



Grant Thornton

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Kaarvan Crafts Foundation (the Foundation)** as at **December 31, 2014** and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund balances together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Foundation's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Foundation as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Foundation's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Foundation;
- c) in our opinion and to the best of our information and according to the explanations given to us the balance sheet, income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund balances together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at December 31, 2014 and of the surplus, its comprehensive income, cash flows and changes in fund balances for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Grant Thornton Anjum Rahman
CHARTERED ACCOUNTANTS
Engagement Partner: Imran Afzal
Lahore
Date: *April 6, 2015*

KAARVAN CRAFTS FOUNDATION*(GUARANTEE LIMITED UNDER SECTION 42)***Balance Sheet****As at December 31, 2014**

	Note	2014 (Rupees)	2013 (Rupees)
Assets			
Non-current			
Property and equipment	4	8,860,629	4,270,258
Intangible assets	5	-	-
Long term security deposits		165,449	193,038
Non current assets		9,026,078	4,463,296
Current			
Stock in trade	6	209,921	279,744
Trade debts	7	163,723	223,294
Grant receivable		22,074,360	1,734,198
Advances, prepayments and other receivables	8	599,976	826,148
Advance Income Tax		3,794,000	1,623,124
Short term investment	9	8,000,000	5,000,000
Cash and bank balances	10	9,873,914	1,376,396
Current assets		44,715,894	11,062,904
Total assets		53,741,972	15,526,200
Equity and liabilities			
Equity			
Accumulated surplus	11	43,399,861	13,809,255
Total equity		43,399,861	13,809,255
Liabilities			
Current			
Trade and other payables	12	10,342,111	1,716,945
Current liabilities		10,342,111	1,716,945
Total liabilities		10,342,111	1,716,945
Total equity and liabilities		53,741,972	15,526,200

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



CHIEF EXECUTIVE



DIRECTOR

KAARVAN CRAFTS FOUNDATION*(GUARANTEE LIMITED UNDER SECTION 42)***Income and Expenditure Account****For the year ended December 31, 2014**

	Note	2014 (Rupees)	2013 (Rupees)
Income			
Sales		1,551,718	2,242,416
Less: cost of sales	14	(1,350,473)	(1,734,693)
Gross Profit		201,245	507,723
Grants	15	60,443,761	11,056,334
Other income	16	1,295,966	1,475,246
Total income		61,940,972	13,039,303
Project Expenditure:			
Punjab Skills Development Fund (PSDF)	17	28,734,027	7,063,280
Other projects expenses	18	1,744,642	1,119,330
Total project expenditures		30,478,669	8,182,610
Administrative expenses	19	1,778,716	6,769,782
Other expenses	20	92,981	53,992
(Deficit) / surplus for the year		29,590,606	(1,967,081)

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

**CHIEF EXECUTIVE****DIRECTOR**