

**FINANCIAL STATEMENTS OF
AZAD GOVERNMENT OF THE STATE OF
JAMMU & KASHMIR**



**FOR THE FINANCIAL YEAR
2013-2014**

ACCOUNTANT GENERAL AZAD JAMMU & KASHMIR

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JAMMU AND KASHMIR**



**FOR THE FINANCIAL YEAR
2013-14**

ACCOUNTANT GENERAL AZAD JAMMU & KASHMIR

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PREFACE

Financial Statements of Azad Government of the State of Jammu and Kashmir for the year ended 30 June, 2014 have been prepared by the Accountant General Azad Jammu and Kashmir under section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Act 2005 and are the responsibility of Controller General of Accounts (CGA).

In response to the changing nature of Stakeholder's requirements for making informed decisions based on financial information and development in the public sector accounting standards. The role of CGA has transformed as now stakeholders, expect high quality, reliable and relevant financial reports. The focus of the CGA is not limited to reporting historical results, but is now constantly moving towards enhancing public value, by providing the legislature and executive through the financial statements and insight of the Government's financial performance.

Auditor General prescribed New Accounting Model (NAM), which conforms to international best practice, comprises of seven volumes and is based in Modified Cash Basis of Accounting in which, though cash basis of accounting is followed, the following additional concepts have been introduced:

- Commitment Accounting
- Physical and financial Assets Accounting
- Liabilities Accounting

Commitment Accounting practices are not yet implemented and these financial statements have been prepared on cash basis of accounting and do not include accrued receipts and liabilities.

The current year's financial statements have been prepared under NAM and the format of International Public Sector Accounting Standards (IPSAS) Cash Basis –Financial Reporting



Auditor-General of Azad Jammu and Kashmir

Audit House, Constitution Avenue

Islamabad, Pakistan

Auditor's Report

I have audited the accompanying Financial Statements of the Government of Azad Jammu and Kashmir for the year ended June, 2014, which comprises Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts by Functions, Statement of Comparison of Budget and Actual Expenditure by Departments for the year then ended and a summary of significant accounting policies and other explanatory notes to the Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and proper presentation of these Financial Statements in accordance with the applicable financial reporting framework.

Auditor's Responsibility

My responsibility is to express an opinion on these Financial Statements based on my audit in accordance with the requirements of Section 50-A of the Azad Jammu and Kashmir Interim Constitution Act, 1974 read with Section 8 of the Auditor-General's (Functions, Powers and Terms & Conditions of Service) Act, 2005. I conducted my audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) and other guidance issued by my department. The standards require that I perform procedures including risk assessment to obtain reasonable assurance whether the Financial Statements are free of material misstatement. The audit process includes examining, on a test basis, evidence supporting the amount and disclosures in the Financial Statements. It also includes assessing the accounting policies issued, as well as evaluating the overall Financial Statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my Opinion;

under the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements.

These Financial Statements focus on Reporting the budgetary activity of the Government for the Financial Year as laid down in the financial procedure of the Constitution which describes the Government as AJK Consolidated Fund and Public Account for which Annual Budget Statement is authorized by AJK Assembly in the form of Budgetary Grants.

Finally, it is important to emphasise the value of sustained and dedicated efforts towards excellence in public sector Financial Accounting and reporting. Moving forward, management and staff of CGA are working closely to address the challenges and issues which can limit the quality, transparency and reliability of financial reports. Through excellent financial reporting, we are committed to support the decision making critical to the nation's fiscal future

Islamabad, Pakistan

Dated:

Controller General of Accounts

- (a) These Financial Statements present, in all material respects, the financial position of the Government of Azad Jammu and Kashmir as at June 30th, 2014, and results of its operations, its cash flows and its expenditure and receipts, by appropriation by the year ended in accordance with the stated accounting policies of the Government of Azad Jammu and Kashmir.
- (b) The sums expended have been applied, in all material respects, for the purposes authorized by the Parliament and have, in all material respects, been booked to the relevant grants and appropriations.

Islamabad

Date:

Auditor-General
of Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2014

	Note	2014 Rupees in Million		2013 Rupees in Million	
		Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties	Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties
AJ & K CONSOLIDATED FUND					
RECEIPTS					
<i>Taxation- Transfers from AJ & K Council</i>	8	9,535	-	8,883	-
<i>Taxation- AJ & K Government's own collection</i>	9	7,803	-	6,627	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	515	-	456	-
Economic Services	11	1,382	-	1,292	-
Development Surcharge and Royalties	12	886	-	794	-
Others	13	95	-	27	-
		2,878	-	2,569	-
Grant in Aid	14	24,600	-	21,500	-
<i>Borrowings</i>					
Foreign Debt	15	9	-	64	-
Domestic Debt	16	16,893	-	21,817	-
		16,902	-	21,881	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	251	-	264	-
		251	-	264	-
TOTAL RECEIPTS		61,969	-	61,724	-

Statements of Cash Receipts and Payments For the Year Ended 30 June 2014

	Note	2014 Rupees in Million		2013 Rupees in Million	
		Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties	Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties
PAYMENTS					
Operations					
Salaries and Employee Benefits	18	38,594	-	35,478	-
Operating Expenses	19	7,326	-	5,431	-
Repair & Maintenance		798	-	714	-
		46,717	-	41,623	-
Expenditure on					
Physical Assets	20	869	-	178	-
Civil Works	21	11,035	-	8,043	-
		11,904	-	8,221	-
Debt and Interest Payments					
Principal Repayment of Debt	22	6,393	-	11,669	-
		6,393	-	11,669	-
TOTAL PAYMENTS		65,014	-	61,513	-
NET PAYMENT OF A J&K GOVERNMENT CONSOLIDATED		(3,045)	-	211	-
NET RECEIPT OF PUBLIC ACCOUNT	23	4,464	-	59	-
INCREASE / (DECREASE) IN CASH		1,419	-	270	-
CASH AT THE BEGINNING OF THE YEAR		(1,819)	-	(2,089)	-
INCREASE / (DECREASE) IN CASH		1,419	-	270	-
CASH AT THE END OF THE YEAR	24	(400)	-	(1,819)	-

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR

Statement of Cash Flows For the Year Ended 30 June 2014

	Note	2014 Rupees in Million	2013 Rupees in Million
CASH FLOW FROM OPERATING ACTIVITIES			
Taxation- Transfers from AJ&K Council	8	9,535	8,883
Taxation- AJ&K Government's own collection	9	7,803	6,627
Non-Tax Revenue and Other Receipts		2,879	2,569
Grants in Aid - Receipts	14	24,600	21,500
Operations- Payments		(46,717)	(41,623)
Cash from Operating Activities		(1,901)	(2,044)
CASH FLOW FROM INVESTING ACTIVITIES			
Recovery of Loans and Advances	17	251	264
Expenditure on Physical Assets	20	(869)	(178)
Expenditure on Civil Works	21	(11,035)	(8,043)
Cash used in Investing Activities		(11,653)	(7,957)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipt of Foreign Debt	15	9	64
Receipt of Domestic Debt	16	16,893	21,817
Principal Repayment of Debt	22	(6,393)	(11,669)
Net Receipt of Public Account	23	4,464	59
Cash from Financing Activities		14,973	10,271
DECREASE IN CASH AND CASH EQUIVALENTS		1,419	270
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(1,819)	(2,089)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	(400)	(1,819)

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Comparison of Budget and Actual Amounts by Function
For the Year Ended 30 June 2014

	2014 (Rupees in Million)			2013 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
<i>Revenue</i>						
Taxation	11,710	13,810	10,271	11,710	17,325	15,516
Non-Taxation	28,340	33,690	34,545	37,048	32,977	32,380
Total revenue receipts	40,050	47,500	44,816	48,758	50,302	47,896
<i>Capital</i>						
Domestic Debt	19,097	18,955	17,153	10,390	10,350	13,828
Foreign Debt						
Total capital receipts	19,097	18,955	17,153	10,390	10,350	13,828
	-	-	-	-	-	-
TOTAL RECEIPTS	59,147	66,455	61,969	59,148	60,652	61,724
PAYMENTS						
<i>Revenue</i>						
General Public Service	10,764	11,334	11,472	8,298	6,724	6,957
Public Order and Safety Affairs	4,422	4,640	4,758	3,885	4,300	4,327
Economic Affairs	11,395	12,267	12,224	9,510	9,829	9,992
Environment Protection	7	8	8		7	7
Housing and Community Amenities	884	905	914	1,788	331	332
Health Affairs and Services	3,570	3,802	3,684	3,248	3,284	3,280
Recreation, Culture and Religion	241	287	282	248	234	235
Education Affairs and Services	15,819	16,233	16,291	13,073	15,177	15,151
Social Protection	8,856	4,417	4,346		1,519	1,520
Total Revenue Payments	55,957	53,893	53,979	40,050	41,405	41,801
<i>Capital</i>						
General Public Service	526	539	498	221	221	171
Public Order and Safety Affairs						
Economic Affairs	2,142	2,218	1,926	1,806	1,806	1,498
Environment Protection	25	23	23	18	18	18
Housing and Community Amenities	6,442	6,779	6,737	5,550	5,550	4,760
Health Affairs and Services	300	691	689	896	896	719
Recreation, Culture and Religion	155	139	138	334	334	275
Education Affairs and Services	879	1,022	1,024	722	722	602
Social Protection	31	21				
Total capital payments	10,500	11,432	11,035	9,547	9,547	8,043
	-	-	-	-	-	-
TOTAL PAYMENTS	66,457	65,325	65,014	49,597	50,952	49,844

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Comparison of Budget and Actual Expenditure by Department
For the Year Ended 30 June 2014

DEPARTMENT	2014 Rupees in Million			2013 Rupees in Million		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
Agriculture, Livestock & Cooperation	970	1,005	992	845	922	933
Board of Revenue	591	643	639	543	607	591
Education	15,819	16,233	16,291	13,073	15,177	15,151
Environment, Forestry, Wild life	726	752	739	635	689	682
Excise and Taxation						
Finance	10,289	10,560	10,705	5,785	5,321	5,513
Food	2,647	3,151	3,009	2,134	993	1,041
Health	3,570	3,802	3,684	3,248	3,284	3,280
Home and Tribal Affairs	3,611	3,734	3,875	3,197	3,510	3,519
Industries	187	198	193	169	179	178
Information	77	88	87	70	84	84
Irrigation and Power						
Law	811	905	883	688	790	808
High Court						
Local Governance	344	359	365	292	330	332
Population, Planning and Welfare Department	177	187	186			
Planning and Development	84	83	89	67	74	73
Provincial Assembly	331	319	282	1,214	1,400	1,372
Administration and Establishment	1,023	1,193	1,153			
Works and Services	1,996	2,100	2,074	1,788	1,977	1,960
Zakat and Ushr	113	113	111	99	105	105
Science and Information Technology						
Sports, Culture, Archeology & Museum	51	85	84	178	203	204
Auqaf, Hajj, Religious and Minority Affairs						
Inter Provincial Coordination						
Relief Rehabilitation and Settlement	710	731	730	689	691	777
Housing Department						
Energy and Power	5,417	5,615	5,773	5,336	5,069	5,198
Debt Servicing	6,415	2,036	2,036			
	55,957	53,893	53,979	40,050	41,405	41,801
Development Expenditure	10,500	11,432	11,035	9,547	9,547	8,043
TOTAL	66,457	65,325	65,014	49,597	50,952	49,844

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR

Notes to the Financial Statement

For the Year Ended 30 June 2014

1 REPORTING ENTITY

Azad Government - Azad Jammu & Kashmir (the Government) conducts its operations under the Rules of Business 1985. These rules have been made pursuant to Article 50-(A) of the Interim Constitution Act 1974 of the Azad Jammu & Kashmir (the Constitution) and envisages Azad Government as comprising of departments and their attached departments. Financial procedures of the Constitution describe the Government as Consolidated Fund and Public Account of the Azad Jammu & Kashmir for which Annual Budget Statement is authorized by the Azad Jammu & Kashmir Assembly in the form of budgetary grants. These Financial Statements focus on reporting the budgetary activity of the Government for the financial year.

Article 50-(A) of the Constitution confers the powers of defining the form, principles and methods of the accounts of the Azad Jammu & Kashmir to the Auditor General, with the approval of the President. New Accounting Model was prescribed by the Auditor General in 2001 which describes Government as an accounting and reporting entity comprising of;

- a) Government Accounting Entities; for which the Accountant General Azad Jammu & Kashmir has the primary responsibility for accounting and reporting.
- b) Self Accounting Entities; for which the Principal Accounting Officer has the primary responsibility for accounting and reporting. The Self Accounting Entities are as under:-
 1. Public Works Department-Works and Services, Irrigation & Public Health Engineering
 2. Forest/Wildlife Department
 3. Electricity Department
- c) Exempt Entities; special purpose authorities/ organizations and all the government owned corporations/ companies which are required to prepare their Financial Statements under their specific statute or Companies Ordinance, 1984 are classified as exempt entities. Financial Statements of these entities are not consolidated in the Financial Statements of the Azad Jammu & Kashmir Government. New investments by the Government, if any, in the financial year to which they pertain. Return from these entities in the form of dividends or interest is classified as non-tax revenue.

2 BASIS OF CONSOLIDATION

The Financial Statements have been prepared by consolidating the accounts of all Government entities.

3 STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with the New Accounting Model (NAM) which comprises of seven volumes. In 2001, Auditor General prescribed NAM. Implementation of NAM is an ongoing process. Commitment Accounting, asset and liability accounting practices have not yet been implemented.

4 ACCOUNTING CONVENTION AND BASIS OF CONSOLIDATION

These Financial Statements have been prepared under the Cash Basis of Accounting which recognizes transactions and events only when cash is received or paid by the entity. Assets and Liabilities in the disclosed notes are on a historical cost basis.

These Financial Statements have been prepared as per the requirements of NAM that supports best international practices. The statement of receipt and payments, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by department and notes forming parts thereof have been prepared on the format of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash flows as required by IPSAS 2- Cash Flow Statements has also been presented, as encouraged by Cash Basis IPSAS.

The Financial Statements for the financial year 2013-14 have been prepared and presented in order to make a fair presentation of all the relevant financial information without making any change in the fundamentals applied and all policies have been applied on a basis consistent with the previous year.

5 REPORTING AND BUDGET PERIOD

The reporting and budget period of these Financial Statements is the financial year 2013-14 (from 1 July, 2013 to 30 June, 2014).

6 REPORTING CURRENCY

The reporting currency of these Financial Statements is Pak Rupees which is Azad Jammu & Kashmir Government's functional and presentation currency.

7 SIGNIFICANT ACCOUNTING POLICIES

7.1. Revenue recognition

Revenue is recognized on the date of receipt of money by the bank or clearance of cheque. Revenue is recognized on a gross basis and any related costs are recorded separately. Receipts representing recovery of any previous overpayment are adjusted against relevant expenditure, if it occurs in the same financial year.

7.2. Recognition of expenditure

Expenditure is recognized on the date when payment is made or cheque is issued. Financial year to which the payments pertain is determined by the date on which a cheque or payment advice is issued. Policies for recognition of expenditure are as follows;

a) Payments made through cheque

Expenditure is recognized on the date the cheque is issued.

b) Inter government transfers

Expenditure is recognized on the date the transfer is made by the transferor.

c) Payments directly in bank accounts

Direct payments into bank account, expenditure is recognized on the date the payment advice is issued to the bank.

d) Direct payments by State Bank of Pakistan (SBP)

Repayment of loans and other direct payments by the SBP, expenditure is recognized on the date State Bank of Pakistan advises the relevant accounting office.

e) Imprest payments

Expenditure is recognized when the required claim vouchers are submitted and imprest account is reimbursed.

7.3. Foreign currency

Transactions in foreign currencies are recorded in the books at the rates of exchange prevailing on the date of transaction. Exchange differences arising on settlement of these transactions are recognized in the statement of cash receipts and payments, but are not been disclosed separately.

7.4. Employee benefits

The government has following plans for its employees:

a) **General Provident Fund**

An employee is compulsory subscribed to the General Provident Fund from the date of appointment and monthly subscription is by way of deduction from monthly payroll at a uniform rate of subscription, as advised by the Government for a financial year as laid down in the Provident Fund Act and General Provident Fund Rules.

b) **Pension**

The entitlement of Government employees to a stream of payments after they retire from service. No liability for pension is recognized in the Financial Statements and pension payments made during the year are recorded as expenditure.

c) **Encashment of leave**

This represents liability arising from entitlements to the various forms of leave earned by Government employees. No provision is made and the expenditure is recognized on the basis of payments made during the year.

7.5. Investments

All investments made by the Government are initially measured at cost being the fair value of consideration given plus transaction costs that are directly attributable to their acquisition.

Subsequent to initial recognition, investments are carried at historical cost. Any dividends received against investments are recognized when received in the AJ & K Government Consolidated Fund.

7.6. Cash and cash equivalents

For the purpose of Cash Flow Statement, cash and cash equivalents comprise cash with State Bank of Pakistan.

7.7. Liability

Liabilities are future sacrifices of economic benefits that the government is presently obliged to make as a result of the past transaction. All liabilities are recorded at historical cash value.

7.8. Public Debt

Public Debt comprise cash inflows from banks, similar lending agencies, commercial institutions and amounts owing in respect of non-cash assistance provided by third parties and foreign borrowings. All debts raised are classified as either floating or permanent debts depending on the nature of the transaction.

7.9. Assets

Assets are future economic benefits controlled by the Government as a result of past transactions or other past events. Assets are recorded at cost and currently no depreciation is charged.

7.10. Loan and advances

Loans and Advances include loans and advances due from autonomous bodies, financial and non-financial institutions, to Government servants for house building, purchase of conveyances and other loans. Loans to Government servants are interest bearing and interest is calculated in accordance with the General Financial Rules.

	Note	2014 Rupees in Million	2013 Rupees in Million
8 TAXATION - TRANSFER FROM AJ & K COUNCIL			
<i>Indirect Taxes</i>			
Sales tax		2,363	2,281
80% Share from Azad Jammu & Kashmir Council		6,299	5,708
Federal excise		873	894
		9,535	8,883
		<u>9,535</u>	<u>8,883</u>
9 TAXATION - A J & K GOVERNMENT'S OWN COLLECTION			
<i>Direct Taxes</i>			
Income tax - Agriculture		40	37
Property Tax		20	19
Land Revenue		4	3
Tax on Profession, Trade and Callings			
Capital Value Tax on Immoveable Property			
		65	59
<i>Indirect Taxes</i>			
Receipts Under Motor Vehicles Act		106	98
Stamp Duties		119	138
Provincial Excise		76	99
Others Indirect Taxes		7,437	6,233
		7,738	6,568
		<u>7,803</u>	<u>6,627</u>
10 GENERAL ADMINISTRATION RECEIPTS			
Fiscal Administration			
Community Services		228	217
Social Services		181	153
Economic Regulations		14	57
Law and Order		83	28
Organs of State		9	1
		515	456
		<u>515</u>	<u>456</u>
11 ECONOMIC SERVICES RECEIPTS			
Food and Agriculture		1,048	584
Fisheries and Animal Husbandry		49	76
Forest		234	362
Others		51	270
		1,382	1,292
		<u>1,382</u>	<u>1,292</u>

	Note	2014 Rupees in Million	2013 Rupees in Million
12 DEVELOPMENT SURCHARGE AND ROYALTIES			
Water Usage Charges Mangla	12.1	886	794
		<u>886</u>	<u>794</u>
12.1 The water usage charges on Mangla Dam received from Government of Pakistan under the water usage Surcharge Ordinance. In pursuance of the said ordinance, the Federal Government has to fix the amount of water usage for financial year and payments are made in instalments to Azad Jammu & Kashmir Government through State Bank of Pakistan.			
13 OTHER RECEIPTS			
Unclaimed deposits		95	27
Miscellaneous Receipts			
		<u>95</u>	<u>27</u>
14 GRANTS in AID			
14.1 Controlled by Govt:			
Non- Development Grants Revenue Deficite		11,000	10,100
Non-Development Grants Fixed Grant in Aid		13,600	11,400
		<u>24,600</u>	<u>21,500</u>
14.2 Third Party Receipts			
Development Grants			
		<u>-</u>	<u>-</u>
15 FOREIGN DEBT - RECEIPTS			
15.1 Controlled by Govt:			
Federal Government/IDA		9	64
		<u>9</u>	<u>64</u>
15.2 Third Party Receipts			
Foreign Lenders			
		<u>-</u>	<u>-</u>
16 DOMESTIC DEBT - RECEIPTS			
Permanent Debt Development Loan	16.1	10,500	9,047
Permanent Debt Ways and Means Advance		6,393	11,670
Loan From National Bank Of Pakistan			1,100
		<u>16,893</u>	<u>21,817</u>
16.1 This represents borrowings from Federal Government. Repayment period and interest rate for these borrowings is determined in accordance with terms and conditions of each loan.			
17 RECOVERY OF LOANS AND ADVANCES			
Government Servants. House Building Advance		251	264
		<u>251</u>	<u>264</u>

	Note	2014 Rupees in Million	2013 Rupees in Million
18 SALARIES AND EMPLOYEE BENEFITS			
Pay of Officers		4,771	4,645
Pay of Other Staff		8,702	8,467
Allowances		16,106	14,442
Retirement Benefits		9,014	7,924
		<u>38,594</u>	<u>35,478</u>
19 OPERATING EXPENSES			
19.1 Controlled by Govt:			
Communication		27	22
Entertainments and Gifts		1,552	1,445
General Operating Expenses		5,747	3,964
		<u>7,326</u>	<u>5,431</u>
19.2 Repair & Maintenance			
Repair & Maintenance		798	714
		<u>798</u>	<u>714</u>
19.3 Third Party Payments			
General Operating Expenses		-	-
		<u>-</u>	<u>-</u>
20 PHYSICAL ASSETS			
Purchase of Other Assets		869	178
		<u>869</u>	<u>178</u>
21 CIVIL WORKS			
21.1 Controlled by Govt:			
Other Works Capital Expenditure		11,035	8,043
		<u>11,035</u>	<u>8,043</u>
21.2 Third Party Payments			
Other Works		-	-
		<u>-</u>	<u>-</u>
22 REPAYMENT OF DEBT			
Principal Re-Payment			
Domestic Debt		1,357	2,078
Foreign Debt		679	522
		<u>2,036</u>	<u>2,600</u>
Debt Services Re-Payment			
Domestic		4,206	8,916
Foreign		151	153
		<u>4,357</u>	<u>9,069</u>
		<u>6,393</u>	<u>11,669</u>

	Note	2014 Rupees in Million	2013 Rupees in Million
23 NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT			
Receipts			
Trust & other Public Accounts		23,808	21,057
Special Deposits		7,793	2,596
State Provident Fund		874	836
		32,475	24,489
Payments			
Trust & other Public Accounts		(23,679)	(21,656)
Special Deposits		(4,034)	(2,568)
State Provident Fund		(297)	(206)
		(28,011)	(24,430)
		4,464	59

23.1 The public Account consists of those moneys received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of the Government, unless provided under an (Act of AJ&K Legislative Assembly or rules made by President). The balances in the Public Account are carried forward at year end, to be used for the specific purpose for which they are established.

24 CASH AND BANK

AJ & K Government Balance	24.1	(400)	(1,819)
		(400)	(1,819)

24.1 AJ & K Government's Balance

Public Account Balance	11,390	6,926
Consolidated Fund Balance	(11,790)	(8,745)
	(400)	(1,819)

25 ASSETS AND LIABILITIES

Assets

Long Term Assets	102,538	91,503
Investments	3,000	3,000
Loans and Advances	1,593	1,844
Current Assets	28	27
Cash and Bank	(400)	(1,819)
	106,759	94,555

Liabilities and equity

Public Debt	176,256	161,390
Special Deposits and Trust Accounts	10,243	6,355
Deferred Liabilities	3,972	3,395
Revenue Account Balance	(83,712)	(76,585)
	106,759	94,555

25.1 These Financial Statements have been prepared under the cash basis of accounting, the information of assets and liability have been presented which are not mandatory disclosures as per IPSAS Cash Basis.

	Note	2014 Rupees in Million	2013 Rupees in Million
26 PUBLIC DEBT			
Domestic Debt			
Government Securities			
Opening Balance		154,271	134,533
Add: Debt Receipts	16	16,893	21,817
Less: Principal Repayments of Debt		(1,357)	(2,079)
Closing Balance		169,807	154,271
Foreign Debt			
Opening Balance		7,118	7,576
Add: Debt Receipts	15	9	64
Less: Principal Repayments of Debt		(679)	(522)
Closing Balance		6,448	7,118
		176,255	161,389

26.1 The amount of foreign debt is recorded in Pak Rupees at the rate of exchange prevailing on the date of transaction, which is the historical cash value. The foreign debt has not been revalued at the year end in accordance with Government policy stated in note 7.7, nor any foreign debt revaluation exchange differences have been recognized in the Financial Statement except for principal repayment of foreign debt.

27 AUTHORIZATION FOR ISSUE

Under section 8 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Act, 2005, read with Section 50-A of the Azad Jammu and Kashmir Interim Constitution Act, 1974, the Auditor General submits the certified Financial Statements of the Government of Azad Jammu & Kashmir together with the audit reports on these Financial Statements to the President of the Azad Jammu & Kashmir who shall cause them to be laid before the Assembly. These Financial Statements have been authorized for issue on _____.

28 GENERAL

28.1 Level of Precision

Figures in these consolidated Financial Statements have been rounded off to the nearest million of rupees, unless otherwise stated.

28.2 Corresponding Figures

Corresponding figures, wherever necessary, have been rearranged and reclassified for the purposes of comparison.

Accountant General Azad Jammu and Kashmir