Financial
STATEMENTS
2016

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE AMAN FOUNDATION

We have audited the annexed balance sheet of the Aman Foundation (the Foundation) as at June 30, 2016 and the related income and expenditure account, statement of comprehensive income, statement of changes in fund account and cash flow statement together with the notes forming part thereof (here-in-after referred to as the financial statements), 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.

Trustee's responsibility for the financial statements

It is the responsibility of the Foundation's trustees to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditor's responsibility

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 financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

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, statement of changes in fund account and cash flow statement together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2016 and of the deficit, total comprehensive loss, changes in fund account and its cash flows for the year then ended.

Chartered Accountants
Karachi
Date: April 4, 2017

Engagement partner: Waqas A. Sheikh

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Balance Sheet

As At June 30, 2016

	Note	2016	2015 (Restated)
		-----------Rupees-----------	
Assets			
Non-current assets			
Property, plant and equipment	4	398,091,876	427,852,601
Intangibles	5	4,857,545	2,348,228
Long term deposits	6	12,045,700	12,062,966
Long term investment	7	-	-
		414,995,121	442,263,795
Current assets			
Stock of consumables		2,598,491	1,301,389
Loans to employees	8	1,150,702	1,923,743
Advances, prepayments and other receivables	9	22,626,402	44,086,830
Short term investments	10	20,458,628	20,878,398
Cash and bank balances	11	37,106,037	25,941,449
		83,940,260	94,131,809
Total assets		498,935,381	536,395,604
Funds and liabilities			
Funds			
General fund	12	8,328,633,061	6,891,551,237
Accumulated deficit		(7,902,303,477)	(6,488,923,989)
		426,329,584	402,627,248
Liabilities			
Non-current liabilities			
Provision for gratuity	13	29,291,200	46,046,537
Zakat fund	14	8,195,012	3,341,618
		37,486,212	49,388,155
Current liabilities			
Trade and other payables	15	35,119,585	81,742,155
Deferred income	16	-	2,638,046
		35,119,585	84,380,201
Commitments	17		
Total funds and liabilities		498,935,381	536,395,604

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chairman / Trustee

Income And Expenditure Account

For the year ended June 30, 2016

	Note	2016	2015 (Restated)
		-----------Rupees-----------	
Income			
Donations	18	4,977,764	14,193,705
Grant income		1,765,666	3,600,159
Income on investments	19	1,065,890	1,681,276
Profit on savings bank accounts		2,032,086	4,519,395
Amortisation of deferred income	16	5,220,090	8,772,595
Other income	20	5,382,856	17,165,089
		20,444,352	49,932,219
Expenditure			
Salaries, wages and other benefits		117,872,724	150,632,388
Travelling and accomodation charges	21	-	185,730,000
Gratuity expense	13.2	16,566,114	20,597,141
Provision for impairment / loss adjusted against long term investment in joint venture	7	20,405,890	-
Rent, rates and taxes		7,802,792	8,625,889
Fuel expense		4,670,856	4,962,541
Entertainment		3,127,143	1,417,874
Travelling and conveyance		19,663,341	18,884,875
Utilities		6,201,933	7,677,815
Printing and stationery		361,278	1,218,901
Supplies		2,357,084	2,128,299
Legal and professional charges	22	15,366,338	6,473,841
Hiring and training	23	13,429,648	7,668,690
Donations	24	793,398,119	758,124,376
Grants	25	383,856,237	477,092,467
Depreciation	4.4	16,988,927	17,406,264
Amortisation	5.2	763,761	1,543,317
Auditors' remuneration	26	567,325	537,550
Insurance		2,427,781	2,832,081
Communication		3,856,177	5,168,103
Repairs and maintenance		6,343,097	6,795,570
Marketing and sponsorship		15,204,906	10,446,742
Food expense		2,054,722	1,151,110
Others		3,845,834	1,675,867
Total expenditure		1,457,132,027	(1,698,791,701)
Operating deficit		(1,436,687,675)	(1,648,,859,482)
Share of income (loss) of joint venture	7	(15,599,078)	(25,775,184)
Deficit for the year		(1,421,088,597)	(1,674,634,666)

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chairman / Trustee

Statement of Comprehensive Income

For the year ended June 30, 2016

	Note	2016	2015 (Restated)
		-----------Rupees-----------	
Deficit for the year		(1,421,088,597)	(1,674,634,666)
Other comprehensive income:			
Items that will not be reclassified to income and expenditure account:			
- Remeasurement of post employment benefits obligation - Actuarial gain	13.3	7,709,109	6,258,453
Total comprehensive loss for the year		(1,413,379,488)	(1,668,376,213)

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chairman / Trustee

Statement of Changes in Fund Account

For the year ended June 30, 2016

	General fund (Note 12)	Accumulated deficit	Total
	-----------Rupees-----------		
Balance as at July 1, 2014 - as previously reported	5,436,387,021	(4,798,920,315)	637,466,706
Effect of correction of error - note 2.5.1	-	(21,627,461)	(21,627,461)
Balance as at July 1, 2014 - restated	5,436,387,021	(4,820,547,776)	615,839,245
Net assets of Aman Ghar transferred to Aman Health Care Services	(629,598)	-	(629,598)
Deficit for the year - restated	-	(1,674,634,666)	(1,674,634,666)
Other comprehensive income for the year	-	6,258,453	6,258,453
Transactions with Trustees			
Contributions received from Trustees	1,455,793,814	-	1,455,793,814
Balance as at June 30, 2015 - restated	6,891,551,237	(6,488,923,989)	402,627,248
Net assets of MASHAL transferred to Aman Health Care Services - note 12.2	(2,128,676)	-	(2,128,676)
Deficit for the year	-	(1,421,088,597)	(1,421,088,597)
Other comprehensive income for the year	-	7,709,109	7,709,109
Transactions with Trustees			
Contributions received from Trustees	1,439,210,500	-	1,439,210,500
Balance as at June 30, 2016	8,328,633,061	(7,902,303,477)	426,329,584

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chairman / Trustee

	Note	2016	2015 (Restated)
		-----------Rupees-----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit for the year		(1,421,088,597)	(1,674,634,666)
Adjustment for non-cash changes and other items:			
Depreciation		16,988,927	17,406,264
Amortisation		763,761	1,543,317
Allocation of depreciation and amortisation		23,225,168	24,183,200
Provision for gratuity		16,566,114	20,597,141
Provision for gratuity transferred to related parties		-	(3,417,995)
Transfer of assets from associated companies		-	(1,057,588)
Provision for impairment against long term investment in joint venture		20,405,890	-
Provision for leave encashment		830,161	960,782
Gain on disposal of operating fixed assets		(195,147)	(49,732)
Income on investments		(1,065,890)	(1,681,276)
Share of income / (loss) in joint venture		(15,599,078)	25,775,184
Profit on savings bank accounts		(2,032,086)	(4,519,395)
Amortisation of deferred income		(5,220,090)	(8,772,595)
		(1,366,420,867)	(1,603,667,359)
Working capital changes:			
(Increase) / Decrease in current assets			
Stock of consumables		(1,297,102)	(1,033,733)
Loans to employees		773,041	(262,052)
Advances, prepayments and other receivables		19,711,428	(7,188,458)
		19,187,367	(8,484,243)
Increase / (Decrease) in current liabilities			
Trade and other payable		(40,153,324)	43,291,138
		(20,965,957)	34,806,895
Long term deposits - net		17,266	(5,114,691)
Gratuity paid		(25,612,342)	(8,358,427)
Deferred income		2,582,044	11,410,641
Zakat fund - net		4,853,394	(854,804)
Leave encashment paid		(4,668,103)	(833,393)
Net cash utilised in operating activities		(1,410,214,565)	(1,572,611,138)
CASH FLOWS FROM INVESTING ACTIVITIES			
Profit received on savings bank accounts		2,032,086	4,519,395
Income received on short term investments - net		1,485,660	1,881,289
Purchase of intangibles		(3,851,480)	(2,152,983)
Purchase of property, plant and equipment		(12,985,679)	(18,649,377)
Advance against purchase of shares		(4,806,812)	(25,775,184)
Proceeds from disposal of operating fixed assets		312,800	308,916
Net cash utilised in investing activities		(17,813,425)	(39,867,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions received from Trustees - General Fund		1,439,210,500	1,455,793,814
Cash transferred to Aman Health Care Services in respect of MASHAL / Aman Ghar		(17,922)	(83,524)
Net cash generated from financing activities		1,439,192,578	1,455,710,290
Net increase / (decrease) in cash and cash equivalents		11,164,588	(156,768,792)
Cash and cash equivalents at beginning of the year		25,941,449	182,710,241
Cash and cash equivalents at end of the year	11	37,106,037	25,941,449

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chairman / Trustee

1. LEGAL STATUS AND OPERATIONS

The Aman Foundation (the Foundation), was registered under the Trust Act, 1882 on September 18, 2008 for charitable purposes. The registered office of the Foundation is situated at plot 333, Korangi Township, Karachi.

The principal activities of the Foundation are the promotion and well being of society, community welfare or development, promotion and advancement of education, provision of health care and medical facilities which encompass establishing, maintaining, running, operating, managing, administrating and supporting of educational institutions, schools, colleges, medical clinics, mental health, surgical and non-surgical hospitals, sanatoriums, medical camps, medical schools and colleges, libraries and reading rooms, research institutions, laboratories, hospices and retirement homes for the benefit of humanity at large.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except for obligation in respect of unfunded gratuity scheme which is measured at present value.

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with requirements of approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified by the Securities and Exchange Commission of Pakistan (SECP).

Accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. The areas involving high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Initial application of standards, amendments or interpretations to existing standard

a) Standards, amendments to published standards and interpretations effective in 2015-2016

The following new standards and amendments to published standards are effective for the financial year beginning July 1, 2015 and are relevant to the Foundation:

- IFRS 12 'Disclosure of Interests in Other Entities'. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance-sheet vehicles. The standard only affects disclosure in the Foundation's financial statements.
- IFRS 13 'Fair value measurement'. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs . The standard only affects disclosures in the Foundation's financial statements.

- IAS 19 'Employee benefits'. The amendment applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment does not have any impact on the Foundation's financial statements.
- IAS 28 'Investment in associates and joint ventures'. This standard replaces the current IAS 28 'Investment in Associates' (as amended in 2003).This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.The Foundation's current accounting policy is in line with the requirements of this standard.

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2015 are considered not to be relevant or to have any significant effect on the Foundation's financial reporting and operations.

b) Standards, amendments to published standards and interpretations that are not yet effective and have not been early adopted by the Foundation

The following new standards and amendments to published standards are not effective for the financial year beginning July 1, 2015 and have not been early adopted by the Foundation:

- IFRS 7 'Financial instruments: Disclosures' (effective for annual periods beginning on or after July 1, 2016) relating to servicing contracts. If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognize the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The standard provides guidance about what is meant by continuing involvement. The amendment is prospective with an option to apply retrospectively. It is unlikely that the amendment will have any significant impact on the Foundation's financial statements.
- IAS 16 and IAS 38 'Clarification of acceptable methods of depreciation and amortisation' '(effective for annual periods beginning on or after January 1, 2016). The amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The International Accounting Standards Board (IASB) has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. It is unlikely that the amendment will have any significant impact on the Foundation's financial statements.
- IAS 1,'Presentation of Financial Statements' (effective for annual periods beginning on or after January 1, 2016). The amendments provide clarifications on a number of issues, including:
  - Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
  - Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
  - Notes – confirmation that the notes do not need to be presented in a particular order.

  - Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

  It is unlikely that the amendment will have any significant impact on the Foundation's financial statements.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective, and are also not relevant to the Foundation and, therefore, have not been presented here.

2.2 Property, plant and equipment

2.2.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Donated assets are initially measured at fair value and subsequently carried at valuation less accumulated depreciation and accumulated impairment, if any. Depreciation is charged to income on straight line basis at the rates specified in note 4 to these financial statements. Normal repairs and maintenance are charged to income and expenditure account as and when incurred. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. Gains and losses on disposal of assets are included in income and expenditure account.

2.2.2 Capital work in progress

Capital work-in-progress is stated at cost less impairment, if any. These costs are transferred to operating fixed assets as and when they are available for use.

2.3 Intangibles

Intangibles are initially stated at cost and subsequently carried at cost less accumulated amortisation and impairment losses, if any. Intangibles are amortised on a straight-line basis over their estimated useful lives unless such lives are indefinite.

Costs that are directly associated with identifiable software products and have probable economic benefit beyond one year are recognised as intangible assets. Costs associated with maintaining computer software are recognised as an expense as and when incurred.

2.4 Financial instruments

2.4.1 Financial assets

The Foundation 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) 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 12 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. These 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 deposits, other receivables and cash and bank balances in the balance sheet.

c) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are included in non-current assets unless investment matures or management intends to dispose of the investments within twelve months from the balance sheet date. There are no available-for-sale financial assets at the balance sheet date.

d) Held to maturity

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

All financial assets are recognised at the time when the Foundation becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Foundation commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs except for financial assets 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 to 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 Foundation 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 method.

Gains or losses arising from changes in fair value of the financial assets at fair value through profit or loss category are recognised in the income and expenditure account. 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 Foundation's right to receive payments is established. Gains or losses on sale of investments at fair value through profit or loss are recognised in the income and expenditure account as ' gains and losses from investment securities'.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity 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 as part of 'other income.' Dividends on available-for-sale equity instruments are recognised in the income and expenditure account as part of 'other income' when the Foundation's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Foundation measures the investments at cost less impairment in value, if any. Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

2.4.2 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the income and expenditure account.

2.4.3 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when the Foundation has a legally enforceable right to off-set the recognised amounts and the Foundation intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.5 Investment in associates and joint ventures

Interests in associates and joint ventures are accounted for using the equity method, after initially being recognised at cost in the balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Foundation's share of the post-acquisition profits or losses of the investee in income and expenditure account, and the Foundation's share of movements in other comprehensive income of the investee in its other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Foundation's share of losses in an equity-accounted investment equals or exceeds its interest in the joint venture, including any other unsecured long-term receivables, the Foundation does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profit, the Foundation resumes recognition of its share of those profits only after its share of the profits equals the share of losses not recognised.

The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 2.9.

2.5.1 Investment in joint venture - Restatement of prior years

During the year, the management of the Foundation identified that the share capital subscribed for was already issued against the advances paid to Karachi Organic Energy (Private) Limited (KOEL) during prior years in 2013 and 2014. Therefore, in the current year, the Foundation's investment in KOEL has been accounted for as a joint venture in accordance with IFRS 11 'Joint Arrangements' and the prior years' financial statements have also been restated for adjustments due to application of equity method of accounting; in accordance with the requirements of IAS 8 'Accounting policies, change in accounting estimates and errors.'

The effects of this restatement on each of the financial statements line items is as follows:

Impact on balance sheet

	Long term investment	Accumulated deficit
	-----------Rupees----------	
Balance as at July 1, 2014 - as previously reported	21,627,461	4,798,920,315
Correction of error - recognition of losses of joint venture	(21,627,461)	21,627,461
Balance as at June 30, 2014 - restated	-	4,820,547,776
Balance as at June 30, 2015 as previously reported	47,402,645	6,441,521,344
Correction of error - recognition of losses of joint venture		
- For the period upto June 30, 2014	(21,627,461)	21,627,461
- For the year ended June 30, 2015	(25,775,184)	25,775,184
Balance as at June 30, 2015 - restated	-	6,488,923,989

The retrospective restatement for correction of error does not have a material impact on the information presented in the balance sheet as at the beginning of the preceeding period (i.e. July 1, 2014). Hence, balance sheet as at July 1, 2014 has not been presented in these financial statements.

2.6 Stock of consumables

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the balance sheet.

2.7 Other receivables

Other receivables are recognised initially at fair value plus directly attributable cost, if any and subsequently measured at amortised cost using the effective interest rate method as reduced by provision for receivables considered to be doubtful. A provision for impairment of other receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of receivables. Receivables considered irrecoverable are written off.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks on current, deposit and savings accounts and short-term investments with original maturities of three months or less.

2.9 Impairment

The carrying amount of the Foundation's assets is reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income and expenditure account.

2.10 General fund

Funds generated by the Foundation through contribution from the trustees and other donors, without any specific purpose or activity, are classified as unrestricted general funds. Accordingly, any income generated and expenses incurred with respect to normal operations of the Foundation, which are not related to Specific funds/activities, are charged to income and expenditure account.

2.11 Provision for gratuity

The Foundation operates an unfunded gratuity scheme for all of its permanent employees. Annual provison is recognised for the scheme based on actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method. Remeasurement gain/losses are recognised in other comprehensive income.

2.12 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

2.13 Provisions

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

2.14 Employees' compensated absences

The liability for accumulated compensated absences of employees is recognised in the period in which employees render services that increases their entitlement to future compensated absences.

2.15 Grants

Funds received directly for specific purposes, are classified as grants. Funds provided or utilised for the purchase of capital items from grants are shown in the balance sheet as deferred income and a portion of the grant is recognised as income in the income and expenditure account to match the depreciation and amortisation recognised during the year on the related capital items. Grants utilised for operations are credited to income and expenditure account to the extent of related actual operating expenses. Committed grant is accrued in case where it is probable that the economic benefits of such grant will flow to the Foundation.

2.16 Income

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

- Donations are accounted for on receipt basis. Donations in kind are recognised at fair value determined at the time when the donations are received. Donations in kind are recognised as deferred income and amortised over the life of the assets from the date the assets are available for intended use.
- Income from other sources is recorded on receipt basis.
- Income on investment is recognised on time proportion basis taking into account the implicit rate of return on investments.
- Income on savings bank accounts is recognised on accrual basis.

2.17 Expenses

All expenses are recognised in the income and expenditure account on an accrual basis.

2.18 Taxation

The Foundation has been granted approval as a non-profit organization under section 2(36) of the Income Tax Ordinance, 2001 (the Ordinance) by the Commissioner of Income Tax. Therefore, the management of the Foundation, based on the advice of its tax consultant, is of the view that its income would not be liable to tax in view of tax credit available under section 100C of the Ordinance.

2.19 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalised as part of cost of that asset.

2.20 Foreign currency transactions and translation

The financial statements are presented in Pakistan Rupees which is the Foundation's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income and expenditure account.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Property, plant and equipment

The Foundation reviews the appropriateness of the rate of depreciation, useful life and residual values used for recording the depreciation on annual basis. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

3.2 Intangibles

The Foundation reviews the appropriateness of the rate of amortisation and useful life used in the calculation of amortisation of intangibles. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

3.3 Provision for gratuity

The present value of the obligation depends on a number of factors that are determined on an actuarial basis, using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in note 13 to these financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	-----------Rupees-----------	
Operating fixed assets - note 4.1	398,091,876	420,652,601
Capital work-in-progress - note 4.2	-	7,200,000
	398,091,876	427,852,601

4.1 Operating fixed assets

	Freehold land	Leasehold improvements	Vehicles	Furniture and fixtures	Computer and related accessories	Equipment and tools	Total
	-----	-----	-----	Rupees	-----	-----	-----
As at July 1, 2014							
Cost	233,593,000	168,292,155	27,626,928	22,498,072	31,405,771	39,360,247	522,776,173
Accumulated depreciation	-	(23,203,050)	(17,735,870)	(4,925,528)	(14,885,337)	(14,280,162)	(75,029,947)
Net book value	233,593,000	145,089,105	9,891,058	17,572,544	16,520,434	25,080,085	447,746,226
Year ended June 30, 2015							
Opening net book value	233,593,000	145,089,105	9,891,058	17,572,544	16,520,434	25,080,085	447,746,226
Additions	-	2,010,432	2,167,532	336,200	5,338,191	2,654,610	12,506,965
Disposals							
Cost	-	(1,907,126)	(2,716,802)	(31,200)	(218,388)	(2,872,771)	(7,746,287)
Accumulated depreciation	-	1,571,081	2,640,251	10,178	145,226	2,353,227	6,719,963
	-	(336,045)	(76,551)	(21,022)	(73,162)	(519,544)	(1,026,324)
Depreciation (note 4.4)	-	(16,573,360)	(3,893,992)	(2,253,302)	(9,458,072)	(6,395,540)	(38,574,266)
Closing net book value	233,593,000	130,190,132	8,088,047	15,634,420	12,327,391	20,819,611	420,652,601
As at June 30, 2015							
Cost	233,593,000	168,395,461	27,077,658	22,803,072	36,525,574	39,142,086	527,536,851
Accumulated depreciation	-	(38,205,329)	(18,989,611)	(7,168,652)	(24,198,183)	(18,322,475)	(106,884,250)
Net book value	233,593,000	130,190,132	8,088,047	15,634,420	12,327,391	20,819,611	420,652,601
Year ended June 30, 2016							
Opening net book value	233,593,000	130,190,132	8,088,047	15,634,420	12,327,391	20,819,611	420,652,601
Additions including transfers from capital work-in-progress (note 4.2)	-	7,353,346	40,000	260,830	12,143,475	388,028	20,185,679
Disposals (note 4.3)							
Cost	-	-	(5,340,235)	-	(684,182)	(142,490)	(6,166,907)
Accumulated depreciation	-	-	2,706,313	-	283,857	66,026	3,056,196
	-	-	(2,633,922)	-	(400,325)	(76,464)	(3,110,711)
Depreciation (note 4.4)	-	(18,103,959)	(2,204,482)	(2,297,585)	(10,403,839)	(6,625,828)	(39,635,693)
Closing net book value	233,593,000	119,439,519	3,289,643	13,597,665	13,666,702	14,505,347	398,091,876
As at June 30, 2016							
Cost	233,593,000	175,748,807	21,777,423	23,063,902	47,984,867	39,387,624	541,555,623
Accumulated depreciation	-	(56,309,288)	(18,487,780)	(9,466,237)	(34,318,165)	(24,882,277)	(143,463,747)
Net book value	233,593,000	119,439,519	3,289,643	13,597,665	13,666,702	14,505,347	398,091,876
Annual rate of depreciation (%)		10	20	10	33	10 - 20	

4.2 Capital work-in-progress

	2016	2015
	-----------Rupees-----------	
Balance at beginning of the year	7,200,000	-
Add: Additions during the year	-	7,200,000
	7,200,000	7,200,000
Less: Transfers to operating assets - notes 4.1 and 4.2.1	(7,200,000)	-
Balance at end of the year	-	7,200,000

4.2.1 Represents transfers to leasehold improvements on completion of construction of electrical and civil works at the Head Office Building.

4.3 Includes transfer of assets relating to MASHAL project to Aman Health Care Services having net book value of Rs. 2,993,058.

4.4 Depreciation expense

	2016	2015
	-----------Rupees-----------	
Depreciation on operating fixed assets	39,635,693	38,574,266
Less: Allocated to (note 4.4.1):		
- Teach for Pakistan	(1,527,812)	(1,912,478)
- Aman Health Care Services	(9,265,994)	(7,799,464)
- Aman Institute for Vocational Training	(11,852,960)	(11,456,060)
	(22,646,766)	(21,168,002)
	16,988,927	17,406,264

4.4.1 Depreciation allocated to the associated undertakings has been recorded as donations to respective related parties (note 24).

5. INTANGIBLES - Computer software

	2016	2015
	-----------Rupees-----------	
Net carrying value		
Balance at beginning of the year	2,348,228	4,753,760
Additions at cost	3,851,480	2,152,983
Amortisation for the year	(1,342,163)	(4,558,515)
Balance at end of the year	4,857,545	2,348,228
Gross carrying value		
Cost	22,172,587	18,321,107
Accumulated amortisation	(17,315,042)	(15,972,879)
Net book value	4,857,545	2,348,228

5.1 Represents computer software being amortised over a period of 3 years.

5.2 Amortisation expense

	2016	2015
Amortisation on intangibles	1,342,163	4,558,515
Less: Allocated to (note 5.2.1):		
- Teach for Pakistan	(267,011)	(530,047)
- Aman Health Care Services	(274,325)	(1,078,188)
- Aman Institute for Vocational Training	(37,066)	(1,406,963)
	(578,402)	(3,015,198)
	763,761	1,543,317

5.2.1 Amortisation allocated to the associated undertakings has been recorded as donations (note 24).

6. Long Term Deposits

Includes deposit paid to lessor against rental premises amounting to Rs. 12,000,000 (2015: Rs. 12,000,000).

7. LONG TERM INVESTMENT

	2016	2015 (Restated)
	-----------Rupees-----------	
Karachi Organic Energy (Private) Limited (KOEL)		
- Equity held 50% (2015: 50%) - note 7.1 to 7.4	25,706,978	10,107,900
- Advance against purchase of shares	42,101,557	37,294,745
	67,808,535	47,402,645
Less: Recognition of share of losses of KOEL:		
- balance at beginning of the year	(47,402,645)	(21,627,461)
- during the year	-	(25,775,184)
	(47,402,645)	(47,402,645)
	20,405,890	-
Less: Provision for impairment - note 7.5	(20,405,890)	-
	-	-

7.1 This represents investment in Karachi Organic Energy (Private) Limited (KOEL), a company incorporated to design, own and operate waste energy facilities for generation of electricity by utilizing gas recovered from cattle manure and biodegradable food waste. As at June 30, 2016, the Foundation held 1,010,790 ordinary shares (2015:1,010,790 ordinary shares) of KOEL representing 50% of issued, subscribed and paid-up capital of KOEL. Break-up value per share of KOEL as at the balance sheet date based on the unaudited financial statements worked out as Rs. 0.32 per ordinary share (2015: Negative Rs. 57 per ordinary share) of Rs. 10 each.

7.2 Details of investment in KOEL is as follows:

	2016	2015 (Restated)
	-----------Rupees-----------	
At beginning of the year	10,107,900	10,107,900
Add: Share of profit / (loss) of KOEL for the year, after adjustment of unrecognised losses	15,599,078	-
	25,706,978	10,107,900

7.3 The summary of the financial information of KOEL as at June 30 is as follows:

	2016 (Unaudited)	2015 (Audited)
	-----------Rupees-----------	
Statement of comprehensive income		
Depreciation and amortisation	29,997	27,497
Total comprehensive income / (loss) for the year	115,627,897	(36,421,328)
Balance sheet		
Current assets		
Cash and bank balance	2,090,262	360,730
Other current assets	-	1,394
Total current assets	2,090,262	362,124
Non- current assets	-	60,003
Total assets	2,090,262	422,127
Current liabilities		
Financial liabilities	1,270,992	115,230,754
Net assets / (liabilities)	819,270	(114,808,627)

7.4 Reconciliation of carrying amount of investment

	2016 (Unaudited)	2015 (Audited)
	-----------Rupees-----------	
Net assets / (liabilities) - note 7.3	819,270	(114,808,627)
Foundation's Holding in %	50%	50%
Foundation's share in net assets	409,635	(57,404,314)
Unrecognised loss as at the year end	-	42,214,871
Impact of change in holding %	(22,105,302)	(22,105,302)
Advance against purchase of shares	42,101,557	37,294,745
Provision for impairment	(20,405,890)	-
Carrying amount of investment	-	-

7.5 KOEL was incorporated on July 12, 2012 and is yet to commence commercial operations. During the year, the Board of Directors of KOEL have decided to wind-up KOEL as the principal sponsors, i.e. the Foundation, K-Electric Limited and the IFC InfraVentures have agreed to terminate the Project in accordance with section 10.02 of the Joint Develepment Agreement of KOEL. In this respect a letter agreement dated March 22, 2016 has been entered into between the Foundation, K-Electric Limited and the IFC InfraVentures. Accordingly, with the planned voluntary winding-up, KOEL being no longer a going concern may not be able to realize its assets and discharge its liabilities in the normal course of business.

The management of the Foundation taking cognizance of the decision to wind-up as an indicator of impairment, has conducted an impairment test for its investment in KOEL. The recoverable amount in respect of the investment in KOEL has been based on the estimated cash inflow to the Foundation which has been determined to be Nil. Accordingly, the total investment in KOEL has been impaired as at June 30, 2016.

8. LOANS TO EMPLOYEES

This represents interest free loans given to employees, which are adjustable against their monthly salary within a year. These are secured against staff retirement benefits of such employees.

9. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	2016	2015
	-----------Rupees-----------	
Advances to:		
- suppliers	5,023,831	8,769,809
- employees against expenses	36,584	454,866
	5,060,415	9,224,675
Prepayments	111,645	87,535
Taxes recoverable - note 9.1	15,012,526	14,962,530
Other receivables - note 9.2	2,441,816	19,812,090
	22,626,402	44,086,830

9.1 This represents withholding tax deducted on utility services, purchase of vehicles and by banks on profit on savings bank accounts.

9.2 This represents receivable of Rs. 1,933,101 (2015: Rs. 17,581,681) from BasicNeeds, Rs. 292,381 (2015: Rs. 955,909) from INJAZ Pakistan for funds given to these entities for running of operations and Rs. 216,334 (2015: Rs. 1,274,500) from K-Electric Limited for shared cost of iftar boxes paid on their behalf. BasicNeeds is a franchise of the BasicNeeds Model and has been implemented in collaboration with British Asian Trust and BasicNeeds UK. INJAZ Pakistan, inititated and incubated by the Aman Foundation, is a member of Junior Achievement Worldwide.

10. SHORT TERM INVESTMENTS

	2016	2015
	-----------Rupees-----------	
- Term deposit receipts - note 10.1	20,234,616	20,678,775
- Defense Savings Certificates - note 10.2	224,012	199,623
	20,458,628	20,878,398

10.1 These deposit receipts are maturing on various dates by June 3, 2017. Return on these investments ranges from 5% to 5.5% (2015: 7.25% to 8.7%) per annum. These are pledged against bank guarantee given to Pakistan State Oil Company Limited for vehicle fuel charges.

10.2 These carry effective interest of 12.16% (2015: 12.16%) per annum and are maturing on June 19, 2019.

	2016	2015
	-----------Rupees-----------	
11. CASH AND BANK BALANCES		
Current accounts		
- Local currency	2,507,172	4,609,772
- Foreign currency	6,994,755	1,390,746
	9,501,927	6,000,518
Saving accounts		
- Local currency - note 11.1	27,535,270	19,899,323
	37,037,197	25,899,841
Cash in hand	68,840	41,608
	37,106,037	25,941,449

11.1 Profit rates on savings bank accounts ranges between 2.4% to 6.75% (2015: 5% to 8%) per annum.

12. GENERAL FUND

12.1 This represents voluntary contributions received from the trustees of the Foundation, and are not restricted for any specific project of the Foundation. Prior to incorporation of the Foundation, trustees made donations amounting to Rs. 596,630,000 on Foundation's behalf. Such donations are not reflected in the General Fund.

12.2 During the year, net assets amounting to Rs. 2,128,676 of MASHAL, a project initiated and operated by the Foundation, were transferred to the Aman Health Care Services, at net book value.

13. PROVISION FOR GRATUITY

The Foundation operates an unfunded gratuity scheme for all its employees. The latest actuarial valuation of gratuity scheme was carried out as at June 30, 2016 using the Projected Unit Credit Method. Details of the scheme as per the actuarial valuation are as follows:

	2016	2015
	-----------Rupees-----------	
13.1 Movement in defined benefit obligation		
Balance at beginning of the year	46,046,537	43,661,038
Transferred to Aman Health Care Services - note 13.1.1	-	(3,594,762)
Charge for the year - note 13.2	16,566,114	20,597,141
Payments made during the year	(25,612,342)	(8,358,427)
Remeasurement recognised in OCI - note 13.3	(7,709,109)	(6,258,453)
Balance at end of the year	29,291,200	46,046,537

13.1.1 Includes gratuity relating to Aman Ghar amounting to Nil (2015: Rs. 176,767).

	2016	2015
	-----------Rupees-----------	
13.2 Amount recognised in income and expenditure account		
Current service cost	13,192,235	17,920,970
Interest cost	3,373,879	4,934,933
Curtailment gain	-	(2,258,762)
	16,566,114	20,597,141
13.3 Remeasurement recognised in Other Comprehensive Income:		
Remeasurement of obligation		
Gain from change in financial assumptions	-	(2,156,239)
Experience gains	(7,709,109)	(4,102,214)
	(7,709,109)	(6,258,453)
13.4 Principal actuarial assumptions used in the actuarial valuation:		
Financial assumptions		
Discount rate	7.25%	10.50%
Expected per annum rate of increase in salaries - long term	7.25%	10.50%
Demographic assumptions		
Expected mortality rate	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Expected withdrawal rate	Heavy	Moderate

13.5 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Amount of defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		-----------Rupees-----------	
Discount rate	1%	25,175,553	29,307,369
Long term salaries	1%	29,285,003	25,159,057

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognized within the balance sheet.

13.6 Based on actuarial advice, the charge in respect of unfunded gratuity scheme for the ensuing year amounts to approximately Rs. 16,101,971 .

13.7 MATURITY PROFILE

The expected maturity analysis of undiscounted obligation under the scheme is as follows:

Time in years	2016 ----Rupees----
Year 1	4,315,933
Year 2	10,246,762
Year 3	5,269,136
Year 4	4,937,955
Year 5	4,930,171
Year 6 to Year 10	27,564,652
Year 11 and above	453,256,958

13.8 The weighted average duration of the defined benefits obligation is 8 years.

14. ZAKAT FUND

	2016	2015
	-----------Rupees-----------	
Balance at beginning of the year	3,341,618	4,196,422
Add: Zakat income for the year	9,298,394	3,230,600
	12,640,012	7,427,022
Less: Amount utilised during the year - note 14.1	(4,445,000)	(4,085,404)
	8,195,012	3,341,618

14.1 This represents expenses incurred amounting to Rs. 4,445,000 (2015: Nil) by Aman Health Care Services on providing free of cost ambulance services to deserving patients and expenses incurred amounting to Nil (2015: Rs. 4,085,404) by Aman Institute of Vocational Training on sponsoring the cost of training of zakat eligible students.

15. TRADE AND OTHER PAYABLES

	2016	2015
	-----------Rupees-----------	
Creditors	16,510,063	23,129,561
Accrued expenses	9,644,513	10,156,309
Salaries payable	582,667	34,646,040
Withholding tax payable	1,511,472	1,771,329
Retention money	3,248,264	3,557,617
Provision for leave encashment	3,622,606	8,481,299
	35,119,585	81,742,155

16. DEFERRED INCOME

	2016	2015
Balance at beginning of the year	2,638,046	-
Add:		
- Grant received during the year - note 16.1	2,556,712	11,219,466
- Bank profit on grant received	25,332	191,175
	2,582,044	11,410,641
Less: Grant credited to income during the year	(5,220,090)	(8,772,595)
	-	2,638,046

16.1 This represents milestone based cost reimbursable grant received from DAI Europe Limited in respect of the Foundation's project titled 'Practically Digital' for the period December 31, 2014 to July 30, 2015.

17. COMMITMENTS

17.1 Commitments in respect of capital expenditure contracted for but not incurred as at June 30, 2016 amounts to Nil (2015: Rs. 4,805,794).

17.2 Commitments in respect of purchase of certain commodities/services as at June 30, 2016 amounts to Rs. 23,576,097 (2015: Rs. 11,570,405).

17.3 Foundation has committed certain grants as follows, the outlay of which is expected in the foreseeable future:

	2016	2015
	-----------Rupees-----------	
The Institute of Business Administration, Karachi	-	93,763,374
Pakistan Life Saving Foundation	2,700,000	8,100,000
KASHF Foundation	-	3,500,000
South Asia Institute's Founders Club Fund [US$ 700,000 (2015: US $ 800,000)]	73,290,000	82,480,000
Leaps programme for micro credit initiative [US$ Nil (2015: US $ 50,000)]	-	5,155,000
INJAZ Pakistan (US$ 50,000)	5,235,000	-
BasicNeeds Pakistan [GBP 41,101 (2015: GBP 239,951)]	5,770,169	38,572,123
Aman Health Care Services - Sukh Initiative [US$ 2,900,000 (2015: US$ 4,000,000)]	303,630,000	412,400,000
United World Colleges [US$ 2,494,700 (2015: US 3,112,527)]	261,195,090	320,901,534
Ahmed E. H. Jaffer Foundation	-	50,000,000

18. DONATIONS

Donation includes amount received from i-Care Foundation amounting to Nil (2015: Rs. 608,358).

19. INCOME ON INVESTMENTS

	2016	2015
	-----------Rupees-----------	
Profit on term deposit receipts	1,041,501	1,659,697
Income from Defence Savings Certificates	24,389	21,579
	1,065,890	1,681,276

20. OTHER INCOME

	2016	2015
Exchange gain - net	429,391	10,651,176
Gain on disposal of operating fixed assets	195,147	49,732
Others - note 20.1	4,758,318	6,464,181
	5,382,856	17,165,089

20.1 Includes liability written back amounting to Rs. 4,260,054 (2015: Rs. 1,643,387).

21. Represents expenditure incurred on sending 1,000 individuals for Hajj including air tickets, hotel rentals, food etc. through M/s. Al Shakoor Services (Private) Limited and M/s. Ritual tours (Private) Limited.

	2016	2015
	-----------Rupees-----------	
22. LEGAL AND PROFESSIONAL CHARGES		
Legal charges	600,000	842,125
Professional fee	14,766,338	5,631,716
	15,366,338	6,473,841
23. HIRING AND TRAINING		
Hiring cost	7,247,140	3,777,157
Staff training cost	6,182,508	3,891,533
	13,429,648	7,668,690
24. DONATIONS		
Aman Health Care Services	573,194,446	511,893,574
Aman Institute for Vocational Training	168,056,159	188,673,284
Teach for Pakistan	42,892,463	50,331,584
Ahmed E.H Jaffer Foundation	-	3,594,830
Donation in kind - note 24.1	4,998,000	1,260,000
Others - note 24.2	4,257,051	2,371,104
	793,398,119	758,124,376

24.1 Represents Foundation's share of expenses for the distribution of iftar boxes during the month of Ramzan in collaboration with K-Electric.

24.2 None of the Trustees or their spouses had any interest in any of the donees, except for Mr. Arif Naqvi who is on the Board of 'i-Care Foundation' and the Foundation has made a contribution of US$ 10,000 (2015: US$ 10,000) towards i-Care Foundation.

	2016	2015
	-----------Rupees-----------	
25. GRANTS		
Aman Health Care Services (Sukh Initiative) - note 25.1	115,130,000	101,500,000
Institute of Business Administration - note 25.2	93,763,400	302,500,000
United World Colleges (UWC) - note 25.3	64,366,123	16,670,767
Ahmed E.H. Jaffer Foundation - note 25.4	50,000,000	50,000,000
BasicNeeds Pakistan - note 25.5	31,377,705	-
South Asia Institute's Founders Club Fund (Harvard University) - note 25.6	10,545,000	-
INJAZ Pakistan - note 25.7	10,490,000	-
Pakistan Life Saving Foundation - note 25.8	5,400,000	5,400,000
Kashf Foundation - note 25.9	2,784,009	-
Four Corners Group (Private) Limited - note 25.10	-	1,021,700
	383,856,237	477,092,467

Notes To The Financial Statements

For the year ended June 30, 2016

25.1 This represents grants made to Aman Health Care Services (Sukh Initiative) to increase the modern contraceptive prevalence rate amongst married women in 1 million population of Karachi, Pakistan and to test proof of concept that Karachi can effectively deliver quality information, counseling, supplies, referrals and services to women of reproductive age within their families.

25.2 This represents grant made to the Institute of Business Administration (IBA)-Karachi for construction of Aman Centre for Entrepreneurship Development and Aman Tower.

25.3 This represents grant to United World Colleges for providing increased number of education opportunities to young people from Pakistan during the period from 2013 to 2020.

25.4 This represents grant made to Ahmed E.H Jaffer Foundation to promote education, learning and knowledge and to establish, maintain and assist schools, colleges and other institutions.

25.5 This represents grant to BasicNeeds Pakistan entity, to support and initiate programs for mentally ill people of Pakistan in collaboration with BasicNeeds, UK.

25.6 This represents grant to South Asia's institute's Founders Club Fund (SAIFCF) to support innovative and far-reaching research and education across the University focusing on Pakistan, notably exploring the areas of urbanization, innovation, education, health and nutrition.

25.7 This represents grant to INJAZ Pakistan to encourage continuing support through Junior Achievement program.

25.8 This represents grant made to Pakistan Aquatic Life Saving Life Guard (PALS) to support Critical Mass Welfare Organization for expenses being incurred to recruit and manage PALS.

25.9 This represents grant to Kashf Foundation for establishment of two branches in Karachi that would increase the finance facilities for its beneficiaries, especially women.

25.10 This represents grant made to Four Corners Group (Private) Limited for the purposes of research study to measure urban food security in perspective to demand and supply in Karachi.

	2016	2015
	-----------Rupees-----------	
26. AUDITORS' REMUNERATION		
Audit fee	453,750	412,500
Out of pocket expenses	113,575	125,050
	567,325	537,550
27. REMUNERATION OF CHIEF EXECUTIVE		
Managerial remuneration	5,635,952	31,948,561
Medical allowance	122,509	1,464,309
Leave encashment	175,753	1,665,712
Retirement benefits	222,743	1,927,031
	6,156,957	37,005,613
Number of persons, including those who worked part of the year	2	1

27.1 The Chief Executive is provided with free use of the Foundation's owned and maintained car.

28. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise Trustees of the Foundation, their close family members and other key management personnel. Remuneration and benefits to key management personnel of the Foundation are in accordance with the terms of their employment. Details of transactions and balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2016	2015
	-----------Rupees-----------	
Contributions received from Trustees	1,439,210,500	1,455,793,814
Remuneration to key management personnel	42,918,903	94,869,606
Assets transferred from:		
- Aman Institute for Vocational Training	-	143,028
- Aman Health Care Services	-	914,560
Net assets transferred to Aman Health Care Services	2,128,676	629,598
Cash transferred to / (from):		
- Teach for Pakistan	26,135,126	25,561,826
- Aman Health Care Services	406,704,787	333,050,696
- Aman Institute for Vocational Training	898,800	17,931,322
Expenses incurred on behalf of:		
- Teach for Pakistan	1,682,876	5,772,812
- Aman Health Care Services	81,598,848	118,996,869
- Aman Institute for Vocational Training	50,689,858	33,288,891
Zakat to:		
- Aman Health Care Services	4,445,000	-
- Aman Institute for Vocational Training	-	4,085,404
Donations received on behalf of:		
- Aman Institute for Vocational Training	14,192,423	-
Provision for gratuity transferred to:		
- Aman Health Care Services	-	(3,594,762)
Food expense allocated by Aman Health Care Services	(3,850,222)	(3,650,677)
Expenses allocated to:		
- Teach for Pakistan	15,074,461	19,027,881
- Aman Health Care Services	84,890,810	68,006,008
- Aman Institute for Vocational Training	130,659,925	125,431,954

29. FINANCIAL INSTRUMENTS BY CATEGORY

29.1 FINANCIAL ASSETS AS PER BALANCE SHEET

	2016	2015
Held to maturity		
Short term investments	20,458,628	20,878,398
Loans and receivables		
Long term deposits	12,045,700	12,062,966
Loans to employees	1,150,702	1,923,743
Other receivables	2,441,816	19,812,090
Cash and bank balances	37,106,037	25,941,449
	52,744,255	59,740,248
	73,202,883	80,618,646

29.2 FINANCIAL LIABILITIES AS PER BALANCE SHEET

	2016	2015
	-----------Rupees-----------	
- Financial liabilities measured at amortised cost		
Trade and other payables	29,985,507	71,489,527

29.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

30. FINANCIAL RISK MANAGEMENT

The Foundation's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Board of Trustees has overall responsibility for the establishment and oversight of Foundation's risk management framework. Risk management is carried out by the management under the guidance of the Foundation's Board of Trustees.

30.1 MARKET RISK

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Foundation's income or the value of its holdings of financial instruments. There has been no change in the Foundation's exposure to market risk or the manner in which the risk is managed and measured.

	2016		2015	
	Effective interest rate (in Percent)	Carrying amount (Rupees)	Effective interest rate (in Percent)	Carrying amount (Rupees)
Term deposit receipts	5%-5.5%	20,234,616	7.25%-8.7%	20,678,775
Defense Savings Certificates	12.16%	224,012	12.16%	199,623
Saving accounts - Daily progressive account	2.4%-6.75%	27,535,270	5%-8%	19,899,323

Under market risk, the Foundation is exposed to interest rate risk, currency risk and other price risk (equity price risk).

a) Interest rate risk

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

At the reporting date the interest rate profile of the Foundation's significant fixed interest bearing financial instruments was as follows:

The Foundation does not carry any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the income and expenditure account.

Further, the Foundation has no floating rate financial assets / liabilities that expose the Foundation to interest rate risk.

b) 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.

The Foundation is exposed to currency risk on bank balances denominated in US dollars. The Foundation's exposure to foreign currency risk on bank balances is as follows:

	2016	2015
	-----------Rupees-----------	
Citibank N.A.	6,372,739	556,131
Habib Bank Limited	65,255	65,255
Standard Chartered Bank (Pakistan) Limited	556,761	769,360
	6,994,755	1,390,746

Sensitivity analysis

As at June 30, 2016, if the Pak Rupee had strengthened / weakened by 10% against the US dollars with all other variables held constant, the effect on the deficit for the year would have been lower / higher by Rs. 703,079 (2015: Rs. 137,771), as a result of net foreign exchange loss / gain on translation of foreign bank balances account.

c) Other price risk

Other price risk is 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). At reporting date the Foundation does not have financial instruments exposed to other price risk.

30.2 CREDIT RISK

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation.

Credit risk of the Foundation arises from deposits with banks and financial institutions, loans, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk is equal to the carrying amount of financial assets.

The Foundation monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying value of the financial assets which are neither past due nor impaired are as follows:

	2016	2015
	-----------Rupees-----------	
Long term deposits	12,045,700	12,062,966
Loans to employees	1,150,702	1,923,743
Other receivables	2,441,816	19,812,090
Short term investments	20,458,628	20,678,775
Bank balances	37,037,197	25,899,841
	73,134,043	80,377,415

Loans, deposits and other receivables

The Foundation has deposited various amounts as security against premises and loan to staff. The management does not expect to incur material losses on amounts and consider such amounts as receivable upon termination of services. With respect to the recievables, management believe that they bear minimum credit risk.

Short term investments

Short term investments represent investment in term deposit receipts and Defence Saving Certificates. Investments are only made with reputable banks having high quality credit ratings.

Bank balances

Credit risk from bank deposits are managed by placing deposits with banks having sound credit ratings.The credit quality of Foundation's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating agency	Rating	
		Short term	Long term
Habib Bank Limited	JCR-VIS	A1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Meezan Bank Limited	JCR-VIS	A1+	AA
Citibank N.A.	Moody's	P1	A1
United Bank Limited	JCR-VIS	A1+	AA+

30.3 LIQUIDITY RISK

	2016			2015		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	-----------Rupees----------					
Trade and other payables	29,985,507	-	29,985,507	71,489,527	-	71,489,527

Liquidity risk represents the risk that the Foundation will encounter difficulties in meeting obligations associated with financial liabilities.

The table below analyses the Foundation's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity dates.

The Foundation's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these.

The following are the contractual maturities of the financial liabilities:

31. FUND MANAGEMENT

The Foundation's objective when managing Fund balances is to safe guard its ability to continue as a going concern and to maintain a strong fund base to support the sustained development of its operations.

There are no externally imposed capital requirements on the Foundation.

32. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effects of which are not material.

33. DATE FOR AUTHORISATION

These financial statements were authorised for issue by the Trustees of the Foundation in their meeting held on April 5th 2017.

Chief Executive Officer

Chairman / Trustee