

The Institute of Chartered Accountants of Pakistan Benevolent Fund

ANNUAL REPORT 2009



**The Institute of
Chartered Accountants
of Pakistan**

ICAP Benevolent Fund Office

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REMEMBER

36th annual general meeting
On
Thursday, 3rd December, 2009
at 4:15 p.m at ICAP House Karachi.

NOTICE OF ANNUAL GENERAL MEETING

The 36th annual general meeting of the members of The Institute of Chartered Accountants of Pakistan Benevolent Fund will be held as per the following schedule:

Date : Thursday, 3rd December, 2009

Time : 4:15 p.m.

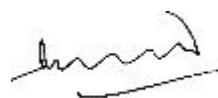
Venue: ICAP House, Karachi

The following business shall be transacted:

1. Fateha for deceased members.
(Names of the late members during the year are mentioned in the report of the Management Committee)
2. Confirmation of minutes of the 35th annual general meeting.
3. Consideration and adoption of annual report (including financial statements of the Fund and auditor's report) for the year ended June 30, 2009.
4. Appointment of auditor for the year ending June 30, 2010 and to fix his remuneration.
5. Any other business with the permission of the Chair.

By order of the Management Committee ICAP Benevolent Fund

Shakeel Ahmad



Secretary

Karachi: October 30, 2009

Salient Features

- **Formation:**

The Council of the Institute of Chartered Accountants of Pakistan (ICAP) established the ICAP Benevolent Fund (the Fund) on December 23, 1972. Its activities are governed by the Institute of Chartered Accountants of Pakistan Benevolent Fund Rules. These are available on the website of the Institute at www.icap.org.pk

- **Annual subscription:**

- for ordinary membership..... Rs. 500 per annum
- for life membership..... Rs. 2,650 one time only

- **Objectives:**

To provide:

- relief to the deserving persons who are or have been members of the Institute and to spouse, children and dependents of such members
- financial assistance for maintenance and education to deserving persons who are or have been trainee students of the Institute, and to spouse, children of such trainee students

- Group Life Insurance Scheme is optional for its members.

- **Sources of income:**

- annual subscription contributed by members
- donations made by members and others
- investment income

- **Participation by members is desired:**

A member can participate in the activities of the Fund in the following manner:

- as proposer of any deserving case warranting consideration by the Fund.
- as volunteer to participate in the activities of the Fund as a member of the Management Committee; and
- interaction with the members of the Management Committee personally or in writing with ideas for further consideration.

- **Procedure of providing financial assistance:**

On receipt of the information about death of a member or a living member in distress, a sub-committee of two members visits the family to evaluate the need for financial assistance and recommends to the Committee.

- **Auditor (for the year under review)**

Mr. Hyder Ali Bhimji, FCA
Chartered Accountant

Composition of the Management Committee

Management Committee 2008-09

Mr. Khaliq-ur-Rahman, FCA - President

Members:

Mr. Abdul Wahid, FCA
Mr. Mohammad Abdul Qadir, FCA
Mr. Majeed Uddin Khan, FCA
Mr. Abdul Rahim Suriya, FCA
Mr. Mohammed Rafiuddin Hyder, FCA
Mr. Liaquat Ali Naz, FCA
Mr. Altaf Noor Ali, ACA
Mr. Abdul Rashid, FCA
Mr. Rashid Ibrahim, FCA
Mr. Naeem Akhtar Sheikh, FCA
Mr. Rana Muhammad Usman Khan, FCA
Mr. Waseem Ashfaq, FCA
Mr. Pervez Ismail, ACA
Mr. Rashid Masood Alam, ACA

The above members shall retire at the conclusion of the 36th annual general meeting.

Management Committee 2009-2010

Mr. Khaliq-ur-Rahman, FCA - President

Members:

Mr. Abdul Wahid, FCA
Mr. Majeed Uddin Khan, FCA
Mr. Mohammed Rafiuddin Hyder, FCA
Mr. Younus Haji Isa Dada, FCA
Mr. Liaquat Ali Naz, FCA
Mr. Altaf Noor Ali, ACA
Mr. Rashid Ibrahim, FCA
Mr. Rana Muhammad Usman Khan, FCA
Mr. Asif Anwer Karim, FCA
Mr. Irfan Ilyas, FCA
Mr. Mohammad Ahmad Shahid, FCA
Mr. Rashid Masood Alam, ACA
Mr. Nasir Muneer, FCA
Mr. Ravi Shanker, ACA

Report of the Management Committee for the year ended June 30, 2009

The Management Committee (the Committee) of the Institute of Chartered Accountants of Pakistan Benevolent Fund (the Fund) is pleased to welcome you at the 36th annual general meeting of the members of the Fund.

We are pleased to present this report along with the audited financial statements of the Fund for the year ended June 30, 2009 for your consideration and approval. The highlights of the major events are summarized below:

1. Membership of the Fund:

The membership of the Fund was:

	30 June 09	30 June 08
Ordinary members	4,094	3,973
Life members	199	192
Total	4,293	4,165

The subscription received for the year ended June 30 was:

	Fee Rs.	Members Nos.	2009 (Rupees)	2008 (Rupees)
Annual membership	500	4,094	2,116,608	1,191,900
Life membership	2,650	7	18,550	2,650
Total Rupees			2,135,158	1,194,550

Condolences:

We regret the loss of following honorable members of the Institute who left us for heavenly abode:

Name	(Reg. #)	Date of demise
Mr. Muhammad Mohsin Ghayur	(289)	26-06-09
Mr. Ather Jawed Ahmad	(342)	20-01-09
Mr. Mohammad Ibrahim Sheikh	(383)	13-06-09
Mr. Badre-Alam Shami	(430)	15-12-08
Mr. Abdul Rashid Khan	(821)	10-09-09
Mr. Mohammad Saleem Sandhoo	(876)	06-04-09
Mr. Muhammad Saleem	(1230)	2007 *
Mr. Khadim Hussain Khoja	(1291)	01-01-09
Mr. Zaid Masud	(2388)	01-01-09

The Committee requests the members to recite Fateha for departed souls.

2. Financial assistance:

The Fund continued to provide financial assistance to its members, families of the deceased members as well as students. This covered day to day essential maintenance, medical, educational, marriage and other expenses. During the year, the Fund provided financial assistance to Eighteen (18) families, aggregating to Rs.3,804,117 [2008: Rs. 2,870,150 Sixteen (16) families including one student] as per the details given below:

	Families	Rupees	Remarks
Year 2007-08	16	2,870,150	Financial assistance for previous year
Increments		627,000	Increase in financial assistance approved by Management Committee.
Reduction	-1	(208,033)	One beneficiary expired and assistance to a student stopped on obtaining employment during the year.
New cases	3	515,000	Financial assistance to the families of three late members and children's educational expenses.
Total	18	3,804,117	

Break-up of the financial assistance to the members and families of the deceased members is broadly shown below:

Categories	Numbers	Amount (Rupees)
Members	3	804,000
Families of deceased members		
For maintenance, medical & other expenses	13	2,873,000
For education of children	1	94,117
Student	1	33,000
Total	18	3,804,117

In addition to the above, the Fund provided temporary loan of Rs.45,000 to a member to meet his critical financial position. This was repaid by him in three equal installments. Further, the Fund also assisted the member in the waiver of the interest of a substantial amount on the amount outstanding against his credit card limit. This provided a great relief to him.

The Committee, during the year, enhanced the amount of financial assistance to enable the families of the deceased members to meet ongoing inflation and rising cost of living. The objective is, as far as possible, within our means, to provide comfortable and respectable living to such families.

3. Group term insurance scheme:

The group insurance scheme for year 2008-09 was arranged with EFU Life Assurance Ltd. The Committee re-negotiated the terms with EFU for the benefits of members.

The salient features thereof were as follows:

- 3.1 Coverage for members upto the age of 65 years - (Regular Scheme)
- 3.2 Insurance coverage for members between the age group of 65 years to 70 years.
- 3.3 Insurance coverage for students – Scheme III

3.1 Coverage for members upto the age of 65 years - (Regular Scheme)

The premium rate was reduced from Rs.3.9 per thousand to Rs.3.80 per thousand for all insured persons in all the categories. Also, instead of previous three categories of sum insured, those were enhanced to five as follows:

Category	2009		2008	
	Sum insured	Premium @ Rs.3.8 / 1,000	Sum insured	Premium @ Rs.3.9 / 1,000
A	2,000,000	7,600	-	-
B	1,500,000	5,700	-	-
C	1,000,000	3,800	1,000,000	3,900
D	750,000	2,850	700,000	2,730
E	500,000	1,900	500,000	1,950

The enhancement in sum assured was obtained considering the declining value of money. The endeavor of the Committee was to enhance it further but the insurers were reluctant. In future further enhancement will be sought.

3.2 Insurance coverage for members between the age group of 65 to 70 years:

The Committee was able to obtain insurance coverage for members up to the age of 70 years for the first time. Normally the insurers are reluctant to extend insurance coverage in this particular age group due to vulnerability to human life, but the Committee succeeded in obtaining basic life coverage for members in this age group. As a result, the premium rates for Rs.500,000 of sum assured was as follows:

Year of Birth	Age Group	Premium (Rupees)
1944	65-66	10,275
1943	66-67	11,150
1942	67-68	12,095
1941	68-69	13,120
1940	69-70	14,235
1939	70-71	15,445

3.3 Insurance coverage for students – Scheme III

Also for the first time, the Committee was able to secure insurance coverage for ICAP students under articleship with practicing firms. The sum insured and premium are as follows:

	Sum insured	Premium
	(Rupees)	
Category I	500,000	725
Category II	200,000	290

This scheme was optional and subject to express of interest by at least 100 students. The firms were requested to display the scheme on their notice board for knowledge of the students.

3.4 Members’ participation in group insurance scheme:

Out of 4,293 members of the Fund, 163 members joined the group insurance scheme in the year 2009 [2008: 373 out of 4,165].

Summary of benefits covered:

1. Payment of full sum assured in case of death due to any cause.
2. Additional payment equal to sum assured if death results from an accident.
3. Payment of the sum assured in case of permanent and total disablement due to natural causes, e.g. paralysis, brain hemorrhage etc.
4. Advance payment of 50% of sum assured in case of diagnosis of Terminal Illness. The remaining 50% sum assured will be payable after the event.

[2, 3, and 4 of above are only applicable to regular scheme; for member upto 65 years of age]

Full policy document is available at the Institute’s website www.icap.org.pk

There was a significant decline in the number of members opting for coverage despite the enhancement in sum insured as shown below:

Category	Sum Assured (Rupees)	No. of members	
		30 June 09	30 June 08
A	2,000,000	55	-
B	1,500,000	71	-
C	1,000,000	27	284
D	750,000	2	-
D	700,000	-	56
E	500,000	8	33
Total		163	373

The gross sum assured and the premium received from members was as follows:

Category	Sum Assured (Rupees)	30 June 09 Members	Sum Assured (Rupees)	Premium (Rupees)
A	2,000,000	55	110,000,000	435,175
B	1,500,000	71	106,500,000	404,700
C	1,000,000	27	27,000,000	102,600
D	750,000	2	1,500,000	5,700
E	500,000	8	4,000,000	15,200
Total		163	249,000,000	963,375

4. Disbursement of insurance claims:

Despite the fact that there were deaths of seven members during the year under report, no insurance claim was lodged with the Fund as those were not covered under the group insurance scheme.

5. Activities in perspective – 2009-10:

5.1 Review of financial assistance:

The Committee in its meeting of June 26, 2009, approved financial assistance of Rs 4.9 million [Rs. 291,800 / month] for seventeen families. Further assistance and additional cases will be approved by the Committee during the year on a need basis.

5.2 Group insurance coverage:

This year the Committee arranged group insurance cover on Islamic principle of Takaful with Pak-Qatar Family Takaful Ltd during the year under review.

Statistics of the meetings:

[Jul 2008 to Jun 2009]

Meetings Held : 06 **Attended**

Mr. Khaliq-ur-Rahman, FCA	6
Mr. Abdul Wahid, FCA	6
Mr. Altaf Noor Ali, ACA	6
Mr. Majeed Uddin Khan, FCA	5
Mr. Mohammed Rafiuddin Hyder, FCA	5
Mr. Rashid Ibrahim, FCA	4
Mr. Liaquat Ali Naz, FCA	2
*Mr. Rashid Masood Alam, ACA	2
Mr. Abdul Rahim Suriya, FCA	1
Rana Muhammad Usman Khan, FCA	1
Mr. Naeem Akhter Sheikh, FCA	1
Mr. Waseem Ashfaq, FCA	1
Mr. Pervez Ismail, ACA	1
Mr. Mohammad Abdul Qadir, FCA	-
Mr. Abdul Rashid, FCA	-

* Joined the Committee on 26-Dec-2008

This has been designed for four core groups as mentioned below:

- Regular scheme for members below 60 years of age
 - Special scheme for members in 60 – 65 years age bracket
 - Scheme for senior members over 65 to 70 years age bracket
 - Insurance scheme for trainee students (registered with C.A. firms)
- i) The premium rate has slightly increased from Rs.3.8 to Rs. 3.90 per thousand rupees sum insured. There has been no change in categories of sum insured and these are same as offered in last year.
- ii) Basic life-cover of Rs. 500,000 has been arranged for member from 65 to 70 years old in special scheme for senior members against a premium of Rs.13,320 rupees.
- iii) Basic life-cover for students has been enhanced from Rs.500,000 & Rs.200,000 to Rs.1 million. Now students can also opt for a coverage of Rs.750,000 or Rs.1 million at the same premium rate @ Rs.1.45/1,000 sum assured.

Seminars were conducted, on the initiative of the Committee, at ICAP offices at Karachi, Lahore and Islamabad by Pak-Qatar Family Takaful Ltd. in order to increase awareness of the group life insurance scheme and increase members’ participation thereto.

6. Health Insurance Scheme:

The Committee has made its utmost to help the members in keeping their unforeseen risk covered at a minimum cost. Arrangement of health care scheme was finalized near end of the financial year with Askari General Insurance Co. Ltd. The scheme has been designed by the insurer specifically for members and their families on the initiative of the Committee.

Cost of availing the scheme:

There are two categories according to ages of members and their families which are as follows

Standard Minimum Premium (per person per annum):

		Category A Upto 60 Years	Category B 61 to 80 Years
Member	⇒	4,500	5,500
Spouse	⇒	*7,000	5,500
Child (per child)	⇒	2,500	2,500

The scheme provides flexibility to the members in that they may decide to participate in it singly or with children. Members are free to decide to include their spouse and children.

7. Proposals under consideration of the Committee:

Self-insurance:

The sub-committee formed to evaluate their concept of self insurance had several meetings with an actuary who promised to design an appropriate self insurance scheme for the members. The sub-committee is actively pursuing the matter with the actuary.

8. Donations to the Fund:

In accordance with the decision of the Committee, a request was made to the President ICAP and a donation of Rs.500,000 has been committed by the Institute which has since been received during the

current year. Additionally, donations of Rs.163,500 [2008: Rs.122,000] have been received from three members. The Committee wishes to acknowledge its gratitude to the Institute and other donors and requests all members to make donations in the similar manner. This will enable the Committee to enlarge the scope of its activities for the benefit of members and their families at large.

9. Acknowledgement:

The Committee takes this opportunity to thank the Council and the management of the Institute for providing video / audio conferencing facilities and other useful serviced to the Fund.

We appreciate and thank the team at the Institute for coordinating video conferencing facilities for conducting management committee meetings and providing accounting and I.T. communication support.

We would like to thank our insurers Pak-Qatar Family Takaful Ltd. and Askari General Insurance Co. Ltd. for their support and services for benevolent ‘group life insurance’ and ‘group medical insurance’ schemes respectively. Last but not least special thanks are due to the Secretary, Mr. Shakeel Ahmad for his commitment, hard work and devotion in the performance of his duties.

10. Auditor:

The Committee expresses its gratitude to Mr. Hyder Ali Bhimji, FCA for his services as auditor of the Fund for the year under review. In line with the need for rotation of the auditor, the Committee recommends the approval of the members to appoint Mr. Taher H. Moochhala, FCA as the auditor of the Fund for the year 2009-10.



KHALIQ - UR – RAHMAN
President
Karachi : October 30, 2009

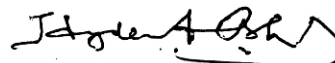
Auditor's Report to the Members

I have audited the annexed statement of financial position of the **Institute of Chartered Accountants of Pakistan Benevolent Fund** as at June 30, 2009 and related statements of financial performance, cash flows, changes in Accumulated Fund and Special Reserve Fund, together with statement of accounting policies and notes forming part thereof (collectively known as the 'financial statements') for the year then ended.

The Management Committee is responsible for establishing and maintaining a system of internal control, preparation and presentation of the financial statements in conformity with the approved accounting standards as applicable in Pakistan; my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted International Standards on Auditing. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Institute of Chartered Accountants of Pakistan Benevolent Fund as at June 30, 2009 in accordance with the approved accounting standards as applicable in Pakistan.



HYDER ALI BHIMJI
Chartered Accountant

Karachi:

Dated: October 30, 2009

Statement of Financial Position

As at June 30, 2009

	Note	2009 Rupees	Restated 2008 Rupees
Assets:			
Investments	1	39,159,726	35,549,588
Institute of Chartered Accountants of Pakistan current account		2,261,602	798,195
Other receivables	2	216,875	857,500
Cash and bank balances		<u>934,056</u>	<u>1,132,029</u>
		42,572,259	38,337,312
Current liabilities:			
Accrued liabilities		27,254	90,000
Advance subscriptions		581,127	696,500
Advance life insurance premium from members	3	400,800	-
Advance health insurance premium from members		1,231,000	-
		<u>2,240,181</u>	<u>786,500</u>
Net financial assets		<u>40,332,078</u>	<u>37,550,812</u>
Represented by :			
Accumulated fund		39,631,525	36,871,740
Special reserve fund		1,300,122	636,622
Surplus / (deficit) on re-measurement of investments available for sale	1.3	<u>(599,569)</u>	<u>42,450</u>
		<u>40,332,078</u>	<u>37,550,812</u>

The annexed notes 1 to 12 form an integral part of these financial statements.



Abdulwahid
Member



Khaliq-ur-Rahman
President

Statement of Financial Performance

For the year ended June 30, 2009

	Note	2009 Rupees	Restated 2008 Rupees
Income:			
• Annual subscription		2,116,608	1,191,900
• Life members' subscription		18,550	2,650
• Income from financial assets			
• Investments - held to maturity	4	4,303,444	3,906,143
• Equity investments	5	175,655	160,216
• Bank deposits		110,139	19,491
		<u>4,589,238</u>	<u>4,085,850</u>
		6,724,396	5,280,400
Less :			
• Financial assistance to beneficiaries		3,804,117	2,870,150
• Interim insurance coverage for members		73,331	24,096
• Printing and stationery	6	59,088	93,500
• Audit fee		25,000	25,000
• Finance cost		3,075	6,570
		<u>3,964,611</u>	<u>3,019,316</u>
Surplus for the year		<u>2,759,785</u>	<u>2,261,084</u>

The annexed notes 1 to 12 form an integral part of these financial statements.



Abdulwahid
Member



Khaliq-ur-Rahman
President

Statement of Cash Flows

For the year ended June 30, 2009

	2009 Rupees	2008 Rupees
Cash flows from operating activities:		
Cash received from:		
ICAP		
- Annual subscription	2,001,235	1,503,850
- Life member subscription	18,550	2,650
- Life insurance premium	1,364,175	670,400
- Health insurance premium	1,231,000	-
- Current account	(933,407)	295,705
Loan recovered from student	70,000	-
Donations	163,500	1,300
	3,915,053	2,473,905
Cash paid as:		
Financial assistance to beneficiaries	3,804,117	2,870,150
Payments to vendors	179,088	96,295
Finance cost	820	6,570
Premium payments on behalf of members on account of life insurance	1,036,706	1,382,896
	5,020,731	4,355,911
Net cash flow from operating activities:	(1,105,678)	(1,882,006)
Cash flows from investing activities:		
Proceeds from maturity of DSCs	850,000	2,056,000
Proceeds from maturity of TDRs	26,500,000	20,500,000
Investments made in Special Saving Certificates	(29,000,000)	-
Investments made in TDRs	(4,000,000)	(32,000,000)
Return on investments - net	6,557,705	10,577,716
Net cash flows from investing activities:	907,705	1,133,716
Change in cash at bank - net (decrease)	(197,973)	(748,290)
Cash at bank at the beginning of the year	1,132,029	1,880,319
Cash at bank at the end of the year	934,056	1,132,029

The annexed notes 1 to 12 form an integral part of these financial statements.



Abdulwahid
Member



Khaliq-ur-Rahman
President

Statement of Changes in Accumulated Fund and Special Reserve Fund

For the year ended June 30, 2009

	<u>Accumulated Fund</u> Rupees	<u>Special Reserve Fund</u> Rupees
Balance as at June 30, 2007	34,610,656	635,322
Surplus for the year	2,261,084	-
Donations received for special reserve fund	-	1,300
Balance as at June 30, 2008	36,871,740	636,622
Surplus for the year	2,759,785	-
Special contribution from ICAP	-	500,000
Donations received for special reserve fund	-	163,500
Balance as at June 30, 2009	<u>39,631,525</u>	<u>1,300,122</u>

SPECIAL RESERVE FUND:

The Special Reserve Fund was approved by the Management Committee at its meeting held on June 28, 2004. Its purpose is to provide financial assistance to families of deceased senior members of over 64 years of age exclusively. Donations received during the year for this purpose have been credited to this account.



Abdulwahid
Member



Khaliq-ur-Rahman
President

Statement of Accounting Policies

For the year ended June 30, 2008

I. Status and nature of the Fund:

The Institute of Chartered Accountants of Pakistan Benevolent Fund (the Fund) was established by the Council of The Institute of Chartered Accountants of Pakistan (ICAP) at its meeting held on 23 Dec 1972.

The main objective of the Fund is to provide (a) relief to deserving persons who are or have been members of the Institute and spouses, children and dependents of such members; and (b) financial assistance for maintenance and education to deserving persons who are or have been trainee students of the Institute, as well as to spouses and children of such trainee students.

A Management Committee, nominated annually by the Council of the Institute of Chartered Accountants of Pakistan, of not less than seven members manages the Fund.

II. Significant Accounting Policies:

i) Basis of preparation of financial statements:

Financial Statements are prepared under the historical cost convention except for available for sale investments, which are reported at fair value and are in compliance with approved accounting standards as applicable in Pakistan.

ii) Investments:

a) **Initial measurement:** Investments are recognized initially at cost, which is the fair value of the consideration given for its purchase / acquisition.

b) **Classification / subsequent measurement:** Investments made by the Fund are classified as follows:

Held to maturity: These are investments held by the Fund with the positive intent and ability to hold till maturity. These are valued at cost plus accrued profit. Premium paid, if any, on acquiring such investments is reduced from its cost.

Available for sale: These investments are stated at fair values, with resultant gain or loss recognized as separate component, disclosed as 'surplus (deficit) on re-measurement of investments available for sale'. On its disposal or permanent impairment, the accumulated gain or loss is included in the statement of financial performance.

iii) Revenue recognition:

Annual and life time subscription (one time only) from members are recognized as income on receipt basis and reported as 'annual subscription' and 'life member subscription' (see statement of financial performance).

Subscription received in advance is recognized as income in the year to which it relates. (see note 3)

Return on 'held to maturity debt instruments' and profit on 'bank deposits' as well as 'term deposit receipts' is recognized on the basis of principal amount and the applicable rate of return, adjusted for time period (see note 4).

Capital gains / losses on sale of investments are taken to income in the period in which they arise.

Dividend income from investments is recognized when the right to receipt is established.

Notes to the Financial Statements

For the year ended June 30, 2009

	Note	2009 Rupees	2008 Rupees
1. Investments:			
Held to maturity	1.1	36,065,621	31,813,464
Available for sale	1.2	<u>3,094,105</u>	<u>3,736,124</u>
		<u>39,159,726</u>	<u>35,549,588</u>
1.1 Investments - Held to maturity			
At cost:			
Defence Savings Certificates		1,100,000	1,840,000
Special Savings Certificates		29,000,000	-
Term Deposit Receipts	(i)	<u>1,500,000</u>	<u>24,000,000</u>
		<u>31,600,000</u>	<u>25,840,000</u>
Accrued profit on:			
Defence Savings Certificates		3,125,743	5,278,261
Special Savings Certificates		1,214,946	-
Term Deposit Receipts	(ii)	<u>124,932</u>	<u>695,203</u>
		<u>4,465,621</u>	<u>5,973,464</u>
		<u>36,065,621</u>	<u>31,813,464</u>
Fair value (cost plus profit):			
Defence Savings Certificates		4,225,743	7,118,261
Special Savings Certificates		30,214,946	-
Term Deposit Receipts		<u>1,624,932</u>	<u>24,695,203</u>
		<u>36,065,621</u>	<u>31,813,464</u>
(i) Term Deposit Receipts - At cost			
Bank Al Habib Ltd.		1,500,000	-
Atlas Bank Ltd.		-	7,500,000
Habib Metropolitan Bank Ltd.		-	8,000,000
NIB Bank (PICIC Commercial Bank Ltd.)		-	3,000,000
Faysal Bank Ltd.		-	5,500,000
		<u>1,500,000</u>	<u>24,000,000</u>
(ii) Term Deposit Receipts - accrued profit			
Bank Al Habib Ltd.		124,932	-
Atlas Bank Ltd.		-	166,525
Habib Metropolitan Bank Ltd.		-	97,863
NIB Bank (PICIC Commercial Bank Ltd.)		-	96,822
Faysal Bank Ltd.		-	333,993
		<u>124,932</u>	<u>695,203</u>
1.2 Investments - available for sale			
Equity shares	1.2.1	1,629,298	1,748,040
Open-end mutual funds (net asset value)	1.2.2	<u>1,464,807</u>	<u>1,988,084</u>
		<u>3,094,105</u>	<u>3,736,124</u>

	2009 Rupees	2008 Rupees
1.2.1 Hub Power Company Ltd.	1,144,000	1,468,000
(Deficit) on remeasurement of investments	<u>(60,400)</u>	<u>(324,000)</u>
Market value of 40,000 shares @ Rs.27.09 [2008: Rs.28.60]	<u>1,083,600</u>	<u>1,144,000</u>
Fauji Fertilizer Co. Ltd.	604,040	553,506
(Deficit) / Surplus on remeasurement of investment	<u>(207,114)</u>	<u>50,534</u>
Market value of 4,565 shares @ Rs.86.95 [2008: Rs.132.32]	<u>396,926</u>	<u>604,040</u>
Market value of 1,711 Bonus shares @ Rs.86.95 [2008: Nil]	<u>148,772</u>	<u>-</u>
Market value of 6,276 shares @ Rs.86.95 [2008: 4,565@Rs.132.32]	<u>545,698</u>	<u>604,040</u>
Equity shares	<u>1,629,298</u>	<u>1,748,040</u>
1.2.2 Pakistan Stock Market Fund (PSMF)		
As on July 1	1,988,084	2,519,546
(Deficit) / surplus on remeasurement of investments	<u>(523,277)</u>	<u>(531,462)</u>
Open-end mutual fund (net asset value)	<u>1,464,807</u>	<u>1,988,084</u>
1.3 Surplus / (deficit) on re-measurement of investments (available for sale)		
Opening balance	42,450	847,378
Surplus / (deficit) on:		
Hub Power Co. Ltd. - shares	(60,400)	(324,000)
Fauji Fertilizer Co. Ltd. - shares	(58,342)	50,534
Pakistan Stock Market Fund	(523,277)	(531,462)
	<u>(642,019)</u>	<u>(804,928)</u>
	<u>(599,569)</u>	<u>42,450</u>
2. Other receivables		
Investment receivables	176,000	787,500
Profit on PLS Account	40,875	-
Study grants	-	70,000
	<u>216,875</u>	<u>857,500</u>
3. Insurance premium - Held for onward payment to insurer		
Opening balance	-	688,400
Received during the year	1,364,175	670,400
Insurance premium allocation for the year	(963,375)	(1,358,800)
	<u>400,800</u>	<u>-</u>
4. Return on investments held to maturity:		
Defence Savings Certificates	830,982	2,039,177
Special Savings Certificates	1,214,946	-
Profit on Term Deposit Receipts	2,257,516	1,866,966
	<u>4,303,444</u>	<u>3,906,143</u>

	2009 Rupees	2008 Rupees
5. Return on equity investments:		
Dividends on shares:		
Hub Power Co. Ltd. - net	94,000	110,000
Fauji Fertilizer Co. Ltd.	<u>81,655</u>	<u>50,216</u>
	<u><u>175,655</u></u>	<u><u>160,216</u></u>
6. Printing and stationery		
Printing and stationery	59,088	28,500
Provision for annual report printing	-	<u>65,000</u>
	<u><u>59,088</u></u>	<u><u>93,500</u></u>

7 Financial instruments

As at June 30, 2009

	Mark-up / Interest bearing			Non Mark-up / Non - Interest bearing			Total
	Interest Rate %	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	
Rupees							
Financial assets							
Investments:							
Defense saving certificates	15.06% to 15.79%	4,225,743	-	4,225,743	-	-	4,225,743
Special saving certificates	15.10% to 17.38%	-	30,214,946	30,214,946	-	-	30,214,946
Term deposit receipts	16%	1,624,932	-	1,624,932	-	-	1,624,932
Equity shares / Mutual Fund		-	-	-	3,094,105	-	3,094,105
ICAP - Current Account		-	-	-	2,261,602	-	2,261,602
Receivables		-	-	-	216,875	-	216,875
Cash at Bank		934,056	-	934,056	-	-	934,056
		6,784,731	30,214,946	36,999,677	5,572,582	-	5,572,582
							42,572,259
Financial liabilities							
Accrued expenses		-	-	-	(27,254)	-	(27,254)
Prepaid subscriptions		-	-	-	(581,127)	-	(581,127)
Advance life insurance premium		-	-	-	(400,800)	-	(400,800)
Advance health insurance premium		-	-	-	(1,231,000)	-	(1,231,000)
		-	-	-	(2,240,181)	-	(2,240,181)
Net Financial Assets - 2009		6,784,731	30,214,946	36,999,677	3,332,401	-	3,332,401
Net Financial Assets - 2008 (restated)		30,201,349	2,744,144	32,945,493	4,605,319	-	4,605,319

7.1 Interest rate risk: Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. As the Fund's financial instruments are invested in the Federal Government securities and other fixed rate securities, with rated banks and financial institutions, the Fund does not believe it is exposed to interest rate risk.

7.2 Concentration of credit risk: Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The Management Committee does not have significant exposure to credit risk. To reduce exposure to credit risk the Management Committee invests with different entities.

7.3 Liquidity risk: The Committee applies prudent risk management policies by maintaining sufficient bank balances.

7.4 Fair value of financial assets and financial liabilities: The carrying value of all financial assets and financial liabilities, as reflected in these financial statements, approximate their fair value.

8. Insurance claims:

No claim was lodged during the year. [2008: Nil]

9. Restatement of corresponding year figures:

	2008	Impact	Restated	Remarks
9.1 Surplus for the year	2,195,594	65,490	2,261,084	Accrued profit of maturing DSCs recognized in the year of receipt.
9.2 Accumulated fund	36,806,250	65,490	36,871,740	-do-

10. Commitments:

Commitments in respect of financial assistance to the beneficiaries amounted to Rs.4,960,800 at balance sheet date.

11. Date of authorization: These financial statements are authorized for issue on October 30, 2009 by the Management Committee of the Fund.

12. Figures are rounded off to the nearest Rupee.



Abdulwahid
Member



Khaliq-ur-Rahman
President

Five Year Key Financial Highlights

