KPMG Taseer Hadi & Co.
Chartered Accountants

Khyber Pakhtunkhwa Oil and Gas Company Limited

Financial Statements

For the period ended 30 June 2013

KPMG Taseer Hadi & Co.
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Auditors' Report to the Members

We have audited the annexed balance sheet of Khyber Pakhtunkhwa Oil and Gas Company Limited ("the Company") as at 30 June 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the period 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 purpose of our audit.

It is the responsibility of the Company'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 auditing standards 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 Company as required by the Companies Ordinance, 1984;

(b) in our opinion -

  (i) the balance sheet and profit and loss 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 period was for the purpose of the Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity 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 Company's affairs as at 30 June 2013 and of its losses, its cashflows and changes in equity for the period then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

KPMG Taseer Hadi & Co.

Islamabad
16 April 2015

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner: Riaz Pesnani

Khyber Pakhtunkhwa Oil and Gas Company Limited
Balance Sheet
As at 30 June 2013

	Note	2013 Rupees		Note	2013 Rupees
Share capital and reserves			**Current assets**		
Share capital	4	500,000,000	Cash and bank balances	7	500,000,000
Accumulated loss		(50,000)			
		499,950,000			
Current liabilities					
Accrued liabilities	5	50,000			
		500,000,000			500,000,000
Contingencies and commitments	6				

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

Director

Khyber Pakhtunkhwa Oil and Gas Company Limited
Profit and Loss Account
For the period ended 30 June 2013

	Note	08 February 2013 to 30 June 2013 Rupees
Operating expenses	8	(50,000)
Loss before taxation		(50,000)
Taxation	9	-
Loss for the period		(50,000)

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

Director

Khyber Pakhtunkhwa Oil and Gas Company Limited
Statement of Comprehensive Income
For the period ended 30 June 2013

	Note	08 February 2013 to 30 June 2013 Rupees
Loss for the period		(50,000)
Other comprehensive income		-
Total comprehensive income for the period		(50,000)

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

Director

Khyber Pakhtunkhwa Oil and Gas Company Limited
Cash Flow Statement
For the period ended 30 June 2013

	Note	08 February 2013 to 30 June 2013 Rupees
Cash flows from operating activities		
Loss before taxation		(50,000)
Working capital changes		
Increase in accrued liabilities		50,000
		-
Cash flows from investing activities		-
Cash flows from financing activities		
Issuance of share capital		500,000,000
Net cash generated from financing activities		500,000,000
Net increase in cash and cash equivalents		500,000,000
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period		500,000,000

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

Director

Khyber Pakhtunkhwa Oil and Gas Company Limited
Statement of Changes in Equity
For the period ended 30 June 2013

	Share Capital	Accumulated loss	Total
	--------------------Rupees--------------------		
Issuance of share capital	500,000,000	-	500,000,000
Loss for the period	-	(50,000)	(50,000)
Closing balance as at 30 June 2013	500,000,000	(50,000)	499,950,000

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

Director

Khyber Pakhtunkhwa Oil and Gas Company Limited
Notes to the financial statements
For the period ended 30 June 2013

1 Legal status and operations

Khyber Pakhtunkhwa Oil & Gas Company Limited was incorporated as Public Company on 08 February 2013 under the Companies Ordinance, 1984 as a provincial holding company of the Government of Khyber Pakhtunkhwa pursuant to clause 4.1.3 (6) of Petroleum Exploration and Production Policy, 2012. Effecitve 01 September 2014, the Company has changed its registered office from House 46, Street 2, Old Shami Road, Peshawar to House 692, Street 13, Sector E-4, Phase-7, Hayatabad, Peshawar.

The Company is established to engage in the exploration and development of oil and gas resources, including production and sale of oil and gas and related activities in the province of Khyber Pakhtunkhwa. The Company will also provide technical services to exploration and production companies.

Subsequent to period end, the Company has signed deeds of assignment effective February 2014 to acquire 1.81% working interest in Block No.3371-16 (Peshawar East), 2.50% working interest in Block No. 3371-17 (Baratai) and 1.62% in Block No. 3370 (Pezu) respectively. However, approval from the Director General Petroleum Concession (DGPC) is pending for these blocks.

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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis.

2.3 Functional and presentation currency

These financial statements have been presented in Pak Rupees which is Company's functional currency.

2.4 Significant accounting estimates

The preparation of these financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 the circumstances, the results of which form the basis of 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 year, or in the year of the revision and any future year affected.

Judgments made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

2.4.1 Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

2.4.2 Taxation

The Company takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.4.3 Stores and spares

The Company reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding affect on the provision.

2.4.4 Provision against doubtful trade debts, advances and other receivables

The Company reviews the recoverability of its trade debts, advances and other receivables to assess amount of bad debts and provision required there against on annual basis.

2.5 New accounting standards and IFRIC interpretations that are not yet effective

As of 30 June 2013, the following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2013:

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The amendments have no impact on the Company's financial statements.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial Statements, IFRS 11- Joint Arrangements and IFRS 12- Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Company.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Company.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments have no impact on financial statements of the Company.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement. The amendments have no impact on financial statements of the Company.

Annual Improvements 2009–2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following four standards, with consequential amendments to other standards and interpretations. The following amendments are not likely to have an impact on the Company's financial statements:

- IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period – which is the preceding period – is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the 'third statement of financial position', when required, is only required if the effect of restatement is material to statement of financial position.

- IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.

- IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

- IAS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Company.

- IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation have no impact on financial statements of the Company.

- IAS 39 Financial Instruments: Recognition and Measurement- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) (effective for annual periods beginning on or after 1 January 2014). The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

- Amendment to IAS 36 "Impairment of Assets" Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The interpretation have no impact on financial statements of the Company.

3 Summary of accounting policies

3.1 Property, plant and equipment

Property, plant and equipment, recognized initially at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land and capital work-in-progress which are stated at cost less accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Capital work-in-progress consists of expenditure incurred and advances made in respect of tangible assets in the course of their construction and installation. Transfers are made to the relevant operating fixed assets category as and when assets are available for use.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss account as incurred.

Depreciation is provided on straight line method at rates specified in note 7 to the financial statements so as to write off the cost of property, plant and equipment over their estimated useful life. Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is acquired or capitalized while no depreciation is charged for the month in which property, plant and equipment is disposed off.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in profit or loss account.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At each year end, an assessment is made to determine whether there are any indications of impairment. The Company conducts annually an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, an estimate of the asset's recoverable amount is calculated being the higher of the fair value of the asset less cost to sell and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to the profit and loss account so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the property, plant and equipment in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and does not take into account future development.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as cash generating units. Cash generating units are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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 the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.2 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount as reduced by appropriate impairment. Bad debts are written off when identified while debts doubtful of recovery are fully provided for. Provision for doubtful debts are charged to profit and loss account.

3.3 Trade and other payable

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.4 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprises cash in hand and cash at bank.

3.5 Taxation

Taxation for the year comprises current and deferred tax. Taxation is recognized in the profit and loss account except to the extent that it relates to items recognized outside profit and loss account (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognized outside profit and loss account.

3.5.1 Current tax

Provision for current taxation is based on taxable income at the current rate of tax after taking into account applicable tax credits, rebates and exemptions available, if any, adjusted for payments to GoP for payments on account of royalty and any adjustment to tax payable in respect of previous years.

3.5.2 Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investment in jointly controlled entities to the extent that it is probable that they will not reverse in a foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date, adjusted for payments to GoP on account of royalty.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.6 Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing on the date of transaction. Closing balances of non-monetary items are included at the exchange rates prevailing on the date of transaction and monetary items are translated using the exchange rates prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

3.7 Revenue recognition

Revenue from sale of goods is recognized when significant risk and reward of ownership is transferred to the vendor, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of Government Levies.

Revenue from services is recognized on rendering of services to customers and is measured at fair value of consideration received or receivable.

3.8 Capital management

The Company's objective when managing capital is to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefit for other stakeholders, and to maintain a strong capital base to support the sustained development of its activities.

The Company manages its capital structure which comprises capital and reserves by monitoring returns on net assets and make adjustments to it in the light of changes in economic conditions. There were no changes to Company's approach to capital management during the period and the Company is not subject to externally imposed capital requirement.

3.9 Financial assets and liabilities

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. These are de-recognised when the Company ceases to be the party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at fair value. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

Financial assets mainly comprise loans, deposits, trade debts, receivables from joint venture partners and other receivables and cash and bank balances. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant liabilities are trade and other payables.

All financial assets and liabilities are initially measured at fair value. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

3.10 Offsetting of financial assets and liabilities

Financial assets and liabilities and tax assets and liabilities are offset in the balance sheet, only when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4 Share capital

	Note	2013 Rupees
Authorized share capital		
10,000,000 ordinary shares of Rupees 100 each		1,000,000,000
Issued, subscribed and paid up capital		
5,000,000 ordinary shares of Rupees 100 each		500,000,000

5 This represents audit fee payable.

6 Contingencies and commitments

There is no material contingency or commitment as at 30 June 2013.

7 Cash and bank balances

	2013 Rupees
Cash at bank	
- Current account	500,000,000
	500,000,000

8 Operating expenses

	08 February 2013 to 30 June 2013 Rupees
Auditors' remuneration	50,000
	50,000

9 Taxation

In view of the uncertainty about timings of taxable profits in the foreseeable future against which the tax loss as carry forward can be utilized, the Company has not recognized deferred tax asset on tax losses and therefore created an equivalent valuation reserve against deferred tax asset amounting to Rs. 17,500.

10 Financial instruments

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

10.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

10.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting dates was:

	2013 Rupees
Bank balances	500,000,000
	500,000,000

10.2 Liquidity risk

Liquidity risk the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the branch could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with the financial liabilities as they fall due. The following are the contractual maturities of the financial liabilities:

	2013 Rupees
Other financial liabilities	
Maturity up to one year	50,000
Maturity after one year and up to two years	-
Maturity after two year and up to three years	-
Maturity after three year and up to four years	-
Maturity after four year and up to five years	-
Maturity after five years	-
	50,000
Carrying amount	50,000

10.3 Market risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is not exposed to market risk.

10.4 Fair value of financial assets and liabilities

Carrying values of all financial instruments reflected in the financial statements approximate their fair values.

10.5 Financial instruments by category

	2013			
	Loans and receivables	Assets at fair value through profit and loss	Other financial assets	Total
	---------- Rupees ----------			
Financial assets				
Bank balances	500,000,000	-	-	500,000,000
	500,000,000	-	-	500,000,000

	Liabilities at fair value through profit and loss	Other financial liabilities	Total
	---------- Rupees ----------		
Financial liabilities			
Accrued liabilities	-	50,000	50,000
	-	50,000	50,000

10.6 Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. There were no change to the Branch's approach to capital management during the year and the Branch is not subject to externally imposed capital requirements.

11 Related party transactions

Government of Khyber Pakhtunkhwa owns 100% shares of the Company. Therefore, all entities owned and controlled by the Government of Khyber Pakhtunkhwa and Federal Government of Pakistan are related parties of the Company. Other related parties comprise directors, companies with common directorship and key management personnel. There is no transaction with related parties during the period.

12 Remunerations of Chief Executive, Directors and Executives

During the period, the Company has one chief executive, 2 directors and no executive. No remuneration is paid to any director or chief excutive.

13 Date of authorization for issue

These financial statements were authorized for issue on 16 APR 2015 by the Board of Directors of the Company.

14 General

14.1 These are first financial statements of the Company, accordingly the comparative information is not presented.

14.2 Figures have been rounded off to the nearest rupees, unless otherwise stated.

Chief Executive

Director