



Grant Thornton

An instinct for growth™

Anjum Asim Shahid Rahman

1-Inter Floor, Eden Centre,
43-Jail Road, Lahore 54000,
Pakistan.

T +92 42 37423 621-23, 37422 987-88

F +92 42 37425 485

www.gtpak.com

INDEPENDENT AUDITORS' REPORT TO THE GENERAL BODY

We have audited the annexed balance sheet of **Development Action for Mobilization and Emancipation (DAMEN)** as at **December 31, 2014** and the related income and expenditure account, cash flow statement and statement of changes in fund together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the year then ended.

It is the responsibility of the Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements present fairly in all material respects the financial position of the **Development Action for Mobilization and Emancipation (DAMEN)** as at **December 31, 2014** and of its surplus, its cash flows and changes in fund for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

We draw attention towards Note 1.3 to the financial statements which states that during the year a new section 42 company has been incorporated for its microfinance operations. DAMEN intends to transfer book values of all the assets and liabilities of microfinance operations to newly incorporated company. Our opinion is not qualified on this matter.

Anjum Asim Shahid Rahman
CHARTERED ACCOUNTANTS

Engagement Partner: Imran Afzal

Lahore

Dated: *January 31, 2015*

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
BALANCE SHEET
AS AT 31 DECEMBER 2014

ASSETS

Current assets

Cash and bank balances
Short term investment
Advances, prepayments and other receivables
Micro credit loan portfolio

Total current assets

Non-current assets

Micro credit loan portfolio - non-current
Operating fixed assets - Tangible
Capital work in progress
Intangible assets
Security deposits

Total non-current assets

Total assets

Notes

2014

2013

Rupees

5	190,425,506	156,355,923
6	283,648,600	235,600,000
7	30,731,211	21,893,760
8	875,740,978	713,003,146
	1,380,546,295	1,126,852,829
8	77,260,955	-
9	27,686,608	20,774,350
	478,466	-
10	383,817	560,963
11	666,097	478,250
	106,475,943	21,813,563
	1,487,022,238	1,148,666,392

LIABILITIES

Current liabilities

Creditors, accrued and other liabilities
Short term financing
Current portion of long term loans

Total current liabilities

Non-current liabilities

Long term loans
Deferred grant

Total non-current liabilities

Total liabilities

NET ASSETS

12	4,025,843	2,131,538
13	15,625,542	15,000,050
14	807,374,612	643,915,789
	827,025,997	661,047,377
14	251,253,194	183,975,635
15	1,563,075	2,454,663
	252,816,269	186,430,298
	1,079,842,266	847,477,675
	407,179,972	301,188,717

REPRESENTED BY:

Endowment fund from Pakistan Poverty Alleviation Fund
General funds
Reserves

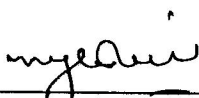
16	106,000,000	106,000,000
17	160,202,733	108,846,267
18	140,977,239	86,342,450
	407,179,972	301,188,717

CONTINGENCIES AND COMMITMENTS

21

The annexed notes 1 to 34 form an integral part of these financial statements.

12/12/14



Executive Director



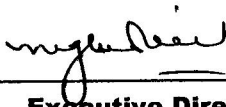
Treasurer

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

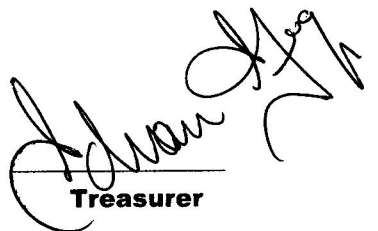
		2014	2013
	Notes	Rupees	
Financial income			
Service charges on micro credit loans		282,819,630	229,217,656
Loan processing fee		42,370,950	30,393,750
Total financial income		325,190,580	259,611,406
Finance cost	19	106,334,559	91,522,092
Branchless banking charges		5,538,154	3,298,418
		111,872,713	94,820,510
Gross financial margin		213,317,867	164,790,896
Provision against non-performing loans - net	8.3	24,663,593	35,521,147
Net financial margin		188,654,274	129,269,749
Profit on investments and bank deposits	20	47,830,543	32,596,610
		236,484,817	161,866,359
Operating expenses			
-Micro finance program	22	44,456,467	31,106,135
-Social sector program	23	808,823	689,522
Salaries, wages, stipends and other benefits			
-Micro finance program		80,472,062	61,053,688
-Social sector program		2,723,467	1,549,892
Training expenses			
-Micro finance program		2,096,540	1,620,421
-Social sector program		132,639	38,869
Research studies expenses		407,635	1,676,820
Subsidy to home schools		672,356	687,000
Subsidy to health centres		740,000	785,000
Donation in Relief Fund for IDPs & Flood effectees		2,214,523	-
		134,724,512	99,207,347
Surplus from operations		101,760,305	62,659,012
Other income	24	2,692,189	1,471,430
Deferred grants amortized / utilized:			
- relating to fixed assets	15.1	565,480	604,894
- relating to capacity building	15.2	973,281	2,073,531
		1,538,761	2,678,425
Net Surplus for the year		105,991,255	66,808,867
Operational Self sufficiency (OSS) Ratio	31	139%	128%

The annexed notes 1 to 34 form an integral part of these financial statements.

ANB



Executive Director



Treasurer

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2014	2013
		Rupees	
Net surplus for the year		105,991,255	66,808,867
Adjustments for non cash items :			
Depreciation	9	4,607,091	3,250,422
Amortisation on intangible assets	10	177,146	177,145
Amortization of deferred grants:			
- relating to fixed assets	15.1	(565,480)	(604,894)
- relating to capacity building	15.2	(973,281)	(2,073,531)
Finance cost	19	106,334,559	91,522,092
Branchless banking costs		5,538,154	3,298,418
Gain on disposal of operating fixed assets	24	(1,389,239)	52,106
Provision against non-performing loans	8.3	24,663,593	35,521,147
		138,392,543	131,142,905
Operating surplus before working capital changes		244,383,798	197,951,772
(Increase) /decrease in:			
Advances, prepayments and other receivables		(8,837,451)	(8,002,799)
Micro credit loan portfolio		(264,662,380)	(103,464,323)
Short term investments		46,951,400	(105,600,000)
Security deposits		(187,847)	14,250
Increase in creditors, accrued and other liabilities		1,755,434	620,241
		(224,980,844)	(216,432,631)
Operating deficit after working capital changes		19,402,954	(18,480,859)
Finance cost & branchless banking charges paid		(111,733,842)	(94,748,786)
Net cash used in operations		(92,330,888)	(113,229,645)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to operating fixed assets		(12,001,362)	(1,791,811)
Proceeds from disposal of operating fixed assets		1,871,252	41,000
Additions to capital work in progress		(478,466)	-
Net cash used in investing activities		(10,608,576)	(1,750,811)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received during the year			
- relating to capacity building		647,173	1,018,072
Endowment fund from Pakistan Poverty Alleviation Fund		-	32,000,000
Net proceeds from short term financing		625,492	15,000,050
Net proceeds from long term loans		230,736,382	94,440,396
Net cash from financing activities		232,009,047	142,458,518
Net change in cash and cash equivalents		129,069,583	27,478,062
Cash and cash equivalents at the beginning of year		286,355,923	258,877,861
Cash and cash equivalents at the end of year	26	415,425,506	286,355,923

The annexed notes 1 to 34 form an integral part of these financial statements.

Signature

Signature

Executive Director

Signature

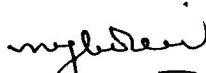
Treasurer

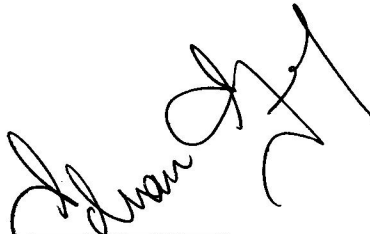
DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Endowment Fund	General funds	Donated funds	Reserves	Total
	-----Rupees-----				
Balance as at 01 January 2013	74,000,000	96,037,400	1,000,000	31,342,450	202,379,850
Net surplus for the year	-	66,808,867	-	-	66,808,867
Donated Fund transferred to General Fund	-	1,000,000	(1,000,000)	-	-
Sustainability Reserves - social sector program	-	(55,000,000)		55,000,000	-
Endowment fund from Pakistan Poverty Alleviation Fund	32,000,000	-	-	-	32,000,000
Balance as at 31 December 2013	106,000,000	108,846,267	-	86,342,450	301,188,717
Net surplus for the year	-	105,991,255	-	-	105,991,255
Sustainability Reserves - social sector program	-	(54,634,789)	-	54,634,789	-
Balance as at 31 December 2014	106,000,000	160,202,733	-	140,977,239	407,179,972

The annexed notes 1 to 34 form an integral part of these financial statements.

MSL


Executive Director


Treasurer

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. STATUS AND NATURE OF THE BUSINESS

- 1.1** Development Action for Mobilization and Emancipation (DAMEN) (the Society) was registered in May 1992 as a non profit organization under the Societies Registration Act XXI of 1860. DAMEN has 25 field offices within vicinity of Lahore, Kasur, Sheikhupura and Nankana Districts.
- 1.2** The principal activity of DAMEN is to provide cost effective micro finance services to poor women in order to enhance their economic role. DAMEN is also taking part in financial and operational support for provision of primary education and basic health facilities through community based schools and health centres in rural areas in vicinity of Lahore, Kasur, Sheikhupura and Nankana Districts. In addition to these functions, DAMEN also provides non financial services in the form of trainings both to its clients and staff.
- 1.3** During the year, a separate section 42 company namely as "Damen Support Program" has been incorporated to spin-off its Micro Finance operations. The management intends to transfer Micro Finance operations w.e.f 1 Jan 2015. However, no adjustment has been made in these financial statements as such assets and liabilities would be trasfered to the newly incorporated entity at their book values.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants Pakistan and the 'Financial Reporting Guidelines for NGOs/NPOs engaged in Microfinance issued by Institute of Chartered Accountants of Pakistan (ICAP).

3 BASIS OF PREPARATION

These accounts have been prepared under the historical cost convention using accrual basis of accounting except for the cash flow information.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of these financial statements are set out below. These policies have been consistently applied to all years prescribed, unless otherwise stated:

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For purpose of cash flow statement, cash and cash equivalents include cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

4.2 Operating assets

Operating assets except intangible asset

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment loss, if any.

Depreciation on all operating fixed assets is charged to income on straight-line method so as to write off the historical cost of assets over estimated useful life at rates specified in Note 9.

Full month's depreciation is charged on additions while no depreciation is charged in the month of disposals during the year. Impairment loss or its reversal, if any, is charged to income. Where an impairment loss is recognized, the depreciation charge is adjusted in the future years to allocate the asset's revised carrying amount over its estimated useful life.

The gain or loss on disposal or retirement of an asset is recognized as an income or expense.

The asset's residual values and estimated useful lives are reviewed at least at each balance sheet date and impact on depreciation is adjusted, if significant.



DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Intangible asset

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the organization and that the cost of such asset can also be measured reliably. Cost of the intangible asset includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis by applying the straight line method from the month when such asset is available for use.

Useful lives of intangible assets are reviewed at each balance sheet date and impact on amortization is adjusted, if significant.

4.3 Borrowings

Loans and borrowings are initially recorded at proceeds received which is considered to be equal to its fair value. Finance cost is accounted for on accrual basis and is included in creditors, accrued and other liabilities to the extent of the amount payable as on balance sheet date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in income and expenditure account in the year in which they are incurred.

4.4 Income recognition

- Service charges and income on loan portfolio are accounted-for on accrual basis and collected with loan instalments. These are calculated by using declining interest method at the rate of 0.95/day/1,000 Rupees on outstanding loan balance.
- Service charges on loan portfolio are accrued on loans overdue for less than 31 days. After 31 days, further accrual of service charges ceases.
- Documentation and loan processing fee collected from micro credit loan customer is recognized when received. The fee is charged at the rate of 3% of the loan amount .
- Donations in kind are recognized at fair market value as and when donated items are received.
- Return on investments is recognized on accrual basis.
- Profit on bank deposits is recognised on accrual basis.
- Bad debts recovered are added to current year's income .

4.5 Recognition of grants

- Funds provided by donors to subsidize operating and administrative expenses are recognized as grant income as per term of agreement with donors.
- Grants related to acquisition of fixed assets are taken to deferred grant and amortized over the useful life of the assets.
- Grants utilized for financing of lending operations are recognized as donated funds.

4.6 Micro credit loan portfolio

These are stated net of provision for non-performing loans, if any. The outstanding principal of the loans, payments against which are overdue by over 30 days is classified as non-performing.

4.6.1 Loan Loss provision

The Loan Loss Provision shall be the higher of general and specific provisions.

4.6.1.1 General provision

General provision is made @ 5 % of the gross outstanding loan balances . The rate has been fixed as per requirement of the lender.



DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4.6.1.2 Specific provision

Specific provision for potential loan losses is made for all non-performing loans as follows:

Category	Loans in arrears/ Instalment over due	Percentage of outstanding principal
Other Assets Especially Mentioned (OAEM)	Loans in arrears (instalment overdue) for 30 days or more but less than 60 days.	-
Substandard	Loans in arrears (instalment overdue) for 61 days or more but less than 90 days.	25%
Doubtful	Loans in arrears (instalment overdue) for 91 days or more but less than 180 days	50%
Loss	Loans in arrears (instalment overdue) for 181 days or more.	100%

4.6.2 Write-Off

Loans are classified as loss when instalment are overdue for 181 days or more. All non-performing loans are written off after one month of classification as loss. However, the Society, continues its efforts for recovery of the written-off loans.

4.7 Short term investments - Held to maturity

Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition these are measured at amortised cost using the effective interest method.

4.8 Employees retirement benefits

The Society operates a recognized provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Society and the employees at the rate of 10 percent of the basic salary. Obligation for contributions to defined contribution plan is recognized as an expense in the profit and loss account as and when incurred.

4.9 Taxation

The Society is registered under section 2(36) of the Income Tax Ordinance, 2001. Its income is exempt from tax. Hence, no provision has been made for the current and prior years in these financial statements.

4.10 Provisions

Provisions are recognized when, and only when, the Society has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.11 Use of Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Society's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Society's financial statements or where judgments were exercised in application of accounting policies are below:

- Operating fixed assets - Tangible and intangible
- Micro credit loan portfolio
- Advances, prepayments and other receivables
- Creditors, accrued and other liabilities

4.12 Advances, prepayments, deposits and other receivables

Advances, prepayments and other receivables are carried at original cost less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off, when identified.

AKK

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4.13 Creditors, accrued and other liabilities

These are recognized using the trade date accounting and are measured initially at cost.

4.14 Cost allocation

Common costs relating to financial and non-financial services are allocated in the ratio of 5% of direct social sector costs and the remaining portion to micro finance sector upto June - 2014. Thereafter, no costs had been allocated to social sector as its expenses are being borne separately by social sector

4.15 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Society's functional and presentation currency.



DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014	2013
		Rupees	
5 CASH AND BANK BALANCES			
Cash in hand		102,271	29,960
Cash with banks:			
In current accounts - local currency		51,425,095	33,342,430
In deposit accounts:			
- local currency		138,541,500	122,673,201
- foreign currency		356,640	310,332
		138,898,140	122,983,533
		190,425,506	156,355,923
6 SHORT TERM INVESTMENT			
Held to maturity			
Term Deposit Receipts (TDRs)	6.1 & 6.2	283,648,600	235,600,000
6.1	These represent investments in Term Deposit Receipts having a term of 1 year. These investments carry mark up rate ranging from 8.53 % to 10.15 % (2013: from 8.52 % to 9.90%).		
6.2	These include restricted TDRs amounting Rs. 106.6 Million (2013: Rs.116.6 Million).		
7 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Accrued service charges on micro credit loans		16,075,164	12,411,286
Advances to staff		235,194	194,013
Advance tax - net		5,376,430	1,353,686
Advances for expenses		34	18,000
Accrued income on investments - TDRs		7,347,621	6,926,084
Prepaid insurance		192,799	259,873
Other receivables		1,503,969	730,817
		30,731,211	21,893,759
8 MICRO CREDIT LOAN PORTFOLIO			
Current portion		875,740,978	713,003,146
Non-current portion		77,260,955	-
	8.1	953,001,933	713,003,146

Notes	2014			2013		
	Numbers	Rupees	PAR %age	Numbers	Rupees	PAR %age
8.1 MICRO CREDIT LOAN PORTFOLIO						
Considered good	35,509	995,240,171	99.21	34,332	738,625,116	98.41
Considered doubtful (non-performing)	8.2 755	7,919,758	0.79	853	11,904,511	1.59
	36,264	1,003,159,929	100.00	35,185	750,529,627	100.00
Less: Specific provision	8.3	3,068,088			5,208,088	
Less: General provision	8.3	47,089,908			32,318,393	
		50,157,996			37,526,481	
		953,001,933			713,003,146	

All the loans are secured by way of social guarantees.

msk

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2014****8.2 Particulars of non-performing loans**

Micro credit loan portfolio includes Rs. 7,919,758 (2013: Rs. 11,904,511) which, as detailed below, have been placed under non-performing status:

Classification	2014			
	Amount outstanding	Percentage	Provision required	Provision held
	Rupees		Rupees	
OAEM	2,117,137	-	-	-
Sub-standard	1,424,519	25%	356,130	356,130
Doubtful	3,332,289	50%	1,666,145	1,666,145
Loss	1,045,813	100%	1,045,813	1,045,813
	<u>7,919,758</u>		<u>3,068,088</u>	<u>3,068,088</u>

Classification	2013			
	Amount outstanding	Percentage	Provision required	Provision held
	Rupees		Rupees	
OAEM	2,336,889	-	-	-
Sub-standard	2,129,025	25%	532,256	532,256
Doubtful	5,525,531	50%	2,762,766	2,762,766
Loss	1,913,066	100%	1,913,066	1,913,066
	<u>11,904,511</u>		<u>5,208,088</u>	<u>5,208,088</u>

8.3 Movement of provision against non performing loan is as under:

	Notes	2014		
		Rupees		
		Specific	General	Total
Opening balance		5,208,088	32,318,393	37,526,481
Charge for the year		9,892,078	14,771,515	24,663,593
Amounts written off during the year	8.4	(12,032,078)	-	(12,032,078)
Closing balance		<u>3,068,088</u>	<u>47,089,908</u>	<u>50,157,996</u>
2013				
Rupees				
		Specific	General	Total
Opening balance		5,455,543	13,765,229	19,220,772
Charge for the year		16,967,983	18,553,164	35,521,147
Amounts written off during the year	8.4	(17,215,438)	-	(17,215,438)
Closing balance		<u>5,208,088</u>	<u>32,318,393</u>	<u>37,526,481</u>

8.4 Particulars of amount written off

	2014	2013
Against provision	<u>12,032,078</u>	<u>17,215,438</u>

-This represents non performing loans overdue for more than 210 days.

8.5 Portfolio by segment**Loan type:**

Trade and business	621,612,180	480,840,853
Tailoring centre	136,632,008	76,248,407
Livestock	190,741,892	146,391,228
Handicraft and embroidery	54,173,849	47,049,139
	<u>1,003,159,929</u>	<u>750,529,627</u>

MSR

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2014****8.6 Portfolio quality report**

The organization's main measure of loan delinquency is an aged portfolio-at-risk ratio. Loans are separated into classes depending on the number of days they are over-due. For each class of loan, the aged portfolio-at-risk ratio is calculated by dividing the outstanding principal balance of such class by outstanding principal balance of the gross loan portfolio.

Loans are considered overdue if any payment has fallen due and remained unpaid for more than 30 days. The number of days of delay is based on the difference between reporting date (cut off date) and the calculation of fully paid instalments subtracted from scheduled instalments, multiply by the repayment cycle (30 days) and adding the resulting days in the date of disbursement of loan.

	2014		2013	
	Rupees	Percentage	Rupees	Percentage
Loan portfolio:				
Current and up to 30 days late	995,240,171	99.2%	738,625,116	98.4%
31 - 60 days late	2,117,137	0.2%	2,336,889	0.3%
61 - 90 days late	1,424,519	0.1%	2,129,025	0.3%
More than 90 days late	4,378,102	0.4%	7,438,597	1.0%
	1,003,159,929	100%	750,529,627	100%

-The organization does not allow rescheduling or restructuring of loans.

-During the year, loans were disbursed relating to single project with tenures ranging from 12 months to 18 months, in accordance with needs of the borrowers. Loan repayments are scheduled on monthly instalments based on repayment terms.

8.7 Movement of loan portfolio

	2014	2013
	Rupees	
Opening balance as on 01 January	750,529,627	664,280,742
Disbursements made during the year	1,412,376,479	1,013,125,000
Recoveries made during the year	(1,147,714,099)	(909,660,677)
Loans written off during the year	(12,032,078)	(17,215,438)
Closing balance as on 31 December	1,003,159,929	750,529,627

148

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9 OPERATING FIXED ASSETS

2014										
DESCRIPTION	COST			DEPRECIATION				BOOK VALUE AS AT December 31 2014	Rate %	
	As at 01 January, 2014	Additions during the year	Adjustments during the year	As at 31 December, 2014	As at 01 January, 2014	On disposals /adjustments	Charge for the year			As at 31 December, 2014
-----Rupees-----										
Land	10,753,700	-	-	10,753,700	-	-	-	-	10,753,700	-
Building	3,681,121	350,000	-	4,031,121	1,747,044	-	194,473	1,941,517	2,089,604	5
Vehicles	14,425,059	8,339,422	(3,141,912)	19,622,569	9,389,462	(2,767,702)	2,759,262	9,381,022	10,241,547	20
Computer equipment	6,767,901	1,532,917	(678,794)	7,622,024	5,945,454	(545,261)	846,786	6,246,979	1,375,045	33
Furniture and fittings	3,686,327	842,592	(177,500)	4,351,419	2,264,508	(177,500)	429,411	2,516,419	1,835,000	10
Office equipment	4,347,086	936,431	(132,073)	5,151,444	3,540,376	(157,803)	377,159	3,759,732	1,391,712	20
2014	43,661,194	12,001,362	(4,130,279)	51,532,277	22,886,844	(3,648,266)	4,607,091	23,845,669	27,686,608	

2013										
DESCRIPTION	COST			DEPRECIATION				BOOK	Rate %	
	As at 01 January, 2013	Additions during the year	Adjustments during the year	As at 31 December, 2013	As at 01 January, 2013	On disposals /adjustments	Charge for the year	As at 31 December, 2013		VALUE AS AT December 31 2013
Rupees										
Land	10,753,700	-	-	10,753,700	-	-	-	-	10,753,700	-
Building	3,656,121	25,000	-	3,681,121	1,563,403	-	183,641	1,747,044	1,934,077	5
Vehicles	14,104,854	320,205	-	14,425,059	7,178,627	-	2,210,835	9,389,462	5,035,597	20
Computer equipment	6,217,689	711,549	(161,337)	6,767,901	5,614,391	(142,097)	473,160	5,945,454	822,447	33
Furniture and fittings	3,604,816	248,331	(166,820)	3,686,327	2,034,968	(110,817)	340,357	2,264,508	1,421,819	10
Office equipment	3,998,175	486,726	(137,815)	4,347,086	3,617,899	(119,952)	42,429	3,540,376	806,710	20
2014	42,335,355	1,791,811	(465,972)	43,661,194	20,009,288	(372,866)	3,250,422	22,886,844	20,774,350	

ABC

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
		Rupees	
Note			
10	INTANGIBLE ASSETS		
	Computer software licenses		
	Opening balance	560,963	738,108
	Less: Amortization	(177,146)	(177,145)
	Balance as on December 31	383,817	560,963
10.1	Licensed Software was acquired in 2012 from Microsoft Corporation at a cost of Rs. 885,730 (US \$ 9,744), to comply with the legal requirement. As per terms of agreement with the vendor, the software will be updated annually at a nominal fee. These licenses do not have a finite useful life. Due to rapid developments in the IT sector, the management has decided to amortize their cost over a year of five years, using the straight line method.		
11	SECURITY DEPOSITS		
	This represents security deposits against rent of branch office buildings and internet connection.		
12	CREDITORS, ACCRUED AND OTHER LIABILITIES		
	Accrued expenses	2,661,859	2,059,814
	Mark up payable	138,871	71,724
	DAMEN Relief Fund	1,225,113	-
		4,025,843	2,131,538
13	Short term financing		
	Faysal Bank Limited	15,625,542	15,000,050
13.1	A Running Finance Facility has been obtained from Faysal Bank Limited with a limit of PKR 16 Million. The facility is secured against cash deposits of PKR 16 Million + Hypo charge on receivables of PKR 2 Million out of the loans of this facility. The funds of this facility are used to enhance the existing Micro Finance Loan portfolio. The facility carries mark up @ 9.94% while the profit rate on TDR is 9.04%. The guarantee money for this facility is provided by PPAF under their PRISM-Endowment Fund initiative.		
14	LONG TERM LOANS		
	Pakistan Poverty Alleviation Fund	1,039,408,962	737,024,756
	Faysal Bank Limited	19,218,844	28,366,669
	Habib Bank Limited	-	62,499,999
		1,058,627,806	827,891,424
	Less: Current maturity	(807,374,612)	(643,915,789)
	Closing balance	251,253,194	183,975,635
14.1	Pakistan Poverty Alleviation Fund (PPAF)		
	Opening balance	737,024,756	581,832,607
	Additions during the year	869,000,000	585,000,000
		1,606,024,756	1,166,832,607
	Repayments during the year	(566,615,794)	(429,807,851)
		1,039,408,962	737,024,756
	Less: Current maturity	(788,590,551)	(566,615,794)
	Closing balance	250,818,411	170,408,962

MSA

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
	Note	Rupees	
14.2 Faysal Bank Limited(FBL)			
Opening balance		28,366,669	-
Additions during the year		10,000,000	37,000,000
		38,366,669	37,000,000
Repayments during the year		(19,147,825)	(8,633,331)
		19,218,844	28,366,669
Less: Current maturity		(18,784,061)	(14,799,996)
Closing balance	14.5	434,783	13,566,673
14.3 Habib Bank Limited			
Opening balance:			
HBL-PRISM-I		-	31,618,421
HBL-PRISM-II		62,499,999	120,000,000
		62,499,999	151,618,421
Additions during the year:			
HBL-PRISM-I		-	-
HBL-PRISM-II		-	45,000,000
		-	45,000,000
Repayments during the year:			
HBL-PRISM-I		-	(31,618,421)
HBL-PRISM-II		(62,499,999)	(102,500,001)
		(62,499,999)	(134,118,422)
Closing balance			
HBL-PRISM-I		-	-
HBL-PRISM-II	14.6	-	62,499,999
		-	62,499,999
Less: Current maturity:			
HBL-PRISM-I		-	-
HBL-PRISM-II		-	(62,499,999)
		-	(62,499,999)
Long term loan closing balance			
HBL-PRISM-I		-	-
HBL-PRISM-II		-	-
		-	-

- 14.4** This carries interest @ 6 monthly KIBOR prevailing on the first working day of January and July.
Principal and mark-up are payable on quarterly basis.
This loan is secured against:
- a first charge on micro credit sub loans created/financed from the proceeds of the loan.
 - the promissory note executed by the Board Of Directors to pay on order the full amount of financing together with service charges; and
 - a first charge on all assets/capital items created out of PPAF financing agreement.

MAK

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2014**

14.5 A demand finance loan obtained from Faysal Bank Limited to enhance the existing Micro Credit programme of the institution. The sanctioned limit is Rs. 47 million. This loan carries mark up @ 9.84 % per annum (1% p.a. over deposit rate of 8.84 % p.a).

-Principal and mark-up are repayable in 30 monthly instalments. Principal repayments started from June 2013.

-Mark-up is repayable on monthly basis in arrears.

This loan is secured against cash guarantee in shape of TDRs amounts to Rs. 37 Million.

14.6 A demand finance loan had been obtained from Habib Bank Limited to enhance the existing Micro Credit programme. The sanctioned limit is Rs. 120 million (2013: 120 million). This loan carries mark up @ 11.5% per annum (1% p.a. over deposit rate of 10.50% p.a).

-Principal and mark-up are repayable in 18 monthly instalments. Principal repayments started from January 2013 after a grace year of 6 months.

-Mark-up is repayable on monthly basis in arrears.

This loan is secured against cash guarantee in shape of TDRs amounts to Rs. 110 Million

14.7 Quarterly Movements in long term loans

2014				
	1st quarter	2nd quarter	3rd quarter	4th quarter
	Rupees			
Opening Balance				
PPAF	737,024,756	852,636,010	868,438,056	958,343,156
HBL-PRISM-II	62,499,999	28,999,998	-	-
FBL-PRISM-III	28,366,669	34,231,887	29,227,541	24,223,195
	827,891,424	915,867,895	897,665,597	982,566,351
Additions				
PPAF	240,000,000	165,000,000	240,000,000	224,000,000
HBL-PRISM-II	-	-	-	-
FBL-PRISM-III	10,000,000	-	-	-
	250,000,000	165,000,000	240,000,000	224,000,000
Repayments				
PPAF	(124,388,746)	(149,197,954)	(150,094,900)	(142,934,194)
HBL-PRISM-II	(33,500,001)	(28,999,998)	-	-
FBL-PRISM-III	(4,134,782)	(5,004,346)	(5,004,346)	(5,004,351)
	(162,023,529)	(183,202,298)	(155,099,246)	(147,938,545)
Closing balance				
PPAF	852,636,010	868,438,056	958,343,156	1,039,408,962
HBL-PRISM-II	28,999,998	-	-	-
FBL-PRISM-III	34,231,887	29,227,541	24,223,195	19,218,844
	915,867,895	897,665,597	982,566,351	1,058,627,806

AMR

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2013			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	----- Rupees -----			
Opening Balance				
PPAF	581,832,607	596,165,219	786,734,275	842,041,038
HBL-PRISM-I	31,618,421	21,332,240	10,792,819	-
HBL-PRISM-II	120,000,000	99,999,999	80,000,000	95,999,999
FBL-PRISM-III	-	-	35,766,667	32,066,668
	733,451,028	717,497,458	913,293,761	970,107,705
Additions				
PPAF	108,000,000	307,000,000	160,000,000	10,000,000
HBL-PRISM-I	-	-	-	-
HBL-PRISM-II	-	-	45,000,000	-
FBL-PRISM-III	-	37,000,000	-	-
	108,000,000	344,000,000	205,000,000	10,000,000
Repayments				
PPAF	(93,667,388)	(116,430,944)	(104,693,237)	(115,016,282)
HBL-PRISM-I	(10,286,181)	(10,539,421)	(10,792,819)	-
HBL-PRISM-II	(20,000,001)	(19,999,999)	(29,000,001)	(33,500,000)
FBL-PRISM-III	-	(1,233,333)	(3,699,999)	(3,700,000)
	(123,953,570)	(148,203,697)	(148,186,056)	(152,216,282)
Closing balance				
PPAF	596,165,219	786,734,275	842,041,038	737,024,756
HBL-PRISM-I	21,332,240	10,792,819	-	-
HBL-PRISM-II	99,999,999	80,000,000	95,999,999	62,499,999
FBL-PRISM-III	-	35,766,667	32,066,668	28,366,663
	717,497,458	913,293,761	970,107,705	827,891,418

15 DEFERRED GRANT

Grants related to fixed assets

Grants related to capacity building

	2014	2013
Notes	Rupees	

15.1	929,690	1,495,170
15.2	633,385	959,493
	1,563,075	2,454,663

	2014	2013
Notes	Rupees	

15.1 Grants related to fixed assets

Opening balance

Less: Amortization

1,495,170	2,100,064
(565,480)	(604,894)
929,690	1,495,170

MAJOL

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014	2013
		Rupees	
15.2 Grants related to capacity building			
Opening balance		959,493	2,014,952
Funds received/receivable during the year from:			
Pakistan Poverty Alleviation Fund (PPAF)		-	184,186
Pakistan Microfinance Network (PMN)		647,173	833,886
		647,173	1,018,072
Less: Amortization		(973,281)	(2,073,531)
		633,385	959,493
16 ENDOWMENT FUND			
Opening balance	16.1	106,000,000	74,000,000
Funds received from Pakistan Poverty Alleviation Fund (PPAF)		-	32,000,000
		106,000,000	106,000,000
16.1	To strengthen the financial position of DAMEN as a Micro Finance Institution, an Endowment Fund has been created by Pakistan Poverty Alleviation Fund (PPAF) under their PRISM programme. The terms and conditions associated with the Endowment Fund will remain applicable till three years from the date of receipt of the funds. As per these terms, 50 % of the funds could be used as guarantee money for obtaining secured loans from commercial banks and the remaining 50% could be deposited with commercial banks having AA rating, with competitive terms and conditions. The income from the investment may be utilized either for operational expenses or increasing the loan portfolio.		
17 GENERAL FUND			
General Fund Micro Finance programme	17.1	144,030,680	97,597,936
General Fund Social Sector programme	17.2	16,172,053	11,248,331
		160,202,733	108,846,267
17.1 GENERAL FUND-Micro Finance programme			
Opening balance		97,597,936	92,066,517
Surplus for the year		101,067,533	65,531,419
Transferred to General Fund - social sector programme		-	(6,000,000)
Transferred to Sustainability Reserves - social sector program		(54,634,789)	(55,000,000)
Transferred from donated funds reserve- Micro finance sector		-	1,000,000
		144,030,680	97,597,936
17.2 GENERAL FUND- Social Sector programme			
Opening balance		11,248,331	3,970,883
Surplus for the year		4,923,722	1,277,448
Transferred from General Fund Micro Finance programme		-	6,000,000
		16,172,053	11,248,331
18 RESERVES			
Social sector programme	18.1	139,766,521	85,131,732
Micro finance programme	18.2	1,210,718	1,210,718
		140,977,239	86,342,450

ASAL

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014	2013
		Rupees	
18.1 RESERVES - Social sector programme			
Health centre - Shahpur		37,185	37,185
Health centre - Chung		15,761	15,761
Education services		269,400	269,400
Sustainability reserve-social sector programme	18.1.1	139,444,175	84,809,386
		<u>139,766,521</u>	<u>85,131,732</u>
18.1.1 Movement in sustainability reserve			
Opening balance		84,809,386	29,809,386
Transferred from General Fund Micro Finance programme		54,634,789	55,000,000
		<u>139,444,175</u>	<u>84,809,386</u>
18.2 RESERVES - Micro finance programme			
Bonus reserves		1,063,968	1,063,968
Bad debts reserves		146,750	146,750
		<u>1,210,718</u>	<u>1,210,718</u>
19 FINANCE COST			
Mark-up on long term loan:			
Pakistan Poverty Alleviation Fund		100,288,016	77,447,086
Habib Bank Limited		1,726,620	12,339,750
Faysal Bank Limited		2,792,822	1,730,961
Mark-up on short term loan:			
Faysal Bank Limited		1,527,101	4,295
		<u>106,334,559</u>	<u>91,522,092</u>
20 PROFIT ON INVESTMENTS AND BANK DEPOSITS			
Profit on Investments - TDRs		22,954,125	16,821,560
Profit on bank deposits		24,876,418	15,775,050
		<u>47,830,543</u>	<u>32,596,610</u>
21 CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments to report at the year end. (2013: Rs. Nil)			

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014	2013
		Rupees	
22 OPERATING EXPENSES - Micro Finance programme			
Rent, rates and taxes		3,111,431	2,523,820
Electricity, water and gas		2,305,638	1,927,199
Repair and maintenance		3,988,514	2,664,781
Vehicle running and maintenance		4,477,395	3,627,970
Communications		2,116,223	1,560,656
Legal and professional charges		259,150	293,325
Stamp papers		1,703,550	1,098,523
Fee and subscription		50,000	245,500
Printing and stationary		2,042,776	1,592,658
Office supplies		2,699,047	2,081,246
Traveling and conveyance		3,474,106	2,336,166
Bank charges		1,132,037	1,197,447
Auditors' remuneration		375,000	350,000
Insurance		9,380,820	4,325,604
Depreciation		4,213,315	2,948,622
Amortisation of intangible assets		177,146	177,145
Networking and linkages /institutional assessments		1,276,802	908,989
E-CIB Charges		1,337,541	681,447
Cable TV advertisement		191,233	126,650
Other expenses		225,121	591,425
		44,536,845	31,259,173
Less: Common costs allocated to social sector programme	23.1	80,378	153,038
		44,456,467	31,106,135
23 OPERATING EXPENSES - Social Sector programme			
Depreciation		393,776	301,800
Vehicles running expense		169,960	130,471
Repair & Maintenance		24,340	20,788
Printing and stationary		18,391	3,305
Office supplies		1,914	-
Travelling expenses		110,090	80,120
Bank charges		9,974	-
Common costs	23.1	80,378	153,038
		808,823	689,522
23.1 Calculation of common costs			
Subsidy to home schools		278,400	687,000
Subsidy to health centres		325,000	785,000
Staff salaries		931,030	1,549,892
Trainings		73,129	38,869
		1,607,559	3,060,761
Allocated @ 5% of direct social sector costs (2013: 5%)		80,378	153,038

162

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	Rupees	
24 OTHER INCOME		
Financial income		
Bed debts (written off) recovered	1,042,627	1,309,246
	1,042,627	1,309,246
Non-financial income		
Gain on disposal of operating fixed assets	1,389,239	52,106
Income from staff advances	12,942	18,259
Donations	59,358	25,000
Other income	188,023	66,819
	1,649,562	162,184
	2,692,189	1,471,430

25 TAXATION

The Society is a "Non-profit Organization" as defined under Section 2(36) of Income Tax Ordinance, 2001.

	2014	2013
	Rupees	
26 CASH AND CASH EQUIVALENTS		
Cash and bank balances	190,425,506	156,355,923
Short term investments	225,000,000	130,000,000
	415,425,506	286,355,923

27 REMUNERATION OF KEY MANAGEMENT PERSONNEL

	Executive Director	Executive Director
Basic pay	2,328,000	1,041,600
House allowance	931,200	416,640
Utilities allowance	232,800	104,160
Medical allowance	12,000	12,000
POL allowance	96,000	96,000
Communication allowance	60,000	-
	3,660,000	1,670,400
No. of Personnel	1	1

28 NUMBER OF EMPLOYEES

The Society employed 103 loan officers (2013: 80) and 139 other employees (2013: 113) as at year end.

29 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include key management personnel.

Related parties comprise directors, their close family members and their company. Transactions with related parties during the year are Nil (2013: Nil).

1182

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2014****30 SEGMENT INFORMATION****30.1 Income and expenditure account for the year ended December 31, 2014**

	Financial services	Non - financial services	Total
Rupees			
Financial income			
Service charges on micro credit loans	282,819,630	-	282,819,630
Loan processing fee	42,370,950	-	42,370,950
Total financial income	325,190,580	-	325,190,580
Finance cost	106,334,559	-	106,334,559
Branchless banking charges	5,538,154	-	5,538,154
	111,872,713	-	111,872,713
Gross financial margin	213,317,867	-	213,317,867
Provision against non-performing loans - net	24,663,593	-	24,663,593
Net financial margin	188,654,274	-	188,654,274
Profit on investments and bank deposits	39,507,437	8,323,106	47,830,543
	228,161,711	8,323,106	236,484,817
Operating expenses	44,456,467	808,823	45,265,290
Salaries, wages, stipends and other benefits	80,472,062	2,723,467	83,195,529
Training expenses	2,096,540	132,639	2,229,179
Research studies expenses	407,635	-	407,635
Subsidy to home schools	-	672,356	672,356
Donation in relief fund for IDPs	2,214,523	-	2,214,523
Subsidy to health centres	-	740,000	740,000
	129,647,227	5,077,285	134,724,512
Surplus from operations	98,514,484	3,245,821	101,760,305
Other income	2,400,288	291,901	2,692,189
Deferred grants amortized /utilized			
- relating to fixed assets	565,480	-	565,480
- relating to capacity building	973,281	-	973,281
	1,538,761	-	1,538,761
Net surplus /(deficit) for the year	102,453,533	3,537,722	105,991,255

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2014****30.2 Income and expenditure account for the year ended December 31, 2013**

	Financial services	Non - financial services	Total
Rupees			
Financial income			
Service charges on micro credit loans	229,217,656	-	229,217,656
Loan processing fee	30,393,750	-	30,393,750
Total financial income	259,611,406	-	259,611,406
Finance cost	91,522,092	-	91,522,092
Branchless banking charges	3,298,418	-	3,298,418
Gross financial margin	164,790,896	-	164,790,896
Provision against non-performing loans - net	35,521,147	-	35,521,147
Net financial margin	129,269,749	-	129,269,749
Profit on investments and bank deposits	28,853,879	3,742,731	32,596,610
	158,123,628	3,742,731	161,866,359
 Operating expenses	 31,106,135	 689,522	 31,795,657
Salaries, wages, stipends and other benefits	61,053,688	1,549,892	62,603,580
Training expenses	1,620,421	38,869	1,659,290
Research studies expenses	1,676,820	-	1,676,820
Subsidy to home schools	-	687,000	687,000
Subsidy to health centres	-	785,000	785,000
	95,457,064	3,750,283	99,207,347
Surplus from operations	62,666,564	(7,552)	62,659,012
Other income	1,446,430	25,000	1,471,430
Deferred grants amortized /utilized			
- relating to fixed assets	604,894	-	604,894
- relating to capacity building	2,073,531	-	2,073,531
	2,678,425	-	2,678,425
Net surplus for the year	66,791,419	17,448	66,808,867

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

30.3 Balance sheet as on December 31, 2014

	Financial services	Non - financial services	Total
Rupees			
ASSETS			
Current assets			
Cash and bank balances	186,027,388	4,398,118	190,425,506
Short term investment	148,648,600	135,000,000	283,648,600
Micro credit loan portfolio	875,740,978	-	875,740,978
Advances, prepayments and other receivables	28,969,805	1,761,406	30,731,211
Total current assets	1,239,386,771	141,159,524	1,380,546,295
Non-current assets			
Micro credit loan portfolio - non-current	77,260,955	-	77,260,955
Operating fixed assets - Tangible	13,386,259	14,300,349	27,686,608
Capital work in progress	-	478,466	478,466
Intangible assets	383,817	-	383,817
Security deposits	666,097	-	666,097
Total non-current assets	91,697,128	14,778,815	106,475,943
Total assets	1,331,083,899	155,938,339	1,487,022,238
LIABILITIES			
Current liabilities			
Creditors, accrued and other liabilities	3,871,557	154,286	4,025,843
Running finance	15,625,542	-	15,625,542
Current portion of long term loans	807,374,612	-	807,374,612
Total current liabilities	826,871,711	154,286	827,025,997
Non-current liabilities			
Long term loans	251,253,194	-	251,253,194
Deferred grant	1,563,075	-	1,563,075
Total non-current liabilities	252,816,269	-	252,816,269
Total liabilities	1,079,687,980	154,286	1,079,842,266
NET ASSETS	251,395,919	155,784,053	407,179,972

REPRESENTED BY:

Endowment fund from Pakistan Poverty Alleviation Fund

General fund

Reserves

106,000,000	-	106,000,000
145,416,680	14,786,053	160,202,733
1,210,718	139,766,521	140,977,239
252,627,398	154,552,574	407,179,972

17/10/14

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

30.4 Balance sheet as on December 31, 2013

	Financial services	Non - financial services	Total
	Rupees		
ASSETS			
Current assets			
Cash and bank balances	154,469,316	1,886,607	156,355,923
Short term investment	149,600,000	86,000,000	235,600,000
Micro credit loan portfolio	713,003,146	-	713,003,146
Advances, prepayments and other receivables	21,275,231	618,529	21,893,760
Total current assets	1,038,347,693	88,505,136	1,126,852,829
Non-current assets			
Operating fixed assets - Tangible	12,791,112	7,983,238	20,774,350
Security deposits	478,250	-	478,250
Intangible Assets	560,963	-	560,963
Total non-current assets	13,830,325	7,983,238	21,813,563
Total assets	1,052,178,018	96,488,374	1,148,666,392
LIABILITIES			
Current liabilities			
Creditors, accrued and other liabilities	2,131,538	-	2,131,538
Short ter financing	15,000,050	-	15,000,050
Current portion of long term loans	643,915,789	-	643,915,789
Total current liabilities	661,047,377	-	661,047,377
Non-current liabilities			
Long term loans	183,975,635	-	183,975,635
Deferred grant	2,454,663	-	2,454,663
Total non-current liabilities	186,430,298	-	186,430,298
Total liabilities	847,477,675	-	847,477,675
NET ASSETS	204,700,343	96,488,374	301,188,717
REPRESENTED BY:			
Endowment Fund	106,000,000	-	106,000,000
General fund	97,597,936	11,248,331	108,846,267
Donated fund	-	-	-
Reserves	1,210,718	85,131,732	86,342,450
	204,808,654	96,380,063	301,188,717

118/01

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

31 OPERATIONAL SELF SUFFICIENCY (OSS) RATIO

Total financial income	325,190,580	259,611,406
Profit on investments and bank deposits	47,830,543	32,596,610
Other income	2,692,189	1,471,430
Total income	375,713,312	293,679,446
Finance cost & branchless banking charges	111,872,713	94,820,510
Provision against non-performing loans - net	24,663,593	35,521,147
Operational expenses	134,724,512	99,207,347
Total expenditure	271,260,818	229,549,004
Operational Self Sufficiency (OSS) ratio	139%	128%

32 GENERAL

Figures have been rounded off to the nearest rupee.

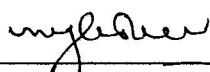
33 CORRESPONDING FIGURES

Corresponding figures have been rearranged where necessary for better presentation. However, no significant reclassification has been made in these financial statements.

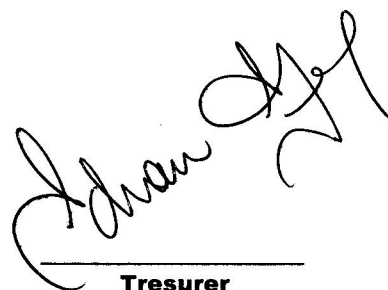
34 DATE OF AUTHORIZATION

These financial statements have been approved by the Board of Directors and authorised for issue on
31-Jan-2015





Executive Director



Treasurer