

Punjab Pension Fund – Expense Account

**Condensed Interim Financial Information for the period ended
31 December 2015**



KPMG Taseer Hadi & Co.
Chartered Accountants
2nd Floor,
Servis House
2-Main Gulberg Jail Road,
Lahore Pakistan

Telephone + 92 (42) 3579 0901-6
Fax + 92 (42) 3579 0907
Internet www.kpmg.com.pk

Independent Auditors Report on Review of Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Punjab Pension Fund Expense account** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and condensed interim cash flow statement together with the notes forming part thereof for the six-month period then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and present the above said statements in conformity with the requirements of Punjab Pension Fund Act, 2007 ("the Act") and Punjab Pension Fund Rules 2007 ("the Rules"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and in conformity with the requirements of the Act and the Rules.

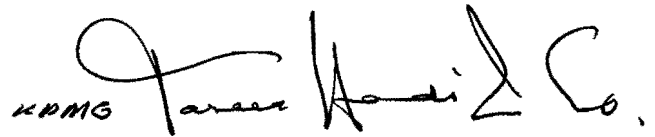
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Other matters

The figures for the three months period ended 31 December 2015 and 31 December 2014 in the condensed interim income statement and condensed interim cash flow statement have not been reviewed and we do not express a conclusion on them.



Date: 25 October 2016

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

Punjab Pension Fund - Expense Account
 Condensed Interim Statement of Assets and Liabilities (Un-Audited)
 As at 31 December 2015

	Note	(Un-Audited) 31 December 2015 Rupees	(Audited) 30 June 2015 Rupees
<u>Non-current asset</u>			
Operating fixed assets	4	324,066	433,950
<u>Current assets</u>			
Prepaid rent		591,250	550,000
Security deposit		825,000	825,000
Cash and cash equivalents	5	19,644,274	41,942,832
		21,060,524	43,317,832
<u>Current liabilities</u>			
Accrued expenses	6	564,000	727,646
Net working capital		20,496,524	42,590,186
Contingencies and commitments	7	-	-
Net assets		20,820,590	43,024,136
<u>Represented by:</u>			
Net surplus		20,820,590	43,024,136

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

10/01/2016

Lahore


 General Manager


 Private Member


 Chairman

Punjab Pension Fund - Expense Account
 Condensed Interim Income Statement (Un-Audited)
 For the half year and quarter ended 31 December 2015

	Half year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- Rupees -----			
Budgetary receipts	-	5,000,000	-	5,000,000
Income on saving account	890,351	277,862	336,934	79,919
Other income	3,600	5,200	3,600	5,200
	<u>893,951</u>	<u>5,283,062</u>	<u>340,534</u>	<u>5,085,119</u>
Operating expenses	8 23,097,497	13,680,486	14,243,303	7,234,013
Net deficit for the period	(22,203,546)	(8,397,424)	(13,902,769)	(2,148,894)
Accumulated surplus brought forward	43,024,136	12,641,991	34,723,359	6,393,461
Net surplus carried forward	<u>20,820,590</u>	<u>4,244,567</u>	<u>20,820,590</u>	<u>4,244,567</u>

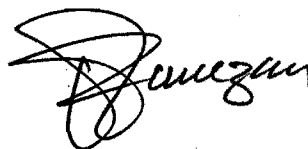
The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

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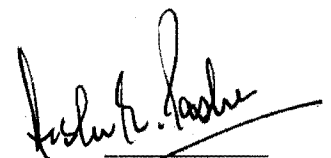


Lahore

General Manager



Private Member



Chairman

Punjab Pension Fund - Expense Account
 Condensed Interim Cash Flow Statement (Un-Audited)
 For the half year and quarter ended 31 December 2015

	Half year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
----- Rupees -----				
<i>Cash flows from operating activities</i>				
Net deficit for the period	(22,203,546)	(8,397,424)	(13,902,769)	(2,148,894)
<i>Adjustments for non cash items:</i>				
Depreciation on operating fixed assets	109,884	104,211	54,942	53,133
<i>(Increase)/ decrease in current assets:</i>				
Prepaid rent	(41,250)	(310,420)	20,625	-
Security deposit	-	(825,000)	-	-
<i>(Decrease)/ increase in current liabilities:</i>				
Accrued expenses	(163,646)	(355,509)	(193,500)	(490,539)
Net cash used in operating activities	(22,298,558)	(9,784,142)	(14,020,702)	(2,586,300)
Cash flows from investing activities				
Fixed capital expenditure	-	(121,500)	-	(121,500)
Cash used in investing activities	-	(121,500)	-	(121,500)
Net (decrease) / increase in cash and cash equivalents during the period	(22,298,558)	(9,905,642)	(14,020,702)	(2,707,800)
Cash and cash equivalents at beginning of the period	41,942,832	12,629,855	33,664,976	5,432,013
Cash and cash equivalents at end of the period	19,644,274	2,724,213	19,644,274	2,724,213

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

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General Manager

Private Member

Chairman

Lahore

Punjab Pension Fund- Expense Account
Notes to the Condensed Interim Financial Statements (Un-Audited)
For the half year ended 31 December 2015

1 Status and nature of the business

The Punjab Pension Fund ("the Fund") has been established under the Punjab Pension Fund Act 2007 ("the Act"). The Government of the Punjab has notified the Punjab Pension Fund Rules 2007 ("the Rules") under section 24 of the Act.

The Fund acts as a management company and is responsible for investing the funds in profitable avenues to generate revenue for discharge of pension liabilities of the Government of the Punjab.

Expenses incurred on operations of the Fund, including expenses relating to functioning of the Management Committee, are paid out of the trust property in the form of annual / supplementary budgets duly approved by the Management Committee.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim financial information have been prepared using historical cost convention, in accordance with the requirements of the Act, the Rules and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Act and the Rules differ with the requirements of these standards, the requirements of the Act and the Rules shall prevail.

This interim financial information is unaudited but subject to limited scope review by auditors and is being submitted to Management Committee in accordance with the requirements of the Rules. This financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the period ended 30 June 2015.

2.2 Significant estimates

The preparation of the condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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In preparing the condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimates used were the same as those applied to the annual financial statements for the year ended 30 June 2015.

2.3 Taxation

The income of the Fund is exempt from tax under Section 57(3)(xii) of Part I of the Second Schedule of the Income Tax Ordinance 2001, therefore no provision for taxation has been made in these condensed interim financial information.

2.4 Financial Risk Management

The financial risk management objectives and policies adopted are consistent with those disclosed in the annual financial statements for the year ended 30 June 2015.

3 Summary of significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the fund ("Expense Account") as at and for the year end 30 June 2015.

- 3.1 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Fund's operations and are, therefore, not disclosed.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 19 - Employee Benefits	01 January 2016
IAS 38 - Intangible Assets	01 January 2016
IAS 16 - Property, Plant and Equipment	01 January 2016
IFRS 7- Financial Instruments- Disclosures	01 January 2016
IAS 34 - Interim Financial Reporting	01 January 2016

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4 Operating fixed assets

For the period ended 31 December 2015 (Un-Audited)								
Cost				Depreciation			Written Down Value as at 31 Dec 2015	
As at 01 July 2015	Additions	As at 31 Dec 2015	Rate %	As at 01 July 2015	Charge for the period	As at 31 Dec 2015		
Rupees				Rupees				
<i>Particulars</i>								
Furniture and fittings	56,750	-	56,750	20	50,541	5,676	56,217	533
Office equipment	1,411,165	-	1,411,165	33.33	983,427	104,208	1,087,635	323,530
Motor vehicles	193,558	-	193,558	20	193,555	-	193,555	3
	1,661,473	-	1,661,473		1,227,523	109,884	1,337,407	324,066

For the year ended 30 June 2015 (Audited)								
Cost				Depreciation			Written Down Value as at 30 June 2015	
As at 01 July 2014	Additions	As at 30 June 2015	Rate %	As at 01 July 2014	Charge for the year	As at 30 June 2015		
Rupees				Rupees				
<i>Particulars</i>								
Furniture and fittings	56,750	-	56,750	20	39,189	11,352	50,541	6,209
Office equipment	1,248,665	162,500	1,411,165	33.33	798,720	184,707	983,427	427,738
Motor vehicles	193,558	-	193,558	20	175,519	18,036	193,555	3
	1,498,973	162,500	1,661,473		1,013,428	214,095	1,227,523	433,950

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		(Un-Audited) 31 December 2015 Rupees	(Audited) 30 June 2015 Rupees
5	Cash and cash equivalents		
	Cash in hand	40,000	40,000
	Bank balance - <i>saving account</i>	19,604,274	41,902,832
		<u>19,644,274</u>	<u>41,942,832</u>

5.1 This carries interest at the rate of 5.10% (30 June 2015: 6.50%) per annum.

		(Un-Audited) 31 December 2015 Rupees	(Audited) 30 June 2015 Rupees
6	Accrued expenses		
	Audit fee payable	482,400	726,000
	Sales tax payable	81,600	-
	Courier and postage payable	-	1,646
		<u>564,000</u>	<u>727,646</u>

7 Contingencies and commitments

There were no contingencies and commitments as at 31 December 2015.

		(Un-Audited)	
		Half year ended 31 December	
		2015 Rupees	2014 Rupees
8	Operating expenses		
	Salaries and wages	18,489,335	10,357,868
	Rent	1,732,500	1,302,913
	Utilities	452,409	271,319
	Repair and maintenance	167,830	326,403
	Vehicle running expenses	247,126	314,688
	Traveling, lodging and boarding	46,617	95,869
	Fee and subscription	121,568	41,886
	Printing and stationery	41,078	97,174
	Courier and postage	1,934	9,149
	Legal and professional	850,000	-
	Office and other expenses	382,164	349,427
	Depreciation on operating fixed assets	109,884	104,211
	Auditors remuneration	363,000	302,502
	Advertisement	59,928	35,449
	Training and Development	-	20,000
	Bank charges	990	1,400
	Miscellaneous	31,134	50,228
		<u>23,097,497</u>	<u>13,680,486</u>

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9 Transaction and balances with related parties

The related parties comprise local associated companies, related group companies, Management Committee members of the Fund, companies where Management Committee members also hold directorship, and key management employees. The Trust in the normal course of business carries out transactions with related parties. Details of transactions and amounts due to / (from) related parties are as follows:

	(Un-Audited) 31 December 2015 Rupees	(Un-Audited) 31 December 2014 Rupees
Transactions with		
<i>Bank of Punjab</i>		
- Income on saving account	890,351	277,862
<i>Members of Management Committee</i>		
- Salary and bonus paid to General Manager	10,500,000	5,250,000
- Fee paid to members	80,000	4,000
	(Un-Audited) 31 December 2015 Rupees	Audited 30 June 2015 Rupees
Balances with		
<i>Bank of Punjab</i>		
- Bank balance maintained	19,604,274	41,902,832

10 Date of authorization for issue

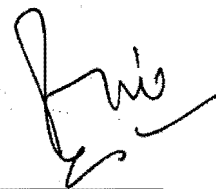
The condensed interim financial informations were authorized for issue on ~~25 OCT 2016~~ by the Management Committee of the Fund.

11 General

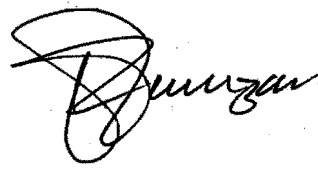
Figures have been rounded off to the nearest rupees

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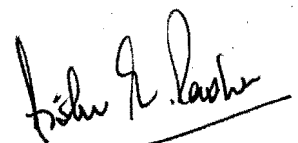
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General Manager



Private Member



Chairman