

KASHF FOUNDATION

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

	Note	June 30, 2010 Rupees	June 30, 2009 Rupees (Restated)
Assets			
Non - Current Assets			
Operating Fixed Assets	5	266,254,444	190,026,995
Intigable Assets	6	1,492,681	2,488,558
Assets subject to finance lease	7	13,252,017	12,212,946
Long term investment	8	56,104,417	82,449,716
Long term loans - considered good	9	221,662,464	195,490,925
Long term portion of micro-credit loan portfolio	10	299,627	7,853,301
Long term deposits		2,491,740	1,810,100
		561,557,390	492,332,541
Current assets			
Micro-credit loan portfolio	10	1,252,836,507	357,983,440
Short term investment	11	6,745,529	64,101,288
Advances, desoposits, prepayments and other receivables	12	72,097,869	56,806,915
Capacity building grants	13	-	6,050,035
Cash and bank balances	14	1,318,204,693	2,840,285,675
		2,649,884,598	3,325,227,353
Total assets		3,211,441,988	3,817,559,894
Equity and Liabilities			
Equity			
Donated funds		574,029,796	568,408,456
General funds		(791,361,667)	(909,619,419)
Grants related to fixed assets		29,376,767	41,570,286
Fair value reserve		1,745,529	9,101,288
		(186,209,575)	(290,539,389)
Surplus on revaluation of fixed asset		89,927,693	-
Non-current liabilities			
Borrowers's security deposits	15	-	3,598,320
Libalities against assests subject to finance lease	16	5,704,319	7,298,181
Borrowings from financial institutions and others	17	480,229,403	1,853,637,177
		485,933,722	1,864,533,678
Current liabilities			
Current maturity of non current liabilities	18	2,575,685,876	1,851,202,913
Finance under mark-up arrangements	19	154,354,016	291,431,436
Capacity building grants	13	18,798,622	-
Creditors, accured and other liabilities	20	72,951,634	100,931,256
		2,821,790,148	2,243,565,605
Contigencies and commitments	21		
Total equity and liabilities		3,211,441,988	3,817,559,894

The annex notes 1 to 33 form an integral part of these financial statemtnts


CHIEF EXECUTIVE


DIRECTOR

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STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED JUNE 30, 2010

	Note	Year ended June 30, 2010 Rupees	Six months ended June 30, 2009 Rupees (Restated)
Service and other charges on micro-credit portfolio	22	310,677,055	107,615,613
Return on investments and bank deposits	23	300,384,119	151,435,318
		611,061,174	259,050,931
Less:			
Financial expenses	24	(458,026,511)	(243,856,669)
		153,034,663	15,194,262
Less: Operating expenses			
General and administrative expenses	25	(470,675,602)	(259,899,918)
Seminar, workshop, research and staff training expenses		(2,118,229)	(1,016,058)
Loan loss provision	10.6	90,989,865	(1,289,705,914)
		(381,803,966)	(1,550,621,890)
Capacity building grants recognised as income	13	314,284,010	111,136,383
		(67,519,965)	(1,439,485,507)
Non operating income and expenses			
Other income	26	46,031,265	10,080,257
Other non-operating expenses	27	(1,520,532)	(4,280,941)
		44,510,733	5,799,316
Share of loss of associate		(23,976,807)	(33,031,933)
Surplus (deficit) for the Period		106,048,633	(1,451,523,862)

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


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STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2010

	Note	June 30, 2010 Rupees	Six months ended June 30, 2009 Rupees (Restated)
Surplus (deficit) for the period		106,048,633	(1,451,523,862)
Other comprehensive income:			
Fair value gain on available-for-sale investment		624,658	4,489,964
Grant for relief fund		98,340	2,850,076
Transferred from capacity building grants		5,538,600	116,511,821
Other comprehensive income for the period		6,261,598	123,851,861
Total comprehensive income/(loss) for the period		112,310,231	(1,327,672,001)

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


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CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

	Note	June 30, 2010 Rupees	June 30, 2009 Rupees (Restated)
Cash Flow from operating activities			
Surplus/ (Deficit) for the period		106,048,633	(1,451,523,862)
Adjustment for non cash items:			
Depreciation on operating fixed assets		12,235,328	6,757,760
Depreciation on leased assets		2,725,357	1,417,606
Amortization on intangibles		995,877	417,884
Capacity building grants recognized as income		(314,284,010)	(111,136,383)
Profits on bank deposits		(326,555,658)	(159,815,338)
Amortization of deferred financial assets		16,225,219	10,533,818
Financial Charges		441,801,292	233,322,851
Gain on disposal of fixed assets		(3,914,019)	(370,297)
Provision against doubtful receivables		8,888,360	(473,729)
Doubtful receivables written off		1,561,234	-
Share of loss of associate		23,976,807	33,031,933
Loan loss provision		(90,989,865)	1,289,705,914
		(227,334,078)	1,303,392,019
Deficit before working capital changes		(121,285,445)	(148,131,843)
Effect on cash flow due to working capital changes			
(Increase)/decrease in loan portfolio		(796,309,528)	559,741,443
(Increase)/decrease in advances, deposits, prepayment and other receivables		(10,518,523)	490,875,754
Decrease in creditors, accrued and other liabilities		(7,971,007)	(17,367,996)
Decrease in borrowers' security deposits		(1,639,985)	(2,893,062)
		(816,439,043)	(1,030,356,139)
Cash (used in)/generated from operations		(937,724,488)	882,224,296
Financial charges paid		(460,427,651)	(237,444,273)
Net cash (used in) generated from operating activities		(1,396,152,139)	644,780,023
Cash flow from investing activities			
Fixed capital expenditure		(2,039,313)	(5,053,137)
Purchase of intangible assets		-	(1,657,489)
Sale proceeds from disposal of fixed assets and leased assets		9,179,879	3,035,565
Payment of long term security deposits		(681,640)	-
Return on investments and bank deposits		285,162,094	151,610,658
Proceeds from disposal of mutual funds		50,000,000	-
Proceeds from maturity of long term investments		2,368,492	255,793
Net cash generated from investing activities		343,989,512	148,191,390
Cash flow from financing activities			
Capacity building grants		344,671,267	216,264,676
Grant for relief fund		98,340	2,850,076
Lease rentals paid		(7,675,929)	(3,755,924)
Proceeds from borrowings		1,325,000,000	320,000,000
Transaction costs paid on borrowings		(5,602,497)	-
Repayments of borrowings		(1,987,332,116)	(402,366,054)
Net cash (used in)/generated from financing activities		(330,840,935)	132,992,774
Net(decrease)/increase in cash and cash equivalents		(1,385,003,562)	925,964,187
Cash and cash equivalents at the beginning of the period		2,548,854,239	1,622,890,052
Cash and cash equivalents at the end of the period	28	1,163,850,677	2,548,854,239


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STATEMENT CHANGES IN FUNDS FOR YEAR ENDED JUNE 30, 2010

Note	Donated Funds Rupees	General Funds Rupees	Grants related to operating Rupees	Fair value reserve Rupees	Total Rupees
Balances as at January 1, 2009	454,079,880	535,645,138	42,796,270	4,611,324	1,037,132,612
Effect of adjustment in respect of share of consolidated loss of associate	-	(27,586,335)	-	-	(27,586,335)
Grants related to fixed assets unutilized	-	6,259,305	(6,259,305)	-	-
Deficit for the period	-	(1,423,937,527)	-	-	(1,423,937,527)
Other comprehensive income for the period	114,328,576	-	5,033,321	4,489,964	123,851,861
Balance as at June 30, 2009 (as restated)	568,408,456	(909,619,419)	41,570,286	9,101,288	(290,539,389)
Grants related to fixed assets utilized	-	12,209,119	(12,209,119)	-	-
Fair value gain on encashment of available-for-sale investment	-	-	-	(7,980,417)	(7,980,417)
Surplus for the year	-	106,048,633	-	-	106,048,633
Other comprehensive income for the year	5,621,340	-	15,600	624,658	6,261,598
Balances as at June 30, 2010	574,029,796	(791,361,667)	29,376,767	1,745,529	(186,209,575)



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