



FINANCIAL APPROPOS

“ASSAY TO ERADICATE POVERTY”



Annual Report-2016

July 2015 – June 2016



Head Office

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 We appreciate you for your wide-awake on reading SSF Annual Review,
 Your adored remarks to guide us for recognized & healthier performances
 Author: Safco Support Foundation – MIER Department

Safco Support Foundation – SSF
 Sustainable Actions to Access Financial Capital Opportunities – SAFCO



Safco

Support Foundation

SSF

Sustainable Actions to Access Financial Capital Opportunities – SAFCO



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ABOUT REPORT

This annual report, as whole is a demonstration of the Company's 2015 – 2016 Business. The classified sound noise shows an outlook of Company's integrity to its readers, stakeholders, donors, partners and borrowers. Thoroughly, being a Company – SSF has developed its internal accords, to deal fluctuation and evolving the prospects of poverty alleviation.

This Yearbook is an expression of the *modus operandi* and countenances of stimulated management approach, interest & business drives. It also showcases the accountability of funds, the collection tendency and the focused financial inclusion upon borrowers' needs and preference.

The Yearbook further illustrates branding & business advancements, inclusions for borrowers' satisfaction, corporative information – and a wide analysis of management. In addition, this outlook captivatingly previews economic position, and social corporate responsibilities & social performance management.

However, this write up provides you detailed information about partners, networks, associates and the leverages company has attired to hasten the operations in alleviating poverty through sustainable actions to access financial capital opportunities. As well as, awards / recognitions the company achieved within the year so far. This yearly outlook also displays financial statements, business review and anticipated management business plan for upcoming eras.

**Monitoring Evaluation & Research Department
Safco Support Foundation**

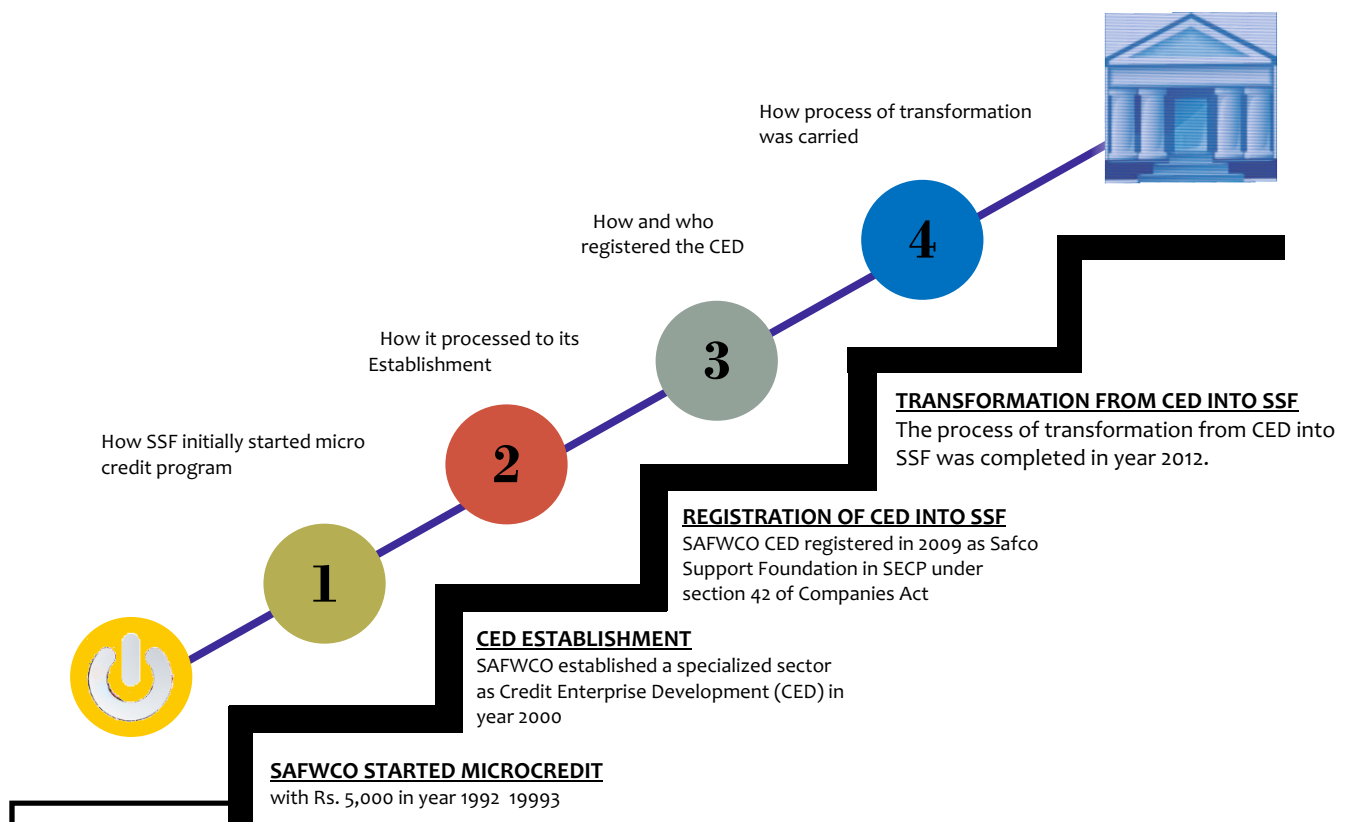
LIST OF ABBREVIATION

Annual General Meeting	AGM
Benazir Income Support Program	BISP
Banking with the Poor	BWTP
Credit Enterprise Development	CED
Client Grievance Committee	CGC
Consultative Group to Assist the Poor	CGAP
Credit Information Bureau	CIB
Community Organizations	COs
Credit Risk Management Committee	CRMC
Deputy Managing Director	DMD
Essential Practices	EPs
Environmental Social Management Framework	ESMF
Federal Government of Pakistan	FGP
Financial Information System	FIS
Financial Sector Strengthening Program	FSSP
Group Lending	GL
Gross Loan Portfolio	GLP
Human Resource Committee	HRC
Human Resource Management System	HRMS
Information Technology	IT
Loan Centers	LC
Local Support Organization	LSO
Micro Credit Guarantee Facility	MCGF
Management Information System	MIS
Microfinance Management System	MMS
Pakistan Microfinance Investment Company	PMIC
Pakistan Microfinance Network	PMN
Pakistan Poverty Alleviation Fund	PPAF
Poverty Score Card	PSC
Sindh Agricultural Forestry Workers' Coordinating Organization	SAFWCO
State Bank of Pakistan	SBP
Security & Exchange Commission of Pakistan	SECP
Small Medium Enterprise	SME
Social Performance Management	SPM
Social Performance Task Force	SPTF
Safco Support Foundation	SSF
Treasury Committee	TC
Village Bank	VB
Village Development Organization	VDO
	VOs

ABOUT SAFCO SUPPORT FOUNDATION

Safco Support Foundation (SSF) is a well-recognized leading Microfinance Institution of Pakistan; registered under section 42 of the Companies Ordinance 1984 as “Public Company” Limited by guarantee in May, 2009 – established for making productive economic investments through sustainable “Microfinance Services” for unbanked entrepreneurs and productive poor, particularly women that significantly improve their economic opportunities and quality of life.

For the economic uplifting, SSF offers financial support to destitute men and especially for women economic empowerment. Financial provisions are being delivered to instigate small businesses for income generation and poverty alleviation activities. SSF has instigated its leveraging undertakings later to alteration of CED Sector into SSF and far-ahead segregated from the parental organization “SAFWCO”. The transformation was conceded aiming to SAFCO – Sustainable Actions to access Financial Capital Opportunities. Statutory An Expression of Expansion SSF as a Public Company has set its vision, mission and objectives to hasten operations emphasizing on core values to client centricity approach to be first choice of unbanked entrepreneur.



THE VALUE SUSTAINER

Safco Support Foundation- SSF is an integral part of the country's microfinance system, and provides high-quality lending to broad unbanked entrepreneurs and potential poor base. Unpredictable macro-economic conditions, regulatory changes, technological development and increased competitiveness may be challenging the NBMFC sector today, but they are creating opportunities as well. And SSF, by the way of its superior services, stands out as the creator of sustainable value.

VISION

To be leading financial institute who provides excellent microfinance services to unbanked entrepreneurs and productive poor families in order to create benefits for clients, shareholders and society.

MISSION

To provide sustainable and innovative financial services that are suitable for the needs of most of the unbanked and productive poor population while ensuring SAFCO's long term sustainability.

Objectives



- ☺ Expansion in the existing operational areas;
- ☺ Reduce Operational cost for sustainability;
- ☺ Improve quality of MF services especially in rural areas;
- ☺ Improve followup with clients for strong relationship & enterprise counseling;
- ☺ Increase number of financially sustainability approach pilot & program up-scaling; &
- ☺ Improve in-depth outreach of the program.

Strategy



To evolve & transform our offerings to emerge as a trusted financial services provider. This would be supported by;

- ☺ Moving closer to clients,
- ☺ Introducing new financial products
- ☺ Strengthening new credit policy framework
- ☺ Having a technology integrated and risk fee collection system

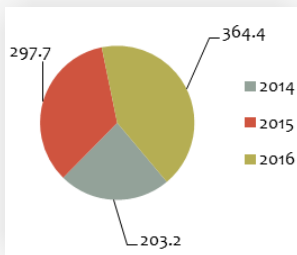


2015 -2016 Results

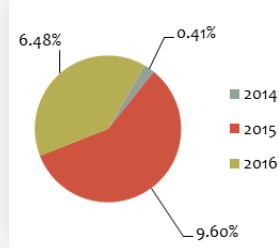
- ☺ Sustainable Profits,
- ☺ Reduced average cost of borrowings,
- ☺ Increased financial liquidity,
- ☺ Expanded branches network,
- ☺ Strengthened business relations with partners, and
- ☺ Balance sheet crossed benchmark of PKR 1.00 Billion.

KEY FINANCIALS & OPERATIONAL FIGURES

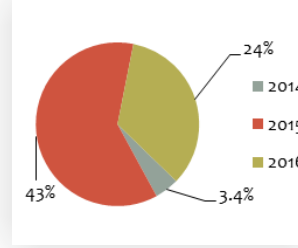
Net Assets (Million in PKR)



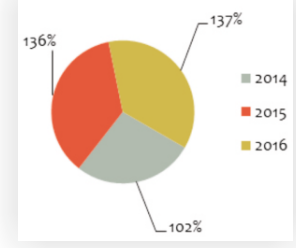
Return on Assets



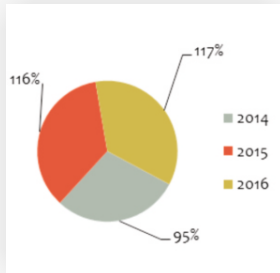
Return on Equity



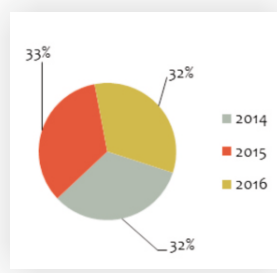
Operational Self-Sufficiency



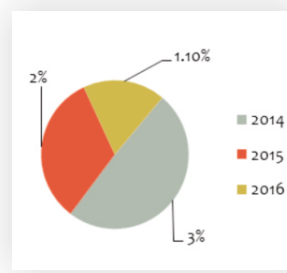
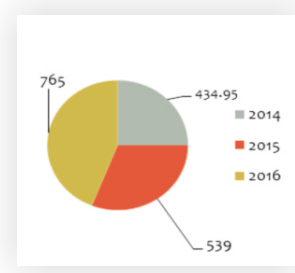
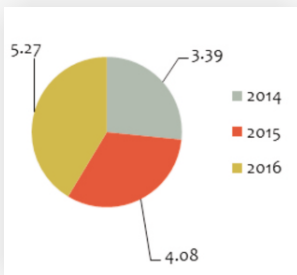
Financial Self-Sufficiency



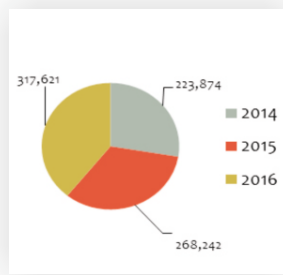
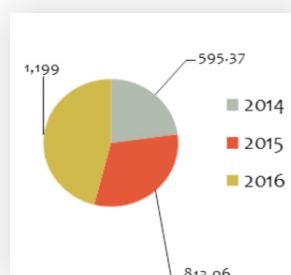
Yield on Portfolio



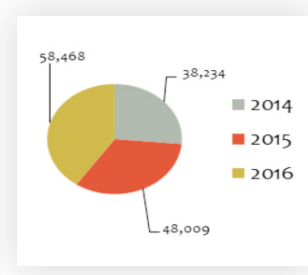
Portfolio at Risk

Gross Loan Portfolio
(Million in PKR)Cumulative Disbursement
(Billion in PKR)

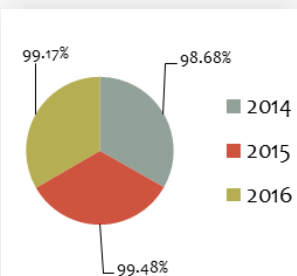
Served Clients

Yearly Disbursement
(Million in PKR)

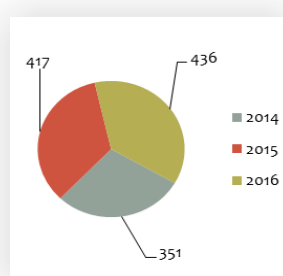
Active Clients



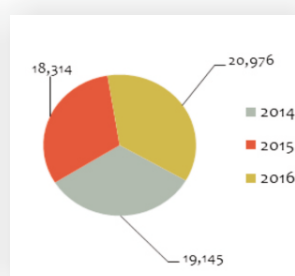
Recovery Ratio



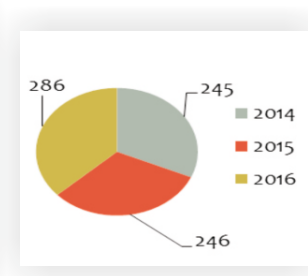
Loan Officer Productivity



Average Loan Size



Staff Strength



SSF Capital

Statutory Power
Performance

An Expression of
Expansion

Financial Section

Business Partners

Partners



Networks



Associates



Auditor and Legal Advisor



OUR PRESENCE

- Head Office
- Program Area
- ◆ Branches



District Sanghar			
Branches		Longitude	Latitude
	Sanghar	68°56'43.11"E	26° 2'45.02"N
	Jhol	68°53'9.68"E	25°57'17.27"N
	Khipro	69°22'25.04"E	25°49'44.84"N
	Sinjhor	68°48'33.82"E	26° 1'47.22"N
	Shahpur Chakar	68°38'53.35"E	26° 9'8.34"N
	Shahdadpur	68°37'42.90"E	25°55'32.14"N
	Tando Adam	68°39'30.31"E	25°46'7.90"N
	Nauabad	68°56'41.98"E	25°48'48.04"N
	Sarhari	68°28'39.70"E	26° 5'46.12"N
	Berani	68°48'28.18"E	25°47'11.69"N
	Kandyari	69° 4'17.12"E	25°47'51.91"N
	Phuladiyon	69°15'5.16"E	25°39'44.57"N
	Perumal	69° 7'36.98"E	25°52'54.49"N
	Mathoon Chania	69°22'58.69"E	25°49'38.42"N
	Isahaq Faqeer R	69°22'58.69"E	25°49'38.42"N
District Tando Allahyar			
	Tando Allahyar	68°43'3.60"E	25°27'36.50"N
District Hyderabad			
	Mossa Khatyan	68°31'43.85"E	25°28'1.43"N

18	Tando Jam	68°31'32.55"E	25°25'37.13"N
19	Hyderabad (B)	68°24'10.12"E	25°23'7.57"N
District Matyari			
20	Matyari	68°26'33.37"E	25°35'41.90"N
21	Nasarpur	68°37'5.84"E	25°31'5.25"N
22	Bhit Shah	68°29'31.57"E	25°48'17.64"N
23	Uderolal	68°35'44.18"E	25°37'59.44"N
24	Khyber	68°30'17.21"E	25°40'52.84"N
District Nawabshah			
25	Nawabshah	68°23'35.41"E	26°14'52.29"N
26	Sakrand	68°16'19.80"E	26° 8'2.58"N
27	Sabu Rahu	68°19'34.69"E	26° 3'36.34"N
28	Jam Sahib	68°37'50.79"E	26°17'42.50"N
29	Qazi Ahmed	68° 6'1.94"E	26°18'6.25"N
30	Doulatpur	67°58'24.54"E	26°30'2.14"N
31	Dour	68°19'10.54"E	26°27'23.90"N
District Thatta			
32	Garho	67°37'0.82"E	24°19'0.83"N
33	War Stop	67°50'32.07"E	24°33'5.23"N
34	Bagan	67°36'22.21"E	24°14'20.47"N
35	Mirpur Sakro	67°37'50.24"E	24°32'33.88"N

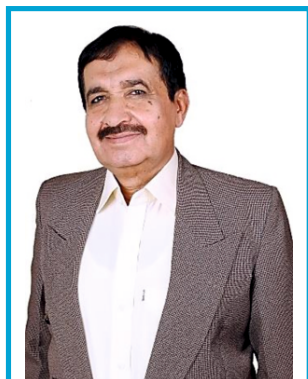
SSF Capital

Statutory Power
Performance

An Expression of
Expansion

Financial Section

BOARD OF DIRECTORS (GOVERNANCE)



Chairperson
Mr. Iqbal Hussain Memon



Vice Chairperson
Ms. Ayesha Fazal Noor



Director
Mr. Sono Khangharani



Director
Mr. Niaz Hussain Bodani



Director
Mr. Rana Abdul Salam



Director
Ms. Zaib-ul-Nisa Mallah



Director
Mr. Yar Muhammad Laghari

Sub Committees of Board

Internal Audit Committee
Chairperson: Ms. Ayesha Fazal Noor,
Member: Rana Abdul Salam,
Member: M. Iqbal Umrani
Secretary: Syed Zulfiqar Ali Muttaqi

Risk Management Committee
Chairman: Sono Khangharani,
Member: Iqbal Hussain Memon
Member: Niaz Hussain Bodani
Secretary: Eftikhar Hidayatulla Mangi

HR Management Committee
Chairman: Niaz Hussain Bodani,
Member: Zaib-ul-Nisa Mallah,
Member: Yar Muhammad Laghari
Secretary: Harish Raisinghani

KEY MANAGEMENT



Chief Executive Officer
Mr. M. Suleman G. Abro



Managing Director
Mr. Syed Sajjad Ali Shah



Deputy Managing Director
Mr. Bashir Ahmed Abro



Senior Manager Operations
Mr. Eftikhar-Hidayatullah



Manager Internal Audit
Mr. Zulfikar Ali Muttaqi



Chief Accountant
Ms. Aleena Maria



Manager Human Resource
Mr. Harish Raisinghani



Manager Credit Compliance
Mr. Rameez Memon



Manager ME&R
Mr. Z. Hussain Qazi



Manager Accounts
Mr. Mashooq Ali Qureshi



Manager IT & MIS
Mr. Naveed Memon



Manager Admin & BR
Mr. Sunil Kumar Vatwani



Area Manager
Mr. Aijaz Ali Bhatti



Area Manager
Mr. Gh. Nabi Shaikh



Area Manager
Mr. Gh. Mustafa Umrani



Area Manager
Ms. Shabana Mallah



Team Leader
Mr. Zulfikar Ali Memon

REPORT OF THE DIRECTORS (GOVERNANCE)

At the end of a year marked by a difficult economic environment, we are confident with our performance, which demonstrated both our capacity to adapt in the face of difficult market conditions and the relevance of our business development strategy. Our company's significant growth can be seen in our consolidated revenue figures i.e. 251.7 million rupees, the total revenue dipped down by 3% comparing to last year due to receiving of 60 million "land Donation" in year 2015.

Despite, our company has posted a current operating income* of over 215.5 million rupees, which represents 26% increase in revenues, attesting to the stability of our current operating margin. In operations, we are demonstrating capacity to defend our profitability in spite of a climate that is unfavorable to our benchmark markets. We have consolidated our position as the local leader in provisional employment / recruitment and our leading position in financial provision services.

Our development strategy is paying remarkable growth on both rural and urban sites. We are demonstrating the great growth potential in Region Sindh. Regard to the financial apropos, our gross loan portfolio momentum stood at 765 million rupees which is raised by over 42% growth in 2016, confirming the validity of our geographical diversification strategy. This performance allowed our Company to reaffirm its ambition to make approximately 45% of its revenues outside of operational areas by 2019.

The pro-active expansion policy of our financial services is illustrated by a rise in outreach penetration of almost 22% over the year. This strong growth is boosted by our activities in the operational areas. Over the second half of 2015 – 16, we pursued our expansion strategy and acquired two specialized commercial banks which facilitated our expansion into new states, and our field of expertise into flexible sectors.

The difficult economic climate, weighed on our activities, however, apt short term investments bought 144.20 million in year 2016 with increase of 19.55%. So far,

this reflects our ability to maintain our business margins. We have maintained a diverse borrowers' portfolio by provisioning the right solution to suit the needs of small scale of businesses. We have enhanced our branch network specialization in terms of geography, skills and qualifications profits.

Much like our financial provision, we achieved an excellent year in financial deliveries of over 47% higher than before. All our service operations are contributing to this growth, emphasizing its strong growth potential expansion, reinforcing our intention to extend our presence in this constituency. In 2016, our Company again strengthened its financial position, cash flow from operations stands at 1027 million rupees and equity now stands at 284.4 million rupees which is raised to almost 81%. SSF Capital Financial Section Statutory Power Performance.

An Expression of Expansion Our Company is in a strong financial position and this will allow us to expand, to face the future with self-control and to pursue our stimulated development strategy. We are therefore looking forward to the next years with confidence. Despite the ongoing difficult environment in operational regions, our Company intends to pursue its strategy in 2017 – 2019 to extend its positions regionally and diversify its core skills.



Regardless of the ongoing lack of visibility in the local employment market, we remained fundamentally confident and intend to hold the course that allowed us to defend our operating profitability in 2016, i.e. price discipline, balancing our client mix, and increasing specialization of our network. In the microfinance services, start of the “New Year” brought a number of major contracts at SSF, which enables us to embrace number one position on this market. Captivatingly, we are determined to continue expanding our local employment in the Sindh Region.

We also remain on the lookout for external growth opportunities that will enable us to extend our presence in this country. In services delivery, our penetrating prospects remained highly favorable. In Desert & Coastal areas, momentum is set to



Snap captured from BoD 32 Meeting at Regent Plaza Karachi

continue among existing population, with positions taken on new leverages and new contracts signed since July 2015. At SSF, we will step up our position at Mirpur Khas, Noshehroferoz, Tando Muhammad Khan and Jamshoro Districts. We will therefore remain aggressive in all our business lines and have confidence in our growth prospects.

Iqbal Hussain Memon
Chairperson SSF Board of Directors

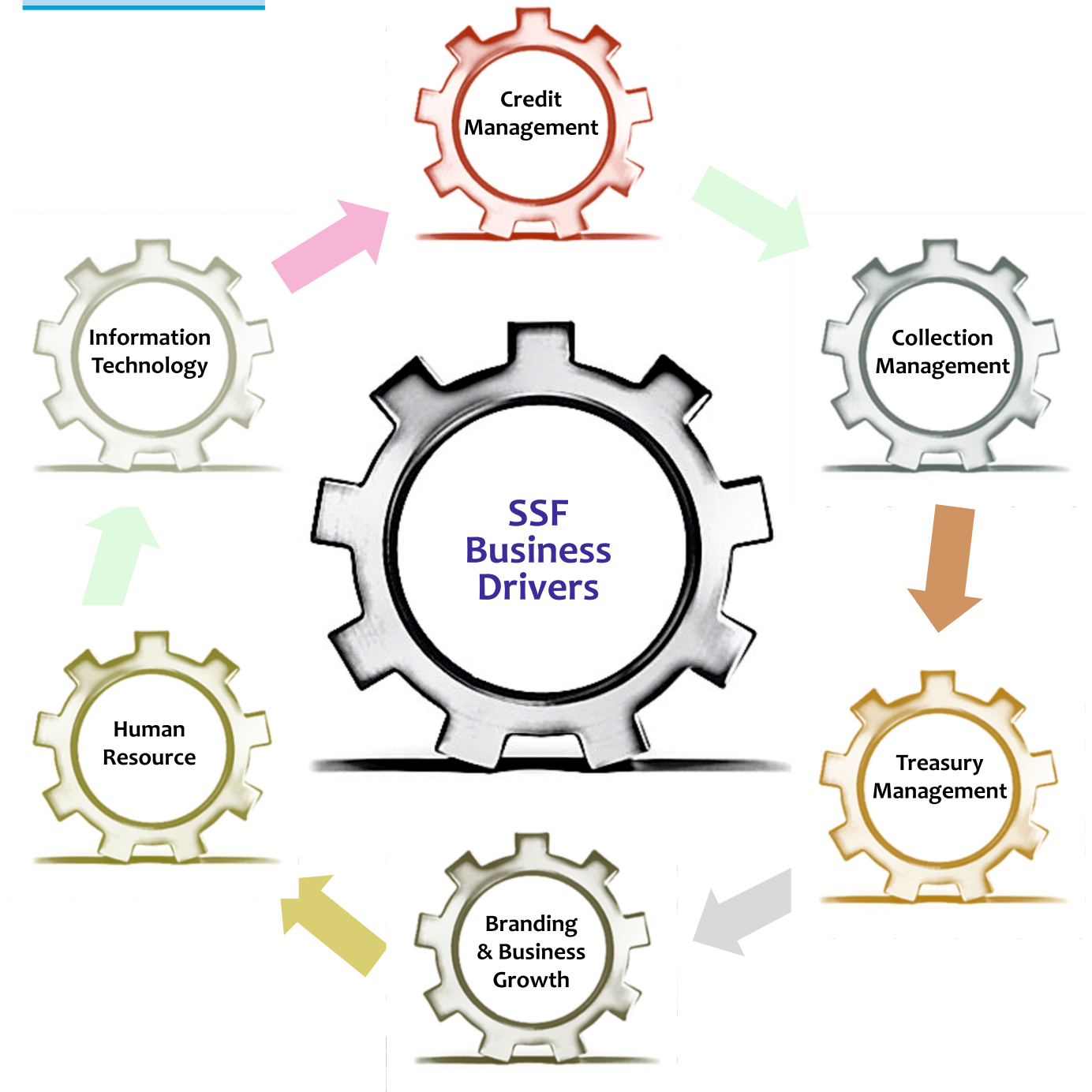
SSF Capital

Statutory Power
Performance

An Expression of
Expansion

Financial Section

SSF Business Drivers



1.CREDIT MANAGEMENT

OVERVIEW

Credit management represents a significant business driver for the company, providing substantial information on the SSF's risk levels when it comes to loans to borrowers, together with the social collateral held. The borrower base of the Company, largely comprising emerging entrepreneurs, small farmers, forms a critical part of the overall business model. Ensuring the sustainability credibility of the borrower holds relevance for the future of the Company. As a part of risk management, we reviewed and re-structured Credit Policy to align with our business strategies. The team

identifies and understands the requirement of the borrower thereby appraising the finance need based on the credit framework. During the year under review, we took some steps in the right direction to further strengthen our credit framework;

☺ Re-structuring Credit Policy, customizing it to our business model and strategies,

☺ De-risking our self from risks arising from large ticket credit; we are now striking a right

balance with increasing portfolio of small ticket loans as well,

☺ We launched surrogate financial products after certain changes as per feedback of our valuable borrowers for our existing portfolio,

☺ Conducted training of team operations for enhancing their knowledge on re-structured credit policy and certain changes in loan products,

☺ Identified new credit assessment criteria like integrating CIB information and verification from system, fixed obligation to income ratio and liquid income assessment.

ROAD AHEAD

With the re-structured credit policy in place, we expected to leverage our operational strengths and maximize the disbursements with minimal risks. Policy helps formulate and analyze procedures to evaluate, address and monitor risks. The revised risk framework would support the business growth with better asset quality levels. We are strengthening our post disbursement appraisal methodologies to further reduce scope of delinquency.



2.COLLECTION MANAGEMENT

OVERVIEW

While risk governance aligns closely with the business ideologies, the collections management provides sustainability to our business. The team works to ensure regular cash flows and collections to minimize debts levels. We further strengthened our collection process with enhanced training of operations team backed by code of conduct. With weak economic market sentiments we segregated the receivables on their age, supported by respective collection management staff. For the year 2015-16, the team took the following initiatives to further improve the collections;

- ☺ Expanded our team size with more recruits for efficient collection,
- ☺ Streamlined our collection process with a more professional approach,
- ☺ Mobilized maximum collection through branch less banking and allied services, reducing any risk of cash handling and movement and pilferage arising therefrom,
- ☺ Set-up a dedicated follow up mechanism to

regularly remind customers about outstanding payments,

- ☺ Use of telecom services for reminder and follow up about due collections,
- ☺ Introduced staff incentives for timely and 100% collection management, and
- ☺ Introduced clients/borrowers financial education for knowing about benefits of proper utilization and timely repayment of disbursed loans.

ROAD AHEAD

With our experience and expertise, we are confident of reducing our visits for recovery and ensuring sustained recovery at defined time intervals. This would not only help in smooth business operations but also increase our operational margin level. We further plan to reduce the turnaround time with industry best practices. The dedicated call center will be established to help in timely follow up and create awareness in the minds of the borrowers.



3. TREASURY MANAGEMENT

OVERVIEW

Our objective is to found our activities in a sustainable, diversified, efficient and flexible manner, underpinned by strong counterparty relationships within prudential limits and requirements. The objective is not only to maintain natural financial market of transactional accounts and balances, but also to outperform at the margin, which will provide us with a natural liquidity buffer. The Finance department is responsible for management of the liquidity and funding position. There is a Management's Treasury Committee (MTC) defined management approach which starts with weekly/fortnightly (operational liquidity) managing the payments queue, forecasting cash flows and factoring in our access to banking consortium.

It then covers tactical liquidity risk management dealing with access to secured finding sources. Finally, the strategic perspective comprises the maturity profile of all assets and liabilities (funding Matrix) and our treasury management strategy. During the year, the treasury team managed the sensitivity of our capital ratios to best possible extent with the following initiatives;

- ☺ Crossed the benchmark of PKR 982 million of new borrowings till date,
- ☺ Successfully completed the funding of Running Finance Facility, Reflows and PMIFL Scheme Financing Agreements of PKR 948 Million

with Pakistan Poverty Alleviation Fund- PPAF, JS Bank Ltd and MCB Bank Ltd respectively,

- ☺ Reduced our average cost of borrowing by approximately 1% from last financial year,
- ☺ The sourcing through Banks networks helped improve our fund management as well reduce the overall cost of transactions,
- ☺ Completed fresh funding of term loans from PPAF, JS Bank Ltd and MCB Bank Ltd to increase our overall liquidity reserves,
- ☺ Maintained our track record of timely payment to our finance partners, and
- ☺ Sustained the Capital Adequacy Ratio at respectable levels.

ROAD AHEAD

The treasury team has an overarching responsibility of managing our liquidity within mandates established by the Board of Directors and prescribed regulatory authorities. With a credible performance in the year that went by, the team endeavors to further reduce the cost of borrowings in the coming months. This shall be complemented by looking at new financial and arbitrage products as mode of funding. The team plans to further enhance the liquidity reserves for proposed business strategies to negotiate with international investors as well as local commercial banks and mainly to take onboard Micro Credit Guarantee Facility- MCGF of State Bank of Pakistan through reputable commercial Banks.



4. BRANDING AND BUSINESS DEVELOPMENT

OVERVIEW

The SSF brand has a strong foundation based on speed of service and customization of offerings as per client requirements. We think that client value, together with innovative products, trust and a positive brand image, will be the basis on which client will choose our products and services to meet their financial needs.

As a part of brand strategy, we participated in several exhibitions, local festivals and fairs (like State Bank SME Finance Mela, Micro Mela and Citi-PPAF Micro Entrepreneurship Event) helping us reach out to the clients and enhancing our brand recall.

In the new geographies that we set our presence in the last fiscal, we leveraged our brand to reach out to larger number of borrowers. As a regular business development activity, we leveraged our brand through advertising in local publications, FM Radio and Mobile SMS facility to further enhance our visibility. In order to capitalize on the growing relevance of digital and social media, we are on

course to strengthen our brand presence on these platforms as well. The key initiatives during the year include;

- ☺ Strengthening the relationship with active borrowers across product segments,
- ☺ Participation in local community social events, fairs and festivals to showcase the strengths,
- ☺ Initiated Digital Marketing for effective business generation, and
- ☺ Printed marketing material for distribution in untapped areas.

ROAD AHEAD

We expect to promote our brand through large number of active satisfied customers and other event platforms. With new financial products and services to be launched soon, the overall brand strategy would complement the future ambitions of the company. The digital marketing space would not be just used as a medium of marketing but as a business generations platform as well. business generations platform as well.



5. HUMAN RESOURCE

OVERVIEW

The success of our business and satisfaction of our clients is largely based on our team of satisfied employees. We work responsibility towards building an engaging team of performers. Among the many factors of our long-term success, competence and leadership of our team members are important attributes.

We continued to attract, develop and retain the best talent covering significant ground to emerge as a preferred company to work with. We made significant ground in areas of talent development, leadership programmes and recruitment space.

Some of the key initiatives during the year were;

- ☺ Strengthened our leadership team across various operations with the appointment of various departmental heads,
- ☺ Embedded a culture of ownership by delegating authorities at various levels,
- ☺ Bringing transparency in performance management and reward systems,
- ☺ Engineered high performance culture in the organization by appraising, recognizing and

incentivizing on monthly basis,

- ☺ To improve the productivity of the human capital, SAFCO has decentralized induction and training programs to reduce the time to market our products by new joiners in the core business teams,
- ☺ Conducted various employee engagement activities to boost the employee morale,
- ☺ Established HR Grievance Mechanism system,
- ☺ HR Committee of board of directors to discuss staff matters in every quarter, and
- ☺ Offering Staff General Incentives like; Provident Fund, Head Insurance, Life Insurance, EOBI, Leave Encashment and Staff Loans.

ROAD AHEAD

We are committed to supporting all our employees, regardless of religion, ethnicity or race. We shall continue to focus on performance management and retaining the best talent to ensure sustained growth. Understanding the people importance, we shall continue to strengthen the team and enhance productivity levels.



6 .INFORMATION TECHNOLOGY

OVERVIEW

Our information and technology framework has been integrated to our various operations. The technology infrastructure is regularly reviewed to ensure alignment with changing business models and technology landscapes. We have invested regularly in upgrading our infrastructure processes to ensure speed and accuracy in our functions. With the increasing volumes, processes and expansion of branch network, the information technology system has been customized to ensure streamlined operations. During the year under review, there were some important steps taken to further strengthen the company's infrastructure;

- ☺ Set-up a separate MIS system for various functionalities like; MMS, HRMS and FIS,
- ☺ Real-time reporting system,
- ☺ Procured a Business intelligence tool particularly integration of CIB, Installed and

integrated PSC System an analytical tool with various qualitative and informative functions,

- ☺ Integrated revised Credit Policy into the technology platform, and
- ☺ Strengthened the data security functions.

ROAD AHEAD

The Company will also focus on training all the employees via latest software up gradations to reduce the turnaround time. The operations team and the framework of performance management are going to be integrated into a technological platform for which the mechanism has been already done.

The mobile application for the disbursement and collection process shall also be made lie soon to ensure updating of records and information on real-time basis.



MANAGEMENT APPROACH REPORT FROM CEO

We are delighted to stake our latest demonstration in Annual Report 2016. This outlook screens you, a scenario as a whole, position of the company and growth tendency in line with sustainable business management. We have anticipated the outcome but the year delivered more than the anticipation and we achieved 47% growth in distributions of loans.

We pay our gratitude to PPAF for its constant financial / non-financial support. We also pay our esteems to investors i.e. MCB and JS Banks for entrusting us and Partners in networking like PMN and BWTP for their continuous collaboration to business expansion and knowledge management/sharing to increase our visibility at global. We are also indebted to SECP on its rigorous regulatory watch on compliance as per regulatory framework and support in all company related matters.

We therefore, analyzed our position in relation to financial deliveries which bestowed pleasing results. Despite, we've planned expanding existing operations into new capacities, also in un-penetrated regions. So far, we developed our business plan (2014-2019) which showcase the picture we perceive. However, the taken decisions are fabricated through consultation of BoG and Higher Management.

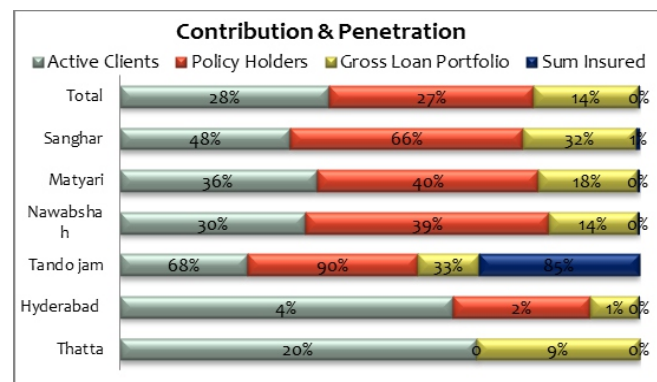
We rigorously implement our proposed prospects to hasten operations and roll-out to be a leader in eradication of poverty. These "Financial Apropos" are channelized to reveal the overall modus operandi of the company and comparatively, we found ourselves strong enough in the areas of financial deliveries. On the other hand, in Sindh, SSF as a MFI out of 20 competitors has

contributed in 6 regions i.e. "Hyderabad, Matyari, Nawabshah, Sanghar, Thatta and Tando Jam". The given stacked Bar Charts show the proportion of company and the contribution to alleviate the poverty.



M. Suleman G. Abro
Chief Executive Officer

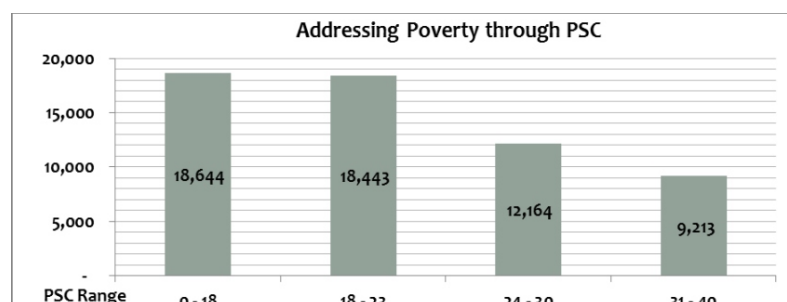
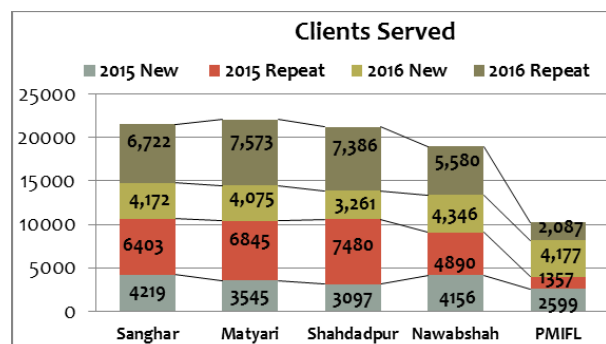
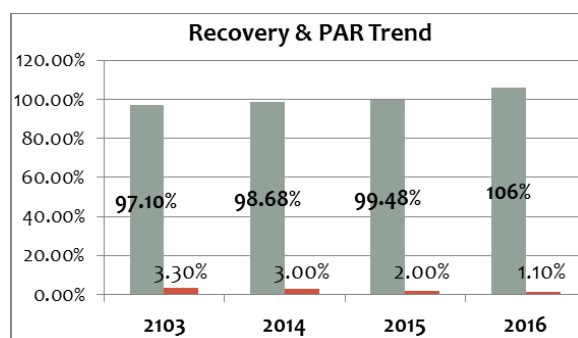
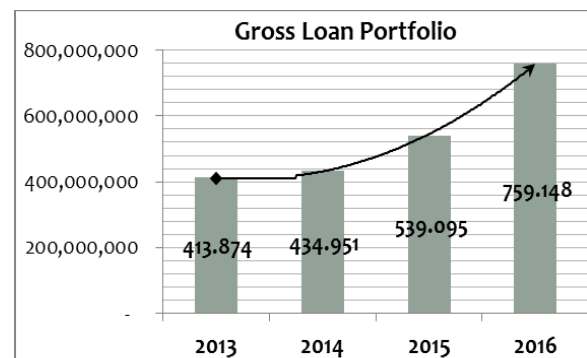
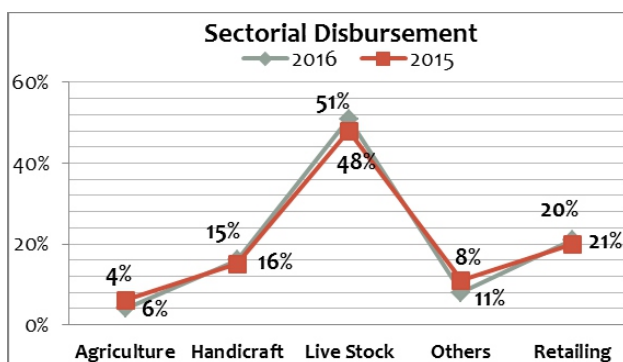
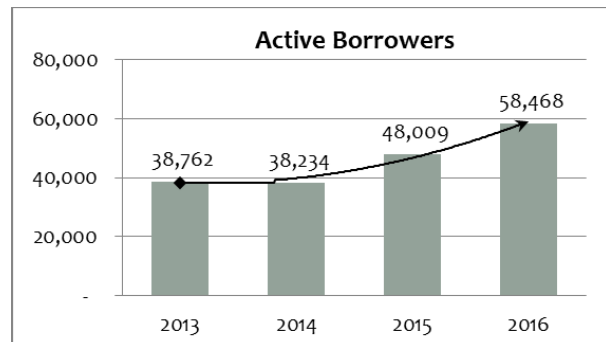
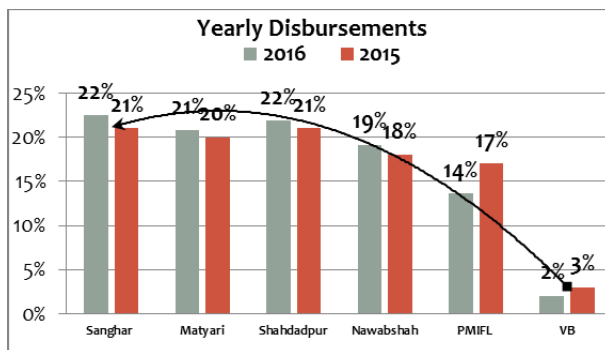
Apart to this, we have been start negotiation with international finance investment companies for funds mobilization as per strategic business plan like; debt financing and equity investments. We have been success to convince two



investment finance companies i.e. Symbiotic Group and BOPA Ltd and hoping that final deal will be finalized in next financial year.

Moreover, for the sake of our stakeholders, partners, investors, donors and readers we have given an exhaustive review of operational development & economic position of the company as follows..!

BUSINESS REVIEW 2016



SOCIAL CORPORATE INVESTMENT BY COMPANY

Education

The company emphasized over the “Corporate Social Responsibility” CSR initiatives intend to



linkup and leverage its surpluses for the upward mobility of communities. The company provided financial backup to the “Model Schools” for the quality delivery of education to nursery to 8th class children. The Model Schools are administrated and managed by the organized committee members of local area. Focusing on the needs of poor communities persisted around the hamlets/towns, wrought Model Schools in UC Shahdarpur and Jhol District Sanghar. Wherein, the company facilitated vulnerable poor kids who don't have educational opportunity. In addition, the company leveled-up

borrowers' & non-borrowers' children who are continuingly getting educations. At present, approximately + 600 children are getting their primary educations.

Health

SSF in the collaboration of Jubilee Life Insurance Company seized welfare one day Medical Camp in Shahpur Chakar. Doctor Bisma from Jubilee Life Insurance Company was called for the treatment of borrowers / beneficiaries. She leaded the day with assistance of her team, as well as Manager HR SSF Mr. Harish Kumar also remained in the twist to treat the beneficiaries. In the camp, diagnostic medications was

delivered to 380 male / female borrowers and their families upon illness. They were also facilitated with the suggested medications.



AWARDS & RECOGNITION

MFTransparency Seal of Pricing Award

In July 2015, Pakistan Microfinance Network thrilled give MFTransparency Seal of Pricing Transparency Award to by Pakistan



Microfinance Network intend for outstanding and

Scheme (PMIFL). The company paid its gratitude's to the PM Youth Loan Secretariat and PPAF - PMIFL Unit for nominating SSF for the award.

10th Citi PPAF Microentrepreneurship Award

SAFCO Support Foundation (SSF) for its best performance and level of innovations has received "Second Runner-up Most Innovative Award-2016". The Managing Director Mr. Syed Sajjad Ali Shah received the Award from Mr. Baleeg-ul-Rehman, Minister of State for Federal Education, Professional Training, Interior and Narcotics Control Government of Pakistan & Mr. Qazi Azmat Isa Chief Executive Officer of PPAF. This runner up award is achieved through combating with poverty by innovative concepts and ideas SSF used in the operational areas. 20 partner MFI & Banks were nominated and among them SSF remained at second position in achieving this Most Innovative Award 2016.



transparent Operations and environment at SSF.

Award for Efficiency in Utilization of Funds

Earlier, the company started granting interest free loans to the poor fall under 0 40 as per "Poverty Score Card" data provided by PPAF and BISP. Interestingly, the company received awarded in January 2016 for "Effective Utilization of PMIFL Funds" and received a shield at Prime Minister House Islamabad in category under Prime Minister's Interest Free Loan

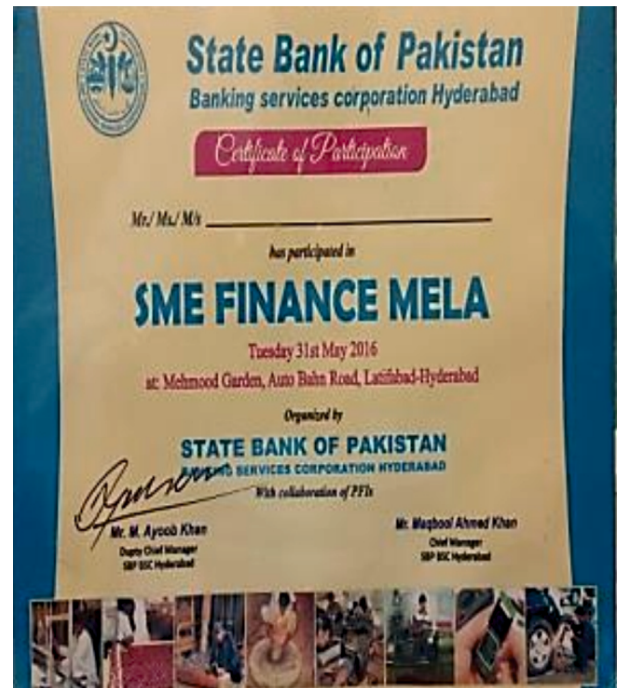


Exhibition and Marketing of Clients Products

The company in the fiscal year participated in two day International Conference on "Securing Sustainable Water for All 2015." The company participated and placed a stall and put handmade/embroidered products crafted by male / female borrowers'. The exhibition was purposively for public information and to sale. The representatives orally revealed the background history and geographical outreaches, its alliance and networking. Besides, Pena-flex and reports were also distributed to the visitors.

SME Financial Mela

SBP conducted SME finance Mela at Hyderabad in May 2016. Objective of the event was to create awareness among SMEs regarding available products and services offered by financial Institutions and banks. Financial service providers showcased and sold their products in the Mela to highlight the windows available to finance enterpriser needs through institutions and addressed their queries at the spot. In Mela, the company also displayed its available windows for the needy individuals, also sold borrowers' handmade products.



SSF Capital

Statutory Power
Performance

An Expression of
Expansion

Financial Section

UNIVERSAL STANDARDS FOR SOCIAL PERFORMANCE MANAGEMENT



The Company is deliberately acts to be sustainable and serve clients' interest. Including, reaching excluding people, protecting clients from harm, designing and delivering appropriate products which help clients cope with emergencies.

The company invests in economic opportunities, builds assets, and manages their daily life-cycle financial needs. This effort constitutes social performance management. Though, this effort requires time and attention, owing to a balanced management approach benefits both the company and the clients in the following ways;

☺ **Client Centric Products & Services**

Through direct feedback with clients and the collection of social performance data, the company understands how it is affecting clients, which product and service clients' value. By doing this, the company attract and retain clients with appropriate product and service.

☺ **Protection Against Mission Drift**

Through the integration of social goal into business plan and strategies helps analyze that the company grows and changes and its social purpose is retained.

☺ **Reporting to Investors/Donors**

Using client data, the company demonstrates client-level outcomes to external stakeholders (such as investors and regulators), which helps attracting and retaining funding.

☺ **Differentiation in Competitive Markets**

Efforts to protect clients and provide excellent

customer service set the company apart from other providers.

☺ **Staff Satisfaction/Retention**

Efforts to treat staff responsibly all the way results in improved staff satisfaction and performance within the company.

☺ **Ability to Influence Regulation**

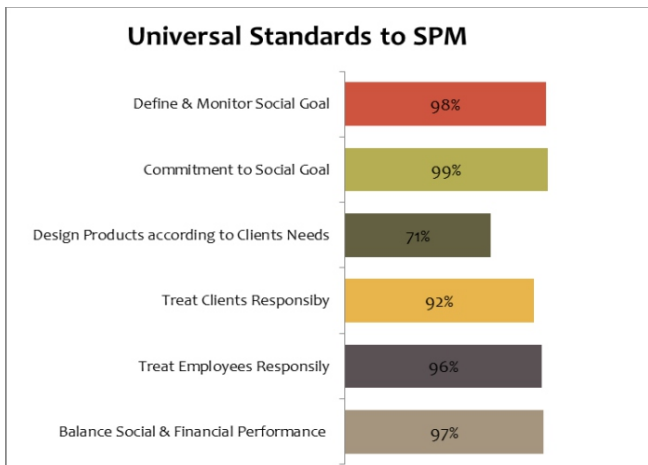
Positive social data and a strong reputation for social outcomes help the company avoid potential regulatory restrictions, such as interest rate caps. The Company with strong SPM practices influences regulation of the social aspects of microfinance.

Above list doesn't mention "Proving Impact" or demonstrating attribution between the penetrations of service delivery by the company and resulting changes in clients' lives. The Impact Evaluation" is attempted to demonstrate the outcome, while SPM focused on the management practices which led the company toward positive social results for clients.

Later on, the company internally evaluated practices against global practices, and has been improving its management systems over the time. Identically, Universal Standards are organized into six dimensions and each dimension contains multiple standards and rating. Hence, a standard is a simple statement of what the company should do to manage SP. For each standard, there are several "Essential Practices," which detail how to

achieve the standard and the EPs are as given here;

Average achievement of all indicators in universal standards to SPM is 92% which shows the



company's grade A++. there are some factors in which company is getting apex level; Like ; monitoring , interaction of employee to client and balanced management of social and financial performance of company.

1. Define and Monitor Social Goals

The company is at full of remarkable monitoring social strategy which makes clients data accurate as well as coherence with the ESMF .besides this, social performance shows the developed strategic planning and reported clients level protection .

2. Commitment to Social Goals



Organizational hierarchy with BOD is accountable and committed to achieve social goals as per donors' requirements and stable standards of the company. However, company is most responsible and about to 99% has achieved in all factors of commitment to social goal.

3. Design Products that Meet Clients' Needs & Preferences

It is the most striking code of the company to meet the need of client and give them preference in all social norms. The company monitors the achievement ratio of clients' benefits and their preference of need. This sounds better at 94%.



4. Treat Clients Responsibly

Clients are treating like sovereigns because they are the main stakeholders of the company. So there is the first step to resolve their complaints timely and also confidentiality is maintained with transparency without any discrimination. Thus, it curbs the over indebtedness and apt delivery channel. The review of the graph shows the 93% averagely of all factors of clients' financial treatment policy. However, 100% transparency reflects the company's good will to clients.

5. Treat Employees Responsibly

In addition to clients' protection policy, company follows the national labor laws with 96% of employee satisfaction and meets the competitive market remuneration packages without gender

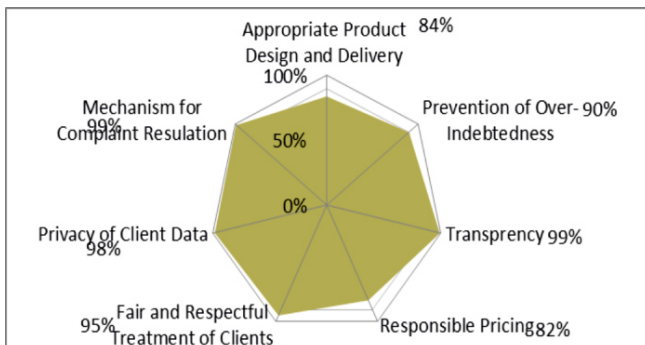
Frontline Staff / Management Capacity Building, and international exposures to the board have been offered to increase their intensity.

6. Balance Financial & Social Performance

The company establishes the multiplier for balanced social and financial performance. Compensation, profits for the all stakeholders of the company in a line, changes in objectives in situational accordance and growth rate are touching to 90%. That replete with maturity of company and enhance the growth level up.

Client Protection

The Company is committed to ensure that people

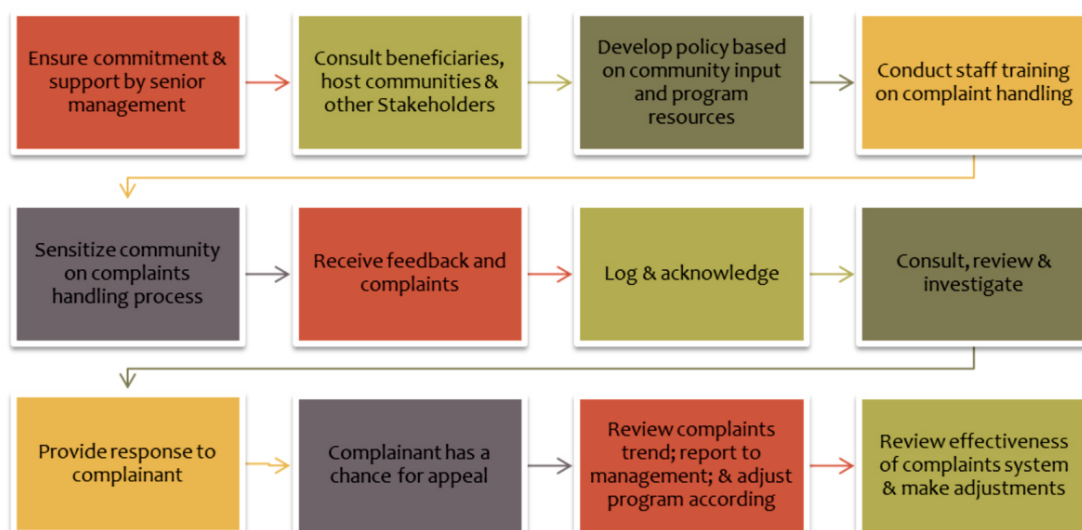


who use financial services receive appropriate products and fair treatment, especially those consumers who are more vulnerable to abused and can least afford financial mistakes. The Company's "Client Protection Policy" aims to safeguard the interest of consumers and empower them to know their rights and make wise and informed decisions.

Client Grievance Mechanism (CGM)

Earlier, the Company intends to protect clients has established "Client Grievance/Complaints Response Mechanism. To run the CGM/CRM the company followed 12 universal steps for complaints response mechanism as follows;

Following steps have been successfully implemented for "Client Protectio" and processes are constant in dealing with clients' complaints/grievances in order to facilitate them according to their queries and concerns. However, to deal with clients complaints, the management with merger deployed 03 controlling drives i.e. Internal Audit, Monitoring Evaluation & Research and Credit Compliance Units. Different opinions and prospects help Company to better facilitate its clients and treat them responsibly. However, within the fiscal year, Client's Grievance Committee has received 109 complaints from the clients which have been resolved timely.



03 AN EXPRESSION OF EXPANSION

MANAGING DIRECTOR'S REPORT ENDING NOTE

In the last two years, the Microfinance sector had gone through some testing times in Pakistan. And yet, your company has remained profitable and sustainable.

We learnt our best lessons from such testing times, and hence are today in a position to truly evolve and grow. Our company is becoming bigger each day, and I am confident of not only the potential of the microfinance segment but also of our capability to serve this segment.

SAFCO Support Foundation- SSF was conceptualized with the same intent to drive the entrepreneurial spirit in the country. We have encouraged the small medium enterprises with ease of financing across diverse livestock, agriculture and enterprises sectors, helping them partner for the sustainable growth and development.

Our endeavor is to tie up with more and more demand driven products so that we are able to service maximum number of borrowers. In fact, this year, the pickup in the agriculture sector was more conservative than expected. Hence, we are looking forward to the several reforms that are yet to be executed at ground level, which will push the agriculture sector growth.

We are committed to total client satisfaction by identifying their specific needs, translating them into quality products and providing dependable after servicing them. This commitment is the corner stone of our Quality and ESMF Policy, and we assay to achieve it by putting into place a quality system, which would adhere to the ISO 9901 Quality Standard, and an environmental management system which shall adhere to the ISO 14001 ESMF standard.

In year 2016, we have piloted integrated technologies in our operations which have helped us enhance our competencies to the maximum and will implement at all to have digitalize operations since client appraisal to repayments, which will enhance efficiency of company in operations. In our roadmap for future growth, we took some key measures that would help us be resilient during tough external environments. Last year we opened up two new branches, taking our presence to newer geographies. We restructured and revised our credit policy to de-risk

ourselves from any financial losses in the future. The new credit policy is extensive, taking into account several factors of credit assessment while appraising a borrower's financial requirement. In addition, it also ensures we substantially reduce our turnaround time for loan disbursement.

In line with the strategic direction, diversification strategy of achieving higher client base, increased operational sustainability and mitigating operational risk, outreach of the existing branches will be increased and new main and settlement branches will be opened in existing and some new districts. At present, the company is operating through a network of 35 branches, in the Sanghar, Matyari, Nawabshah, Hyderabad, Thatta, and Tando Allahyar.

However, Mirpurkhas, Noshero Feroz, Badin, Jamshoro, Tando Muhammad Khan, and Umar Kot districts are recommended to open new branches by 2019. These districts are recommended considering the key factors like; proximity of prospective districts to the operations in the existing districts, economic activity in the area when compared to other districts of Sindh, current activity of MFI competitors i.e. number of branches, number of active borrowers, and gross loan portfolio in the area.

Based on institutional assessment, analysis of its loan portfolio / nonperforming loans and mentioned outlook for the microfinance sector, the overall strategy / plan of the company has been developed with the aim to:

- *Increase penetration/outreach to further pursue the company's mission "to be a leader in eradication of poverty through political and socio-economic empowerment of communities in the region on sustainable basis".*
- *It has been assessed that presence of the company in*



different districts and provinces across Sindh is currently lower as compared to presence of other MFIs across Sindh. Hence, there are potential growth opportunities by expanding outreach both in the rural and major urban centers' of the province. This will also assist the company in mitigating the concentration risks (both in terms of geography and loan products).

- The above enhancement would require the company to introduce new products and entering into new districts in order to increase its outreach and client base.

- These target areas will be steadily increased to cover more adjoining districts across lower and central Sindh. Such diversification has been assayed keeping in consideration an analysis of population ratio in the target districts and potential clients.

Improve profit margins of the company by reducing direct and overhead costs and better cash management system.

The new credit policy also aligns perfectly to our strategic shift towards 'retailization' of disbursement. Over the years, we were largely concentrated to limited sectors with limited financing as our primary product line.

We see opportunity in growing demand for small and medium financial requirements by SMEs today. We are readily adapting to this 'retailization' concept. This brings a twofold benefit to us – expanding our reach to more customer bases and a reduced risk profile with smaller disbursement profile.

In addition, the 'retailization' allow us to diversify our product profile. With higher margins and low risks, we are looking at expanding this segment in the near future with other investors funding. Our pursuit towards growth is backed by substantial liquidity position. We continue to be a trusted MFI in our segment, reflected by a growing banking consortium year on year as our financial partners.

Our partners like; PPAF, JS Bank Ltd and MCB Bank Ltd provide us adequate financial support at regular intervals, trusting in our capabilities. Additionally, the partners in networking like PMN, CGAP, BWTP, Citigroup Foundation,

MIX Market, SEEP Powering Connections and SMN.

However, the management is expecting to create new associations and partnership with national/international investment companies and Institutions in forthcoming years to additionally hasten the Company's Modus Operandi. International Investments companies are approached and the process of alignment is under progress which would be executed in 2017, that is management commitment to mobilize and mature international investments.

As well as, in future the company shall meet regulatory framework to changes its current status and make more transformations from Company to Non-Banking Financial Company. During the year under review, we successfully completed our due diligence by Symbiotic Group, Singapore to the tune of USD \$ 02.00 Million. This will be in addition to regular financial support we drew from our financial partners.

We believe in consistently preparing for the future. Hence, we review our talent pool and regularly look into the manpower requirements. Going ahead, we endeavor to empower our people skills, thereby helping them partner in the growth of the company.

We respect our obligations to all our participants and as responsible employer we pay special importance to our human resources and see them as a key benefactor of our future. We intend to issue incentives to our team who have been performed with good progress and generated quality of portfolio.

In the end, what is important is to realize that each year is different than the last year, just as each decade is different than the previous. It is the capability to continuously adapt, evolve and perform, that separates a successful organization from the rest. On behalf of SAFCO Support Foundation and the Board of Directors, I would hereby like to extend my respect and gratitude to our partners, our team, our clients and business partners who have always been on our side and have placed their trust in us.

Syed Sajjad Ali Shah
Managing Director

04 FINANCIAL FRAGMENT

STAND ALONE STATEMENT

We are pleased to state that, our company is on the way to attainment within growing tendency of overall progress. Our company has achieved benchmark over the key indicators the company's assets, portfolio & equity is increased over 24.1%, 42% and 81% respectively comparing to the last year. The company's income stands at 67 million in current year and OSS is recorded at 136%. Hence, Portfolio at Risk remained reduced that is 1.1% in year 2016.

Overall, the company has assayed hard to achieve the landmarks and succeeded eventually. Apart, the company has opened new windows of funding that include international and national. In the fiscal year 2015 2015, international donors i.e. BOPA, Symbiotic Investment Companies approached the company and conducted due diligence visits for the maturity of partnership. However, a number of other investment companies are in process of coordination and they have revealed their positive sign to invest in SSF. So far, these are the milestones we achieved that are biggest success of the year.

However, we have attracted national commercial credit lines for funding and currently we are entitled with running finance of JS, MCB along with MCGF facility with the support of State Bank of Pakistan that is fascinatingly at final phase. Henceforth, we have added comprehensive outlook of Balance Sheet and Income Statement

which are given below for a complete review for the readers...!

Overview of Balance Sheet - 30 June 2016

In current year total assets stands at 1,093 million and it has increased by 24.1% as compared to last year i.e. 880.5 million. Total assets are further elaborated into current and noncurrent assets. The current assets of SSF mainly comprise of cash and bank balance, gross loan portfolio, grants and other receivables along with accrued services charges. The current assets have increased by 27.6% as compared to 2015. The overall increase is due to increase in loan portfolio and short term investments during the year. The loan loss reserve amounts to Rs. 34.8 million during the year 2016 which stands at 5% of gross loan portfolio. Total current assets stands at 985.6 million and 107.4 million in 2016 and 2015 respectively.

The proportion of non-current assets as compared to the total assets of SSF is 10% and it has been decreased with 0.8% as compared with last year. The long term assets include land, buildings, fixtures, furnishings, equipment and vehicles. Total non-current assets stands at 107.4 million and 108.3 million in 2016 and 2015 respectively.

Total Liability has increased with 25% as compared to last year hence it stands at 728.6 million and 582.7 million in 2016 and 2015 respectively, which indicates the increase in short terms liabilities

mainly loan payable to Pakistan Poverty Alleviation Fund (PPAF) with an amount of Rs. 429 million. However, the amount payable to MCB and JS Bank has decreased with an amount of Rs. 53 million during this year. The current liabilities amount to Rs 582 Million and long term liabilities amounting to Rs 146.6 Million as at June 30, 2016. Net assets are raised with 81% as compared to last year and it stands at 284.4 million and 157.2 million in 2016 and 2015 respectively, this boom is mainly because of control received over endowment fund of amount 60 million.

Overview of the Income statement- 30 June 2016

During the year, SSF has made a net profit of Rs. 67.6 million and 67.9 million in the year 2016 and 2015 respectively. SSF has fewer sources of income which mainly includes income from lending, grant income, donations received and interest income earned on savings. Total income in current year stands at 251.7 million.

Further income from operation contributes 215.5 million, Grant income contributes 13.99 million and other income contributes 22.1 million accordingly hence income from operations and other income are increased 26.2% and 25.3 % accordingly whereas income from grant is reduced with 79.8% as

compared to last year, major decrease in grant income is because of grant donation is not received in current year as comparatively grant received of amount 60.7 million in previous year.

In current year total expense stands at 184 million which are reduced by 3.4% as compared to last year. Interest expense paid during the year amounts to Rs. 48.9 million and is the markup paid to PPAF on its subsidized lending to the company. This expense has increased by 12.9% in the current financial year as compared to Rs. 43.3 million for the last year. It has increased because of increased commercial credit lines i.e. MCB and JS bank Limited. In this financial year, the operating expenses of the company have shown an increase of 1% as compared to the last year.

The major increase is contributed by the general and administrative expenses including vehicle maintenance, fuel cost, and rent of office premises for all 33 branches along with salaries and other benefits provided to the employees.

Loan loss reserve charged for the year is 14.76 million and it has reduced with 53.7% as compared to last year major decrease is because of reducing amount of write off i.e. 5.5 million and 27.4 million in the year 2016 and 2015 respectively.



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF SUSTAINABLE ACTIONS TO ACCESS FINANCIAL CAPITAL OPPORTUNITIES (SAFCO)

We have audited the annexed balance sheet of **SAFCO Support Foundation (SSF)** / (the Company) as at June 30, 2016 and the related income statement, cash flow statement and statement of changes in funds with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of knowledge and belief, were necessary for the purpose of our audit. It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statement. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a. in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b. in our opinion:
 - i. The balance sheet and income statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the book of account and are further in accordance with accounting policies consistently applied;
 - ii. The expenditure incurred during the year was for the purpose of the Company's business; and
 - iii. The business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the Company;
- c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income statement, cash flow statement of changes in funds together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the surplus, cash flows and changes in fund for the year then ended; and;
- d. in our opinion, no zakat was deductible at source under the zakat and Ushr Ordinance, 1980.

Chartered Accountants
Engagement Partner:
Mushtaq Ali Hirani
Date: October 01, 2016
Karachi

SAFCO SUPPORT FOUNDATION-BALANCE SHEET FOR THE YEAR ENDED JUNE 30,2016

		2016	2015	2014
	Note	-----Rupees-----	Restated	Restated
ASSETS				
Non-current assets				
Property and equipment	4	105,573,217	106,030,901	17,107,157
Intangible assets	5	1	456,854	971,854
Long term security deposits	6	1,915,000	1,860,000	1,820,000
		107,488,218	108,347,755	19,899,011
Current assets				
Short term investments	7	144,200,000	120,622,440	115,005,818
Micro credit loan portfolio	8	724,666,225	486,083,711	401,405,578
Accrued service charges	9	14,576,793	9,888,298	7,257,403
Short term loans - unsecured	10	4,505,208	2,732,014	3,301,113
Advances and prepayments	11	2,867,047	1,058,819	929,952
Other receivables	12	3,363,163	6,750,445	9,734,366
Grant receivable from donor	13	8,000,000	28,000	345,000
Cash and bank balances	14	83,452,218	145,023,369	54,027,090
		985,630,654	772,187,096	592,006,320
Total assets		1,093,118,872	880,534,851	611,905,331
ACCUMULATED SURPLUS AND LIABILITIES				
Accumulated fund		284,436,487	156,765,878	89,272,038
Endowment fund	16	54,000,000	114,000,000	114,000,000
Unrealized gain on available for sale investment		-	487,410	-
Accumulated surplus		338,436,487	271,253,288	203,272,038
Surplus on revaluation of property	4	26,040,128	26,533,151	-
Non-current liabilities				
Deferred grant for fixed assets	15	1,957,914	2,921,877	3,900,363
Liabilities against assets subject to finance lease	17	650,576	1,250,628	-
Revolving Fund	18	144,000,000	119,680,000	-
Total non-current liabilities		146,608,490	123,852,505	3,900,363
Current liabilities				
Loan from donor	19	429,179,144	260,306,185	330,695,305
Short term running finances	20	114,255,623	167,655,469	54,000,000
Accrued service charges	21	13,068,601	10,974,966	10,188,544
Current portion of liabilities against assets subject to finance lease	17	600,052	519,714	-
Emergency fund	22	10,387,225	7,547,830	6,110,060
Deferred grant for operations	23	2,885,938	4,604,202	-
Accrued and other liabilities	24	11,657,184	7,287,541	3,739,021
Total current liabilities		582,033,767	458,895,907	404,732,930
Contingencies and Commitments	25	1,093,118,872	880,534,851	611,905,331
Total accumulated surplus and liabilities		1,093,118,872	880,534,851	611,905,331


 Chief Executive Officer


 Director


 Chief Accountant

**SAFCO SUPPORT FOUNDATION-INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30,2016**

	Note	2016 -----Rupees-----	2015 Restated
INCOME			
Service charges earned	26	215,545,712	170,794,691
Service charges expensed	27	(48,903,524)	(43,312,708)
Net service charges income		166,642,188	127,481,983
Provision against loan losses for the year	8.5 & 8.6	(14,763,725)	(31,884,904)
Net service charges income after loan loss provision		151,878,463	95,597,079
EXPENDITURE			
Administrative and general expenses	28	(120,368,706)	(115,099,440)
Net profit/(loss) from operations		31,509,757	(19,502,361)
Other income	29	21,669,188	17,690,317
Grant income	30	13,998,641	69,305,884
Surplus for the year		67,177,586	67,493,840
Other comprehensive income for the year			
Unrealized gain on premeasurement of available-for-sale investment		-	487,410
Incremental depreciation on revaluation of property and equipment		493,023	-
Other comprehensive income		493,023	487,410
Total comprehensive income		67,670,609	67,981,250
The annexed notes from 1 to 38 form an integral part of these financial statements.			

Chief Executive Officer

Director

Chief Accountant



Head Office

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Your adored remarks to guide us for recognized & healthier performances
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