

Punjab Pension Fund – Trust Account

**Condensed Interim Financial Information for the period ended
31 December 2015**



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Independent Auditors Report on Review of Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Punjab Pension Fund Trust** ("the Fund") as at 31 December 2015 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in accumulated pension fund together with the notes forming part thereof for the six-month period then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and present the above said statements in conformity with the requirements of Punjab Pension Fund Act, 2007 ("the Act") and Punjab Pension Fund Rules 2007 ("the Rules"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and in conformity with the requirements of the Act and the Rules.

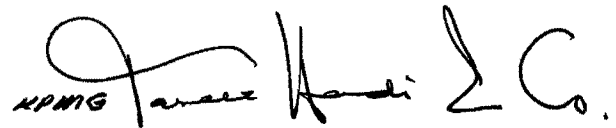
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KPMG Taseer Hadi & Co.

Other Matters

The figures for the three months period ended 31 December 2015 and 31 December 2014 in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in accumulated pension fund have not been reviewed and we do not express a conclusion on them.


KPMG Taseer Hadi & Co.

Date: 25 October 2016

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

Punjab Pension Fund Trust
 Condensed Interim Statement of Assets and Liabilities (Un-Audited)
 As at 31 December 2015

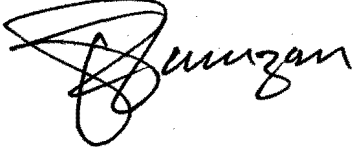
	Note	(Un-Audited) 31 December 2015 Rupees	(Audited) 30 June 2015 Rupees
<u>Non-current assets</u>			
Investments	4	27,702,409,520	27,313,308,575
<u>Current assets</u>			
Accrued interest	5	676,900,911	660,619,011
Security deposits		100,000	100,000
Cash and cash equivalents	6	8,738,530,424	7,282,788,130
Total assets		37,117,940,855	35,256,815,716
<u>Current liabilities</u>			
Trustee fee payable		697,225	577,369
Brokerage payable		57,000	-
Total liabilities		754,225	577,369
Contingencies and commitments	7	-	-
Net assets		37,117,186,630	35,256,238,347
Represented by:			
Accumulated Pension Fund		37,117,186,630	35,256,238,347

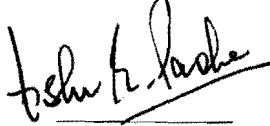
The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

WMSM

Lahore


 General Manager


 Private Member


 Chairman

Punjab Pension Fund Trust
 Condensed Interim Income Statement (Un-Audited)
 For the half year and quarter ended 31 December 2015

Half year ended		Quarter ended	
31 December 2015	31 December 2014	31 December 2015	31 December 2014

Rupees

Income

Income from Term Deposit Receipts and
 National Savings Account

Income from Pakistan Investment Bonds - net

Income from Term Finance Certificates

Income from Market Treasury Bills

Capital gain on sale of investment - net

1,235,641,942	467,271,853	626,848,105	337,538,401
526,259,506	993,123,888	259,031,684	423,825,947
24,236,650	34,965,590	10,886,369	17,490,959
4,552,717	40,056,458	1,773,237	4,494,760
12,745,940	690,336,642	12,412,332	653,590,131
1,803,436,755	2,225,754,431	910,951,727	1,436,940,198

Expenditure

Transfer for operational expenses

Trustee fee and custody charges

Brokerage expense

Bank charges

-	5,000,000	-	5,000,000
4,099,575	2,978,085	2,064,310	1,523,287
57,000	514,360	57,000	275,000
7,139	16,333	3,245	8,892
4,163,714	8,508,778	2,124,555	6,807,179

Net income for the period

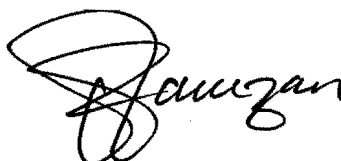
1,799,273,041	2,217,245,653	908,827,172	1,430,133,019
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The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

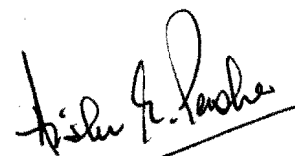
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General Manager



Private Member



Chairman

Punjab Pension Fund Trust
 Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the half year and quarter ended 31 December 2015

	Half year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Net income for the period	1,799,273,041	2,217,245,653	908,827,172	1,430,133,019
<u>Other comprehensive income</u>				
<i>Items that are to be classified subsequently to income statement:</i>				
Unrealised appreciation / (diminution) during the period on remeasurement of 'available for sale' investments	61,675,242	1,024,844,700	(156,458,164)	1,344,646,047
Total comprehensive income for the period	<u>1,860,948,283</u>	<u>3,242,090,353</u>	<u>752,369,008</u>	<u>2,774,779,066</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

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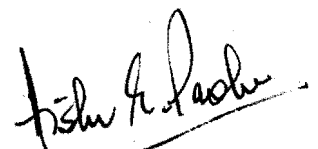


Lahore

General Manager



Private Member



Chairman

Punjab Pension Fund Trust
 Condensed Interim Cash Flow Statement (Un-Audited)
 For the half year and quarter ended 31 December 2015

	Half year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
----- Rupees -----				
<u>Cash flow from operating activities</u>				
Net income for the period	1,799,273,041	2,217,245,653	908,827,172	1,430,133,019
<i>Adjustments for non cash items:</i>				
Premium / (discount) on Pakistan Investment Bonds	161,470	(19,346,249)	(5,257,215)	(5,460,609)
Discount on Marketable Treasury Bills	(4,552,717)	(40,056,458)	(158,992)	(4,494,760)
Discount on Term Finance Certificates	(757,990)	(757,990)	(244,362)	(380,643)
	(5,149,237)	(60,160,697)	(5,660,569)	(10,336,012)
<u>Changes in working capital</u>				
<i>(Increase) / decrease in current assets:</i>				
Accrued interest	(16,281,900)	295,767,622	(59,989,381)	(179,111,198)
<i>(Decrease) / increase in current liabilities:</i>				
Trustee fee payable	119,856	68,738	(1,337,519)	51,083
Brokerage payable	57,000	(126,974)	57,000	(254,415)
	(16,105,044)	295,709,386	(61,269,900)	(179,314,530)
Net cash generated from operations	1,778,018,760	2,452,794,342	841,896,703	1,240,482,477
<u>Cash flow from investing activities</u>				
Investments - net	(322,276,466)	(7,077,200,899)	42,287	(5,509,591,476)
Net cash (used in) / generated from investing activities	(322,276,466)	(7,077,200,899)	42,287	(5,509,591,476)
<u>Cash flow from financing activities</u>				
Amount contributed by the Governmnet through the Reserve Pension Fund	-	1,000,000,000	-	1,000,000,000
Cash generated from financing activities	-	1,000,000,000	-	1,000,000,000
Net increase / (decrease) in cash and cash equivalents during the period	1,455,742,294	(3,624,406,557)	841,938,990	(3,269,108,999)
Cash and cash equivalents at beginning of the period	7,282,788,130	5,506,029,196	7,896,591,434	5,150,731,638
Cash and cash equivalents at end of the period	8,738,530,424	1,881,622,639	8,738,530,424	1,881,622,639

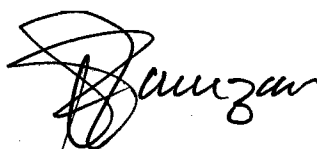
The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

KAMSJW



Lahore

General Manager



Private Member



Chairman

Punjab Pension Fund Trust

Condensed Interim Statement of Movement in Accumulated Pension Fund (Un-Audited)

For the half year and quarter ended 31 December 2015

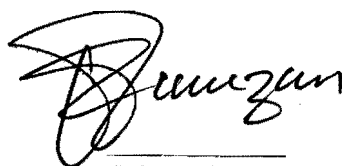
	Half year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- Rupees -----			
Balance as at 30 June	35,256,238,347	24,737,383,346	36,364,817,622	25,204,694,633
Amount contributed by the Government through the Reserve Pension Fund	-	1,000,000,000	-	1,000,000,000
<u>Total comprehensive income for the period</u>				
Net income for the period	1,799,273,041	2,217,245,653	908,827,172	1,430,133,019
Unrealised appreciation / (diminution) during the period on remeasurement of 'available for sale' investments	61,675,242	1,024,844,700	(156,458,164)	1,344,646,047
	1,860,948,283	3,242,090,353	752,369,008	2,774,779,066
Balance as at 31 December	37,117,186,630	28,979,473,699	37,117,186,630	28,979,473,699

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

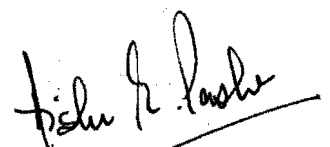
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General Manager



Private Member



Chairman

Lahore

Punjab Pension Fund Trust

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2015

1 Status and nature of the business

The Punjab Pension Fund Trust ("the Trust") has been established under the Punjab Pension Fund Act 2007 ("the Act") and given the status of Trust under a trust deed executed on 27 September 2011 between Punjab Pension Fund ("the Fund") and Central Depository Company of Pakistan Limited ("CDC") as Trustee. The Fund, through the Management Committee and the Trustee, have created the Trust for the benefit of the Reserve Pension Fund created under Section 3 of the Act. The Trust shall be of a perpetual nature and shall continue until the Trust is dissolved upon receipt of directions from the Government of Punjab. The Fund shall manage, operate and administer the Trust and the Trustee will act as the custodian of the investments made by the Fund.

The purpose of the Fund is to generate revenue for the discharge of pension liabilities of the Government of the Punjab. The Fund is a body corporate with perpetual succession. The Fund shall perform such functions and exercise such powers as are vested in it under the Act and the Punjab Pension Fund Rules 2007 ("the Rules"). The management and administration of the Fund vests in the Management Committee notified under section 5 of the Act.

2 Basis of Preparation

2.1 Statement of compliance

This condensed interim financial information has been presented in accordance with the requirements of the Act, the Rules and the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Act and the Rules differ with the requirements of these standards, the requirements of the Act and the Rules shall prevail. This condensed interim information is unaudited but subject to limited scope review by auditors and is being submitted to Management Committee in accordance with the requirements of the Rules. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the trust as at and for the year ended 30 June 2015.

2.2 Significant estimates

The preparation of the condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimates used were the same as those applied to the annual financial statements for the year ended 30 June 2015.

2.3 Taxation

The income of the Fund is exempt from tax under Clause 57(3)(xii) of Part I of the Second Schedule of the Income Tax Ordinance 2001, therefore no provision for taxation has been made in these condensed interim financial information.

2.4 Financial Risk Management

The financial risk management objectives and policies adopted are consistent with those disclosed in the annual financial statements for the year ended 30 June 2015.

3 Summary of significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited annual financial statements of the trust as at and for the year end 30 June 2015.

3.1 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Fund's operations and are, therefore, not disclosed.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 19 - Employee Benefits	01 January 2016
IAS 38 - Intangible Assets	01 January 2016
IAS 16 - Property, Plant and Equipment	01 January 2016
IFRS 7- Financial Instruments- Disclosures	01 January 2016
IAS 34 - Interim Financial Reporting	01 January 2016

4 Investments	Note	(Un-Audited)	(Audited)		
		31 December 2015	30 June 2015		
		Rupees	Rupees		
- Held to maturity	4.1	17,926,070,600	17,285,700,000		
- Available for sale	4.2	9,776,338,920	10,027,608,575		
		<u>27,702,409,520</u>	<u>27,313,308,575</u>		
4.1 Held to maturity					
Term Deposit Receipt	4.1.1	1,000,000,000	1,000,000,000		
National Savings Account - <i>Regular Income</i>	4.1.2	3,900,000,000	3,900,000,000		
National Savings Account - <i>Special Savings</i>	4.1.3	13,026,070,600	12,385,700,000		
		<u>17,926,070,600</u>	<u>17,285,700,000</u>		
4.1.1	Deposit has been placed with a commercial bank and carries interest at the rate of 12.05% per annum (30 June 2015: 12.05%).				
4.1.2	These carry interest at the rate of 12.30% per annum (30 June 2015 : 12.30%).				
4.1.3	These carry interest at the rate of 7.60% to 11.60% per annum (30 June 2015 : 7.60% to 11.60%).				
4.2 Available for Sale					
		<u>Carrying value</u>		<u>Fair value</u>	
		(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
		31 December	30 June	31 December	30 June
		2015	2015	2015	2015
	Note	Rupees	Rupees	Rupees	Rupees
<i>Government securities</i>					
- Pakistan Investment Bond	4.2.1	7,510,020,266	7,788,251,404	9,247,850,792	9,461,572,575
- Market Treasury Bills	4.2.2	-	-	-	-
<i>Debt Securities - Term Finance Certificates</i>	4.2.3	524,101,460	558,815,219	528,488,128	566,036,000
		<u>8,034,121,726</u>	<u>8,347,066,623</u>	<u>9,776,338,920</u>	<u>10,027,608,575</u>
Fair value adjustment		1,742,217,194	1,680,541,952		
		<u>9,776,338,920</u>	<u>10,027,608,575</u>		

4.2.1 Government Securities - Pakistan Investment Bonds

Issue date	Tenure - Years	Face value			Balance as at 31 December 2015			Fair value as percentage of net assets	Fair value as percentage of total investments	
		As at 1 July 2015	Purchase during the period	Sales / matured during the period	As at 31 December 2015	Carrying value	Fair value			Appreciation
----- Rupees -----										
31-Oct-06	20 - Years	25,000,000	-	-	25,000,000	21,464,597	26,629,484	5,164,887	0.07	0.10
30-Aug-08	20 - Years	900,000,000	-	-	900,000,000	867,577,247	1,093,196,370	225,619,123	2.95	3.95
30-Aug-08	30 - Years	750,000,000	-	-	750,000,000	743,016,486	919,852,736	176,836,250	2.48	3.32
18-Aug-11	15 - Years	25,000,000	-	-	25,000,000	23,601,066	30,004,461	6,403,395	0.08	0.11
18-Aug-11	20 - Years	6,075,000,000	-	-	6,075,000,000	5,854,360,870	7,178,167,741	1,323,806,871	19.34	25.91
19-Jul-12	10 - Years	250,000,000	-	250,000,000	-	-	-	-	-	-
		8,025,000,000	-	250,000,000	7,775,000,000	7,510,020,266	9,247,850,792	1,737,830,526		

- These bonds carry interest at the rate ranging from 10.50% to 13.75% per annum (30 June 2015 : 10.50 % to 13.75 % per annum).

4.2.2 Government Securities - Market Treasury Bills

Issue date	Tenure - Months	Face value			Balance as at 31 December 2015			Fair value as percentage of net assets	Fair value as percentage of total investments	
		As at 1 July 2015	Purchase during the period	Sales / matured during the period	As at 31 December 2015	Carrying value	Fair value			Appreciation
----- Rupees -----										
20-Aug-15	3 Months	-	225,000,000	225,000,000	-	-	-	-	-	-
20-Aug-15	6 Months	-	225,000,000	225,000,000	-	-	-	-	-	-
		-	450,000,000	450,000,000	-	-	-	-	-	-

- These bills carried interest at the rate ranging from 7.07% to 7.12% per annum (30 June 2015 : 7.59% to 10.45% per annum).

4.2.3 Debt Securities - Term Finance Certificates

Name of issuer	Issue Date	Number of Certificates			Balance as at 31 December 2015			Fair value as percentage of net assets	Fair value as percentage of total investments	
		As at 1 July 2015	Purchase during the period	Sales during the period	As at 31 December 2015	Carrying value	Fair value			Appreciation
----- Rupees -----										
Engro Perpetual I	18-Mar-08	20,000	-	-	20,000	95,530,032	99,916,700	4,386,668	0.27	0.36
WAPDA TFC	8-Sep-13	100,000	-	-	100,000	428,571,428	428,571,428	-	1.15	1.55
		120,000	-	-	120,000	524,101,460	528,488,128	4,386,668		

- These certificates carry interest at the rate ranging from 7.60% to 8.71% per annum (30 June 2015 : 8.94% to 10.34% per annum).

Grand Total **8,034,121,726** **9,776,338,920** **1,742,217,194**

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		(Un-Audited) 31 December 2015 Rupees	(Audited) 30 June 2015 Rupees
5	Accrued interest		
		<i>Note</i>	
	Term Deposit Receipts	11,930,740	7,043,835
	National Savings Account	288,402,704	272,460,863
	Pakistan Investment Bonds	365,501,954	367,147,995
	Term Finance Certificates	11,065,513	13,966,318
		<u>676,900,911</u>	<u>660,619,011</u>

6 **Cash and cash equivalents**

Cash at bank

Saving accounts	6.1	177,999,941	182,330,454
Current accounts		19,866	457,676
Term deposit receipts	6.2	8,560,510,617	7,100,000,000
		<u>8,738,530,424</u>	<u>7,282,788,130</u>

6.1 These saving accounts carry interest at the rate of 4.50% to 6.30% per annum (30 June 2015: 6.50% per annum).

6.2 Term deposit receipts placed with commercial banks carry interest at the rate of 7.15% to 7.25% per annum (30 June 2015: 7.25% to 7.50% per annum).

7 **Contingencies and commitments**

There were no contingencies and commitments as at 31 December 2015.

8 **Transaction and balances with related parties**

The related parties comprise local associated companies, related group companies, Management Committee members of the Fund, Companies where Management Committee members also hold directorship, and key management employees. The Trust in the normal course of business carries out transactions with related parties. Details of transactions and amounts due to / (from) related parties are as follows:

	(Un-Audited) 31 December 2015 Rupees	(Un-Audited) 31 December 2014 Rupees
Transactions with		
<i>Central Depository Company</i>		
- Trustee fee expense for the period	4,097,435	2,963,173
- Custody Fee - CDS Charges	2,140	14,912
<i>Bank of Punjab</i>		
- Term deposit receipts ("TDR") (matured) / placed during the period	(2,100,000,000)	1,000,000,000
- Income on TDR realised during the period	97,690,411	62,958,904
- Income on savings account realised during the period	4,963,339	16,261,781

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	(Un-Audited) 31 December 2015 Rupees	Audited 30 June 2015 Rupees
Balances with		
<i>Central Depository Company</i>		
- Trustee fee payable	697,225	577,369
<i>Bank of Punjab</i>		
- Bank balances maintained	68,152,277	126,961,553
- Investments (Deposits)	1,000,000,000	1,000,000,000
- Accrued interest receivable on term deposit receipts	-	2,753,425
- Term deposit receipts classified in cash and cash equivalent	-	2,100,000,000

9 **Date of authorization for issue**

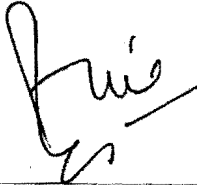
These condensed interim financial information were authorized for issue on **25 OCT 2016** by the Management Committee of the Fund.


10 **General**

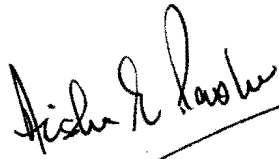
Figures have been rounded off to the nearest rupees.

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Lahore


General Manager


Private Member


Chairman