

SAFCO SUPPORT FOUNDATION



MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED May 31, 2020

SAFCO SUPPORT FOUNDATION
BALANCE SHEET
AS AT May 31, 2020

		31-May-20	30-Jun-19
		-----Rupees-----	
ASSETS			
Non current assets			
Fixed assets - tangible	1.	122,370,104	127,479,317
Fixed assets - intangible		1	1
Long term security deposits		1,933,000	2,865,000
Long term loans - unsecured	6	36,023,551	32,440,398
		160,326,656	162,784,716
Current assets			
Cash and bank balances	3.	965,963,697	426,694,037
Investments		154,000,000	350,000,000
Micro credit loans - unsecured	4.	2,107,542,662	2,282,224,231
Current maturity of long term loans - unsecured	6.i	7,292,533	6,042,217
Grant receivable from PPAF		4,763,400	218,305
Accrued financial charges		72,800,324	45,246,137
Advances and prepayments	5.	7,283,518	6,877,839
Other receivables	7.	81,848,561	91,148,992
April 30, 2020		3,401,494,695	3,208,451,758
Total assets		3,561,821,351	3,371,236,474
ACCUMULATED SURPLUS AND LIABILITIES			
Accumulated surplus		792,542,865	615,639,556
Endowment Fund		-	-
Surplus on revaluation of property		29,396,031	29,396,031
Non-current liabilities			
Deferred grant for fixed assets		1,107,261	1,107,261
Liabilities against assets subject to finance lease			
Loan from donors - secured	0	2,016,777,500	1,082,816,000
Loan from a donor - PMIFL		118,531,912	118,531,914
Total non-current liabilities		2,136,416,673	1,202,455,175
Current liabilities			
Current portion of loan from donors - secured	8.i	471,777,500	1,419,939,000
Accrued mark-up		66,308,760	70,587,951
Lease amount outstanding		4,601	87,984
Emergency fund		17,187,491	24,532,189
Deferred grant for operations		(63,644)	1,314,530
Other liabilities	9.	48,251,074	7,284,058
Total current liabilities		603,465,782	1,523,745,712
Contingency and Commitments			
Total accumulated surplus and liabilities		3,561,821,351	3,371,236,474
Chief Executive Officer/Managing Director			Head of Finance

SAFCO SUPPORT FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
AS AT May 31, 2020

	31-May-20	30-Jun-19
	-----Rupees-----	
INCOME		
Financial Income earned	10. 709,094,975	674,764,547
Financial Charges expensed	11. (297,973,381)	(228,485,394)
Net Financial charges income	<u>411,121,594</u>	<u>446,279,153</u>
Loan loss reserve for the year	3,600,973	(54,499,137)
	-	-
Net Financial charges income after provision	<u>414,722,567</u>	<u>391,780,016</u>
Other income	12. 85,188,465	31,391,793
	<u>499,911,032</u>	<u>423,171,809</u>
EXPENDITURE		
General and administrative	13. 343,864,454	324,628,675
Other		10,583,781
April 30, 2020	343,864,454	335,212,456
Net operating surplus / (deficit)	156,046,578	87,959,353
Incremental depreciation on revaluation of property		
Grant income	14. 20,780,994	13,352,376
Profit / (Loss) for the year	<u><u>176,827,572</u></u>	<u><u>101,311,729</u></u>
OSS	128%	116%

Chief Executive Officer/Managing Director

Head of Finance

SAFCO SUPPORT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT May 31, 2020

1. FIXED ASSETS - TANGIBLE

5/31/2020

	Cost			Depreciation			Written down value as at July 31, 2019
	As at July 01, 2019	Additions/ (Deletions) during the period	AS AT May 31, 2020	As at July 01, 2019	Charge for the period	AS AT May 31, 2020	
Land-freehold	24,488,230		24,488,230	-		-	24,488,230
Land-hold land - ware house	61,577,250		61,577,250	-		-	61,577,250
Building	11,180,700		11,180,700	2,034,832	386,309	2,421,141	8,759,559
Building-Ware house	2,340,000		2,340,000	430,210	86,987	517,197	1,822,803
Computers & Equipment	12,212,188	2,390,849	14,603,037	6,784,738	2,375,128	9,159,866	5,443,171
Furniture & Fixtures	7,484,099	813,620	8,297,719	2,610,233	516,192	3,126,425	5,171,294
Electrical Equipment	9,646,006	1,264,489	10,910,495	3,627,235	1,322,245	4,949,480	5,961,015
Motor Vehicles	27,155,886	(5,461,811)	21,694,075	14,178,210	(570,503)	13,607,707	8,086,368
Motor Vehicles-leased	1,915,890		1,915,890	855,476		855,476	1,060,414
	158,000,249	(992,853)	157,007,396	30,520,934	4,116,358	34,637,292	122,370,104

June 30, 2018	Cost			Depreciation			Written down value as at June 30, 2019
	As at July 01, 2018	Additions/ (Deletions) during the period	AS AT June 30, 2019	As at July 01, 2018	Charge for the period	AS AT June 30, 2019	
	-----Rupees-----						
Land-freehold	24,488,230		24,488,230	-		-	12,087,000
Land-hold land - ware house	59,625,000	1,952,250	61,577,250	-		-	61,577,250
Building	11,180,700		11,180,700	1,591,216	443,616	2,034,832	9,145,868
Building-Ware house	2,340,000		2,340,000	330,310	99,900	430,210	1,909,790
Computers & Equipment	8,666,655	3,545,533	12,212,188	4,799,946	1,984,792	6,784,738	5,427,450
Furniture & Fixtures	5,720,648	1,763,451	7,484,099	2,167,197	443,036	2,610,233	4,873,866
Electrical Equipment	6,725,469	2,920,537	9,646,006	2,392,557	1,234,678	3,627,235	6,018,771
Motor Vehicles-owned	24,966,386	2,189,500	27,155,886	11,883,815	2,294,395	14,178,210	12,977,676
Motor Vehicles-leased	1,915,890		1,915,890	855,476		855,476	1,060,414
	145,628,978	12,371,271	158,000,249	24,020,517	6,500,417	30,520,934	115,078,085

SAFCO SUPPORT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT May 31, 2020

	31-May-20	30-Jun-19
	----- Rupees -----	
2.		
Opening Balance	1	1
Addition during the period	-	-
Amortization for the period	-	-
Closing balance	1	1

3. CASH AND BANK BALANCES

	31-May-20	30-Jun-19
Cash in hand	7,604,398	10,290,209
Cash in transit	12,721,828	16,016,626
Cash at banks		
Current Accounts	95,821,700	11,847,830
PLS accounts	849,815,771	395,137,056
	945,637,471	406,984,886
	965,963,697	433,291,721

4. MICRO CREDIT LOAN PORTFOLIO

	31-May-20	30-Jun-19
	----- Rupees -----	
Micro credit loan portfolio - PMIC	1,467,358,702	1,398,448,791
Micro credit loan portfolio - PMIFL	51,973,747	56,522,526
Micro credit loan portfolio - other than PMIFL & PMIC	588,210,213	827,252,914
	2,107,542,662	2,282,224,231

4.1 Micro credit loan portfolio - other than PMIFL & PMIC

	Number	Rupees	Number	Rupees
Regular loans	22,932	362,915,605	40,392	864,123,280
Rescheduled loans	6,761	260,508,657		
Overdue loans			1,181	11,881,990
Gross portfolio	29,693	623,424,262	41,573	876,005,270
Loan loss reserve	4.1	(30,721,820)		(43,539,627)
Loans written off		(4,492,229)		(5,212,729)
Net portfolio		588,210,213		827,252,914
		Portfolio At Risk 15.27%		
		Provision as a percentage of OLP 5.0%		

4.1 A Loan loss reserve

	31-May-20	30-Jun-19
	----- Rupees -----	
Opening balance	43,539,627	23,374,684
Charge for loan loss reserve for the period	(8,325,578)	25,377,673
Amount written off	(4,492,229)	(5,212,729)
Closing balance	30,721,820	43,539,627

4.2 Microcredit loan portfolio- PMIFL

	Number	Rupees	Number	Rupees
Regular loans	2,133	34,155,997	4,043	60,103,297
Rescheduled loans	1,100	20,128,300		
Overdue loans				-

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Gross portfolio		3,233	54,284,297	4,043	60,103,297
Loan loss reserve	4.1		(1,034,650)		(1,153,521)
Loans written off			(1,275,900)		(2,427,250)
Net portfolio			51,973,747		56,522,526
			Portfolio At Risk		0.0%
			Provision as a percentage of OLP		2.00%

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4.2 B Loan loss reserve	31-May-20	30-Jun-19
	----- Rupees -----	
Opening balance	1,153,521	2,879,248
Charge for loan loss reserve for the period	1,157,029	701,523
Amount written off	<u>(1,275,900)</u>	<u>(2,427,250)</u>
Closing balance	<u>1,034,650</u>	<u>1,153,521</u>

4.3 Microcredit loan portfolio- PMIC

	Number	Rupees	Number	Rupees
Regular loans	42,061	751,902,141	57,034	1,464,799,591
Rescheduled loans	17,757	792,626,705		
Overdue loans			559	7,251,768
Gross portfolio	<u>59,818</u>	<u>1,544,528,846</u>	<u>57,593</u>	<u>1,472,051,359</u>
Loan loss reserve	4.1	(77,170,144)		(73,602,568)
Loans written off		-		-
Net portfolio		<u>1,467,358,702</u>		<u>1,398,448,791</u>
		Portfolio At Risk 0.5%		
		Provision as a percentage of OLP 5.00%		

4.3 B Loan loss reserve	31-May-20	30-Jun-19
	----- Rupees -----	
Opening balance	73,602,568	45,182,628
Charge for loan loss reserve for the period	3,567,576	28,419,940
Amount written off	-	-
Closing balance	<u>77,170,144</u>	<u>73,602,568</u>

4.4 Overdue loans and related specific provision have been classified in the following categories:

	May-20		2019	
	Number	Rupees	Number	Rupees
PMIC	2,478	19,858,061	559	7,251,768
PMIFL	-	-	-	-
Other than PMIC & PMIFL	<u>2,288</u>	<u>18,836,202</u>	<u>1,181</u>	<u>11,881,990</u>
	4,766	38,694,263	1,740	19,133,758

Classification	May-20			
	Amount outstanding Rupees	Provision against loan losses required %	Provision against loan losses required Rupees	Provision against loan losses held Rupees
30-59 days overdue	137,270,333	0%	-	-
60-89 days overdue	106,298,480	25%	26,574,620	26,574,620
90-179 days overdue	40,323,581	50%	20,161,791	20,161,791
180-365 days or more	54,485,954	100%	54,485,954	54,485,954
	<u>338,378,348</u>		<u>101,222,365</u>	<u>101,222,365</u>
General provision			<u>7,704,249</u>	<u>7,704,249</u>
Total provision			<u>108,926,614</u>	<u>108,926,614</u>

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Classification	2019			
	Amount outstanding Rupees	Provision against loan losses required %	Provision against loan losses required Rupees	Provision against loan losses held Rupees
30-59 days overdue	137,270,333	0%	-	-
60-89 days overdue	106,298,480	25%	369,188	369,188
90-179 days overdue	40,323,581	50%	669,763	669,763
180-365 days or more	54,485,954	100%	12,658,924	12,658,924
	<u>338,378,348</u>		<u>13,697,875</u>	<u>13,697,875</u>
General provision	4.4.1			<u>30,392,482</u>
Total provision				<u>44,090,357</u>

4.4.1 General provision	Note	31-May-20	2019
		-----Rupees-----	-----Rupees-----
Opening balance		118,295,716	71,436,559
Charge for the year	4.5, 4.6 & 4.7	(3,600,974)	54,499,136
Amounts written-off against loan losses		(5,768,129)	(7,639,979)
Closing balance	4.4.2	108,926,614	118,295,716
Less: specific provision		(101,222,365)	(13,697,875)
		<u>7,704,249</u>	<u>104,597,841</u>

4.5 Provision against loan losses - PMIC	May-20	2019
	-----Rupees-----	-----Rupees-----
Opening balance	73,602,568	45,182,628
Charge for the year	3,567,576	28,419,940
Closing balance	<u>77,170,144</u>	<u>73,602,568</u>

4.6 Provision against loan losses - PMIFL	May-20	2019
	-----Rupees-----	-----Rupees-----
Opening balance	1,153,521	2,879,248
Charge for the year	1,157,029	701,523
Amounts written-off against loan losses	(1,275,900)	(2,427,250)
Closing balance	<u>1,034,650</u>	<u>1,153,521</u>

4.7 Provision against loan losses - other than PMIFL & PMIC	May-20	2019
	-----Rupees-----	-----Rupees-----
Opening balance	43,539,627	23,374,683
Charge/(Reversal) for the year	(8,325,578)	25,377,673
Amounts written-off against loan losses	(4,492,229)	(5,212,729)
Closing balance	<u>30,721,820</u>	<u>43,539,627</u>

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4.8 Portfolio Quality Report	May-20		2019	
	Rupees	Portfolio At Risk	Rupees	Portfolio At Risk
Late by 30-59 days	137,270,333	6.2%	3,658,556	0.15%
Late by 60-89 days	106,298,480	4.8%	1,476,752	0.06%
Late by 90-180 days	40,323,581	1.8%	1,339,526	0.06%
Above 180 Days	54,485,954	2.5%	12,658,924	0.53%
	<u>338,378,348</u>	15.27%	<u>19,133,758</u>	<u>0.8%</u>

5. ADVANCE AND PREPAYMENTS	31-May-20	30-Jun-19
	----- Rupees -----	
Branch	207,764	121,979
Suppliers	745,575	3,570,384
Administration	92,593	249,692
Prepaid Health insurance	2,654,509	2,555,413
Rent	105,718	340,002
Loan to enterprise	3,234,991	6,981,659
Prepaid Markup subject to Finance lease	-	40,369
Prepaid insurance expense - ASTFL	-	-
Other advances	242,368	-
	<u>7,283,518</u>	<u>13,859,498</u>

6 LONG TERM LOANS	31-May-20	30-Jun-19
	----- Rupees -----	
Un secured		
Loan to employees	43,316,084	38,482,615
6.i Less: Current Maturity of long term loans	<u>(7,292,533)</u>	<u>(6,042,217)</u>
	<u>36,023,551</u>	<u>32,440,398</u>

6.1 Reconciliation of carrying amount of long term loans is as follows;	31-May-20	30-Jun-19
	-----Rupees -----	
Balance at July 1,	38,482,615	29,269,018
Disbursements during the year	<u>17,299,987</u>	<u>23,542,372</u>
	55,782,602	52,811,390
Less: Received during the year	<u>(12,466,518)</u>	<u>(14,328,775)</u>
	<u>43,316,084</u>	<u>38,482,615</u>

7. OTHER RECEIVABLES	31-May-20	30-Jun-19
Accrued bank profit on investments	12,371,393	9,788,235
Accrued income on saving accounts	(2)	274,952
Receivable from SAFWCO	5,300,000	7,303,705
Receivable from PMN	-	-
Receivable from clients	13,900	13,900
Health Insurance Receivable from Staff	428,003	284,930
Group Insurance Receivable from Staff	444,004	284,703
Receivable from PPAF Islamabad		154,200
Other receivables	2,111,463	4,882,908
Unrealized gain of forward contract	61,179,800	61,179,800

SAFCO SUPPORT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT May 31, 2020

<u>81,848,561</u>	<u>84,167,333</u>
-	

SAFCO SUPPORT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT May 31, 2020

8. LOAN FROM DONOR / BANKS

Pakistan Poverty Alleviation Fund (PPAF)	8.1	118,531,912	118,531,912
Symbiotics	8.2	164,000,000	164,000,000
JS Bank Limited (JS)	8.3	-	148,200,000
MCB Bank Limited	8.4	145,000,000	135,000,000
Pakistan Microfinance Investment company (PMIC)	8.5	1,900,000,000	1,600,000,000
Triodos Investment Bank	8.6	279,555,000	279,555,000
UBL Bank Limited	8.8	-	176,000,000

	2,607,086,912	2,621,286,912
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8.i Less: Current Portion shown in current liabilities		471,777,500	815,750,000
		2,135,309,412	1,805,536,912

8.1 LOAN FROM PPAF

Opening Balance	-	-
Received during the year	-	-
Principal repayment during the year	-	-
Closing balance	-	-

8.2 LOAN FROM PPAF PMIFL

Opening Balance	118,531,912	144,000,000
Received during the year	-	-
	118,531,912	144,000,000
Principal repayment during the year / Adjustment	-	(25,468,088)
Closing balance	118,531,912	118,531,912

8.3 LOAN FROM SYMBIOTICS

Opening Balance	164,000,000	303,695,000
Exchange loss		72,105,000
Received during the year		
	164,000,000	375,800,000
Principal repayment during the year		(211,800,000)
Closing balance	164,000,000	164,000,000

31-May-20 30-Jun-19
----- Rupees -----

11. ACCRUED AND OTHER LIABILITIES

Payable to other projects - net	-	406,339
Accrued liabilities	-	1,526,612

SAFCO SUPPORT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT May 31, 2020

8.4 LOAN FROM JS Bank Limited

Opening Balance	148,200,000	62,161
Received during the year	-	210,200,000
	148,200,000	210,262,161
Principal repayment during the year	(148,200,000)	(62,062,161)
Closing balance	-	148,200,000

8.5 LOAN FROM MCB Bank Limited

Opening Balance	135,000,000	120,000,000
Received during the year	65,000,000	116,000,000
	200,000,000	236,000,000
Principal repayment during the year	(55,000,000)	(101,000,000)
Closing balance	145,000,000	135,000,000

8.6 LOAN FROM PMIC

Opening Balance	1,600,000,000	1,200,000,000
Received during the year	1,050,000,000	700,000,000
	2,650,000,000	1,900,000,000
Principal repayment during the year	(750,000,000)	(300,000,000)
Closing balance	1,900,000,000	1,600,000,000

8.7 LOAN FROM Triodos Investment Bank

Opening Balance	279,555,000	-
Received during the year		217,845,000
Exchange loss		61,710,000
	279,555,000	279,555,000
Principal repayment during the year	-	-
Closing balance	279,555,000	279,555,000

8.8 LOAN FROM UBL

Opening Balance	176,000,000	98,000,000
Received during the year		258,000,000
	176,000,000	356,000,000
Principal repayment during the year	(176,000,000)	(180,000,000)
Closing balance	-	176,000,000

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9. OTHER LIABILITIES

Payable to staff - savings	45,574,574	-
Payable to Livestock insurance premium	285,018	285,018
Provision for Telephone	-	15,000
Provision for Courier charges	-	33,673
Provision for Audit Fee	-	856,065
Payable to clients	510,258	
Provision for Electricity	-	100,000
Payable to Supplier	(798,326)	
Sindh Sales Tax Payable	47,245	4,700,352
Provision for Rent	-	705,000
Other payables	2,632,305	588,950
	<u>48,251,074</u>	<u>7,284,058</u>

10. FINANCIAL INCOME EARNED

	31-May-20	30-Jun-19
	----- Rupees -----	
Income on micro credit loans to customers	683,613,677	609,968,797
Loan processing fees	-	43,741,450
Emergency fund fee realised	25,481,298	21,054,300
	<u>709,094,975</u>	<u>674,764,547</u>

11. FINANCIAL CHARGES EXPENSED

Pakistan Poverty Alleviation Fund (PPAF)	-	20,927
Symbiotics	9,490,226	24,393,201
MCB Bank Limited (MCB)	15,680,993	8,974,845
Pakistan Microfinance Investment company (PMIC)	259,080,986	162,186,839
JS Bank Limited (JS)	1,050,234	11,402,355
UBL Bank Limited	62,848	9,877,739
Triodos Investment Bank	12,608,094	11,629,488
	<u>297,973,381</u>	<u>228,485,394</u>

12. OTHER INCOME

	31-May-20	30-Jun-19
	----- Rupees -----	
Bank Profit	45,513,031	25,509,647
Income on term deposit	15,766,594	20,328,597
Loans written off - recovered	364,409	571,673
Financial charges on Staff loan	594,431	584,859
Gain on sale of fixed asset	-	-
Gain on disposal of investment	-	-
Exchange Loss	-	-
Exchange gain	22,950,000	30,967,000
Miscellaneous Income	-	-
	<u>85,188,465</u>	<u>77,961,776</u>

13. GENERAL AND ADMINISTRATIVE EXPENSES

Salaries and other benefits	174,264,984	180,754,212
Vehicle operating	4,584,312	21,323,823
Vehicle fuel expense	9,563,743	-

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Training	8,280,997	4,458,002
Depreciation	7,248,520	7,422,004
Bank charges	28,236,708	31,182,932
Travelling and conveyance	23,589,854	11,183,995
Office supplies and equipments	5,545,724	2,682,485
Printing and publication	876,355	774,233

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Audit fees	414,760	947,500
Legal and professional charges	5,620,101	4,919,820
MIS software	6,607,405	5,637,205
Amortization of software	-	-
Annual membership fee	291,846	280,650
Miscellaneous	193,297	5,056,341
Rent	13,916,910	11,942,151
Utility	5,681,723	7,400,055
Courier charges	533,620	648,096
Stationery expense	3,038,613	2,276,375
EOBI Expense	3,994,900	-
Repair and maintenance	2,684,379	1,054,203
Insurance Charges	1,168,333	-
CIB-Expenses	1,277,798	2,038,638
Staff Accommodation & Per dium Allowance	1,884,852	-
Staff Entertainment & Meeting	6,434,765	6,382,098
Staff Provident Fund Expense	6,293,713	-
Health Insurance	3,599,763	3,296,088
Consulting charges	-	-
Exposure visit	-	-
Gain/Loss on sale of Assets	(1,079,350)	-
Finance cost against leased Assets	2,385	32,875
Study Grant	196,387	97,038
Full and final settlement	2,337,749	-
Contribution charges	4,650,000	-
Loans Directly Written Off	-	-
Upfront fee cost	-	-
Livestock Insurance	-	-
Event Expenses	753,940	-
Donation/Grant	5,259,167	8,518,334
Internet Expenses	2,524,740	-
Security Expenses	194,167	-
Sindh Salas Tax	171,066	14,440,189
Withholdig Tax charges	3,026,228	463,114
	343,864,454	335,212,456

14. GRANT INCOME

For operations	20,780,994	10,783,781
For Loan Loss Reserve	-	2,360,400
For fixed assets	-	208,195
	20,780,994	13,352,376

Chief Executive Officer/Managing Director

Head of Finance