borrowers on revolving basis. Further following assets were purchased under the terms of said agreement currently used by the Organization but are property of PIDSA.

	2015	2014
Assets	---------Rupees---------	
Computers	**159,529**	159,529
Furniture and fixture	**91,898**	91,898
Office equipment	**347,626**	347,626
Vehicles	**722,600**	722,600
	1,321,653	1,321,653

Following assets were purchased under the agreement made on November 29, 2010 between Plan International Inc. (Plan), a non-profit international humanitarian child focused development organization and Akhuwat. Plan has approved the budget amounting to Rs. 4.15 million for the period November 1, 2010 to October 30, 2011. These assets are in use of the Organization but are property of Plan.

Laptops	360,000	360,000

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2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as applicable in Pakistan.

The financial statements are presented in Pak Rupee, which is the Organization's functional and presentation currency.

3 Basis of measurement

These financial statements have been prepared under the historical cost convention except that the Investment held at fair value through profit and loss are measured at fair value.

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 the years presented.

4.1 Foreign Currency

Foreign Currency Transactions and Balances — Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date and is recognized in the profit and loss. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value is determined. Foreign currency differences arising on retranslation at year-end are recognized in the statement of other comprehensive income.

4.2 Financial Assets and Liabilities

Financial assets and financial liabilities are recognized when the Organization becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of a financial assets and financial liabilities are added to or deducted from the fair value of Financial assets and financial liabilities are as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of Financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The Organization recognizes its financial assets and liabilities within the following categories:

- at fair value through profit and loss; and
- at amortized cost.

The classification depends on the nature and purpose for which the financial assets were acquired and a liability assumed and is determined at the time of initial recognition.

The Organization initially recognizes loans and advances, deposits, and debt securities issued on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on the trade date at which the Organization becomes a party to the contractual provisions of the instrument.

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The Organization derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Organization is recognized as a separate asset or liability.

The Organization derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Organization also derecognizes certain assets when it charges off balances pertaining to the assets deemed to be uncollectible (see Note 10).

Offsetting – Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when, and only when, the Organization has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Amortized Cost Measurement – The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, less any effect of impairment.

Identification and Measurement of Impairment of Financial Assets – At each balance sheet date, the Organization assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be reliably estimated.

The Organization considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment, by grouping together financial assets (carried at amortized cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a client, restructuring of a loan or advance by the Organization on terms that the Organization would not otherwise consider, indications that a client or issuer will enter the bankruptcy, or other observable data relating to a group of assets, such as adverse changes in the payment status of clients or issuers, or economic conditions that correlate with defaults .

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognized in the statements of profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognized through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

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4.3 **Property and equipment**

4.3.1 **Capital work in progress**

Capital work in progress is stated at cost less accumulated impairment losses, if any. The amount is transferred to the respective category under the operating fixed assets when the assets are ready for intended use.

4.3.2 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is carried at cost less any identified impairment loss. Depreciation on all operating fixed assets is charged to profit on reducing balance method so as to write off the historical cost of an asset over its estimated useful life at the rates referred to in note 12 to the financial statements.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant.

Depreciation on addition to operating fixed assets is charged from the month in which the assets are acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

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 Organization and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Gain or loss on disposal 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.

4.4 **Intangible assets**

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably. These are stated at cost less accumulated amortization and impairment losses, if any.

Intangible assets comprise of web site development charges and ERP software capitalized as assets and are amortized over theirs useful life, which is ten year.

The change in the useful life assessment from indefinite to finite will be accounted for as a change in an accounting estimate.

Intangible assets with indefinite useful life are not amortized but are assessed at each balance sheet date for any indication that intangible assets may be impaired.

If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income statement. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

4.5 **Micro loans portfolio**

Advances are stated net of provisions for non-performing advances. These interest free micro loans are not measured at market value because these are financed by non-interest bearing loans from Institutions/ Individuals and also because of their short term maturity. A provision is made at the rate annually determined on the basis of historical loss analysis of individual loan portfolio on year end. Individual loans outstanding for more than 90 days after their expiry are written off.

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4.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.7 Staff retirement benefits

The Organization operates an unapproved defined contribution provident fund scheme for its permanent employees, who opt for the scheme. Monthly deductions are made from the salaries of the employees at the rate of 10% of basic salary. The Organization recognizes an equal charge in the income and expenditure account. The accumulated amount has been recognized as a liability in the balance sheet.

4.8 Taxation

The Organization has been granted exemption from tax by the Commissioner of Income Tax under clause 58 Part I of the Second Schedule of the Income Tax Ordinance, 2001.

4.9 Revenue recognition

Unrestricted/General fund

Service charges are calculated on the basis defined in the agreements with loaners and are recognized as income as soon as the right to receive is established.

Processing fee for micro credit loans collected from borrowers is recognized on receipt basis.

Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

Restricted funds

As per the requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Organization has adopted the restricted fund method for recognition of its following funds, as prescribed by ICAP in "Standards for Not-for-Profit Organizations (NPOs)" and "Accounting standards for not-for-profit organizations" issued by CPA Canada:

Donated fund

Donations received from general public under the Donated fund are recognized on receipt basis and are used for providing micro loans and for paying donations. Donations received in kind are measured at the market value prevailing at the time of the transaction.

Takaful fund

Donations received from general public under the Takaful fund are recognized on receipt basis and are used for subsidizing services of Akhuwat Health Clinic and for paying Zakat.

Contributed fund

The voluntary contribution by borrowers @ 1% of loan amount is recognized on receipt basis and used to write off loans of deceased/ disabled borrowers and to pay funeral charges to the heirs of deceased borrowers. The accumulated balance is reflected in Contributed fund.

Rehabilitation fund

The return on Rehabilitation fund is recognized on time proportion basis by reference to the principal outstanding and the applicable rate of return. This fund is used only for paying stipends to heirs of victims of suicide bomb attack.

Reserves for loan loss

As per the agreement between the Organization and Pakistan Poverty Alleviation Fund (PPAF), reserve for loan loss has been created @ 2% of outstanding portfolio under this scheme. This reserve is used for the write off of loans given under this scheme and is replenished by the Organization from own sources.

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5 Use of critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting 'estimates. It also requires management to exercise its judgment in the process of applying the Organization's accounting policies. The Organization uses estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where assumptions and estimates are significant to the Organization's financial statements or where judgment was exercised in application of accounting policies are as follows:

1) Useful life and residual value assessment of operating fixed assets;
2) Allowance for impairment of loan; and
3) Classification of Investments.

6 Application of new and revised IFRSs

6(a) New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2015

The following standards, amendments and interpretations are effective for the year ended June 30, 2015. These standards, interpretations and the amendments are either not relevant to the Organization's operations or are not expected to have significant impact on the Organization's financial statements other than certain additional disclosures.

Amendments to IAS 19 Employee Benefits: Employee contributions	Effective from accounting period beginning on or after July 01, 2014
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets	Effective from accounting period beginning on or after January 01, 2014
IAS 39 Financial Instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting	Effective from accounting period beginning on or after January 01, 2014
IFRIC 21 - Levies	Effective from accounting period beginning on or after January 01, 2014

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6(b) New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Organization's operations or are not expected to have significant impact on the Organization's financial statements other than certain additional disclosures.

Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	Effective from accounting period beginning on or after January 01, 2016
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	Effective from accounting period beginning on or after January 01, 2016
IAS 27 (Revised 2011) - Separate Financial Statements	Effective from accounting period beginning on or after January 01, 2015. IAS 27 (Revised 2011) will concurrently apply with IFRS 10.Effective from accounting period beginning on or after January 01, 2014
IAS 28 (Revised 2011) - Investments in Associates and Joint Ventures	Effective from accounting period beginning on or after January 01, 2015
IFRS 10 - Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015. Earlier adoption is encouraged.
IFRS 11 - Joint Arrangements	Effective from accounting period beginning on or after January 01, 2015
IFRS 12 - Disclosure of Interests in Other Entities	Effective from accounting period beginning on or after January 01, 2015
IFRS 13 - Fair Value Measurement	Effective from accounting period beginning on or after January 01, 2015

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 9 - Financial Instruments
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 15 - Revenue from Contracts with Customers DYA

		Note	2015	2014
			---------Rupees---------	
7	**Cash and cash equivalents**			
	Cash at bank			
	- In current accounts		98,280,231	99,782,045
	- In saving accounts	7.1	1,240,376,526	1,147,574,462
			1,338,656,757	1,247,356,507
	Cash in hand		3,483,468	2,254,739
			1,342,140,225	1,249,611,246

7.1 These carry profit rate ranging from 3.40% to 4.25% (2014: 4.75% to 5.5%) per annum.

		Note	2015	2014
8	**Investment at fair value through profit and loss**			
	NAFA riba free saving fund		73,246,934	35,264,525
	UBL - Seprately Managed Account I & II (2014: Al-Ameen Islamic principal preservation fund-1)		73,306,058	26,260,746
			146,552,992	61,525,271
9	**Financial assets held to maturity**			
	Term deposit reciepts	9.1	101,500,000	21,500,000
	Mudarbah investment	9.2	3,000,000	-
			104,500,000	21,500,000

9.1 These term deposit receipts will mature up to December 29, 2015 and carries profit rates ranging from 6.91% to 9.25% (2014: 8.84% to 11.75%) per annum.

9.2 This investment will mature on October 14, 2015 and carries profit rate 11% per annum.

		Note	2015	2014
10	**Micro loans receivable-net**			
	Educational loans	10.2	8,654,215	7,719,315
	Franchisee loans	10.3	8,677,982	5,407,282
	Individual loans	10.4	4,813,294,917	2,452,498,348
			4,830,627,114	2,465,624,945
	Less: provision for loan loss	10.5	(48,132,949)	(24,524,983)
			4,782,494,165	2,441,099,962
10.1	**Particular of micro loans receivable-(gross)**			
	Up to one year		4,298,285,360	2,203,390,022
	Over one year		532,341,754	262,234,923
			4,830,627,114	2,465,624,945

10.2 These are long term interest-free micro loans given to needy students to meet their educational expenses.

10.3 This represents interest-free loans given to enterprise cum training institutes in different areas of Pakistan as part of the Organization's franchise programme developed to promote its objectives through partner organizations. Though these loans are treated as Qarz-e-Hasana with repayment terms of 1.5 years to 5 years; however, some of these loans do not have a specific repayment term. Details of franchisee loans are as follows:

DYA

	Note	2015	2014
		---------Rupees---------	
Choti		250,000	279,300
Dr. Syed Imran		540,000	480,000
Farz Foundation		395,000	395,000
Kawish Welfare Trust		1,614,000	1,614,000
Kharpur Sindh (formerly: Sojho-Kherpur)		200,000	200,000
Nishtar College Multan		500,000	500,000
Micro Loan Solar		40,500	40,500
The Pakistan Society for the Rehabilitation of the Disabled		300,000	300,000
Connecting Chain		-	1,500,000
Pakistan College of Commerce and Management		98,482	98,482
Brotherhood Education trust (Associated Undertaking)		1,500,000	-
Kiran foundation		2,500,000	-
Others		740,000	-
		8,677,982	5,407,282

10.4 This represents interest-free loans given to individuals for productive/income generating activities against a personal guarantee. An application form fee of Rs. 200 (2014: Rs. 100) is charged and borrowers are also encouraged to contribute voluntarily out of their own savings/income towards Community Donation Programme. These loans have a repayment term ranging from 1 year to 2.5 years.

	Note	2015	2014
10.5 Provision for loan loss			
Balance as at July 1		24,524,983	15,506,969
Charge for the year		29,074,305	15,522,199
		53,599,288	31,029,168
Written off against individual loans		(5,466,339)	(6,504,185)
Balance as at June 30		48,132,949	24,524,983
11 Receivables and other assets			
Advance tax	11.1	3,758,972	1,293,383
Accrued income		13,111,729	52,073
Advances to staff	11.2	14,407,751	11,871,892
Other receivables		10,301,164	10,679,332
Office supplies		1,697,231	277,187
		43,276,847	24,173,867
11.1 Movement of advance tax			
Balance as at July 1		1,293,383	2,046,870
Additions during the year		2,465,589	6,261,498
		3,758,972	8,308,368
Write off during the year		-	(7,014,985)
Balance as at June 30		3,758,972	1,293,383

11.2 These represent long term loans to employees for purchase of motorcycles, house in a housing scheme, construction of house, repair and maintenance of existing house. This amount is payable over a period of 3 to 7 years by way of equal installments ranging from Rs. 1,000 to Rs. 2,000 per month and also include long term loans given to employees of Akhuwat for personal use. This amount is payable in variable installments over a period of more than one year.

DYK

12 Property and equipment

	Free hold land	Buildings on free hold land	Furniture, fixture and office equipment	Vehicles	Construction in progress	Total
	-----	-----	-----Rupees-----	-----	-----	-----
Cost:						
Balance at July 1, 2013	50,273,475	935,000	10,691,160	7,221,850	30,411,698	99,533,183
Additions	82,827,246	7,700,109	17,078,297	1,540,270	31,871,166	141,017,088
Transfers	(1,240,000)	1,240,000	-	-	-	
Disposal / transfer	-	-	-	-	-	-
Balance at June 30, 2014	131,860,721	9,875,109	27,769,457	8,762,120	62,282,864	240,550,271
Balance at July 1, 2014	131,860,721	9,875,109	27,769,457	8,762,120	62,282,864	240,550,271
Additions	14,301,250	-	8,819,413	7,591,899	17,192,024	47,904,586
Transfers	-	75,414,888			(75,414,888)	-
Disposals / transfers	-	-	-	-	-	-
Balance at June 30, 2015	**146,161,971**	**85,289,997**	**36,588,870**	**16,354,019**	**4,060,000**	**288,454,857**
Accumulated depreciation:						
Balance at July 1, 2013	-	487,793	3,224,046	871,087	-	4,582,926
Charge for the year	-	659,591	2,351,280	1,481,723	-	4,492,594
Disposal	-	-	-	-	-	-
Balance at June 30, 2014	-	1,147,384	5,575,326	2,352,810	-	9,075,520
Balance at July 1, 2014	-	1,147,384	5,575,326	2,352,810	-	9,075,520
Charge for the year	-	1,501,231	3,963,048	1,993,524	-	7,457,803
Disposals	-	-	-	-	-	-
Balance at June 30, 2015	-	**2,648,615**	**9,538,374**	**4,346,334**	-	**16,533,323**
Carrying amounts:						
Balance at June 30, 2014	131,860,721	8,727,725	22,194,131	6,409,310	62,282,864	231,474,751
Balance at June 30, 2015	**146,161,971**	**82,641,382**	**27,050,496**	**12,007,685**	**4,060,000**	**271,921,534**
Rate of depreciation %		10	10-33.33	20		

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13 Intangible assets

	Website	MIS software	ERP software	Total
	-----	-----	Rupees -----	-----
Cost:				
Balance at July 1, 2013	470,132	1,735,534	-	2,205,666
Additions	-	-	19,069,992	19,069,992
Disposal	-	(1,735,534)	-	(1,735,534)
Balance at June 30, 2014	470,132	-	19,069,992	19,540,124
Balance at July 1, 2014	470,132	-	19,069,992	19,540,124
Additions	126,048	-	386,416	512,464
Disposals / write off	-	-	-	-
Balance at June 30, 2015	**596,180**	-	**19,456,408**	**20,052,588**
Accumulated depreciation:				
Balance at July 1, 2013	31,100	-	-	31,100
Charge for the year	47,013	-	635,666	682,679
Disposal	-	-	-	-
Balance at June 30, 2014	78,113	-	635,666	713,779
Balance at July 1, 2014	78,113	-	635,666	713,779
Charge for the year	49,706	-	1,865,974	1,915,680
Disposals	-	-	-	-
Balance at June 30, 2015	**127,819**	-	**2,501,640**	**2,629,459**
Carrying amounts:				
Balance at June 30, 2014	392,019	-	-	18,826,345
Balance at June 30, 2015	**468,361**	-	**16,954,768**	**17,423,129**
Rate of amortization %	10		10	

DYA

	Note	2015	2014
		---------Rupees---------	

14 Creditors, accrued and other liabilities

	Note	2015	2014
Profit payable to PSIC	14.1	**9,000,049**	6,519,232
Profit payable to GB	14.1	**3,651,127**	208,997
Profit payable to PPAF	14.1	**1,986,216**	-
Accrued expenses		**21,424,027**	8,753,416
Other liabilities		**4,797,279**	9,589,557
		40,858,698	25,071,202

14.1 This represents the amount payable to Punjab Small Industries Corporation (PSIC), Govt. of Gilgit and Baltistan (GB) and Pakistan Poverty Alleviation Fund (PPAF) under Prime Minister Interest Free Loan (PMIFL) in respect of profit earned on the loan amount received from PSIC, GB and PPAF held in saving accounts. This profit is maintained for the purpose of disbursement to and recovery from the individual borrowers and the same is payable to PSIC, GB and PPAF as per the loan agreement.

15 Provident fund payable

This represents the amount payable to employees in respect of provident fund scheme established in 2007.

16 Loan for credit pool

	Note	2015	2014
Loan from PSIC	16.2	**5,000,000,000**	3,000,000,000
Loan from GB	16.3	**210,000,000**	210,000,000
Loan from lend with care	16.4	**36,276,548**	23,097,410
Loan from PMIFL	16.5	**336,000,000**	-
Loan from individuals		**38,568,866**	15,200,000
		5,620,845,414	3,248,297,410

16.1 Particulars of loan for credit pool

	2015	2014
Up to one year	**23,568,866**	15,200,000
Over one year	**5,597,276,548**	3,233,097,410
	5,620,845,414	3,248,297,410

16.2 This amount represents an interest free loan received from Punjab Small Industries Corporation (PSIC) for a period of five years. The loan amount will be used on a revolving basis to provide interest free micro loans under the terms explained in Note 10.4 above. Akhuwat is entitled to receive service charges @ 7% of the disbursed amount from PSIC to meet its operational needs.

16.3 This amount represents an interest free loan received from the Government of Gilgit & Baltistan for a period of five years started from April 15, 2013. The loan amount will be used on a revolving basis to provide interest free micro loans under the terms explained in Note 10.4 above.

16.4 This amount represents an interest free loan received from Care International, UK. The loan amount will be used on a revolving basis to provide interest free micro loans under the terms explained in 10.4 above.

16.5 This represents an interest free loan received from Pakistan Poverty Alleviation Fund under Prime Minister Interest Free Loan Scheme for a period of four years starting from August 12, 2014. Akhuwat is entitled to receive service charges @ 10% of loan received inclusive of 2% of loan loss fund as explained in note 4.9.

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		Note	2015	2014
			---------Rupees---------	
17	Commitments in respect of educational loans		258,000	404,000
18	**Operating income**			
	Processing fee	18.1	**85,500,300**	32,239,431
	Community donations	18.2	**510,084**	621,507
	Operational donations / Service charges	18.3	**404,809,107**	194,674,651
	Income from AHS Clinic	18.4	**1,128,230**	864,830
			491,947,721	228,400,419

18.1 This represents a fee received from prospective borrowers @ Rs. 200 (2014: Rs. 100) per application form.

18.2 This represents donations collected from donation boxes placed at different community centers and retail stores.

18.3 These represent the service charges received from donors against disbursement of interest free micro loans to meet operational expenses.

18.4 This represents the token fee received from the patients visiting the health clinic both for outdoor checkups and for indoor treatments.

		2015	2014
19	**Other income**		
	Profit on bank deposits and TDRs	**25,918,563**	24,181,290
	Profit on investment at fair value through profit and loss	**23,597,281**	8,596,528
	Sale of books and compact disks	**2,389,496**	301,560
	Income from hide collection	**3,780,745**	2,363,372
	Miscellaneous	2,951,113	2,622,418
		58,637,198	38,065,168

20 The amount represents the donations received from general public which are used for providing interest free micro loans, subsidizing services of Akhuwat Health Clinic and for paying Zakat/ donations.

21 The amount represents the voluntary contributions by borrowers @ 1% of loan amount which is used to write off loans of deceased/ disabled borrowers and to pay funeral charges to the heirs of deceased borrowers.

DYA

	Note	2015	2014
		---------Rupees---------	

22 General and administrative expenses

	Note	2015	2014
Salaries, wages and other benefits		346,822,353	235,670,470
Contribution to provident fund		858,584	876,877
Travelling and conveyance		10,740,996	9,205,906
Programmed assistance		11,668,517	15,242,487
Printing and stationery		19,788,341	15,103,420
Communication		6,475,370	5,395,750
Office supplies		6,201,181	4,137,373
Consultancy charges		5,116,956	5,957,505
Fee and subscription		833,534	547,125
Bank charges		288,199	855,886
Depreciation	12	7,457,803	4,492,594
Amortization	13	1,915,680	682,679
Auditors' remuneration	22.1	950,000	753,000
Utilities		5,224,374	3,528,605
Repair and maintenance		4,131,988	1,834,036
Rent		31,044,627	19,494,937
Staff training		1,658,379	3,434,014
Donations to IDPs		5,247,419	-
Amounts written off - other than micro loans		-	8,750,519
Miscellaneous		10,861,176	3,410,387
		477,285,477	339,373,570

22.1 Auditors' remuneration

	2015	2014
Annual audit fee	750,000	500,000
Out of pocket expenses	200,000	253,000
	950,000	753,000

23 Transactions with related party

The Organization in the normal course of business carries out various transactions with its related party which is its associated undertaking. The balance due from related party has been disclosed in the relevant notes to the financial statements. Details of transitions with related party are as follows:

Nature of transaction	2015	2014
Donation paid	56,500,000	-
Qarz-e-Hasna	1,500,000	-
	58,000,000	-

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24 Financial risk management

The Organization principal business activities by their nature involve assuming certain financial risks in order to achieve the desired financial and social returns. These risks include:

- Credit risk
- Market risk
- Liquidity risk
- Counterparty risk

There have been no substantive changes in the Organization's exposure to these risks, its objectives, policies and processes for managing these risks or the methods used to measure them from the year ended June 30, 2015, unless otherwise noted.

Credit Risk – Credit risk is the potential for financial loss resulting from the failure of a client or counterparty to honor its financial or contractual obligations. Credit risk arises from the Organization's microfinance activities.

The Organization's aggregate loan portfolio was PKR 4.830 billion and PKR 2.465 billion as of June 30, 2015 and 2014, respectively (see Note 10). The Organization's total allowances for impairments totaled PKR 48.132 million at June 30, 2015, a coverage ratio of 0.996% of total loans. The loan loss provision was PKR 24.524 million at June 30 2014, a coverage ratio of 0.995% of total loans.

The Organization conducts annual historical loan-loss migration analysis across its portfolio in order to determine the probability of default, defined as all loans in arrears in excess of 90 days, as well as an examination of other current observable factors (e. g. macroeconomic, operational, policy and systems changes, political risk, etc.) in order to establish credit reserves.

The observations collected in 2015 were included in the migration analysis that forms the statistical base of the credit risk calculation. The migration analysis performed on advances portfolio estimates the probability of default of a loan portfolio over a year based on historical observations.

Exposure to credit risk at June 30, 2015 and 2014 is as follows:

Impaired Loans – Impaired loans are loans for which the Organization determines that it is probable that it will be unable to collect all amounts due according to the contractual terms of the loan agreement.

Past Due but Not Impaired Loans – Past due, but not impaired loans are loans where contractual amounts are past due, but the Organization believes that impairment is not appropriate on the basis of the stage of collection of amounts owed to the Organization.

Allowances for Impairment – the Organization establishes an allowance for impairment losses that represents an estimate of probable or expected losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets with respect to losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-Off Policy – the Organization writes off a loan (and any related allowances for impairment losses) after the specified days. These days are based on the Organization's policy. Charge-off decisions are generally based on past due status.

Market Risk – Market risk includes price risk and liquidity risk, which arise in the normal course of the Organization's business:

- Price risk is the risk to earnings from changes in interest rates.
- Liquidity risk is the risk that a change in market conditions precludes the ability of the Organization to fund its existing asset base and operational requirements.

The Organization's financial performance is subject to some degree of risk due to changes in interest rates; however, the Organization's statements of financial position have significantly less interest rate risk that of a traditional financial institution:

- The tenor mismatch between assets and liabilities is far less.
- Neither the assets nor the liabilities of the Organization are tied to any particular market index and therefore do not automatically "reprice" during their stated tenor.
- The short-term nature of the Organization's loans to clients renders the benefit of prepayments to be immaterial – thus, changes in market rates have an immaterial effect on prepayments.

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Below is a consideration of interest rate risk by term of asset and liability as of June 30, 2015:

	Up to 3 months	3-6 months	7-12 months	1-3 years	More than 3 years	Non-interest Sensitive Balances	Total
				Rupees			
Cash and cash equivalents	**1,240,376,526**	-	-	-	-	101,763,699	1,342,140,225
Investment at fair value through profit and loss	**146,552,992**	-	-	-	-	-	**146,552,992**
Financial assets held to maturity	-	104,500,000	-	-	-	-	104,500,000
Micro loans receivable-net					-	4,782,494,165	4,782,494,165
Receivables and other assets	-	-	-	-	-	37,820,644	37,820,644
Total assets	1,386,929,518	104,500,000	-	-	-	4,922,078,508	6,413,508,026
Creditors, accrued and other liabilities	-	-	-	-	-	40,858,698	40,858,698
Provident fund payable	-	-	-	-	-	9,443,538	9,443,538
Loan for credit pool	-	-	-	-	-	5,620,845,414	5,620,845,414
Total liabilities	-	-	-	-	-	5,671,147,650	5,671,147,650
Open position	1,386,929,518	104,500,000	-	-	-	(749,069,142)	742,360,376

Below is a consideration of interest rate risk by term of asset and liability as of June 30, 2014:

	Up to 3 months	3-6 months	7-12 months	1-3 years	More than 3 years	Non-Interest Sensitive Balances	Total
				Rupees			
Cash and cash equivalents	1,147,574,462	-	-	-	-	102,036,784	1,249,611,246
Investment at fair value through profit and loss	61,525,271	-	-	-	-	-	61,525,271
Financial assets held to maturity	-	-	-	21,500,000	-	-	21,500,000
Micro loans receivable-net	-	-	-	-	-	2,441,099,962	2,441,099,962
Receivables and other assets	-	-	-	-	-	22,603,297	22,603,297
Total assets	1,209,099,733	-	-	21,500,000	-	2,565,740,043	3,796,339,776
Creditors, accrued and other liabilities	-	-	-	-	-	25,071,202	25,071,202
Provident fund payable	-	-	-	-	-	7,550,825	7,550,825
Loan for credit pool	-	-	-	-	-	3,248,297,410	3,248,297,410
Total liabilities	-	-	-	-	-	3,280,919,437	3,280,919,437
Open position	1,209,099,733	-	-	21,500,000	-	(715,179,394)	515,420,339

The Organization has performed interest rate simulations based on the above GAP analysis to estimate the effect on net interest margin for differing levels of immediate and ongoing changes to market interest rates. A GAP analysis consists of separating the Organization's statement of financial position into different timeframes in which assets or liabilities mature. Note that the Organization can influence certain interest rates, e.g. deposit and lending rates, whereas other interest rates are determined by exogenous factors in the economy.

Liquidity Risk — Liquidity risk management includes (at a minimum) the identification, measurement and establishment of limits on potential losses arising from the difficulty of renewing liabilities under normal market conditions. The Organization's funding and liquidity objective is to fund its existing asset base (and maintain sufficient excess liquidity) so that it can operate under unusual/adverse market conditions. At the aggregate level, the Organization's goal is to ensure that there is sufficient funding in amount and tenor so that adequate liquid resources are available for all operating entities. The liquidity framework requires that entities be liquidity self-sufficient or net providers of liquidity. The primary sources of funding are non-interest bearing loans for credit pool and donations.

The Organization works to ensure that the structural tenor of these funding sources is sufficiently long in relation to the tenor of its asset base. In fact, the key goal of the Organization's asset-liability management is to ensure that there is excess tenor in the liability structure so as to provide excess liquidity to fund all assets. The excess liquidity resulting from a longer term liability tenor can effectively offset potential downward pressures on liquidity that may occur under market stress. This excess funding is held in the form of Organization deposits and in unencumbered liquid securities.

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Liquidity management is the responsibility of senior management of the Organization and is overseen by the board of directors. The Organization maintains legal reserve requirements in accordance with local regulations.

A traditional view of the Organization's liquidity is provided by a GAP analysis. Considering the contractual terms of client loans, the Organization has a substantial amount of excess liquidity in the under 1 year timeframe.

At June 30, 2015:	Up to 1 year	1 year to 3 years	3 years to 5 years	More than 5 years	Total
	Rupees				
Cash and cash equivalents	1,342,140,225	-	-	-	1,342,140,225
Investment at fair value through profit and loss	146,552,992	-	-	-	146,552,992
Financial assets held to maturity	104,500,000	-	-	-	104,500,000
Micro loans receivable-net	4,250,152,411	531,792,786	548,968	-	4,782,494,165
Receivables and other assets	32,421,538	10,782,763	72,546	-	43,276,847
	5,875,767,166	542,575,549	621,514	-	6,418,964,229
Creditors, accrued and other liabilities	40,858,698	-	-	-	40,858,698
Provident fund payable	-	-	-	9,443,538	9,443,538
Loan for credit pool	10,000,000	2,546,000,000	3,004,000,000	60,845,414	5,620,845,414
	50,858,698	2,546,000,000	3,004,000,000	70,288,952	5,671,147,650
Liquidity gap	5,824,908,468	(2,003,424,451)	(3,003,378,486)	(70,288,952)	747,816,579
At June 30, 2014:					
Cash and cash equivalents	1,249,611,246	-	-	-	1,249,611,246
Investment at fair value through profit and loss	61,525,271	-	-	-	61,525,271
Financial assets held to maturity	-	21,500,000	-	-	21,500,000
Micro loans receivable-net	2,178,865,039	261,870,343	364,580	-	2,441,099,962
Receivables and other assets	15,916,225	5,068,651	1,570,421	48,000	22,603,297
	3,505,917,781	288,438,994	1,935,001	48,000	3,796,339,776
Creditors, accrued and other liabilities	25,071,202	-	-	-	25,071,202
Provident fund payable	-	-		7,550,825	7,550,825
Loan for credit pool	-	1,000,200,000	1,225,000,000	1,023,097,410	3,248,297,410
	25,071,202	1,000,200,000	1,225,000,000	1,030,648,235	3,280,919,437
Liquidity gap	3,480,846,579	(711,761,006)	(1,223,064,999)	(1,030,600,235)	515,420,339

The traditional GAP view tends to overstate the amount of near-term liquidity since it does not take into consideration the behavioral nature of the Organization's client loan portfolio. From a behavioral perspective, the Organization's clients are able to renew their loans for multiple terms, which lessen the amount of short-term liquidity (lowers the positive Gap in that timeframe). In spite of this, the Organization's statements of financial position remain liquid owing to the short asset tenor and to the fact that client loans amortize.

Counterparty Risk – the Organization's exposure to the financial loss associated with balances held in other financial institutions is managed in accordance with prescribed limits. The Organization looks at counterparty exposure on a monthly basis to make sure that Organization holds liquid funds with Organizations of high reputation or to invest in mutual funds.

The level of counterparty risk incurred reflects the nature and purpose of the assets held by the Organization (aside from its loan portfolio). Such assets are largely transactional in nature (generated by the routine payments by clients). In addition, a minimum amount of cash and liquid securities is held to ensure sufficient liquidity for the Organization. While the Organization tries to generate some income from these assets, the overriding objective is to ensure their secure placement and high level of availability – risk considerations predominate. This is particularly visible in the area of Organization placements, where the Organization is able to take active decisions with respect to the selection of counterparties and the maturity of placements.

DYA

25 Financial assets and liabilities – accounting classification and fair values

The table below sets out the Organization's classification of each class of financial assets and liabilities and their fair values at June 30, 2015 and 2014:

	At Fair Value through the Profit and Loss	Loans and Receivables	Financial Assets / Liabilities at Amortized Cost	Carrying Amount	Fair Value	Fair Value Hierarchy
	Rupees					
At June 30, 2015:						
Cash and cash equivalents	-	1,342,140,225	-	1,342,140,225	1,342,140,225	Level 3
Investment at fair value through profit and loss	146,552,992	-	-	146,552,992	146,552,992	Level 2
Financial assets held to maturity	-	-	104,500,000	104,500,000	104,500,000	Level 3
Micro loans receivable-net	-	4,782,494,165	-	4,782,494,165	4,782,494,165	Level 3
Receivables and other assets	-	43,276,847	-	43,276,847	43,276,847	Level 3
	146,552,992	6,167,911,237	104,500,000	6,418,964,229	6,418,964,229	
Creditors, accrued and other liabilities	-	-	40,858,698	40,858,698	40,858,698	Level 3
Loan for credit pool	-	-	5,620,845,414	5,620,845,414	5,620,845,414	Level 3
	-	-	5,661,704,112	5,661,704,112	5,661,704,112	
At June 30, 2014:						
Cash and cash equivalents	-	1,249,611,246	-	1,249,611,246	1,249,611,246	Level 3
Investment at fair value through profit and loss	61,525,271	-	-	61,525,271	61,525,271	Level 2
Financial assets held to maturity	-	-	21,500,000	21,500,000	21,500,000	Level 3
Micro loans receivable-net	-	2,441,099,962	-	2,441,099,962	2,441,099,962	Level 3
Receivables and other assets	-	24,173,867	-	24,173,867	24,173,867	Level 3
	61,525,271	3,714,885,075	21,500,000	3,797,910,346	3,797,910,346	
Creditors, accrued and other liabilities	-	-	25,071,202	25,071,202	25,071,202	Level 3
Loan for credit pool	-	-	3,248,297,410	3,248,297,410	3,248,297,410	Level 3
	-	-	3,273,368,612	3,273,368,612	3,273,368,612	

Cash and other financial assets (mainly represented by certificates of deposits that mature within 12 months and similar investments) and liabilities carrying amounts approximate their fair values. All receivables carrying amounts approximate fair value. In regards to the loans to clients; interest free loans are made from the credit pool generated from interest free loans mainly provided by the Government Institutions and also the majority of the loans are due within 12 months and thus the carrying amount approximates fair value.

Fair Value Measurement –As per the requirements of IFRS 7, Financial Instruments – Disclosures, we have disclosed the following fair value measurement hierarchy in the above table for financial assets and liabilities:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

DYK

26 Date of authorization

These financial statements were authorized on 25 DEC 2015 by the Board of Directors of the Organization.

27 Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made during the year.

DYA

Executive Director

Chief Financial Officer