

KASHF FOUNDATION

(A company setup under section 42 of Companies Ordinance, 1984)

Balance sheet
as at December 31, 2008

	Note	2008 Rupees	2007 Rupees
Assets			
Current assets			
Cash and bank balance	5	1,623,345,924	529,514,034
Short term investments	6	59,611,324	25,979,992
Micro-credit loan portfolio	7	2,201,373,050	3,014,482,781
Advances, deposits, prepayments and other receivables	8	546,965,140	91,753,260
Capacity building grants	9	-	66,910,955
		4,431,295,438	3,728,641,022
Non - Current assets			
Long term deposits		2,053,900	620,000
Long term portion of micro-credit loan portfolio	7	13,911,048	66,458,534
Long term investments	10	115,912,788	86,695,452
Long term loans - considered good	11	187,110,905	-
Operating fixed assets	12	194,797,275	177,282,955
Assets subject to finance lease	13	14,479,116	4,309,834
		528,265,032	335,366,775
		4,959,560,470	4,064,007,797
Liabilities			
Current liabilities			
Current maturity of non-current liabilities	14	1,860,655,646	1,152,336,549
Finances under mark-up arrangements	15	455,872	9,925,803
Capacity building grants	9	5,333,493	-
Creditors, accrued and other liabilities	16	123,393,764	178,371,900
		1,989,838,775	1,340,634,252
Non-currents liabilities			
Borrowers' security deposits	17	3,598,320	3,577,320
Liabilities against assets subject to finance lease	18	10,171,345	2,483,648
Borrowings from financial institutions and others	19	1,918,819,418	1,259,449,608
		1,932,589,083	1,265,510,576
		3,922,427,858	2,606,144,828
Net Assets			
		1,037,132,612	1,457,862,969
Represented by			
Donated funds		454,079,880	364,613,468
General funds		535,645,138	1,060,906,715
Grants related to fixed assets		42,796,270	31,362,794
Fair value reserve		4,611,324	979,992
		1,037,132,612	1,457,862,969
Contingencies and commitments			
	20	1,037,132,612	1,457,862,969

The annexed notes 1 to 33 form an integral part of these financial statements



CHIEF EXECUTIVE



DIRECTOR

KASHF FOUNDATION

(A company setup under section 42 of Companies Ordinance, 1984)

Statement of income and Expenditure

For the year ended December 31, 2008

	Note	Year ended December 31, 2008 Rupees	February 15, 2007 to December 31, 2007 Rupees
Service charges on micro-credit loan portfolio	21	1,004,369,970	685,135,406
Less:			
General and administration expenses	22	(425,949,904)	(239,561,249)
Seminar, workshop, research and staff training expenses		(5,880,064)	(6,094,380)
Loan loss provision	7.5	(1,201,454,806)	(57,357,464)
		(1,633,284,774)	(303,013,093)
		(628,914,804)	382,122,313
Capacity building grants recognised as income	9	197,493,390	120,019,953
Other income	23	232,407,409	52,383,710
		429,900,799	172,403,663
Financial charges	24	(362,796,841)	(143,022,161)
Other non-operating expenses	25	(4,891,110)	(2,838,995)
Surplus from discontinued operation	26	39,102,216	20,738,239
		(328,585,735)	(125,122,917)
Share of loss of associate		(5,991,260)	-
(Deficit)/ surplus for the period		(533,591,000)	429,403,059
Portfolio at risk		22%	0.73%
Adjusted Return on Assets		-11.83%	8.31%
Adjusted Return on Equity		-42.77%	22.39%
Operational self-sufficiency		73.41%	163.54%
Financial self-sufficiency		63.87%	133.80%
Active loan clients		319,517	295,396

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(A company setup under section 42 of Companies Ordinance, 1984)

Cash Flow Statements

For the year ended December 31, 2008

	Note	Year ended December 31, 2008 Rupees	February 15, 2007 to December 31, 2007 Rupees
Cash flow from operating activities			
(Deficit)/ surplus for the period		(533,591,000)	429,403,059
Adjustments for non cash items:			
Depreciation on operating fixed assets		13,670,300	7,110,143
Depreciation on leased assets		2,787,516	868,209
Capacity building grants recognized as income		(197,493,390)	(122,442,353)
Return on investments and bank deposits		(164,389,520)	(36,901,717)
Amortization of deferred financial costs		22,480,907	4,787,141
Financial charges		384,480,819	152,175,798
Gain on disposal of fixed assets		(2,341,894)	(989,071)
Provision against doubtful receivables		1,755,566	959,421
Share of loss of associate		5,991,260	-
Loan loss provision		1,201,454,806	69,172,894
		1,268,396,370	74,740,465
		734,805,370	504,143,524
Surplus before working capital changes			
Effect on cash flow due to working capital changes			
Increase in loan portfolio		(335,797,589)	(1,574,186,388)
Increase in advances, deposits, prepayments and other receivables		(448,755,681)	(29,758,525)
(Decrease)/ increase in creditors, accrued and other liabilities		(85,836,570)	62,587,022
Increase in borrowers' security deposits:		3,381,026	3,509,229
		(867,008,814)	(1,537,848,662)
Cash used in operations			
Financial charges paid		(132,203,444)	(1,033,705,138)
		(352,345,907)	(115,516,709)
Net cash used in operating activities			
		(484,549,351)	(1,149,221,847)
Cash Flow from investing activities			
Fixed capital expenditure		(34,133,976)	(126,669,994)
Sale proceeds from disposal of fixed assets		1,509,548	1,981,285
Return on investments and bank deposits		164,569,183	31,710,727
Loans granted to associate		(180,500,000)	-
Investment in associate and mutual fund		(93,000,000)	-
Proceeds from maturity of long term investments		53,952,200	40,461,453
		(87,603,045)	(52,516,529)
Net cash use in investing activities			
Cash flow from financing activities			
Capacity building grant funds		378,967,149	101,062,441
Lease rentals paid		(12,571,863)	(475,145)
Proceeds from borrowings		3,019,062,596	2,290,144,890
Transaction costs paid for borrowings		(6,542,875)	(45,681,244)
Repayments of borrowings		(1,673,460,790)	(1,073,997,699)
		1,705,454,217	1,271,053,243
Net cash from financing activities			
		1,133,301,821	69,314,867
Net increase in cash and cash equivalents		489,588,231	420,273,364
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the end of the year	27	1,622,890,052	489,588,231

The annexed notes 1 to 33 form an integral part of these financial statements.



CHIEF EXECUTIVE



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Statement of Changes in Funds
For the year ended December 31, 2008

	Donated Funds	General funds	Grants related to fixed assets	Fair value reserve	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balances transferred from Kashf Foundation (the society)	364,613,468	627,443,789	12,425,592	2,146,219	1,006,629,068
Transferred from capacity building grants			22,997,069		22,997,069
Surplus for the period		429,403,059			429,403,059
Grants related to fixed assets utilized		4,059,867	(4,059,867)		-
Fair value gain on available for sale investments				1,699,052	1,699,052
Gain realized on sale of available for sale investments				(2,865,279)	(2,865,279)
Balance as at december 31, 2007	364,613,468	1,060,906,715	31,362,794	979,992	1,457,882,969
Transferred from capacity building grants	89,466,412		19,762,899		109,229,311
Deficit for the year		(533,591,000)			(533,591,000)
Grants related to fixed assets utilized		8,329,423	(8,329,423)		
Fair value gain on available-for-sale investments				3,631,332	3,631,332
Balance as at December 31, 2008	454,079,880	535,645,138	42,796,270	4,611,324	1,037,132,612

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