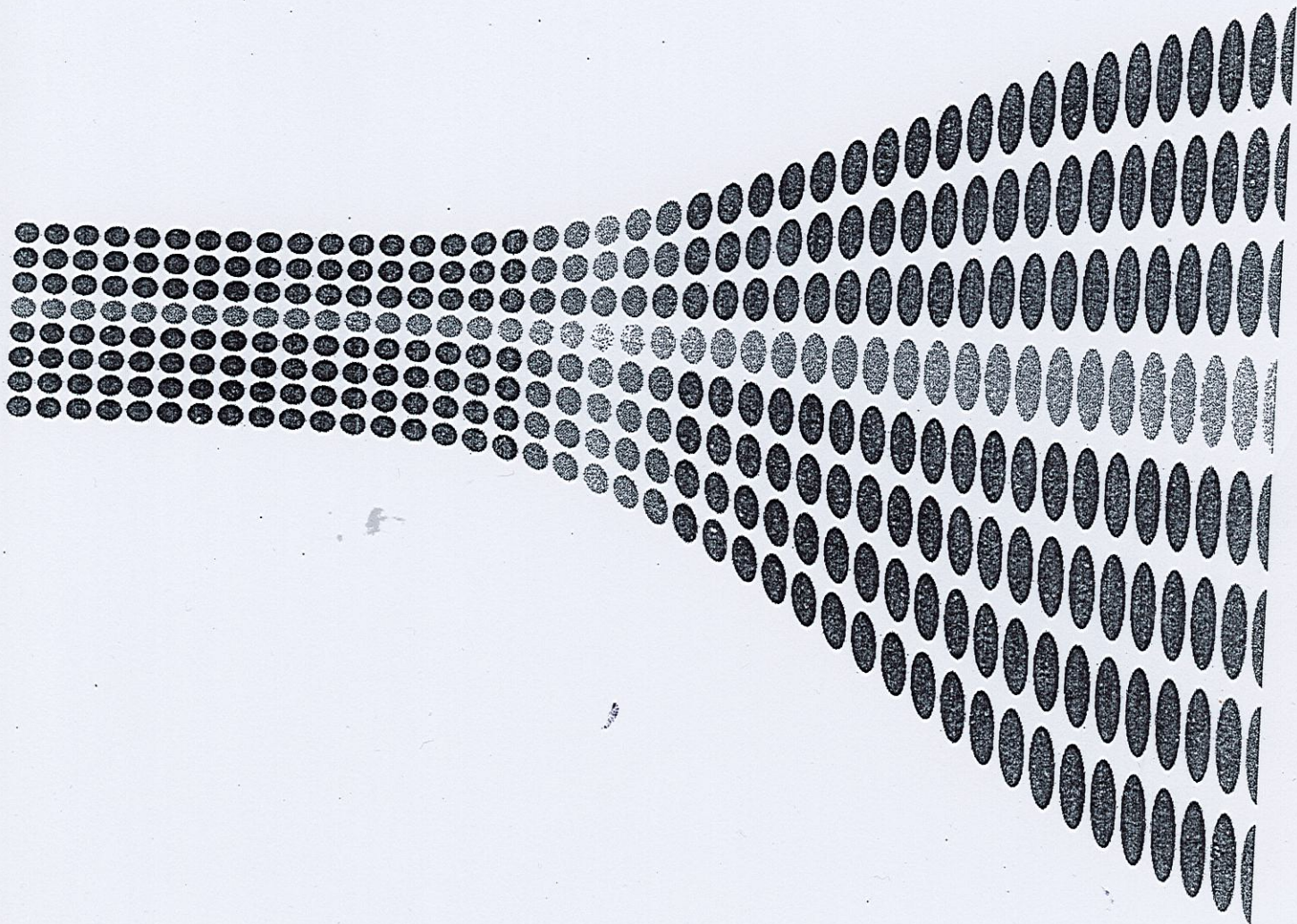
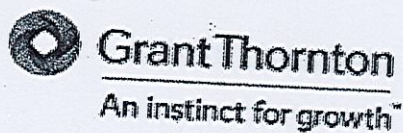


**Public Private Partnership Support Facility**  
(A Company setup under section 42 of the Companies Act, 2017)  
**Financial statements and draft independent auditors' report**  
For the period ended June 30, 2018  
(From December 29, 2017 to June 30, 2018)



**Public Private Partnership Support facility**  
(A Company setup under section 42 of the Companies Act, 2017)  
**Financial statements and independent auditors' report**  
For the period ended June 30, 2018  
(From December 29, 2017 to June 30, 2018)

## **CONTENTS**

1. Letter to the board of directors
2. Draft auditors' report to the members
3. Financial statements
4. Format of representation letter



# Grant Thornton

An instinct for growth™

BAS/C1005/18/1015

October 15, 2018

The Board of Directors  
Public Private Partnership Support Facility  
7<sup>th</sup> Floor, Building no. 6, Sindh Secretariat  
Kamal Attaturk Road  
Karachi

GRANT THORNTON ANJUM RAHMAN

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Gentleman

## DRAFT FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018

We are pleased to enclose three copies of the draft financial statements of **Public Private Partnership Support Facility** (the Company) as at and for the period (from December 29, 2017 to June 30, 2018), prepared by management of the Company, together with our draft audit report thereon. These financial statements have been initialed by us for the purpose of identification only. We shall be pleased to sign our report in the present or modified form after the Board of Directors (the Board) has considered the matters raised in this letter and after we have received:

- i) the enclosed financial statements are considered and approved by the Board and are signed by the Chief Executive Officer (CEO) and a Director authorized by the Board in this regard;
- ii) adjusted trial balance for the period ended June 30, 2018;
- iii) direct responses to our confirmations send to tax advisor and bank; and
- iv) management representation letter on the attached format duly signed by the Chief Executive Officer and Chief Financial Officer of the Company.

The financial statements shall remain and be deemed un-audited unless these have been approved by the Board, and the auditor's report on these financial statements has been signed and issued by us.

### 1. RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors in a usual examination of the financial statements are explained in section 249 of the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for their preparation is primarily that of the Company's management. The management's responsibilities include maintenance of adequate accounting records and internal controls, selection and application of accounting policies and safeguarding of assets of the Company. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all errors or irregularities, which are not material in relation to the financial statements.

Further the inclusion, publication, or reproduction by the Company of our report in documents containing information in addition to the financial statements and our report thereon may require us to perform additional procedures to fulfill our professional responsibilities. For this management shall provide us that additional information for our review.

**2. OTHER MATTERS FOR THE BOARD'S INFORMATION**

**2.1 Related party transactions**

We have been informed by the management that there are no related party transactions to be disclosed in notes to the financial statements.

**2.2 Contingencies and commitments**

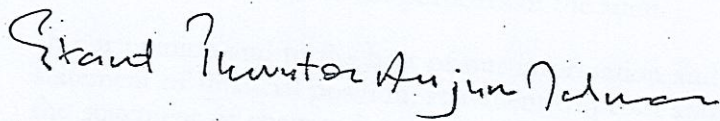
We have been informed by the management that there are no contingencies and commitments to be disclosed in notes to the financial statements.

**2.3 Frauds and errors**

We have been informed by the management that no case of fraud and error has been brought to their knowledge which would have occurred during the period and which could have a material effect on these financial statements.

We wish to place on record our appreciation for the co-operation extended to us by the management and staff of the Company during the course of our audit.

Yours truly,



Encl.: As above



**Grant Thornton**

An instinct for growth™

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS O.F PUBLIC PRIVATE  
PARTNERSHIP SUPPORT FACILITY**  
(A company setup under section 42 of the Companies Act, 2017)

**GRANT THORNTON ANJUM RAHMAN**

1st & 3rd Floor,  
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**Report on the audit of the financial statements**

**Opinion**

We have audited the annexed financial statements of **Public Private Partnership Support Facility** (the Company), which comprise the statement of financial position as at **June 30, 2018**, and the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the period (from December 29, 2017 to June 30, 2018) then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (here-in-after referred to as "the financial statements"), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit, the comprehensive income, the changes in equity and its cash flows for the period then ended.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the Code) as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the Financial Statements and Auditor's Report thereon**

The Board of directors is responsible for the other information. The other information comprises the information included in the annual report i.e., a more specific description of the other information,

such as “the directors’ report,” may be used to identify the other information but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and Board of Directors for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company’s financial reporting process.

### **Auditor’s responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

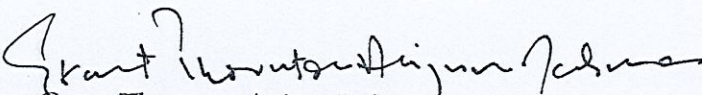
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on other legal and regulatory requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

  
Grant Thornton Anjum Rahman

Karachi

Date: 30 Nov 2018

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY  
(A Company setup under section 42 of the Companies Act, 2017)  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2018

	2018	2017
Assets		
Current Assets		
Trade Receivables	2,32,500	2,32,500
Prepaid Expenses	1,00,000	1,00,000
Other Current Assets	1,00,000	1,00,000
Non-Current Assets		
Property, Plant and Equipment	1,00,000	1,00,000
Intangible Assets	1,00,000	1,00,000
Other Non-Current Assets	1,00,000	1,00,000
Liabilities and Equity		
Equity		
Share Capital	1,00,000	1,00,000
Reserves	1,00,000	1,00,000
Other Equity	1,00,000	1,00,000
Liabilities		
Current Liabilities		
Trade Payables	1,00,000	1,00,000
Other Current Liabilities	1,00,000	1,00,000
Non-Current Liabilities		
Other Non-Current Liabilities	1,00,000	1,00,000

**Public Private Partnership Support Facility**  
(A Company setup under section 42 of the Companies Act, 2017)  
Financial Statements  
For the period ended June 30, 2018  
(From December 29, 2017 to June 30, 2018)

CHIEF EXECUTIVE OFFICER

DIRECTOR



PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY  
 (A Company setup under section 42 of the Companies Act, 2017)  
 STATEMENT OF FINANCIAL POSITION  
 AS AT JUNE 30, 2018

	Note	2018 Rupees
<b>ASSETS</b>		
Current assets		
Bank balances	4	557,559,640
<b>Total assets</b>		<u>557,559,640</u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital and Reserves		
Issued, subscribed and paid-up share capital	5	550,000,000
Accumulated profit		4,702,981
		554,702,981
Current Liabilities		
Trade and other payables	6	2,444,670
Income tax payable		411,989
		2,856,659
<b>Total equity and liabilities</b>		<u>557,559,640</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	7	

The annexed notes from 1 to 18 form an integral part of these financial statements.

ATM

CHIEF EXECUTIVE OFFICER

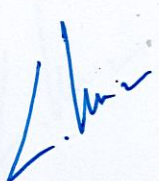
DIRECTOR

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY  
 (A Company setup under section 42 of the Companies Act, 2017)  
 STATEMENT OF PROFIT AND LOSS  
 FOR THE PERIOD ENDED JUNE 30, 2018  
 (From December 29, 2017 to June 30, 2018)

	Note	2018 Rupees
Income from Profit on saving account		9,163,290
Incorporation expenses	8	(2,325,070)
Administrative expenses	9	<u>(119,675)</u>
Profit before tax		6,718,545
Income tax expense	10	(2,015,564)
Profit for the period		<u><u>4,702,981</u></u>
Earning Per Share Basic and diluted	11	<u><u>0.09</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

9TH

  
 CHIEF EXECUTIVE OFFICER

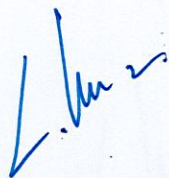
  
 DIRECTOR

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY  
(A Company setup under section 42 of the Companies Act, 2017)  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED JUNE 30, 2018  
(From December 29, 2017 to June 30, 2018)

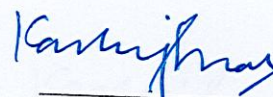
	2018 Rupees
Profit for the period	
Other comprehensive income	4,702,981
Items that will be reclassified to statement of profit and loss subsequently	-
Items that will not be reclassified to statement of profit and loss subsequently	-
Total comprehensive income for the period	<u>4,702,981</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

CTM



CHIEF EXECUTIVE OFFICER



DIRECTOR

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY  
 (A Company setup under section 42 of the Companies Act, 2017)  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE PERIOD ENDED JUNE 30, 2018  
 (From December 29, 2017 to June 30, 2018)

Issued, subscribed and paid-up share capital	Accumulated profit	Total shareholders' equity
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-----R u p e e s-----

Total comprehensive income for the period			
Profit for the period		4,702,981	4,702,981
Transaction with owners directly recognised in equity			
55,000,000 Ordinary shares issued @ Rs. 10 each	550,000,000	-	550,000,000
Balance as at June 30, 2018	<u>550,000,000</u>	<u>4,702,981</u>	<u>554,702,981</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

CTA/12

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CHIEF EXECUTIVE OFFICER

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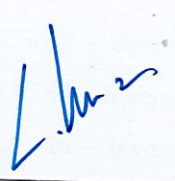
DIRECTOR

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY  
 (A Company setup under section 42 of the Companies Act, 2017)  
**CASH FLOW STATEMENT**  
 FOR THE PERIOD ENDED JUNE 30, 2018  
 (From December 29, 2017 to June 30, 2018)

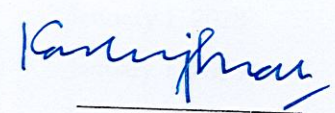
	Note	2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		6,718,545
Working capital changes		
Increase in trade and other payables		2,444,670
Cash generated from operations		<u>9,163,215</u>
Tax paid		<u>(1,603,575)</u>
<i>Net cash generated from operating activities</i>		<u>7,559,640</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	5	<u>550,000,000</u>
<i>Net cash generated from financing activities</i>		<u>550,000,000</u>
Net increase in cash and cash equivalents		557,559,640
Cash and cash equivalents at end of the period	4	<u><u>557,559,640</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

CITD



\_\_\_\_\_  
 CHIEF EXECUTIVE OFFICER



\_\_\_\_\_  
 DIRECTOR

**PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY**  
(A Company setup under section 42 of the Companies Act, 2017)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2018**  
(From December 29, 2017 to June 30, 2018)

**1 STATUS AND NATURE OF BUSINESS**

Public Private Partnership Support Facility (the Company) was incorporated under section 42 of the Companies Act, 2017 (XIX of 2017) on December 29, 2017 as a company limited by guarantee. The registered office of the Company is situated at 7th Floor, Sindh Secretariat No 6, Shahrah-e-Kamal Ata Turk, Karachi. The principal activities of Company is to strengthen Government of Sindh capacity to select and develop Public Private Partnership (PPP) projects and support the development goals of Government of Sindh for sustainable infrastructure provision through PPPs.

The Company is wholly owned by Government of Sindh.

**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 (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

**2.2 Basis of preparation**

These financial statements have been prepared under the historical cost convention using accrual basis of accounting except certain financial assets and financial liabilities which are stated at fair value or amortized cost as applicable.

These financial statements have been prepared following accrual basis of accounting except for cash flow transactions.

**2.3 Standards and amendments to published approved accounting standards that are effective in the current period.**

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 – Share Based payment	January 1, 2018
IAS 40 – Investment Property	January 1, 2018
IAS 28 – Investment in Associate	January 1, 2018
IFRIC 22 – Foreign Currency Transaction and Advance Consideration	January 1, 2018
IFRIC 23 – Uncertainty over Income tax treatments	January 1, 2019
IFRS 15 – Revenue from Contract with Customers	July 1, 2018
IFRS 9 – Financial Instruments	July 1, 2018
IFRS 16 – Leases	January 1, 2019

**PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY**  
(A Company setup under section 42 of the Companies Act, 2017)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2018**  
(From December 29, 2017 to June 30, 2018)

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IAS 19 – Employee Benefits

January 1, 2019

IFRS 4 – First time Adoption of International Financial Reporting

January 1, 2018

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have any material effect on the Company's financial statements in the period of initial application, except certain additional disclosures.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

**3.2 Financial instruments**

All financial assets and liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights under the instruments are derecognised, expired or surrendered. Financial liabilities are derecognised from the balance sheet when the obligation is extinguished, discharged, cancelled or expired. Any gain or loss on recognition or derecognition of the financial assets and financial liabilities is taken to the statement of profit and loss.

**3.3 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously. Corresponding income and expenditure is also netted off and reported on a net basis in the statement of profit and loss.

**3.4 Taxation**

**3.4.1 Current**

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits and rebates available, if any or 1% of turnover whichever is higher.

**3.4.2 Deferred**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date.

**3.5 Provisions**

Provision is recognised in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY**  
(A Company setup under section 42 of the Companies Act, 2017)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2018**  
(From December 29, 2017 to June 30, 2018)

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**3.6 Trade and other payables**

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

**3.7 Impairment**

*Financial assets*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect of the estimated future cash flows of that asset.

*Non-Financial assets*

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exists, then the recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

**3.8 Related party transactions**

All transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of admissible valuation methods.

**3.9 Provisions, contingencies and commitments**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

**3.10 Foreign currency translation**

Transactions in foreign currency are initially recorded in rupees at the rate of exchange ruling on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into Pak Rupees at the rate of exchange approximating those prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are taken to the statement of profit and loss.

**3.11 Presentation and functional currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.



**PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY**  
(A Company setup under section 42 of the Companies Act, 2017)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2018**  
(From December 29, 2017 to June 30, 2018)

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**3.12 Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

**3.13 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

**PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY**  
(A Company setup under section 42 of the Companies Act, 2017)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2018**  
(From December 29, 2017 to June 30, 2018)

4	BANK BALANCES	Note	2018 Rupees
	Cash at bank in saving account	4.1	<u>557,559,640</u>
4.1	Represents balance with Sindh Bank Limited (related party) in saving accounts at the rate of 5.00% per annum. Sindh Bank Limited is a related party of the Company due to common shareholding of Government of Sindh in both entities.		
5	<b>SHARE CAPITAL</b>		
	2018		
	Number of shares	Authorised share capital	
	<u>55000000</u>	Ordinary shares of Rs. 10 each	<u>550,000,000</u>
		Issued, subscribed and paid-up share capital	
	<u>55000000</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>550,000,000</u>
6	<b>TRADE AND OTHER PAYABLES</b>		
	Accrued expenses		232,635
	Other incorporation expenses		<u>2,212,035</u>
			<u>2,444,670</u>
7	<b>CONTINGENCIES AND COMMITMENTS</b>		
	There are no contingencies and commitments as at year end.		
8	<b>INCORPORATION EXPENSES</b>		
	Legal Advisor		45,000
	Consultancy fee		38,540
	SECP Filing fee		29,095
	Miscellaneous		500
	Incorporation expenses		<u>2,211,935</u>
			<u>2,325,070</u>

**PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY**  
(A Company setup under section 42 of the Companies Act, 2017)  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Note	2018 Rupees
<b>9 ADMINISTRATIVE EXPENSES</b>		
Bank charges		175
Auditors remuneration	9.1	97,900
Professional fee		21,600
		<u>119,675</u>
<b>9.1 Auditors remuneration</b>		
Audit fee		89,000
Out of pocket expenses		8,900
		<u>97,900</u>
<b>10 INCOME TAX EXPENSE</b>		
Current tax	10.1	<u>2,015,564</u>
<b>10.1</b> The income tax is charged at 30% of profit before tax.		
<b>11 BASIC AND DILUTED EARNINGS PER SHARE</b>		
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
Profit for the period		<u>4,702,981</u>
		No of shares
Weighted average number of ordinary shares of Rs. 10/- each in issue		<u>55,000,000</u>
Basic and diluted profit per share		<u>0.09</u>
<b>12 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES</b>		
There is no remuneration paid to Chief Executive, Directors and other Executives during the period.		
<b>13 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT</b>		
The Company finances its operations through equity and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. Taken as a whole the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments. Financial instruments of the Company are as under:		

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	Note	2018 Rupees
Financial assets		
Bank balances	4	<u>557,559,640</u>
Financial liabilities		
Trade and other payables	6	<u>2,444,670</u>

**13.1 Financial instruments and related disclosures**

**Financial risk management objectives**

The Company has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

The Board of Directors (the Board) of the Company has the overall responsibility for establishment and oversight of the Company's risk management framework. To assist the Board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposure. The Company's overall risk management program focuses on the under predictability of financial markets and seek to minimize potential adverse effects on the Company's financial performance.

**a) Credit risk**

Credit risk is a 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 financial instruments or contracts are entered into with same party, or when counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly effected by change in economics, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

At the reporting date, the Company's is not exposed to credit risk as the total amount was maintained in Government owned bank.

**b) Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or may face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

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The Company is exposed to liquidity risk in respect of due to directors and others and trade and other payable.

The Company's approach to manage 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.

Management closely monitors the Company's liquidity and cash flow position.

**Maturity analysis for financial liabilities**

The table below analyses Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to maturity date and represents the undiscounted cash flows. The amounts in the table are the gross nominal undiscounted cash flows (including interest payments).

	2018		
	Carrying amount	Six months or less	More than one year
	-----Rupees-----		
Trade and other payables	2,444,670	2,444,670	-
	<u>2,444,670</u>	<u>2,444,670</u>	<u>-</u>

c) **Market risk**

Market risk is the risk that changes in market interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk comprises three types of risk: currency risk, yield / interest rate risk and other price risk.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present, is not exposed to currency risk as all its transactions are carried out in Pakistani Rupees.

**Interest / Mark-up rate risk management**

Interest / mark-up rate risk management arises from the possibility of changes in interest/mark-up rates which may affect the value of financial instruments. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments is as follows:

Variable rate instruments	Note	2018
		Rupees
Financial assets	4	<u>557,559,640</u>

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**Fair value sensitivity analysis for fixed rate instruments:**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect statement of profit and loss.

	Note	Markup/ return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
<b>Asset</b>						
Bank Balances	5	5%	557,559,640	-	-	557,559,640
<b>Total assets</b>			<u>557,559,640</u>	-	-	<u>557,559,640</u>
<b>Liabilities</b>						
On balance sheet gap			<u>557,559,640</u>	-	-	<u>557,559,640</u>
<b>Total interest rate sensitivity gap</b>			<u>557,559,640</u>	-	-	<u>557,559,640</u>

**Price risk**

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

**Fair value of financial instruments**

Fair value of the financial instrument is the amount for which an asset could be sold or exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. The methods used for determining fair value of each class of financial assets and liabilities are disclosed in respective policy notes.

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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**Capital risk management**

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns and benefits for shareholders and to maintain a strong base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and make adjustments to it in the light of changes in economic conditions.

**14 SUMMARY OF SIGNIFICANT TRANSACTION**

Company issued 54,999,997 shares to Sindh Government for Rs. 10 each during the period.

**15 RELATED PARTY TRANSACTIONS**

There were no related party transactions during the period except as disclosed in the respective notes to the financial statements.

**16 NUMBER OF EMPLOYEES**


There are currently no employees working for the Company. Government of Sindh has nominated 3 officials from Finance Department, Government of Sindh who are looking after the affairs of the Company on interim basis.

**17 GENERAL**

The Company was incorporated on December 29, 2017. These financial statements cover the period since incorporation till June 30, 2018. Therefore, no comparative figures have been presented in the financial statements.

**18 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

  
\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

  
\_\_\_\_\_  
DIRECTOR