

Condensed Interim Financial Statements

For the Half Year ended
December 31, 2013

(un-audited)



Pakistan Poverty Alleviation Fund



UN-AUDITED FINANCIAL STATEMENTS

- **COMPANY INFORMATION**
 - **MANAGEMENT REVIEW**
 - **UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED DECEMBER 31, 2013**
-
- 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:

Mr. Hussain Dawood
Chairman

Dr. Naved Hamid

Dr. Saba Gul Khattak

Mr. Amjad Mahmood

Dr. Rajab Ali Memon

Mr. Zafar Nasrullah

Prof. Aijaz Ahmed Qureshi

Mr. Sarfaraz Ahmad Rehman

Dr. Suleman Shaikh

Dr. Zeba Sathar

Dr. Fareeha Zaffar

Mr. Qazi Azmat Isa
Chief Executive Officer

BOD Committees:

Board Compensation Committee:

Mr. Hussain Dawood
Chairman

Prof. Aijaz Ahmed Qureshi

Mr. Sarfaraz Ahmad Rehman

Dr. Fareeha Zaffar

Audit Committee:

Dr. M. Suleman Shaikh
Chairman

Dr. Naved Hamid

Dr. Rajab Ali Memon

Mr. Amjad Mahmood

Risk Oversight Committee:

Mr. Sarfaraz Ahmad Rehman
Chairman

Dr. Saba Gul Khattak

Dr. Zeba Sathar

Mr. Zafar Nasrullah

Company Secretary:

Mr. Amir Naeem

Auditors:

A. F. Ferguson & Company, 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

Registered Office:

1, Hill View Road, Bani Gala, Islamabad, Pakistan.
UAN: (+92-51) 111-000-102, Ph: 2613935-50
Fax: (+92-51) 2613931, Email: info@ppaf.org.pk
Website: www.ppaf.org.pk



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, 2013.

Poverty has brought the country to encounter the reality that every third individual is apprehended in the 'poor' bracket. The fact has made it unlikely for Pakistan to achieve the Millennium Development Goals (MDGs) of halving poverty by 2015. Currently the challenge is to lift 33 percent of the people out of poverty and protect another 36 percent who are vulnerable. At the lower end of the poverty spectrum, incomes have to increase significantly to move people out of poverty whereas for a large majority of the people concentrated just above and below the poverty bandwidth, even relatively small increases in income can help in their transition out of poverty and in protecting them from falling below the line.

PPAF follows a multipronged approach to poverty reduction for enhanced impact. It offers a menu of choices with clearly defined principles of engagement. The sequencing of interventions other than social mobilization, which is an on-going process, is based on a participatory diagnostic process with the communities. PPAF interventions are helping people to achieve a sustainable increase in incomes as well as to deal with the other dimensions of poverty that enhances their socio-psychological well-being.

Programme Overview:

PPAF has driven the development sector for more than a decade. Working on a multipronged strategy, PPAF has been a major driver of the microfinance sector since 2000. It has played twin roles of sector developer and wholesale financier. As a result of these efforts, Economic Intelligent Unit (sister concern of "The Economist") has rated Pakistan as the third best country globally for microfinance for the second year in a row. Our interventions in livelihoods, employment and enterprise development have focused on reducing vulnerability of the ultra-poor and created an enabling environment at the village level. This has translated into providing increased opportunities for the economic

productivity of youth, women and the disabled. PPAF's public goods interventions associated with productive infrastructure, health, education, drought mitigation, alternate energy, and climate change have helped to provide basic services at the village level with community ownership in a cost effective and sustainable manner. We measure our performance through a robust results framework that is aligned with the MDGs and tracks outcomes and impact of our interventions.

PPAF is a national organization and its focus is on reaching regions of Pakistan that have historically lagged behind in socio-economic development and are underserved. These include the insecure/conflict-affected areas of the country. With its extensive presence and community centric approach, PPAF's multiple interventions have not only helped lift people out of poverty but also played an important role in restoring hope, reducing inequality, bridging disparities and developing an enabling environment for peace and prosperity.

Various third party assessments and evaluations have endorsed that PPAF's poverty reduction interventions have resulted in positive impact on the lives of the poor. The study of Assessment of Outcomes of PPAF Micro-Credit by Gallup has revealed that borrowing households were able to increase their incomes on average by 29% and consumption expenditure by 19%. The study by World Bank's Development Economic Research Group on Participation and the Provision of Local Public Goods concluded that PPAF financed infrastructure projects are pro-poor, less exclusionary, well maintained and better documented than those delivered by other channels. Yale University's assessments of PPAF's livelihood programme have indicated that beneficiaries of asset transfers on average earn more, spend more, and are wealthier in terms of the assets they own than non-beneficiaries.

The positive trend in Company's operations continued during the half year with disbursements reaching at Rs. 8,348 million as compared to Rs. 7,432 million in the corresponding period last year indicating an increase of 12%. Loan disbursements (microcredit and enterprise development facility) stood at Rs 4,889 million (Jul - Dec 12: Rs 4,472 million) and disbursements for core grant based interventions at Rs 3,459 million (Jul – Dec 12: Rs 2,960 million).

In addition to carrying out its core operations during the six months, PPAF was at the forefront to provide relief and rehabilitation support for people affected by the natural calamities across the country. In response to the earthquake that struck Balochistan in September 2013, PPAF launched an Emergency Relief Program in districts Awaran and Kech. The relief package benefited over 40,000 people belonging to 6,000 households. Dry food items, non-food items, hygiene kits, transitional shelters and latrines facilities were provided to the affectees. PPAF set up three mobile medical camps in district Awaran and one in district Kech to provide emergency healthcare services to affectees. Over 2800 patients were provided with medical care. PPAF-supported Emergency Care Center provided minor surgery, orthopedic treatment and emergency mother and child healthcare services. Over 3,300 patients received medical treatment. Additionally, PPAF delivered dry ration packs to over 16,500 families in flood affected districts of Narowal, Rajanpur and Ghotki. PPAF also set up mobile medical camps in these areas and provided healthcare services to over 10,000 patients. Livestock vaccination program was also carried out and over 13,500 animals got vaccinated.

By the end of Dec 2013, PPAF had disbursed Rs 139 billion (credit Rs 86 billion : Grant Rs 53 billion) through 129 partner organizations which deployed resources in both urban and rural areas of 121 districts of the country. Aggregately, PPAF enumerated a record spread of 6.6 million microcredit loans (58% women), completed 28,000 water and infrastructure projects, supported and financed 1,850 health and education facilities, transferred 53,000 productive assets to ultra and vulnerable poor (51% women), trained 842,000 (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 also facilitated 1.8 million households affected by natural disasters.

PPAF successfully completed US\$ 36 million Programme for Increasing Sustainable Microfinance, funded by International Fund for Agriculture Development (IFAD). The Programme Completion Review mission rated PPAF performance as “Highly Satisfactory”. The results achieved under the programme earned PPAF accolades both from IFAD and Government of Pakistan. An event was also organized by IFAD to

understand the contributing factors of the success and acknowledge achievements of the programme. Discussions on a new IFAD's programme on Rural Finance are under way.

Operational and Financial Results:

The overall operational and financial results during the half year remained satisfactory. Total income generated was Rs 1,299 million compared to Rs 1,395 million during the corresponding period last year. The decrease in income was mainly on account of reduction in KIBOR which affected both service charges on loans to POs and income earned on investments. The Company had also received Rs. 71 million for its operational support as against Rs 66 million for corresponding period last year.

The general and administrative expenses during the half year were Rs 261 million as against Rs 237 million during the corresponding period last year, showing an increase of 10%. The increase was due to impact of inflation and expansion in operations. The other expenses include; seminar, workshops and training expenses - Rs 16 million (Jul-Dec 2012- Rs 11 m); technical and other studies - Rs. 56 million (Jul-Dec 2012 - Rs. 38 m); financial charges - Rs 85 million (Jul-Dec 2012 - Rs. 59 m). In addition, an amount of Rs 476 million was spent on earthquake and flood recovery interventions from PPAF's own resources.

Over the periods, PPAF continued to make steady progress towards sustainable growth. Our equity exceeded Rs. 11 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, 2013, total equity and reserves stood at Rs 11,243 million (June 30, 2013: Rs 10,858 million), total assets at Rs 34,488 million (June 30, 2013: Rs 31,656 million) and loans receivable from partner organizations at Rs 13,841 million (June 30, 2013: Rs 13,300 million).

Key Events

PPAF is privileged to be among the members of the council approved by the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization, Mr. Ishaq Dar. The council comprises of 19 members from different walk of life.

PPAF, in collaboration with Pakistan Microfinance Network (PMN), organized a two-day Microfinance Summit in July 2013 which provided an insight into Pakistan's microfinance market to the local and international audience. Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization was the chief guest of the event. The summit included different sessions focusing on microfinance, linkages development, financial inclusion, new frontiers for microfinance, opportunities for microfinance in branchless banking, micro-insurance, importance of flexibility for innovation, microfinance growth.

An international conference was jointly organized in United Kingdom by Muslim Charity Fund (MCF), a representative body/ network of UK based civil society institutions, and PPAF. Through its declaration, MCF and PPAF requested the Conference participants to commit a leading role to way forward in coherent and consistent actions that contribute towards the MDGs through a value driven approach that can reflect the core values of inclusion, participation, good governance, transparency, accountability and sustainability.

New Initiatives:

PPAF is in advanced stages of discussion with the Ministry of Finance for implementation of the Prime Ministers Qarz-e-Hasna Scheme which involves funding of Rs. 3.5 billion for provision of interest free loans at the grass root to the eligible poor households through a community based approach.

Coinciding with World Bank's biannual supervision mission (planned for April 2014), preparation for PPAF-IV project will be commencing soon with a primary focus on livelihood and enterprise development. The project is expected to be of 4-5 year and will involve a new instrument of the Bank, P4R (program for Results) which entails progress based release of funding tranches. In addition, PPAF is also preparing a proposal for funding to enhance rural connectivity following discussions with the World Bank team and other stakeholders. A working group has been established at PPAF for this purpose.

UKAID and KfW have committed to invest USD 25 million and USD 15 million respectively as equity to support PPAF's investments in financial services for the poor

subject to establishment of an appropriate institutional vehicle. The equity contribution would establish PPAF, UKAID and KfW as shareholding partners in the proposed vehicle.

A proposal has been submitted to UNDP for assisting provincial development departments to finalize MDGs Acceleration Frameworks and jointly develop proposals with UN agencies for resource mobilization.

Conclusion:

PPAF is profound in delivering results to impact the lives of the poor in real terms. 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. While this model is aimed at addressing poverty of entire communities, the primary focus of all its interventions on women has enabled PPAF to address the weakest link in economic development.

April 04, 2014

Qazi Azmat Isa
Chief Executive Officer

**PAKISTAN POVERTY ALLEVIATION FUND
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013**

	Note	Un-audited December 31, 2013	Audited June 30, 2013
(Rupees in '000)			
NON CURRENT ASSETS			
Property, plant and equipment	4	76,039	78,710
Intangible assets		9,841	7,484
Long term investments	5	886,400	886,400
Long term profit receivable		6,288	3,717
Long term loans to Partner Organizations	6	2,938,295	3,851,229
		3,916,863	4,827,540
CURRENT ASSETS			
Current maturity of long term investments	5	400,000	594,000
Current maturity of loans to Partner Organizations	6	10,013,275	8,579,876
Short term investments	7	11,216,618	11,435,995
Advances, deposits, prepayments and other receivables		143,498	83,753
Profit/service charges receivable		781,873	844,717
Bank balances-specific to projects	8	7,853,495	5,196,814
Cash and bank balances	9	162,693	93,603
		30,571,452	26,828,758
		34,488,315	31,656,298
FUND AND RESERVES			
Endowment fund	10	1,000,000	1,000,000
Grant fund		5,215,211	4,853,675
Reserve for grant based activities		516,484	754,136
Accumulated surplus		4,511,666	4,250,432
		11,243,361	10,858,243
LONG TERM LOANS			
	11	12,919,938	13,173,002
DEFERRED BENEFIT OF BELOW MARKET RATE OF INTEREST ON LONG TERM LOAN			
	11.5.1	1,794,828	1,830,404
CURRENT LIABILITIES			
Deferred liabilities - grant fund	12	7,821,229	5,057,363
Deferred income - grant fund		5,886	5,856
Current portion of long term loans	11	615,431	615,431
Service and commitment charges payable		29,254	28,655
Accrued and other liabilities		58,388	87,344
		8,530,188	5,794,649
		34,488,315	31,656,298

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

**PAKISTAN POVERTY ALLEVIATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Note	for the quarter ended		for the half year ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		(Rupees in '000)		(Rupees in '000)	
INCOME					
Service charges on loans to Partner Organizations		260,589	282,709	527,647	609,696
Income on investments and saving accounts	13	335,650	304,496	664,538	681,142
Amortization of deferred income - grant fund		16,852	35,130	70,931	65,892
Amortization of deferred benefit of below market rate of interest on long term loan	11.5.1	20,789	18,953	35,576	37,706
Other income		62	228	90	312
		633,942	641,516	1,298,782	1,394,748
EXPENDITURE					
General and administrative expenses	14	134,766	123,979	260,760	237,310
Seminars, workshops and trainings	15	11,110	9,731	15,548	10,862
Technical and other studies	16	37,202	18,639	56,025	38,020
Loan loss provision	6	20,306	-	20,306	-
Financial charges	17	42,076	18,953	85,428	59,437
		245,460	171,302	438,067	345,629
SURPLUS BEFORE PROJECT AND RELIEF ACTIVITIES					
Project and relief activities	18	279,274	63,895	475,597	66,051
SURPLUS FOR THE HALF YEAR					
		109,208	406,319	385,118	983,068
OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR					
		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE HALF YEAR					
		109,208	406,319	385,118	983,068

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, 2013

	Note	December 31, 2013	December 31, 2012
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the half year		385,118	983,068
Adjustment for non cash items:			
Depreciation		12,653	15,272
Amortization of intangible assets		1,617	2,008
Grants for operational assistance		(70,931)	(65,892)
Amortization of deferred benefit of below market rate of interest on long term loan		(35,576)	(37,706)
Loan loss provision		20,306	-
Financial charges		103,410	45,217
		31,479	(41,101)
		416,597	941,967
Working capital changes			
(Increase) / decrease in current assets:			
Advances, deposits, prepayments and other receivables		(59,745)	(28,348)
Profit/service charges receivables		62,843	(79,150)
Increase / (decrease) in current liabilities:			-
Accrued and other liabilities		(28,956)	(15,420)
		(25,858)	(122,918)
Cash generated from operations		390,739	819,049
Disbursements to partner organizations:			
Loan		(4,888,870)	(4,472,311)
Grants		(3,459,374)	(2,960,103)
Recoveries of loans from partner organizations		4,348,099	5,133,242
Financial charges paid		(67,235)	(35,083)
		(4,067,380)	(2,334,255)
Cash flows from operating activities		(3,676,641)	(1,515,206)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net purchases		413,377	(1,348,880)
Capital expenditure incurred		(14,258)	(25,798)
Profit receivable on investments		(2,571)	-
Proceeds from disposal of fixed assets		302	-
Cash flows from investing activities		396,850	(1,374,678)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - repaid		(288,640)	(233,805)
Deferred liabilities - grant fund receipts		6,223,240	4,206,745
Deferred income - grant fund receipts		70,962	63,078
Cash flows from financing activities		6,005,562	4,036,018
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		2,725,771	1,146,134
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE HALF YEAR		5,290,417	2,405,297
CASH AND CASH EQUIVALENTS AT END OF THE HALF YEAR	8&9	8,016,188	3,551,431

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, 2013

	Note	Endowment Fund	Grant fund	Reserve for grant based activities (Rupees in '000)	Accumulated Surplus	Total
Balance as at June 30, 2012		1,000,000	3,803,563	400,467	3,701,440	8,905,470
Total comprehensive income for the half year						
Surplus for the half year ended December 31, 2012		-	-	-	983,068	983,068
Other comprehensive income		-	-	-	-	-
		-	-	-	983,068	983,068
Transfer from accumulated surplus to grant fund		-	580,573	-	(580,573)	-
Transfer from accumulated surplus to reserve for grant based activities	19	-	-	171,228	(171,228)	-
Balance as at December 31, 2012		1,000,000	4,384,136	571,695	3,932,707	9,888,538
Total comprehensive income for half year						
Surplus for the half year ended June 30, 2013		-	-	-	969,705	969,705
Other comprehensive income		-	-	-	-	-
		-	-	-	969,705	969,705
Transfer from accumulated surplus to grant fund		-	469,539	-	(469,539)	-
Transfer from accumulated surplus to reserve for grant based activities		-	-	182,441	(182,441)	-
Balance as at June 30, 2013		1,000,000	4,853,675	754,136	4,250,432	10,858,243
Total comprehensive income for the half year						
Surplus for the half year ended December 31, 2013		-	-	-	385,118	385,118
Other comprehensive income		-	-	-	-	-
		-	-	-	385,118	385,118
Transfer from accumulated surplus to grant fund		-	361,536	-	(361,536)	-
Transfer from accumulated surplus to reserve for grant based activities	19	-	-	(237,652)	237,652	-
Balance as at December 31, 2013		1,000,000	5,215,211	516,484	4,511,666	11,243,361

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 HALF YEAR ENDED DECEMBER 31, 2013

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, 2013 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, 2013. Comparative condensed interim balance sheet is extracted from annual audited financial statements for the year ended June 30, 2013, 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, 2012.
3. Accounting policies adopted for preparation of these financial statements are the same as those applied in preparation of the annual financial statements for the year ended June 30, 2013.

Note	Un-audited December 31, 2013	Audited June 30, 2013
	(Rupees '000')	
4. FIXED ASSETS - TANGIBLE		
Opening written down value	78,710	77,350
Additions	10,284	31,226
Written down value of disposals / adjustments	(302)	(410)
Depreciation	(12,653)	(29,456)
	<u>76,039</u>	<u>78,710</u>
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)	5.2 236,400	236,400
Term Deposit Receipts (TDRs)	5.3 50,000	50,000
Specific to others		
Pakistan Investment Bonds (PIBs)	5.4 -	194,000
	<u>1,286,400</u>	<u>1,480,400</u>
Less: Long term investments maturing within next twelve months shown as current asset	400,000	594,000
	<u>886,400</u>	<u>886,400</u>

- 5.1 Represents investments in PIBs as follows:

Principal (Rupees)	Issue Date	Maturity Date	Coupon rate % per annum	Payment terms
400.0 million	29-04-2004	28-04-2014	8.00	Semi annually
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

5.2 Represents investments in PIBs as follows:

Principal (Rupees)	Issue Date	Maturity Date	Coupon rate % per annum	Payment terms
236.4 million	19-07-2012	19-07-2015	11.25	Semi annually

5.3 Represents investment in TDRs Rs. 50,000 thousand of a commercial bank at markup rate of 10.2% p.a. (June 2013: 10.2% p.a)

6. LOANS TO PARTNER ORGANIZATIONS - secured, considered good	Note	Un-audited	Audited
		December 31, 2013	June 30, 2013
		(Rupees in '000)	
AGAHE		61,533	42,083
Al Mehran Rural Development and Welfare Organization		119,064	120,272
ASA Pakistan Limited		140,509	103,115
Asasah		197,096	197,146
Badbaan Enterprise Development Forum		38,915	21,352
Baidarie		72,081	57,321
BRAC Pakistan		674,250	573,360
Buksh Foundation		47,275	31,425
Bunyard Literacy Community Council		13,200	24,817
Centre for Women Cooperative Development		247,060	312,771
Community Support Concern		345,639	328,545
Development Action for Mobilization and Emancipation		852,041	903,165
Dia Welfare Organization		43,947	61,275
Farmers Friend Organization		272,800	185,650
Ghazi Brotha Taraqiatee Idara		33,229	28,464
Jinnah Welfare Society		401,987	381,915
Karwan Community Development Organization		12,628	11,856
Kashf Foundation		2,520,000	2,330,000
Khajji Cooperative Society		11,420	11,420
Khwendo Kor Women and Children Development Programme		6,401	10,938
Kiran Welfare Organization		100	100
Mashal Development Organization		609	609
Mehran Education Society		36,500	39,900
Mojaz Foundation		181,247	130,160
Narowal Rural Development Programme		135,053	115,531
National Rural Support Programme		2,490,000	2,128,748
NRSP Microfinance Bank		1,200,000	1,500,000
Orangi Charitable Trust		121,800	91,600
Organization for Participatory Development		88,365	82,128
Orix Leasing Pakistan Limited		222,517	189,116
Poverty Eradication Network		1,827	1,827
Punjab Rural Support Programme		267,762	346,206
Rural Community Development Society		585,795	492,784
SAATH Development Society		50,033	34,793
Sarhad Rural Support Programme		30,000	17,000
Save The Poor		21,322	13,372
Sayya Foundation		17,000	11,300
Shadab Rural Development Organization		65,687	47,250
Shah Sachal Sami Welfare Association		58,150	46,825
Sindh Agricultural & Forestry Workers Coordinating Organization		346,175	487,953
Sindh Rural Support Organization		474,700	583,600
Soon Valley Development Programme		82,475	96,725
Swabi Women Welfare Society		49,500	43,667
Thardeep Rural Development Programme		926,566	976,033
Villagers Development Organization		40,333	48,450
Women Social Organization		29,460	30,213
Young Pioneers Society		6,650	7,150
	6.1	13,840,701	13,299,930
Less: Loan loss provision		889,131	868,825
		12,951,570	12,431,105
Less: Amount receivable within next twelve months shown as current asset		10,013,275	8,579,876
		2,938,295	3,851,229

- 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 (June 2013: 8% to 14.25%).

Note	Un-audited December 31, 2013	Audited June 30, 2013
	(Rupees in '000)	

7. SHORT TERM INVESTMENTS

Specific to projects	7.1	3,779,980	3,264,980
Specific to grant fund	7.2	4,928,811	4,564,851
Specific to others	7.3	2,507,827	3,606,164
		11,216,618	11,435,995

- 7.1 These represent investments in term deposit receipts maturing within one year from the date of investment at annual markup rates ranging from 8.50% p.a. to 10.50% p.a (June 2013: 8.50% p.a. to 10.50% p.a). These funds were placed with commercial banks as cash collaterals for providing a partial guarantee to the Banks to facilitate lending to following Microfinance Institutions:

Microfinance institutions	Investment amount		Running finance facility	
	December 31, 2013	June 30, 2013	December 31, 2013	June 30, 2013
	Rs		Rs	
Kashf Foundation	1000 million	1000 million	1500 million	1500 million
National Rural Support Programme	1,830 million	1250 million	2,000 million	1650 million
Orangi Charitable Trust	150 million	150 million	150 million	150 million
BRAC Pakistan	250 million	250 million	425 million	425 million
Sindh Agricultural & Forestry Workers Coordinating Organization	-	-	-	-
Asasah	50 million	50 million	50 million	50 million
Jinnah Welfare Society	40 million	40 million	60 million	60 million
Rural Community Development Society	100 million	125 million	160 million	188 million
Development Action for Mobilization and Emancipation	110 million	150 million	165 million	225 million
Community Support Concern	50 million	50 million	75 million	75 million
Thardeep Rural Development Program	100 million	100 million	150 million	150 million
Punjab Rural Support Program	100 million	100 million	150 million	150 million
Total	3,780 million	3,265 million	4,885 million	4,623 million

- 7.2 Specific to grant fund includes investments of Rs 692,035 thousand (June 2013: Rs 664,996 thousand) (equivalent to 5%(June 2013: 5%) of the loan receivable from Partner Organizations) as disaster relief fund, and Rs 4,523,178 thousand (June 2013: Rs 4,188,681 thousand) as grant fund to finance grant based activities of which Rs.286,400 thousand is appearing as long term investment in note 5.

These funds are invested in term deposit receipts maturing within one year from the date of investment, at annual mark up rates ranging from 8.70% p.a to 11.25% p.a (June 2013: 8.90% p.a to 10.25% p.a.).

Note	Un-audited December 31, 2013	Audited June 30, 2013
	(Rupees in '000)	

7.3 Specific to others			
Term Deposit Receipts (TDR)	7.3.1	1,608,252	1,614,000
Government Treasury Bills	7.3.2	899,575	1,992,163
	7.3.3	2,507,827	3,606,163

- 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 8.25% p.a to 9.87% p.a (June 2013: 8.7% p.a to 12.00% 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 9.82% p.a to 9.91% p.a (June 2013: 8.92% p.a to 9.44% p.a).
- 7.3.3 Specific to others include investments of Rs 2,076,106 thousand (June 2013: Rs 1,994,989 thousand) (equivalent to 15% (2013: 15%) of the loan receivable from Partner Organizations) to safeguard against any major default on loan receivable and provide capital adequacy; and Rs 429,473 thousand (June 2013: Rs 1,611,175 thousand) are available for lending activities.

Note	Un-audited December 31, 2013	Audited June 30, 2013
(Rupees in '000)		
8. BANK BALANCES - SPECIFIC TO PROJECTS		
Cash at banks - current accounts		
Specific to IDA III	5,522,870	4,671,659
Specific to IFAD - PRISM	35	1,062
Specific to Kfw - Livelihood and community infrastructure	734,049	1,999
Specific to Kfw - Renewable energy	11,101	18,180
Specific to Italian	1,388,169	-
Specific to Banezir Income Supprot Program (BISP)	98,119	407,628
	<u>7,754,343</u>	<u>5,100,528</u>
Cash at banks - deposit accounts		
Specific to USDA grant	99,152	96,286
	<u>7,853,495</u>	<u>5,196,814</u>

- 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, 2013	Audited June 30, 2013
(Rupees in '000)		
9. CASH AND BANK BALANCES		
Cash in hand	98	7
Cash at banks - current accounts	870	2,228
Cash at banks - deposit accounts	161,725	91,368
	<u>162,595</u>	<u>93,596</u>
	<u>162,693</u>	<u>93,603</u>

- 9.1 The balances in deposit accounts carry average mark up of 8 % p.a. (June 2013: 8 % 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.

	Un-audited December 31, 2013	Audited June 30, 2013
Note	(Rupees in '000)	
11. LONG TERM LOANS - Unsecured		
Government of Pakistan - PPAF - I (IDA financing)	11.1 1,863,891	1,973,535
Government of Pakistan- PPAF - II (IDA financing)	11.2 7,877,210	8,056,206
Government of Pakistan - MIOP (IFAD financing)	11.3 1,144,527	1,144,527
Government of Pakistan - PRISM (IFAD financing)	11.4 1,999,036	1,999,036
Government of Pakistan- PPAF - III (IDA financing)	11.5 650,705	615,129
	<u>13,535,369</u>	<u>13,788,433</u>
Less: Amount payable within next twelve months shown as current liability	(615,431)	(615,431)
	<u>12,919,938</u>	<u>13,173,002</u>

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

Opening balance	1,973,535	2,083,152
Amount repaid	(109,644)	(109,617)
	<u>1,863,891</u>	<u>1,973,535</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.

	Un-audited December 31, 2013	Audited June 30, 2013
Note	(Rupees in '000)	
11.2 Government of Pakistan- PPAF - II (IDA financing)		
Opening balance	8,056,206	8,414,199
Amount repaid	(178,996)	(357,993)
	<u>7,877,210</u>	<u>8,056,206</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, 2013	Audited June 30, 2013
	(Rupees in '000)	
11.3 Government of Pakistan - (IFAD financing MIOP)	1,144,527	1,144,527

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 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, 2013	Audited June 30, 2013
	(Rupees in '000)	
11.4 Government of Pakistan - (IFAD financing PRISM)		
Opening balance	1,999,036	1,885,000
Amount received	-	114,036
	<u>1,999,036</u>	<u>1,999,036</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 December 31, 2013	Audited June 30, 2013
	(Rupees in '000)	
11.5 Government of Pakistan- PPAF - III (IDA financing)		
Opening balance	2,445,533	2,296,033
Amount received	-	149,500
	<u>2,445,533</u>	<u>2,445,533</u>
Less: Deferred benefit of below market rate of interest on long term loan	11.5.1 <u>1,794,828</u>	<u>1,830,404</u>
	<u>650,705</u>	<u>615,129</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 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 December 31, 2013	Audited June 30, 2013
	(Rupees in '000)	
Deferred benefit		
Opening balance	1,830,404	1,779,819
Add: benefit on loan received during the year	-	112,072
Amortization during the period	<u>(35,576)</u>	<u>(61,487)</u>
	<u>1,794,828</u>	<u>1,830,404</u>

											Un-audited	Audited	
											December	June 30,	
											31, 2013	2013	
IDA III	IFAD PRISM	KfW Renewable Energy	KfW Livelihood	Italian	CECP	BISP	USAID	USDA	OTHER FUNDS				
(Rupees '000')													
12. DEFERRED LIABILITIES - GRANT FUND	Note												
Opening balance		4,567,598	(82,284)	18,180	(150,130)	-	21,669	453,660	115,984	90,294	22,392	5,057,363	2,242,390
Amount received/(transferred)		3,211,102	364,890	-	1,258,079	1,388,169	-	-	-	-	1,000	6,223,240	8,894,096
Profit on project bank account		-	-	-	-	-	-	-	-	-	-	-	-
Amount transferred to deferred income		-	-	-	-	-	-	-	-	-	-	-	-
		7,778,700	282,606	18,180	1,107,949	1,388,169	21,669	453,660	115,984	90,294	23,392	11,280,603	11,136,486
Less: Disbursements for													
Water and infrastructure		184,345	-	35,048	243,901	-	-	-	-	-	-	463,294	1,242,923
Social sector development		229,032	-	-	82,903	-	-	-	-	-	-	311,935	757,749
Capacity/Institutional building		40,094	286,093	3,865	34,007	-	-	-	-	-	-	364,059	733,403
Social mobilization		365,524	-	-	-	-	-	-	-	-	-	365,524	498,903
Livelihood enhancement and protection		1,472,778	-	-	130,236	-	-	-	-	-	-	1,603,014	1,427,441
Flood relief activities		-	-	-	-	-	-	-	-	-	-	-	-
Waseel-e-Haq Program		-	-	-	-	-	-	298,061	-	-	-	298,061	1,312,838
Micro credit access		48,106	-	-	-	-	-	-	-	-	-	48,106	98,536
Projects		-	-	-	-	-	-	-	-	-	5,381	5,381	7,330
	12.1	2,339,879	286,093	38,913	491,047	-	-	298,061	-	-	5,381	3,459,374	6,079,123
	12.2	5,438,821	(3,487)	(20,733)	616,902	1,388,169	21,669	155,599	115,984	90,294	18,011	7,821,229	5,057,363

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

							Un-audited	Audited
	IDA III	IFAD PRISM	KfW Renewable Energy	KfW Livelihood	BISP	Other Funds	December 31, 2013	June 30, 2013
12.1 Disbursement to:	(Rupees '000')							
Awami Development Organization	10,089	-	-	-	-	-	10,089	98,701
Agahe	20,465	250	-	-	-	-	20,715	42,395
Aga Khan Education Support Programme	645	-	-	-	-	-	645	4,961
Aga Khan Health Support Programme	457	-	-	-	-	-	457	2,985
AKPBS-Water and Sanitation Extension Programme	31,975	-	-	-	-	-	31,975	35,311
Aga Khan Rural Support Programme	124,511	-	5,698	50,697	-	-	180,906	66,633
AL Mehran Rural Development and Welfare Organization	-	-	-	-	-	-	-	25,000
ASA Pakistan Ltd.	-	-	-	-	-	-	-	10,287
Awaz Foundation Pakistan - Centre for Development Services	3,700	-	-	-	-	-	3,700	10,249
AZAT Foundation	-	-	-	-	-	-	-	6,649
AHO	-	-	-	9,671	-	-	9,671	7,314
Baanhn Beli	35,843	-	-	-	-	-	35,843	37,623
Baidarie	-	2,057	-	-	-	-	2,057	20,507
Badbaan Enterprise Development Forum	6,519	2,002	-	-	-	-	8,521	4,926
Balochistan Environmental and Educational Journey	26,376	-	-	-	-	-	26,376	19,470
Bunyard Literacy Community Council	26,834	-	-	-	-	-	26,834	15,538
Balochistan Rural Development Society	477	-	-	-	-	-	477	2,537
BRAC - Pakistan	27,218	-	-	-	-	-	27,218	59,840
Balochistan Rural Development & Research Society	3,175	-	-	-	-	-	3,175	28,423
Badin Rural Development Society	32,141	-	-	-	-	-	32,141	27,841
Balochistan Rural Support Programme	81,513	-	-	-	-	-	81,513	253,316
Community Development Concern	952	-	-	-	-	-	952	-
Chenab Development Foundation	10,601	-	-	-	-	-	10,601	42,896
Change in Education	-	-	-	29,006	-	-	29,006	33,096
Community Mobilisation and Development Organization	36,831	-	19,228	-	-	-	56,059	83,095
Community Support Concern	-	-	-	-	-	-	-	113,680
Community Support Foundation	-	-	-	12,308	-	-	12,308	8,748
Community Uplift Programme	14,181	-	-	293	-	-	14,474	91,779
Development Action for Mobilization and Emancipation	-	32,000	-	-	-	-	32,000	76,960
DEVCON An Association for Rural Development	-	-	-	-	-	-	-	3,346
Development in Literacy	1,505	-	-	-	-	-	1,505	5,619
Dia Welfare Organization	-	16,800	-	-	-	-	16,800	-
Environment Protection Society	30,369	-	-	-	-	-	30,369	67,066
Farmers Development Organization	60,004	-	-	-	-	-	60,004	31,363
Family Educational Services Foundation	4,595	-	-	-	-	-	4,595	19,408
Farmers Friend Organization	28,418	1,943	-	-	-	-	30,361	38,689
Family Planning Association of Pakistan	-	-	-	-	-	-	-	3,558
Ghazi Brotha Taraqiatee Idara	-	-	-	42,695	-	-	42,695	32,214
Hazara Development and Advocacy Foundation	5,947	-	-	29,197	-	-	35,144	51,567
Health and Nutrition Development Society	24,112	-	-	-	-	-	24,112	59,393
Human Development Foundation	7,837	-	-	-	-	-	7,837	-
Heartfile	-	-	-	-	-	-	-	14,019
Himalayan Wildlife Foundation	-	-	-	-	-	-	-	2,885
Indus Earth Trust	73,196	-	-	-	-	-	73,196	25,227
Indus Resource Centre	35,756	-	-	-	-	-	35,756	68,077
Idara Taleem O Agahi	1,114	-	-	-	-	-	1,114	2,810
Jinnah Welfare Society	-	2,000	-	-	-	-	2,000	100,000
Karwan Community Development Organization	-	-	-	-	-	-	-	4,958
Kashf Foundation	4,640	1,002	-	-	-	-	5,642	15,878
Khwendo Kor Women and Children Development Programme	1,000	-	-	-	-	-	1,000	10,445
Lead Foundation	(11,602)	-	-	-	-	-	(11,602)	13,638
Marafie Foundation	-	-	-	-	-	-	-	12,407
Mehran Education Society	-	17,500	-	-	-	-	17,500	800
Mountain and Glacier Protection Organization	4,522	-	-	49,594	-	-	54,116	59,000
Mountain Institute of Educational Development	20,921	-	-	7,233	-	-	28,154	62,056
Balances carried forward	786,837	75,554	24,926	230,694	-	-	1,118,011	1,935,183

							Un-audited	Audited
	IDA III	IFAD PRISM	KfW Renewable Energy	KfW Livelihood	BISP	Other Funds	December 31, 2013	June 30, 2013
12.1 Disbursement to:	(Rupees '000')							
Balances brought forward	786,837	75,554	24,926	230,694	-	-	1,118,011	1,935,183
Mojaz Foundation	79,191	1,600	-	-	-	-	80,791	52,893
Marvi Rural Development Organization	26,634	-	-	-	-	-	26,634	37,427
Narowal Rural Development Programme	-	1,000	-	-	-	-	1,000	25,000
National Rural Support Programme	722,491	-	11,931	40,925	-	-	775,347	628,717
Organization for Participatory Development	-	1,700	-	-	-	-	1,700	17,800
Poverty Eradication Initiative	19,079	-	-	-	-	-	19,079	38,411
Pakistan Foundation Fighting for Blindness	8,487	-	-	-	-	-	8,487	9,322
Participatory Integrated Development Society	44,291	-	-	-	-	-	44,291	60,084
Pakistan Microfinance Network	-	60,000	-	-	-	-	60,000	71,018
Punjab Rural Support Programme	-	-	-	-	-	-	-	41,830
Research Advocacy & Health Strengthening Alliance (Guarantee) Limited	(1,836)	-	-	-	-	-	(1,836)	8,866
Rural Community Development Society	20,287	53,482	-	-	-	-	73,769	46,645
Rural Development Project	-	-	-	20,852	-	-	20,852	8,779
Saath Development Society	-	9,800	-	-	-	-	9,800	-
Social Action Bureau for Assistance in Welfare and Organisation Network	11,100	-	1,381	54,538	-	-	67,019	116,745
Sindh Agricultural & Forestry Workers Coordinating Organization	62,522	-	-	-	-	-	62,522	270,362
Salik Development Foundation	7,884	-	-	60,570	-	-	68,454	87,477
South Asia Partnership Pakistan	16,273	-	-	-	-	-	16,273	108,517
Sarhad Rural Support Programme	213,217	-	-	40,950	-	-	254,167	427,048
Sayya Foundation	500	-	-	-	-	-	500	1,282
Society for Conservation and Protection of Environment	4,871	-	-	-	-	-	4,871	3,303
Society for Community Support for Primary Education Balochistan	6,046	-	-	-	-	-	6,046	20,850
Sustainable Development, Education, Rural Infrastructure, Veterinary Care & Environment	5,999	-	-	5,498	-	-	11,497	50,776
Society for Human Empowerment and Rural Development	-	-	-	-	-	-	-	820
Sindh Rural Support Programme	7,227	-	-	-	-	-	7,227	32,665
SOS Children's Village	3,263	-	-	-	-	-	3,263	2,390
Strengthening Participatory Organization	23,845	-	-	-	-	-	23,845	28,667
Shadab Rural Development Organization	1,655	-	-	-	-	-	1,655	1,655
Sindh Rural Support Organization	14,252	-	-	-	-	5,381	19,633	99,831
Shah Sachal Sami Welfare Association	-	800	-	-	-	-	800	-
Sungi Development Foundation	30,244	-	-	-	-	-	30,244	55,559
Sustainable Use Specialist Group - Central Asia	29,239	-	-	-	-	-	29,239	-
Soon Valley Development Programme	755	640	-	-	-	-	1,395	35,534
Support With Working Solutions	3,599	537	-	-	-	-	4,136	113,448
SEHER	-	-	-	-	-	-	-	4,373
SPADO	-	-	-	13,707	-	-	13,707	10,289
Taraqee Foundation	28,515	-	-	-	-	-	28,515	25,026
Thardeep Rural Development Programme	153,873	3,374	-	-	-	-	157,247	270,879
Tehreek	757	-	-	-	-	-	757	4,956
Villagers Development Organization	1,242	15,000	-	-	-	-	16,242	5,674
Women Social Organisation	-	-	-	-	-	-	-	1,952
WESS	597	-	-	-	-	-	597	4,880
CGNP	-	-	-	9,517	-	-	9,517	3,656
MDF (Mamoona)	-	-	-	-	-	-	-	873
LFA	-	-	-	3,656	-	-	3,656	5,652
SAFCO	-	54,000	-	-	-	-	54,000	-
KADO	-	-	-	2,395	-	-	2,395	-
Candle International	-	-	-	6,903	-	-	6,903	-
Payment to beneficiaries	-	-	-	-	-	-	-	613,025
Direct expenses on project activities	6,943	8,606	675	842	298,061	-	315,127	688,984
	2,339,879	286,093	38,913	491,047	298,061	5,381	3,459,374	6,079,123

	for the quarter ended		for the half year ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	(Rupees in '000)		(Rupees in '000)	
13. INCOME ON INVESTMENTS AND SAVING ACCOUNTS				
Profit on investments-				
Specific to Endowment Fund	27,857	21,242	54,142	53,715
Specific to projects	84,192	43,213	163,630	107,429
Specific to grant fund	119,371	133,008	237,945	237,279
Specific to others and saving accounts	104,230	107,033	208,821	282,719
	<u>335,650</u>	<u>304,496</u>	<u>664,538</u>	<u>681,142</u>
14. GENERAL AND ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	82,444	74,460	166,837	148,184
Rent, rates and taxes	7,260	6,608	14,520	13,208
Repairs and maintenance	1,787	2,170	2,997	3,615
Traveling, lodging and conveyance	20,544	14,044	34,368	22,530
Communication	665	1,101	1,162	1,937
Printing and stationery	1,747	1,204	2,564	2,812
Insurance	2,845	2,490	4,331	4,966
Vehicles running and maintenance	5,463	8,683	9,735	12,867
Utilities	1,518	1,244	2,601	2,221
Legal and professional charges	300	1,463	612	2,044
Advertisement	1,355	341	1,493	548
Marketing and communication	483	141	596	742
Newspapers, books and periodicals	191	170	400	447
Depreciation	4,672	7,087	12,662	15,276
Amortization	716	287	1,617	2,008
Security services	1,211	615	1,785	1,025
Others	1,565	1,871	2,480	2,880
	<u>134,766</u>	<u>123,979</u>	<u>260,760</u>	<u>237,310</u>
15. SEMINARS, WORKSHOPS AND TRAININGS				
Training	4,342	3,410	6,014	4,152
Seminar and workshops	6,768	6,321	9,534	6,710
	<u>11,110</u>	<u>9,731</u>	<u>15,548</u>	<u>10,862</u>
16. TECHNICAL AND OTHER STUDIES				
General	37,202	18,639	56,025	38,020
	<u>37,202</u>	<u>18,639</u>	<u>56,025</u>	<u>38,020</u>
17. FINANCIAL CHARGES				
On long term loans	21,155	-	49,656	21,591
Imputed interest on below market rate long term loan	20,789	18,953	35,576	37,706
Bank charges	132	-	196	140
	<u>42,076</u>	<u>18,953</u>	<u>85,428</u>	<u>59,437</u>
18. PROJECT AND RELIEF ACTIVITIES				
Flood relief	37,774	63,541	226,574	63,541
Earthquake relief	240,593	-	240,593	-
Project and other activities	907	354	8,430	2,510
	<u>279,274</u>	<u>63,895</u>	<u>475,597</u>	<u>66,051</u>
19. TRANSFER FROM ACCUMULATED SURPLUS TO RESERVE FOR GRANT BASED ACTIVITIES				
Income earned during the period on grant fund investments	119,371	133,008	237,945	237,279
Less: expenditure on project and relief activities	475,597	63,895	475,597	66,051
	<u>(356,226)</u>	<u>69,113</u>	<u>(237,652)</u>	<u>171,228</u>
20. COMPARATIVE FIGURES				

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

Chairman

Chief Executive Officer