

Condensed Interim Financial Statements

For the Half Year ended
December 31, 2015

(Un-Audited)



Pakistan Poverty Alleviation Fund



UN-AUDITED FINANCIAL STATEMENTS

Attachments:

- **Company Information**

- **Management Review**

- **Un-audited Condensed Interim Financial Statements for the
Half year ended December 31, 2015**
 - Balance Sheet
 - Income and Expenditure Account
 - Cash Flow Statement
 - Statement of Changes in Equity and Reserves
 - Notes to the Financial Statements



Company Information

Board of Directors:

Syed Ahmad Raza Asif

Ms. Roshan Khursheed Bharucha

Mr. Hussain Dawood

Mr. Ahlullah Khan

Mr. Omar Hamid Khan

Mr. Aijaz Ahmed Qureshi

Dr. M. Suleman Shaikh

Mr Zubyr Soomro

Dr. Fareeha Zafar

Mr. Qazi Azmat Isa
Chief Executive Officer

Company Secretary:

Mr. Amir Naeem

Auditors:

Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants

Legal Advisors:

Azam Chaudhry Law Associates

Tax Advisors:

A. F. Ferguson & Company, Chartered Accountants

Bankers:

Faysal Bank Limited, Allied Bank of Pakistan, Habib Bank Limited, National Bank of Pakistan, Silk Bank Limited, Standard Chartered Bank Limited, Bank Al Habib, Bank Al Falah, MCB Bank Limited, United Bank Limited, Askari Commercial Bank Limited, JS Bank, Khushhali Bank, Tameer Microfinance Bank

Registered Office:

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PAKISTAN POVERTY ALLEVIATION FUND MANAGEMENT REVIEW



The Management is pleased to present the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2015.

The improving trend in macroeconomic condition of Pakistan has continued during the first half of the financial year 2015-16. The decline in global commodity prices will continue to keep domestic inflation low. The improvement in security and market conditions, availability of energy for domestic and industrial consumers is triggering the economic activity thereby indirectly helping to reduce poverty and increase job opportunities. This will in turn allow poor to have better access to the basic needs and also encourage savings in communities.

Despite rapid growth and progress in overall poverty reduction, people remained in extreme poverty in rural areas of the Country. Rural development needs to be tackled through multipronged approaches and strategic interventions specific to the needs of the poor. Given PPAF's overarching objective of poverty reduction and its emphasis on inclusive growth, interventions that help the rural poor move out of poverty are prominent in its strategy to reduce poverty and promote inclusiveness. For an eminent performance in the rural development, PPAF's operations are (i) consistent with its internal resource constraints; (ii) carefully designed and managed; and (iii) focused, effective, and efficient. PPAF strategy is determined by client demand for its products and services, lessons learned from the past operational experience, and its internal strengths, constraints, and strategic directions.

During first six months of the financial year, PPAF continued its interventions aimed at reducing poverty, inequality, and vulnerability among poor and marginalized persons by enabling institutions to: (i) foster inclusiveness and equitable access to services, resources and opportunities; (ii) empower people's participation in social, economic and political life; and (iii) help individuals cope with both chronic or unforeseen and sudden risks. Succinctly, inclusiveness lies at the heart of PPAF's all successful poverty relief and development outcomes.

Operational and Financial Results:

By the end of December 2015, PPAF had cumulatively disbursed Rs. 171 billion (credit Rs. 104 billion: Grants Rs. 67 billion) through 137 partner organizations which deployed resources in both urban and rural areas of 121 districts of the country. Aggregately, PPAF enumerated a record spread of over 8 million microcredit loans (58% women), completed more than 36,500 water and infrastructure projects, supported and financed more than 2,000 health and education facilities, transferred 95,000 productive assets to ultra and vulnerable poor (51% women), trained 915,000 (51% women) staff and community members. To address the natural crisis within the country, PPAF provided record financing to 122,000 households during the previous years for construction of earthquake resistant homes. It had also facilitated 1.8 million households affected by natural disasters.

The Company's operations continued steadily during the first half of the financial year 2015-16 with total portfolio deployment at Rs. 20,088 million as compared to Rs. 20,480 million in the corresponding period last year. Loan deployment stood at Rs. 17,214 million (Jul - Dec 14: Rs. 17,872 million). The reduction in loan deployment with partner organizations was on account of depletion of lending funds owing to repayment of loans to Government of Pakistan. The disbursements for grant interventions were Rs 2,874 million (Jul – Dec 14: Rs 2,604 million).

Total income generated during six months was Rs. 1,305 million compared to Rs. 1,407 million during the corresponding period last year indicating a decrease of 7%. Service charges on loans to partner organizations decreased by 23% to Rs. 464 million (Jul - Dec 14: Rs. 600 million) mainly due to the reduction in KIBOR rate to which pricing is related. Income on investments/saving accounts increased to of Rs. 680 million as compared to. Rs 653 million for corresponding period last year. Despite reduction in KIBOR, income on investments/saving accounts increased by 4% due to increase in portfolio. The Company received Rs. 93 million for its operational support from donors for project specific activities (Jul - Dec 14: Rs. 104 million). Loan (payable by PPAF to GoP) was carried at present value computed at market based interest rate. The difference between present value and loan proceeds was recorded as deferred benefit recognizable as income over loan period. Amortized income during six months was Rs. 59 million as

compared to Rs. 48 million during corresponding period last year. Surplus for the six months before Provision for Loan Loss and Project & Relief Activities was Rs. 838 million (Jul-Dec 2014: Rs. 931 million).

The general and administrative expenses during the half year were Rs. 255 million as against Rs. 267 million during the corresponding period last year, showing a decrease of 5%. This was mainly on account of reduction in salaries/ benefits, rent, repair & maintenance and traveling expenses. The other expenses include; seminar, workshops and training expenses – Rs. 11 million (Jul-Dec 2014: Rs. 11 million); technical and other studies - Rs. 82 million (Jul-Dec 2014: Rs. 71 million); financial charges – Rs. 120 million (Jul-Dec 2014: Rs. 120 million). In addition, an amount of Rs 89 million (Jul-Dec 2014: Rs. 101 million) was spent on project and relief activities from PPAF's own resources.

Over the periods, PPAF continued to make steady progress towards sustainable growth. Its equity has grown over Rs. 14 billion which is a key element in the sustainability of the organization. Despite volatile security conditions, we remained operational in all parts of country, reflecting the disciplined implementation of our strategy. As of December 31, 2015, total equity and reserves stood at Rs. 14,756 million (June 30, 2015: Rs. 14,007 million), total assets at Rs. 31,940 million (June 30, 2015: Rs. 32,284 million) and loans receivable from partner organizations at Rs. 14,114 million (June 30, 2015: Rs. 13,913 million).

Progress Update

The World Bank allocated US\$ 250 million (July 2009 to March 2016) for the third poverty alleviation fund project with the aim to empower the targeted poor with increased incomes, improved productive capacity, and access to services to achieve sustainable livelihoods.

PPAF has achieved most of the targets set under the original plan and is on track to complete the project by March 31, 2016. As of December 31, 2015 PPAF had disbursed US\$ 248.81 million i.e. 99.5% of the allocated funds (US\$ 250 million). By the end of December 2015, PPAF III enumerated a record spread of 570,458 microcredit loans; financed over 504 health facilities and 896 education facilities; competed 7,112 water and

infrastructure projects; transferred 88,357 assets to poor; 388,750 community members received skills/entrepreneurial training; and 235,141 staff and community members received capacity trainings nationwide.

The Implementation Support Mission of the World Bank visited PPAF from December 1-16, 2015 to assess the progress of third poverty alleviation fund project. The Mission concluded that the project remains on track to meet its goals by the closing date i.e. March 31, 2016.

The mission reviewed: overall progress of the project towards the achievement of project development objective, results and outputs on project closure; all fiduciary aspects of the project; status of the action plan for improvement and strengthening of management performance system; and post project closure arrangements for sustainability of project outcomes and impacts. The mission rated the overall performance of the project as satisfactory and rated the various components as follows:

Project Ratings	
Development Objectives	Satisfactory
Implementation Progress	Satisfactory
Financial Management	Satisfactory
Procurement	Satisfactory
Monitoring and Evaluation	Satisfactory
Environmental & Social Safeguards	Satisfactory

Component wise Ratings	
1. Social Mobilization & Institutional Building	Satisfactory
2. Livelihood Enhancement & Protection	Satisfactory
3. Microcredit Access	Highly Satisfactory
4. Water and Infrastructure	Satisfactory
5. Health and Education	Satisfactory
6. Project Implementation Support	Satisfactory

Livelihood Support and Promotion of Small Community Infrastructure Project financed by GoP through funding of KfW – Development Bank of Germany (EUR 31.5 million) involves support to livelihood measures and promotion of small community economic

and social infrastructure in KPK. The purpose of the project is to increase access to and sustainable utilization of social and economic infrastructure by the population of the project region; increase employment and income opportunities, especially for the poor; strengthen local civil society and enhanced participation of the population in the decision making at the local level. As of December 31, 2015 EUR 22.32 million were disbursed (71% of the total financing). By the end of December 2015, PPAF completed 516 health facilities and 144 education facilities; completed 1,717 water and infrastructure projects, transferred 6,883 assets to poor, 3,966 community members received skills/entrepreneurial training and 11,317 staff and community members received capacity building trainings.

The Development of Hydro Power and Renewable Energy Project financed by GoP through funding of KfW – Development Bank of Germany (EURO 10 million) with an overall objective to contribute to the improvement of the general living conditions and quality of life of the poor in KPK province. The project concerns about the financing of micro/mini hydropower plants, solar lighting systems, integrated water efficient solar irrigation systems and pilot projects in renewable energy in KPK. The project is being implemented in 10 districts of KPK; Swabi, Chitral, Lower Dir, Upper Dir, Swat, Buner, Bannu, Lakki Marwat, Karak, and Hangu. As of December 31, 2015 PPAF had disbursed EUR 2.14 million (21% of total financing). During the period PPAF initiated 6 Micro Hydropower Project; 96 Solar Lighting Systems; and 1 Pilot Project in Renewable Energy - Mini Grid. The implementation process of the project was slow as considerable time was spent on data collection, capacity building of POs and system design for hi-tech projects, along with delays in finalization of tax matters and selection of vendor(s) during the initial stages. The revised implementation plan has been agreed with the donor (KfW).

The project for Poverty Reduction through Rural Development financed by Italian Cooperation through Government of Pakistan (EURO 40 million) aims towards the establishment of a social and productive infrastructure system and an effective/sustainable social safety net in Balochistan, KPK and FATA. After completion of necessary baselines for the project areas and selection of Partner Organizations, the progress of the project took off during the period under review. As of December 31, 2015 PPAF had disbursed EUR 4.77 million to 17 Partner Organizations selected for the

Project area till December 31, 2015. The reason for low utilization was that program areas (such as Awaran, Kech, Panjgur, Killa Abdullah and Gwadar districts of Balochistan and Bajaur Agency of Federally Administered Tribal Areas) are heavily affected by conflict and have limited access due to their remoteness. For effective and efficient implementation of program interventions in these hard areas, PPAF required innovative and contextualized developmental practices. As a result, PPAF made a strategic shift from its standard method to a more comprehensive and flexible approach with emphasis on developing village and union council development plans. New initiatives along with several innovative models with relevant approaches were undertaken. Owing to this strategic shift more time was required for phase wise implementation of the program. However with initial ground work being complete and the necessary village/union council development plans in place, the project activities are gathering pace and the utilization rate of POs is improving.

The Government of Pakistan allocated Rs 3.5 billion in two instalments to PPAF for implementation of Prime Minister's Interest Free Loan (PMIFL) scheme. The program is directed towards districts with low human development indicators and food security and low or no access to activities in livelihoods, employment or enterprise development. By the end of December 2015, PPAF has expanded its partnership to 26 POs which deployed resources in both urban and rural areas of 287 union councils of 44 districts of the country. Cumulatively, PPAF has disbursed Rs. 2,977 million (Rs. 2,727.44 million as microcredit loans and Rs. 250.48 million as capacity building). PPAF contributed Rs. 8 million towards the operational cost along with management and staff time. In addition, PPAF has actively supported development of a business-eco system. PPAF leveraged its expertise in development of Karobar Rehnumai Markaz (KRM), a business advisory service that guides and counsels end beneficiaries towards productive enterprises, at Branch/Community Loan Centers level. The KRM extends training in financial and digital literacy, enterprise development and supports exposure and linkages to input suppliers, markets and skills training institutions. Under PMIFL scheme PPAF reached 110,016 borrowers (60% women).

Future Outlook

On 21st September, 2015 the Economic Affairs Division communicated in-principal

approval of Minister of Finance for establishment of Pakistan Microfinance Investment Company (PMIC). Following approval by the GoP, PPAF, DFID/Karanddaz and KfW are actively pursuing activities leading towards the establishment of PMIC. The shareholders have agreed upon and signed the Term Sheet on November 5, 2015 outlining the terms and conditions of engagement amongst shareholders and the mission of the new institution. Negotiations on Shareholders Agreement and other legal documents required for incorporation of a Non-Bank Finance Company are being carried out. The Board of Directors of PPAF has approved investment in PMIC along with amendments to the byelaws of PPAF to allow it to invest in for profit institutions. The CEO of PPAF has been authorized to seek the necessary approvals of the Securities and Exchange Commission of Pakistan and General Body of PPAF for investment in PMIC. On completion of necessary formalities, application for incorporation and license for PMIC will be submitted to SECP shortly. A reputed HR firm has been commissioned for the recruitment of CEO and CFO of PMIC.

PPAF has received Rs. 17.56 billion from Government of Pakistan as a loan for utilization in microcredit activities. These amounts were received under multiple projects funded by World Bank and International Fund for Agriculture Development. As of December 31, 2015 the Company successfully repaid all the due amounts including Rs. 2.86 billion of principal and over Rs. 1 billion as service and commitment charges. The balance amount of Rs 14.70 million is repayable by FY 2032. The repayment of loan by PPAF to GoP is adversely affecting the profitability of the Company and thus diluting its capacity to contribute to poverty reduction interventions. The Board of Directors and Management Team strongly propose conversion of Government loan into equity. Under this arrangement PPAF would be able to leverage its equity and access funding for program activities. It would also have a positive impact on the sustainability of PPAF. The proposal for conversion of Government loan into equity of PPAF has been sent to Ministry of Finance for its consideration.

Third party assessments

Auditor General Pakistan audited the financial statement of PPAF III project of World Bank for the year ended June 30, 2015 and gave a clean opinion. They also endorsed the

expenditures on the Project were incurred in accordance with the requirements of legal agreements.

PPAF was reviewed and certified by Pakistan Center for Philanthropy in July 2015. PPAF performance during the last three years from 2012 to 2014 was evaluated including examination of PPAF's structure, finances, systems, procedures, processes and programmes in three thematic areas of internal governance, financial management and programme delivery.

Evaluation Parameters	Total Score	Minimum Score Required	Score Obtained	Strength (%age)
	(A)	(B)	(C)	(C/A%)
Internal Governance	300	150	287	95.66%
Financial Management	300	150	290	96.66%
Programme Delivery	400	200	339	84.75%
Total	1000	600	916	91.6%

Conclusion

PPAF aims to promote a holistic approach of poverty alleviation. The adaptability and lesson learning approach espoused by PPAF further boosted its impact which in turn has led to the evolution of the participatory multi-faceted and integrated yet flexible development model. Efforts to substantially increase financial sector penetration for poor households and microenterprises through a sustainable model with formation of a separate entity will project the image of PPAF as a transformative apex.

April 7, 2016

Qazi Azmat Isa
Chief Executive Officer

**PAKISTAN POVERTY ALLEVIATION FUND
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015**

	Un-audited December 31, 2015	Audited June 30, 2015
	(Rupees in '000)	
NON CURRENT ASSETS		
Property, plant and equipment	4 62,405	62,441
Intangible assets	3,776	4,316
Long term investments	5 2,338,600	2,975,000
Long term loans to Partner Organizations	6 1,271,864	1,528,948
	<u>3,676,645</u>	<u>4,570,705</u>
CURRENT ASSETS		
Current maturity of long term investments	5 636,400	286,400
Current maturity of loans to Partner Organizations	6 11,926,537	11,467,824
Short term investments	7 11,600,708	11,064,519
Advances, deposits, prepayments and other receivables	344,044	312,368
Profit/service charges receivable	859,281	1,177,959
Bank balances-specific to projects	8 2,320,608	3,291,088
Cash and bank balances	9 575,835	114,031
	<u>28,263,413</u>	<u>27,714,189</u>
	<u>31,940,058</u>	<u>32,284,894</u>
FUND AND RESERVES		
Endowment fund	10 1,000,000	1,000,000
Grant fund	7,029,512	6,706,086
Reserve for grant based activities	1,213,989	978,017
Accumulated surplus	5,512,678	5,323,310
	<u>14,756,179</u>	<u>14,007,413</u>
LONG TERM LOANS		
	11 11,807,211	12,143,998
DEFERRED BENEFIT OF BELOW MARKET RATE OF INTEREST ON LONG TERM LOAN		
	11.5.1 2,033,065	2,091,869
CURRENT LIABILITIES		
Deferred liabilities - grant fund	12 2,463,488	3,155,221
Deferred income - grant fund	6,599	6,601
Current portion of long term loans	11 791,181	791,181
Service charges payable	30,861	27,183
Accrued and other liabilities	51,474	61,428
	<u>3,343,603</u>	<u>4,041,614</u>
CONTINGENCIES AND COMMITMENTS		
	<u>31,940,058</u>	<u>32,284,894</u>

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

Chairman

Chief Executive Officer

PAKISTAN POVERTY ALLEVIATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

Note	for the quarter ended		for the half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Rupees in '000)		(Rupees in '000)	
INCOME				
Service charges on loans to Partner Organizations	273,956	342,867	463,655	600,060
Income on investments and saving accounts	13	353,200	347,172	679,720
Amortization of deferred income - grant fund	58,263	63,046	97,842	103,787
Amortization of deferred benefit of below market rate of interest on long term loan	11.5.1	29,586	28,475	58,804
Other income	4,385	411	5,382	1,339
	719,390	781,971	1,305,403	1,406,680
EXPENDITURE				
General and administrative expenses	14	127,063	141,517	254,922
Seminars, workshops and trainings	15	3,395	6,390	11,207
Technical and other studies	16	53,982	37,275	81,719
Loan loss provision	6	-	1,524	-
Financial charges	17	62,703	75,213	119,767
		247,143	261,919	467,615
		472,247	520,052	837,788
SURPLUS BEFORE PROJECT AND RELIEF ACTIVITIES				
Project and relief activities	18	39,075	27,546	89,022
		433,172	492,506	748,766
SURPLUS FOR THE HALF YEAR				
OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR				
		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE HALF YEAR				
		433,172	492,506	748,766
		830,567	830,567	830,567

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

Chairman

Chief Executive Officer

PAKISTAN POVERTY ALLEVIATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

Note	December 31, 2015	December 31, 2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the half year	748,766	830,567
Adjustment for non cash items:		
Depreciation	7,367	9,236
Amortization of intangible assets	540	1,036
Grants for operational assistance	(97,842)	(103,787)
Amortization of deferred benefit of below market rate of interest on long term loan	(58,804)	(48,283)
Loan loss provision	-	6,851
Loss on sale of fixed assets	(4,988)	(959)
Financial charges	92,798	99,556
	(60,929)	(36,350)
	687,837	794,217
Working capital changes		
(Increase) / decrease in current assets:		
Advances, deposits, prepayments and other receivables	(31,676)	(35,499)
Profit/service charges receivables	318,678	(183,432)
Increase / (decrease) in current liabilities:		
Accrued and other liabilities	(9,954)	(70,179)
	277,048	(289,110)
Cash generated from operations	964,885	505,107
Disbursements to partner organizations:		
Loan	(5,138,308)	(5,081,099)
Grants	(2,873,595)	(2,507,372)
Recoveries of loans from partner organizations	4,936,679	4,944,075
Financial charges paid	(30,315)	(38,854)
	(3,105,539)	(2,683,250)
Cash flows from operating activities	(2,140,654)	(2,178,143)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net purchases	(249,789)	198,966
Capital expenditure incurred	(7,424)	(11,439)
Proceeds from disposal of fixed assets	5,081	3,851
Cash flows from investing activities	(252,132)	191,378
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans - received	-	275
Long term loans - repaid	(395,591)	(326,867)
Deferred liabilities - grant fund receipts	2,181,863	403,226
Deferred income - grant fund receipts	97,840	102,201
Cash flows from financing activities	1,884,112	178,835
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(508,676)	(1,807,930)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE HALF YEAR	3,405,119	8,628,153
CASH AND CASH EQUIVALENTS AT END OF THE HALF YEAR	2,896,443	6,820,223
	8 & 9	

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

PAKISTAN POVERTY ALLEVIATION FUND
CONDENSED INTERIM STATEMENT OF CHANGES IN FUND AND RESERVES (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Note	Endowment Fund	Grant fund	Reserve for grant based activities (Rupees in '000)	Accumulated Surplus	Total
Balance as at June 30, 2014		1,000,000	5,659,136	582,216	4,768,468	12,009,820
Total comprehensive income for half year						
Surplus for the quarter ended December 31, 2014		-	-	-	338,061	338,061
Other comprehensive income		-	-	-	-	-
		-	-	-	338,061	338,061
Transfer from accumulated surplus to grant fund		-	179,763	-	(179,763)	-
Transfer from accumulated surplus to reserve for grant based activities		-	-	48,388	(48,388)	-
Balance as at December 31, 2014		<u>1,000,000</u>	<u>5,838,899</u>	<u>630,604</u>	<u>4,878,378</u>	<u>12,347,881</u>
Total comprehensive income for the half year						
Surplus for the half year ended December 31, 2014		-	-	-	1,652,664	1,652,664
Other comprehensive income		-	-	-	6,868	-
		-	-	-	1,659,532	1,659,532
Transfer from accumulated surplus to grant fund		-	867,187	-	(867,187)	-
Transfer from accumulated surplus to reserve for grant based activities	19	-	-	347,413	(347,413)	-
Balance as at June 30, 2015		<u>1,000,000</u>	<u>6,706,086</u>	<u>978,017</u>	<u>5,323,310</u>	<u>14,007,413</u>
Total comprehensive income for the half year						
Surplus for the half year ended December 31, 2015		-	-	-	748,766	748,766
Other comprehensive income		-	-	-	-	-
		-	-	-	748,766	748,766
Transfer from accumulated surplus to grant fund		-	323,426	-	(323,426)	-
Transfer from accumulated surplus to reserve for grant based activities		-	-	235,972	(235,972)	-
Balance as at December 31, 2015	19	<u>1,000,000</u>	<u>7,029,512</u>	<u>1,213,989</u>	<u>5,512,678</u>	<u>14,756,179</u>

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

Chairman

Chief Executive Officer

PAKISTAN POVERTY ALLEVIATION FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

1. Pakistan Poverty Alleviation Fund ("the Company") was registered in Pakistan on February 6, 1997 as a public company with liability limited by guarantee, under Section 42 of the Companies Ordinance, 1984. The primary object of the Company is to help poor, the landless and the asset-less in order to enable them to gain access to the resources for their productive self employment and to encourage them to undertake activities of income generation, poverty alleviation and for enhancing quality of life.
2. These condensed interim financial statements for the half year ended December 31, 2015 are un-audited and have been prepared in accordance with the requirements of International Accounting Standard - 34: "Interim Financial Reporting". These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2015. Comparative condensed interim balance sheet is extracted from annual audited financial statements for the year ended June 30, 2015, whereas, comparative condensed interim income and expenditure account, condensed interim cash flow statement, and condensed interim statement of changes in fund and reserves are stated from unaudited condensed interim financial statements for the half year ended December 31, 2014.
3. The accounting policies adopted, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in the preparation of these financial statements are the same as those applied in preparation of the annual financial statements for the year ended June 30, 2015.

	Note	Un-audited December 31, 2015	Audited June 30, 2015
(Rupees '000')			
4. FIXED ASSETS - TANGIBLE			
Opening written down value		62,441	75,802
Additions		7,424	21,800
Written down value of disposals / adjustments		(93)	(5,319)
Depreciation		(7,367)	(29,841)
		62,405	62,442
5. LONG TERM INVESTMENTS - held to maturity			
Specific to Endowment fund			
Pakistan Investment Bonds (PIBs)	5.1	1,000,000	1,000,000
Specific to grant fund			
Pakistan Investment Bonds (PIBs)	5.2	1,267,000	1,503,400
Term Deposit Receipts (TDRs)		-	50,000
Specific to others			
Pakistan Investment Bonds (PIBs)	5.3	708,000	708,000
		2,975,000	3,261,400
Less: Long term investments maturing within next twelve months shown as current asset		636,400	286,400
		2,338,600	2,975,000

5.1 Represents investments in PIBs as follows:

Principal (Rupees)	Issue Date	Maturity Date	Coupon rate % per annum	Payment terms
200.0 million	22-07-2010	22-07-2020	12.00	Semi annually
200.0 million	22-07-2010	22-07-2020	12.00	Semi annually
200.0 million	18-08-2011	18-08-2021	12.00	Semi annually
400.0 million	29-04-2014	19-07-2022	12.00	Semi annually

5.2

Principal (Rupees)	Issue Date	Maturity Date	Coupon rate % per annum	Payment terms
467.0 million	17-07-2014	17-07-2017	11.25	Semi annually
800.0 million	17-07-2014	17-07-2019	11.50	Semi annually

5.4 Represents investments in PIBs as follows

Principal (Rupees)	Issue Date	Maturity Date	Coupon rate % per annum	Payment terms
300.0 million	18-07-2013	18-07-2016	11.25	Semi annually
408.0 million	17-07-2014	17-07-2017	11.25	Semi annually

6 Long term Investment to Partner Organizations:

Breakup of loans to Partner Organizations:

Note	Un-audited December 31, 2015	Audited June 30, 2015
	(Rupees in '000')	
AGAHE	89,489	82,506
Al Mehran Rural Development and Welfare Organization	136,265	236,421
ASA Pakistan Limited	489,747	459,875
Asasah	197,096	197,096
Badbaan Enterprise Development Forum	32,025	36,934
Baidarie	45,847	53,847
BRAC Pakistan	303,092	486,002
Buksh Foundation	49,925	46,075
Bunyard Literacy Community Council	20,700	35,813
Centre for Women Cooperative Development	258,839	258,839
Community Support Concern	430,855	318,206
Development Action for Mobilization and Emancipation	1,382,852	1,181,073
Dia Welfare Organization	92,100	79,405
Farmers Friend Organization	362,650	418,292
Ghazi Brotha Taraqiatee Idara	44,500	1,555
Jinnah Welfare Society	476,000	538,000
Kashf Foundation	2,238,000	2,239,018
Khajji Cooperative Society	12,620	11,120
Khushhali Bank	1,180,000	520,000
Khwendo Kor Women and Children Development Programme	10,717	14,592
Mashal Development Organization	505	550
Mehran Education Society	29,614	37,130
Mojaz Foundation	308,792	311,958
Narowal Rural Development Programme	152,721	144,981
National Rural Support Programme	2,026,614	2,026,614
NRSP Microfinance Bank	150,000	150,000
Orangi Charitable Trust	172,043	172,043
Organization for Participatory Development	87,875	136,856
Orix Leasing Pakistan Limited	-	120,299
Poverty Eradication Network	1,827	1,827
Punjab Rural Support Programme	339,854	326,398
Rural Community Development Society	794,969	734,175
SAATH Development Society	74,970	77,900
Sarhad Rural Support Programme	25,450	37,500
Save The Poor	4,872	4,872
Sayya Foundation	39,094	23,844
Shadab Rural Development Organization	114,331	112,292
Shah Sachal Sami Welfare Association	119,275	118,375
Sindh Agricultural & Forestry Workers Coordinating Organization	427,620	313,393
Sindh Rural Support Organization	217,750	556,025
Soon Valley Development Programme	126,825	150,189
Thardeep Rural Development Programme	1,033,996	1,118,721
Villagers Development Organization	-	3,875
Women Social Organization	5,380	11,581
Young Pioneers Society	6,650	6,650
	14,114,346	13,912,717
Less: Loan loss provision	(915,945)	(915,945)
	13,198,401	12,996,772
Less: Amount receivable within next twelve months shown as current assets	11,926,537	11,467,824
	1,271,864	1,528,948

6.1

- 6.1 The Company disbursed microcredit loans to POs under respective Financing Agreements at service charges based upon a range of benchmarks including KIBOR. These loans are secured through letter of hypothecation on receivables of POs created out of financing obtained from the Company. Further, the Company maintains a first charge on all assets / capital items created out of financing provided for capacity building and under the exclusive lien of the Company until full repayment of the principal, service charges and other outstanding amounts payable to the Company. These loans are repayable on quarterly basis within two years under the respective financing agreements signed between the Company and the POs. Effective April 1, 2013 rates for service charges are revised on the basis of classification of POs into "for-profit" and "not-for-profit" and further sub categories into geographical areas 4.00% p.a. to 9.00% p.a. (June 2015: 4.61% p.a. to 11.68% p.a.). All financing agreements signed after September 30, 2015 with "for profit" Microfinance Institutional and Microfinance Banks will be charged interest on the basis of internal rating system of PPAF 9.% p.a to 9.5% p.a (June 2015: NIL). All other financing facilities that have completed two years of subsidized funding will be charged standard rate based on KIBOR 8% p.a (June 2015:NIL)

7. SHORT TERM INVESTMENTS	Note	Un-audited	Audited
		December 31, 2015	June 30, 2015
		(Rupees in '000')	
Specific to projects	7.1	3,100,000	3,600,000
Specific to grant fund	7.2	5,579,880	5,153,341
Specific to others	7.3	2,920,828	2,311,178
		<u>11,600,708</u>	<u>11,064,519</u>

- 7.1 These represent investments in term deposit receipts maturing within one year from the date of investment at annual markup rates ranging from 6.50% p.a. to 9.9% p.a (June 2015: 6.57% p.a. to 10.35% p.a).

This includes Rs. 3,100 million placed with commercial banks as cash collaterals for providing a partial guarantee to the Banks to facilitate lending to following Microfinance Institutions breakup of which is as follows:

Microfinance institutions	Investment amount		Running finance facility	
	Dec-31 2015	Jun-30 2015	Dec-15 2015	Jun-30 2015
	Rs		Rs	
Kashf Foundation	1000 million	1,000,000	1500 million	1,500,000
National Rural Support Programme	750 million	1,000,000	1570 million	2,400,000
NRSP - Microfinance Bank	1000 million	1,000,000	1,500 million	1,600,000
Orangi Charitable Trust	-	150,000	150 million	150,000
BRAC Pakistan	250 million	250,000	175 million	250,000
SAFCO Support Foundation	-	100,000	55 million	130,000
Punjab Rural Support Program	100 million	100,000	60 million	150,000
Total	<u>3,100 million</u>	<u>3,600,000</u>	<u>5,010 million</u>	<u>6,180,000</u>

- 7.2 Specific to grant fund includes investments of Rs 705,717 thousand (June 2015: Rs 695,636 thousand) (equivalent to 5%(June 2015: 5%) of the loan receivable from Partner Organizations) as disaster relief fund, and Rs 5,050,559 thousand (June 2015: Rs 4,457,050 thousand) as grant fund to finance grant based activities of which Rs. 1,267,000 thousand is appearing as long term investment in note 7.

These funds are invested in term deposit receipts maturing within one year from the date of investment, at mark up rates ranging from 6.95% p.a to 9.81% p.a (June 2015: 8.25% p.a to 10.25% p.a.).

7.3 Specific to others	Note	Un-audited	Audited
		December 31, 2015	June 30, 2015
		(Rupees '000')	
Term Deposit Receipts (TDR)	7.3.1	2,778,119	2,168,469
Government Treasury Bills	7.3.2	142,709	142,709
	7.3.3	<u>2,920,828</u>	<u>2,311,178</u>

- 7.3.1 These funds are invested in term deposit receipts maturing within one year from the date of investment, at annual mark up rates ranging from 6.66% p.a to 10.05% p.a (June 2015: 6.17% p.a to 10.05% p.a).
- 7.3.2 These funds are invested in Government Treasury Bills maturing within one year from the date of investment, at annual mark up rates ranging from 6.92% p.a to 8.64% p.a (June 2015: 8.64% p.a to 9.99% p.a).
- 7.3.3 Specific to others includes Rs. 109 million invested against USDA project (June 2015: 109 million) and Rs 2,117,152 thousand invested (June 2015: Rs 2,086,908 thousand) (equivalent to 15% (June 2015: 15%) of the loan receivable from Partner Organizations) to safeguard against any major default on loan receivable and provide capital adequacy.

Note	Un-audited December 31, 2015	Audited June 30, 2015
(Rupees '000')		
8. BANK BALANCES - SPECIFIC TO PROJECTS		
Cash at banks - current accounts		
Specific to IDA III	725,022	1,378,504
Specific to Kfw - Livelihood and community infrastructure	177,571	394,471
Specific to Kfw - Renewable energy	18,824	108,457
Specific to Italian	766,413	1,180,780
Specific to Banezir Income Supprot Program (BISP)	84,374	84,374
Prime Minister's Interest Free Loan Scheme	524,805	124,323
	2,297,009	3,270,909
Cash at banks - deposit accounts		
Specific to USDA grant	3,452	552
Specific to Benazir Income Support Programme- Waseela-e-Haq	20,147	19,627
	2,320,608	3,291,088

- 8.1 As per the financing agreements signed with various donors, PPAF is allowed to draw funds from the special accounts for carrying out eligible categories of expenses. However, such funds cannot be invested to earn profit and are hence kept in special project specific bank accounts.

Note	Un-audited December 31, 2015	Audited June 30, 2015
(Rupees '000')		
9. CASH AND BANK BALANCES		
Cash in hand		
	151	58
Cash at banks - current accounts		
	16,391	169
Cash at banks - deposit accounts		
9.1	559,293	113,804
	575,684	113,973
	575,835	114,031

- 9.1 The balances in deposit accounts carry average mark up of 5 % p.a. (June 2015: 6.50 % p.a.).

10. ENDOWMENT FUND

This represents the amounts paid by GOP for endowment fund under the Subsidiary Financing Agreements (SFAs) for IDA I and IDA II projects. Under the SFA, the fund is to be invested in the government schemes / bonds and income generated therefrom shall be utilized for revenue and capital expenditure of the Company.

	Note	Un-audited December 31, 2015	Audited June 30, 2015
(Rupees '000')			
11. LONG TERM LOANS - Unsecured			
Government of Pakistan - PPAF - I (IDA financing)	11.1	1,425,317	1,534,961
Government of Pakistan- PPAF - II (IDA financing)	11.2	7,161,224	7,340,220
Government of Pakistan - MIOP (IFAD financing)	11.3	993,902	1,032,129
Government of Pakistan - PRISM (IFAD financing)	11.4	1,992,989	2,061,713
Government of Pakistan- PPAF - III (IDA financing)	11.5	1,024,960	966,156
		<u>12,598,392</u>	<u>12,935,179</u>
Less: Amount payable within next twelve months shown as current liability		(791,181)	(791,181)
		<u>11,807,211</u>	<u>12,143,998</u>

11.1 Government of Pakistan - PPAF - I (IDA financing)

Opening balance	1,534,961	1,754,248
Amount repaid	(109,644)	(219,287)
	<u>1,425,317</u>	<u>1,534,961</u>

The principal amount of loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments payable on each May 15, and November 15 commencing from November 15, 2007 and ending on May 15, 2022. Each installment upto and including the installment payable on May 15, 2013 shall be equal to 2.083% of such principal amounts and each installment thereafter shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75 % p.a.

	Note	Un-audited December 31, 2015	Audited June 30, 2015
(Rupees '000')			
11.2 Government of Pakistan- PPAF - II (IDA financing)			
Opening balance		7,340,220	7,698,213
Amount repaid		(178,996)	(357,993)
		<u>7,161,224</u>	<u>7,340,220</u>

The principal amount of loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments, payable on each Feb 01, and August 01 commencing from February 01, 2012 and ending on August 01, 2026. Each installment upto and including the installment payable on August 01, 2017 shall be equal to 2.083% of such principal amounts and each installment thereafter shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75 % p.a.

	Note	Un-audited December 31, 2015	Audited June 30, 2015
(Rupees '000')			
11.3 Government of Pakistan - (IFAD financing MIOP)			
Amount repaid		1,032,129	1,108,583
		(38,227)	(76,454)
		<u>993,902</u>	<u>1,032,129</u>

The loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments, payable on each June 01, and December 01 commencing from June 01, 2014 and ending on December 01, 2028 in thirty equal semi annual installments. These loans carry a service charge of 0.75 % p.a.

	Note	Un-audited	Audited
		December 31, 2015	June 30, 2015
(Rupees '000')			
11.4 Government of Pakistan - (IFAD financing PRISM)			
Opening balance		2,061,713	2,007,264
Amount received		-	54,448
Amount repaid		(68,724)	-
		<u>1,992,989</u>	<u>2,061,713</u>

The loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty equal semi-annual installments commencing from December 01, 2015 and ending on June 01, 2030. These loans carry a service charge of 0.75 % p.a.

	Note	Un-audited	Audited
		December 31, 2015	June 30, 2015
(Rupees '000')			
11.5 Government of Pakistan- PPAF - III (IDA financing)			
Opening balance		3,058,025	2,886,040
Amount received		-	171,985
		3,058,025	3,058,025
Less: Deferred benefit of below market rate of interest on long term loan	11.5.1	2,033,065	2,091,869
		<u>1,024,960</u>	<u>966,156</u>

The loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments, payable on each June 15, and December 15 commencing from June 15, 2017 and ending on December 15, 2031. Each installment upto and including the installment payable on December 15, 2022 shall be equal to 2.083% of such principal amounts and each installment thereafter shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75 % p.a.

11.5.1 The loan is carried at present value computed at market based interest rate. The difference between present value and loan proceeds is recognised as deferred benefit. The deferred benefit is recognized as income using the effective interest method over the period of the loan. Movement of deferred benefit during the year is as follows:

	Note	Un-audited	Audited
		December 31, 2015	June 30, 2015
(Rupees '000')			
Deferred benefit			
Opening balance		2,091,869	2,073,650
Add: benefit on loan received during the year		-	117,916
Amortization during the period		(58,804)	(99,697)
		<u>2,033,065</u>	<u>2,091,869</u>

12. DEFERRED LIABILITIES - GRANT FUND	Note	IDA III	KfW Renewable Energy	KfW Livelihood	Italian	PMIFL	CECP	BISP	USAID	USDA	OTHER FUNDS	December 31, 2015	June 30, 2015
		(Rupees '000')											
Opening balance		946,545	106,876	386,880	1,177,768	124,324	21,668	152,947	115,984	97,528	24,701	3,155,221	8,304,496
Amount received/(transferred)		465,998	(2,156)	(8,421)	(26,559)	1,750,000	-	-	-	-	3,000	2,181,862	1,784,866
		1,412,543	104,720	378,459	1,151,209	1,874,324	21,668	152,947	115,984	97,528	27,701	5,337,083	10,089,362
Less: Disbursements for													
Water and infrastructure		181,282	85,553	153,639	93,730	-	-	-	-	-	-	514,204	1,797,905
Social sector development		61,427	-	7,536	188,343	-	-	-	-	-	-	257,306	233,715
Capacity/Institutional building		45,966	-	23,345	43,629	-	-	-	-	-	-	112,940	516,269
Social mobilization		48,311	-	-	-	-	-	-	-	-	-	48,311	208,206
Livelihood enhancement and protection		416,098	-	22,030	87,038	-	-	-	-	-	-	525,166	2,334,782
Waseel-e-Haq Program		-	-	-	-	-	-	-	-	-	-	-	4,065
Micro credit access		66,150	-	-	-	1,349,518	-	-	-	-	-	1,415,668	1,825,889
Projects		-	-	-	-	-	-	-	-	-	-	-	13,310
	12.1	819,234	85,553	206,550	412,740	1,349,518	-	-	-	-	-	2,873,595	6,934,141
		593,309	19,167	171,909	738,469	524,806	21,668	152,947	115,984	97,528	27,701	2,463,488	3,155,221

- Deferred liabilities grant fund represents amounts payable to POs/(receivable from donors) on non-reimbursable basis under respective financing agreements.

(Rupees '000')

12.1 Disbursement to:

Awami Development Organization	6,287	-	-	-	71,500	77,787	105,970
Association of Gender Awareness and Human Empowerment	34,326	-	-	-	27,280	61,606	78,670
AHO	-	-	30,674	-	-	30,674	23,696
Aga Khan Health Support Programme	-	-	-	-	-	-	1,215
AKHUWAT	-	-	-	-	112,750	112,750	358,860
AKPBS-Water and Sanitation Extension Programme	53,137	-	-	-	-	53,137	42,292
Aga Khan Rural Support Programme	21,858	32,141	-	-	-	53,999	153,231
AL Mehran Rural Development and Welfare Organization	-	-	-	-	33,000	33,000	33,000
ASA Pakistan Ltd.	3	-	-	-	-	3	-
Awaz Foundation Pakistan - Centre for Development Services	37	-	-	-	-	37	8,594
AZAT Foundation	-	-	-	-	-	-	17,952
Baanhn Beli	8,250	-	-	-	-	8,250	42,552
Baidarie	(2,650)	-	-	-	-	(2,650)	7,536
Balochistan Rural Development Society	9,349	-	-	-	-	9,349	39,300
Badbaan Enterprise Development Forum	-	-	-	-	-	-	1,657
Balochistan Environmental and Educational Journey	81,752	-	-	-	-	81,752	24,336
Bunyad Literacy Community Council	1,707	-	-	-	18,040	19,747	34,840
BRAC - Pakistan	2,611	-	-	33,812	-	36,423	112,575
Balochistan Rural Development & Research Society	6,701	-	-	17,698	-	24,399	18,951
Badin Rural Development Society	987	-	-	-	-	987	63,099
Balochistan Rural Support Programme	93,299	-	-	74,003	-	167,302	276,485
Community Development Concern	-	-	-	-	-	-	624
Change in Education	-	-	7,536	-	-	7,536	12,612
Community Mobilisation and Development Organization	12,002	12,825	-	-	-	24,827	107,223
Courage Development Foundation	8,032	-	-	-	-	8,032	2,972
Community Support Concern	-	-	-	-	59,312	59,312	26,313
Community Support Foundation	-	-	-	-	-	-	14,137
Community Uplift Programme	597	-	-	-	-	597	94,809
Development in Literacy	6	-	-	-	-	6	-
Diya Welfare Organization (Micro Options)	20	-	-	-	-	20	-
Environment Protection Society	3,984	-	19,430	58,724	23,100	105,238	148,247
Farmers Development Organization	4,741	-	-	-	100,100	104,841	85,843
Family Educational Services Foundation	-	-	-	-	-	-	1,921
Farmers Friend Organization	168	-	-	-	1,000	1,168	58,509
Ghazi Brotha Taraqiatee Idara	-	-	-	-	62,634	62,634	83,046
Hazara Development and Advocacy Foundation	-	-	39,585	-	-	39,585	53,297
Health and Nutrition Development Society	6,375	-	-	-	59,500	65,875	43,266
Human Development Foundation	-	-	-	28,228	-	28,228	8,100
Heartfile	-	-	-	-	-	-	2,765
Himalayan Wildlife Foundation	179	-	-	-	-	179	(81)
Indus Earth Trust	34,784	-	-	-	-	34,784	4,940
Indus Resource Centre	16,909	-	-	-	-	16,909	67,812
Idara Taleem O Agahi	3,721	-	-	-	-	3,721	-
Jinnah Welfare Society	410	-	-	-	-	410	1,039
Khushaal Awareness & Development Organisation	-	-	-	-	-	-	14,683
Kashf Foundation	2,115	-	-	-	24,750	26,865	58,256
Khwendo Kor Women and Children Development Programme	510	-	-	-	-	510	18,436
MDF (Mamoona)	-	-	-	-	-	-	1,134
Mehran Education Society	15,264	-	-	-	-	15,264	-
Mountain and Glacier Protection Organization	(16)	-	-	-	-	(16)	65,810
Mountain Institute of Educational Development	7	-	8,109	-	-	8,116	7,680
Mojaz Foundation	312	-	-	-	66,000	66,312	138,749
Marvi Rural Development Organization	169	-	-	-	-	169	12,837
Narowal Rural Development Programme	-	-	-	-	-	-	46,181
National Rural Support Programme	108,730	-	40,832	82,922	257,400	489,884	1,657,816
NRSP BANK	-	-	-	-	-	-	63,609
Orangi Charitable Trust	-	-	-	-	-	-	44,000
Organization for Participatory Development	6	-	-	-	-	6	-
Poverty Eradication Initiative	-	-	-	-	-	-	28,158
Pakistan Foundation Fighting for Blindness	2,755	-	-	-	-	2,755	15,009
Participatory Integrated Development Society	7,493	-	-	36,356	-	43,849	181,896
Punjab Rural Support Programme	-	-	-	-	31,488	31,488	12,484
Balances carried forward	546,927	44,966	146,166	331,743	947,854	2,017,656	4,628,943

(Rupees '000')

12.1 Disbursement to:

Balances brought forward	546,927	44,966	146,166	331,743	947,854	2,017,656	4,628,943
Rural Community Development Society	10,218	-	-	-	128,700	138,918	171,920
Rural Development Project	-	-	24,358	-	-	24,358	3,222
SAATH Development Society	-	-	-	-	17,028	17,028	11,000
Social Action Bureau for Assistance in Welfare and Organisation Network	178	12,305	13,783	-	-	26,266	48,360
Sindh Agricultural & Forestry Workers Coordinating Organization-SSF	1,905	-	-	-	24,320	26,225	132,144
Sindh Agricultural & Forestry Workers Coordinating Organization-SAFWCO	15,429	-	-	-	-	15,429	317,394
Salik Development Foundation	2,592	-	8,353	-	-	10,945	25,955
South Asia Partnership Pakistan	44,840	-	-	-	-	44,840	195,334
Sarhad Rural Support Programme	(4,308)	28,282	(23,992)	-	-	(18)	391,663
Save The Poor	200	-	-	-	-	200	-
Sayya Foundation	401	-	-	-	15,356	15,757	34,400
Society for Conservation and Protection of Environment	1,149	-	-	-	-	1,149	48,249
SEHER	(4,228)	-	-	40,617	-	36,389	7,753
Sustainable Development, Education, Rural Infrastructure, Veterinary Care & Environment	498	-	-	-	42,900	43,398	53,561
Sindh Rural Support Programme	12,013	-	-	-	-	12,013	27,547
SOS Children's Village	(53)	-	-	-	-	(53)	3,710
SPADO	-	-	18,582	-	-	18,582	7,319
Strengthening Participatory Organization	150	-	-	-	-	150	99,879
Shadab Rural Development Organization	6,149	-	-	-	-	6,149	3,328
Sindh Rural Support Organization	31,243	-	-	-	-	31,243	155,986
Shah Sachal Sami Welfare	5,462	-	-	-	-	5,462	-
Sungi Development Foundation	1,832	-	-	-	-	1,832	60,259
SUSG-Central Asia	1,271	-	-	-	-	1,271	49,166
Soon Valley Development Programme	3	-	-	-	-	3	3,608
Support With Working Solutions	(7)	-	19,300	-	-	19,293	4,130
Taraqee Foundation	121,763	-	-	20,435	-	142,198	144,975
Tehreek	171	-	-	-	-	171	8,481
Thardeep Rural Development Programme	10,651	-	-	-	77,000	87,651	228,948
Villagers Development Organization	100	-	-	-	-	100	11,600
Water Environment & Sanitation Society	166	-	-	-	-	166	4,093
Women Social Organisation	12,081	-	-	-	-	12,081	300
Lasooona	-	-	-	19,945	-	19,945	2,125
CERD	-	-	-	-	-	-	2,170
YO (Youth)	-	-	-	-	-	-	2,199
HHRD	-	-	-	-	96,360	96,360	26,400
NIDA	-	-	-	-	-	-	2,202
Direct expenses on project activities	438	-	-	-	-	438	15,818
	1,913,088	175,485	498,882	1,076,226	3,245,226	6,908,907	16,192,027

	for the quarter ended		for the half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Rupees '000')		(Rupees '000')	
13. INCOME ON INVESTMENTS AND SAVING ACCOUNTS				
Profit on investments-				
Specific to Endowment Fund	33,159	38,915	63,941	65,986
Specific to projects	64,609	92,916	136,286	181,123
Specific to grant fund	172,099	156,533	324,994	277,991
Specific to others and saving accounts	83,333	58,808	154,499	128,111
	<u>353,200</u>	<u>347,172</u>	<u>679,720</u>	<u>653,211</u>
14. GENERAL AND ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	83,017	85,183	171,462	178,390
Rent, rates and taxes	4,800	7,320	12,450	16,245
Repairs and maintenance	1,353	1,736	2,550	3,695
Traveling, lodging and conveyance	18,891	21,938	30,348	29,781
Communication	1,857	1,738	2,950	2,421
Printing and stationery	1,195	1,073	2,087	1,549
Insurance	125	3,793	4,814	5,282
Vehicles running and maintenance	4,955	5,564	8,891	8,872
Utilities	1,264	816	2,089	1,819
Legal and professional charges	467	782	870	1,059
Advertisement	781	2,000	1,028	2,117
Marketing and communication	939	473	1,232	117
Newspapers, books and periodicals	203	206	376	333
Depreciation	3,986	5,249	7,367	9,236
Amortization	270	517	540	1,035
Security services	315	863	1,349	1,074
Office shifting and related expenses	1,303	721	1,769	1,038
Others	1,342	1,545	2,750	3,023
	<u>127,063</u>	<u>141,517</u>	<u>254,922</u>	<u>267,086</u>
15. SEMINARS, WORKSHOPS AND TRAININGS				
Training	2,076	4,377	7,473	8,358
Seminar and workshops	1,319	2,013	3,734	2,554
	<u>3,395</u>	<u>6,390</u>	<u>11,207</u>	<u>10,912</u>
16. TECHNICAL AND OTHER STUDIES				
General	53,982	37,275	81,719	70,969
	<u>53,982</u>	<u>37,275</u>	<u>81,719</u>	<u>70,969</u>
17. FINANCIAL CHARGES				
On long term loans	32,412	46,212	60,162	70,628
Imputed interest on below market rate long term loan	29,586	28,475	58,804	48,283
Bank charges	705	526	801	768
	<u>62,703</u>	<u>75,213</u>	<u>119,767</u>	<u>119,679</u>
18. PROJECT AND RELIEF ACTIVITIES				
Flood relief	-	14,070	-	23,583
Earthquake relief	-	970	3,192	26,543
Project and other activities	39,075	12,506	85,830	50,490
	<u>39,075</u>	<u>27,546</u>	<u>89,022</u>	<u>100,616</u>
19. TRANSFER FROM ACCUMULATED SURPLUS TO RESERVE FOR GRANT BASED ACTIVITIES				
Income earned during the period on grant fund investments	172,099	156,533	324,994	277,991
Less: expenditure on project and relief activities	39,075	27,546	89,022	100,616
19.1	<u>133,024</u>	<u>128,987</u>	<u>235,972</u>	<u>177,375</u>

19.1 This represents net income earned on grant fund during the period. Funds are utilized out of net surpluses generated and accumulated over the years as evidenced by Statement of Changes in Equity.

20. COMPARATIVE FIGURES

Comparative figures have been adjusted/rearranged and reclassified, wherever necessary, for better presentation.

Chairman

Chief Executive Officer