National Power Parks Management Company (Private) Limited

Financial statements for the period from
02 March 2015 to 30 June 2015

National Power Parks Management Company (Private) Limited

Balance Sheet

As at 30 June 2015

	Note	2015 Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised share capital		
10,000 ordinary shares of Rs. 10 each		**100,000**
Issued, subscribed and paid up capital	5	**30**
Advance against issue of shares	6	**2,500,000,000**
Unappropriated profit		**1,993,359**
		2,501,993,389
Current liabilities		
Other payables	7	**5,023,133**
Provision for taxation		**981,804**
		6,004,937
		2,507,998,326
Contingencies and commitments	8	

	Note	2015 Rupees
ASSETS		
Non-current assets		
Capital work in progress	9	**914,505,200**
		914,505,200
Current assets		
Accrued markup	10	**3,855,362**
Cash and bank balance	11	**1,589,637,764**
		1,593,493,126
		2,507,998,326

The annexed notes from 1 to 20 form an integral part of these financial statements.

Lahore

Chief Executive

Director

National Power Parks Management Company (Private) Limited

Profit and Loss Account

For the period from 02 March 2015 to 30 June 2015

	Note	For the period from 02 March 2015 to 30 June 2015 Rupees
Administrative expenses	*12*	(880,199)
Other income	*13*	3,855,362
Profit before taxation		2,975,163
Taxation	*14*	(981,804)
Profit after taxation		1,993,359

The annexed notes from 1 to 20 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

National Power Parks Management Company (Private) Limited

Statement of Comprehensive Income

For the period from 02 March 2015 to 30 June 2015

	For the period from 02 March 2015 to 30 June 2015 Rupees
Profit after taxation	1,993,359
Other comprehensive income for the period	-
Total comprehensive income for the period	1,993,359

The annexed notes from 1 to 20 form an integral part of these financial statements.

Lahore

Chief Executive

Director

National Power Parks Management Company (Private) Limited

Cash Flow Statement

For the period from 02 March 2015 to 30 June 2015

	Note	For the period from 02 March 2015 to 30 June 2015 Rupees
Cash flows from operating activities		
Profit before tax		2,975,163
Adjustments for non - cash items:		
Profit on saving account		(3,855,362)
Operating loss before working capital changes		(880,199)
Changes in working capital:		
Other payables		5,023,133
Net cash generated from operating activities		4,142,934
Cash flows from investing activities		
Fixed capital expenditure	9	(914,505,200)
Net cash used in investing activities		(914,505,200)
Cash flows from financing activities		
Advance received against issue of shares	6	2,500,000,000
Shares issued during the period	5	30
Net cash generated from financing activities		2,500,000,030
Cash and cash equivalents at end of the period	11	1,589,637,764

The annexed notes from 1 to 20 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

National Power Parks Management Company (Private) Limited

Statement of Changes in Equity

For the period from 02 March 2015 to 30 June 2015

	Capital reserves		Revenue reserve	
	Share capital	Advance against issue of shares	Unappropriated profit	Total
	---------- Rupees ----------			
Total comprehensive income				
Profit before tax for the period	-	-	1,993,359	1,993,359
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	1,993,359	1,993,359
Advance against issue of share capital	-	2,500,000,000	-	2,500,000,000
Shares issued during the period	30	-	-	30
Balance at 30 June 2015	30	2,500,000,000	1,993,359	2,501,993,389

The annexed notes from 1 to 20 form an integral part of these financial statements.

Lahore

Chief Executive

Director

1 Reporting entity

National Power Parks Management Company (Private) Limited ("the Company") was incorporated as a private limited Company under the Companies Ordinance, 1984 on 02 March, 2015. The principal activity of the Company is to carry on business and profession of generation of electricity through fossil fuels and bio fuels, including but not limited to Oil (RFO Oil, High Speed Diesel), Gas, Coal, hydro or alternative energy resources including but not limited to wind, solar and hydal or any other fuel mix used for generation of electricity in Pakistan and or outside Pakistan and to provide/sell the electricity produced to buyers in accordance with applicable laws. The registered office of the Company is situated at Room No. 235, A-Block, Ministry of Water & Power, Pak Secretariat, Constitution Avenue, Islamabad Pakistan. The Company is setting up two RLNG power plants of 1,200 MW each at Balloki, District Kasur and Haveli Bahadur Shah, District Jhang respectively.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Short period financial statements

The Company was incorporated on 02 March 2015. Consequently, these financial statements have been prepared for the period from 02 March 2015 to 30 June 2015.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupee ("Rs.") which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise stated.

2.5 Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There is no significant estimate or judgement used in preparation of these financial statements at the period end.

3 Significant accounting policies

The accounting policies have been applied consistently in preparation of these financial statements.

3.1 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.2 Other payables

Other payable are carried at cost which is the fair value of the consideration to be paid in future for goods or services received.

3.3 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

3.4 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.5 Profit on saving account

Profit on saving account is recognized on an accrual basis.

3.6 **Taxation**

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current period is recognized as a liability. Any excess paid over what is due in respect of the current period is recognized as an asset.

3.7 **Capital work in progress**

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

3.8 **Impairment**

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed though profit and loss; otherwise it is reversed through other comprehensive income.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances.

3.10 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to contractual provisions of the instrument and de-recognized when the Company looses control of contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and liabilities are included in profit and loss account for the year.

3.10.1 Non-derivative financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company 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 in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise of accrued interest and bank balance.

3.10.2 Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies financial liabilities recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities comprise other payables.

3.11 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Company 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. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign currency differences arising on retranslation are generally recognized in profit and loss account.

4 Standards, amendments and interpretations and forth coming requirements

4.1 Standards, amendments or interpretations which became effective during the year

During the year certain amendments to standards or new interpretations became effective. However, the amendments or interpretation did not have any material effect on the financial statements of the Company.

4.2 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2015. The Company either does not expect to have any effect or any material / significant effect on its accounting policy due to their application when become effective other than increase in disclosures, if any.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on Company's financial statements.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on Company's financial statements.

- IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on Company's financial statements.

- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard is not likely to have an impact on Company's financial statements.

- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amended standard is not likely to have an impact on Company's financial statements.

- Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The adoption of the amended standard is not likely to have an impact on Company's financial statements.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

5 Issued, subscribed and paid up capital

2015 (Number of shares)		2015 Rupees
3	Ordinary shares of Rs. 10 each fully paid in cash	30
3		30

MMYM

	Note	2015 Rupees
6 Advance against issue of shares	*6.1*	**2,500,000,000**

6.1 This represents advance received from Government of Pakistan for issue of share. The Company intends to initiate necessary formalities for issuance of shares.

	Note	2015 Rupees
7 Other payables		
Accrued expenses		355,000
Withholding tax payable		4,668,133
		5,023,133

8 Contingencies and commitments

8.1 There were no contingencies and commitments at the balance sheet date.

9 Capital work in progress

Advance against purchase of land	*9.1*	740,447,656
Consultancy fee	*9.2*	174,057,544
		914,505,200

9.1 This represents advance of Rs. 493.13 million given to Assistant Commissioner / Land Acquisition Collector of District Kasur against the acquisition of land, measuring 335 Kanals located at Village Wan Khara and Village Chunian Ottar, Tehsil Chunian, District Kasur and 770.05 Kanals located at Village Wan Adhan, Tehsil Patoki, District Kasur, and Rs. 247.32 million given to Assistant Commissioner / Land Acquisition Collector of District Jhang against the acquisition of land measuring 761.9 Kanals located at Kot Kamian Village Tehsil Jhang, District Jhang. The price of the land was assessed by District Price Assessment Committee of District Kasur and District Jhang and approved by the Board of Revenue, Punjab and the payments were made accordingly to Assistant Commissioners / Land Acquisition Collectors. Land measuring 1,862.95 Kanals at District Kasur and District Jhang has been transferred in the Company's name subsequent to the period end.

9.2 This represents consultancy fee paid to National Engineering Services Pakistan (Private) Limited. The services include but not limited to providing overview, coordination and design review services sufficient to realize turnkey implementation of the project.

10 Accrued markup

This represents interest accrued for the period on saving account at 4.5% per annum.

	Note	2015 Rupees
11 Cash and bank balance		
Cash in hand		30
Cash at bank		
Local currency		
- Saving account	*11.1*	1,589,637,734
		1,589,637,764

11.1 This carries return at the rate of 4.5% per annum.

12 Administrative expenses

	Note	2015 Rupees
Salaries and other benefits		80,000
Advertisement expenses		525,199
Auditors' remuneration	*12.1*	275,000
		880,199

12.1 Auditors' remuneration

Statutory audit fee	150,000
Compliance review fee	85,000
Out of pocket expenses	40,000
	275,000

13 Other income

Income from financial assets

Profit on saving account	3,855,362

14 Taxation

Current tax	981,804

14.1 Tax is calculated at the rate of 33% of profit before taxation.

15 Financial instruments

The Company's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

15.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The Chief Executive Officer is responsible for developing and monitoring the Company's risk management policies. The Chief Executive Officer regularly meets and any changes and compliance issues are reported to the Board of Directors.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Board of Directors oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

15.2 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company credit risk is mainly attributable to its balance with bank and accrued markup on the bank balance. The credit risk is limited because the counter party is the government owned bank.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	Note	2015 Rupees
Accrued markup	10	3,855,362
Bank balance	11	1,589,637,734
		1,593,493,096

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

The Company's exposure to credit risk against balances with National Bank of Pakistan is as follows:

Banks	Rating		Rating agency	2015
	Short term	Long term		Rupees
National Bank of Pakistan	A-1 +	AAA	PACRA	1,593,493,096
				1,593,493,096

Due to the Company's shareholders' long outstanding business relationship with the National Bank of Pakistan and after giving due consideration to their strong financial standing, management does not expect non performance by National Bank of Pakistan on its obligations to the Company. Accordingly, the credit risk is minimal.

15.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due.

The following are the contractual maturities of financial liabilities as on 30 June 2015 :

		Carrying amount	Contracted cashflow	Up to one year or less	More than two years
Financial liabilities	*Note*	Rupees			
Accrued expenses	7	355,000	355,000	355,000	-
		355,000	355,000	355,000	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

15.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk.

15.4.1 Currency risk

Currency risk is the risk that value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables exist due to transactions with foreign clients. The Company does not have material exposure to currency risk as most of the transactions are in Pak rupees.

15.4.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

As at the reporting date the interest rate includes saving account profile of the Company's interest bearing financial instruments was:

Fixed rate instrument

The Company does not have any fixed rate instrument at the reporting date.

Fair value sensitivity analysis for fixed rate instrument

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

	2015	
	Financial assets	Financial liabilities
Variable rate instrument	Rupees	
Bank balance	1,589,637,734	-
	1,589,637,734	-

The related profit / mark-up / interest rates for variable rate financial instrument is indicated in the related note to the financial statements.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	Profit
	2015
Increase of 100 basis points	Rupees
Variable rate instruments	15,896,377
Decrease of 100 basis points	
Variable rate instruments	(15,896,377)

mmm

15.4.3 Other price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark-up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments. The Company is currently not exposed to price risk.

15.5 Fair value

Fair value estimation

Carrying value of all financial instruments approximate their carrying value. Fair value is determine on the basis of objective evidence at each reporting date.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Non-derivative financial assets

The fair value of non-derivative financial asset is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-Derivative financial liabilities

Fair value, which is determined for disclosures purposes, is calculated based on the present value of future principal and interest cash flows, discounted at market rate of interest at the reporting date.

16 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

Neither there were any changes in the Company's approach to capital management during the period nor the Company is subject to externally imposed capital requirements.

17 Number of employees

The total average number of employees during the period from 02 March to 30 June 2015 and as at June 30, 2015 are as follows:

	2015 No. of employees
Average number of employees during the period	1
Number of employees as at June 30	1

18 Remuneration of Chief Executive, Director and Executives

No remuneration has been paid during the period to any director and executive of the Company. However the detail of number of executives and non executives at the period end is as follows:

	2015		
	Chief Executive	Directors	Executives
	------------ Numbers ------------		
Number of executives	1	-	-
Number of non - executive directors	-	9	-

19 Transactions and balances with related parties

The Company is owned by the Government of Pakistan and therefore all the government departments / agencies are related parties of the Company. Further the related parties comprise of related group companies, directors of the Company, companies where directors also hold directorship, major shareholders, associated companies, and key management personnel. Being a government owned entity, details of significant and quantifiable transactions and balances with government owned entities and other related parties, other than remuneration of chief executive, directors and executives as disclosed in note 17 to the financial statements are as follows:

	2015 Rupees
Government owned entities	
Transactions during the period	
Consultancy fee	174,057,544
Profit on saving account	3,855,362
Period end balances	
Cash at bank	1,589,637,734
Accrued markup	3,855,362

WMGYA

	2015 Rupees
Shareholder	
Government of Pakistan	
On account of:	
Advance received for issue of shares	2,500,000,000
Period end balance	
Advance for issue of shares	2,500,000,000

20 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 05 MAR 2016.

Lahore

Chief Executive

Director