

Punjab Pension Fund - Trust Account

Condensed Interim Financial statements for the period  
ended 31 December, 2014



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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 2014 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 as the "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 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.



*Other Matters*

The figures for the quarters ended 31 December 2014 and 31 December 2013 in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in accumulated pension fund and condensed interim cash flow statement have not been reviewed and we do not express a conclusion thereon.

Lahore

Date: 30 September 2015

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KPMG Taseer Hadi & Co.  
Chartered Accountants  
(Bilal Ali)

Punjab Pension Fund Trust  
 Condensed Interim Statement of Assets and Liabilities (Un audited)  
 As at 31 December 2014

	Note	(Un-Audited) 31 December 2014 Rupees	(Audited) 30 June 2014 Rupees
<b><u>Assets</u></b>			
Investments	4	26,527,204,206	18,364,997,910
Accrued interest	5	571,071,673	866,839,295
Security deposits		100,000	100,000
Cash and cash equivalents	6	1,881,622,639	5,506,029,196
<b>Total assets</b>		<b>28,979,998,518</b>	<b>24,737,966,401</b>
<b><u>Liabilities</u></b>			
Trustee fee payable		524,819	456,081
Brokerage payable		-	126,974
<b>Total liabilities</b>		<b>524,819</b>	<b>583,055</b>
Contingencies and commitments	7	-	-
<b>Net assets</b>		<b>28,979,473,699</b>	<b>24,737,383,346</b>
<b>Represented by:</b>			
Accumulated Pension Fund		<b>28,979,473,699</b>	<b>24,737,383,346</b>

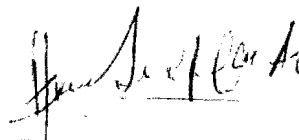
The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

10/1/2015

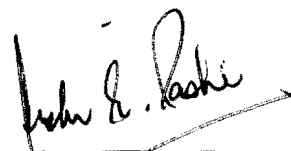
Lahore



General Manager



Private Member




Chairman

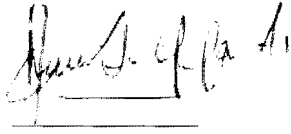
Punjab Pension Fund Trust  
 Condensed Interim Income Statement (Un-Audited)  
 For the half year and quarter ended 31 December 2014

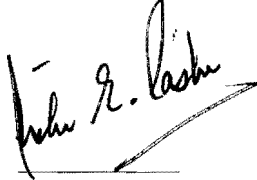
	Half year ended		Quarter ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
----- Rupees -----				
<b><u>Income</u></b>				
Income from Term Deposit Receipts and National Savings Account	467,271,853	242,833,447	337,538,401	117,053,772
Income from Pakistan Investment Bonds	993,123,888	616,470,307	423,825,947	311,266,364
Income from Term Finance Certificates	34,965,590	23,043,847	17,490,959	16,231,429
Income from Market Treasury Bills	40,056,458	134,538,005	4,494,760	74,495,837
Capital gain / (loss) on sale of investment - net	690,336,642	4,235,070	653,590,131	(394,664)
	<b>2,225,754,431</b>	<b>1,021,120,676</b>	<b>1,436,940,198</b>	<b>518,652,738</b>
<b><u>Expenditure</u></b>				
Transfer for operational expenses	5,000,000	-	5,000,000	-
Trustee fee and custody charges	2,978,085	2,382,246	1,523,287	1,188,680
Brokerage expense	514,360	165,597	275,000	20,725
Bank charges	16,333	8,081	8,892	4,516
	<b>8,508,778</b>	<b>2,555,924</b>	<b>6,807,179</b>	<b>1,213,921</b>
<b>Net income for the period</b>	<b>2,217,245,653</b>	<b>1,018,564,752</b>	<b>1,430,133,019</b>	<b>517,438,817</b>

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

2/12/14

Lahore  
  
 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 2014

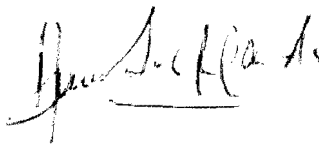
	Half year ended		Quarter ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	----- Rupees -----			
Net income for the period	2,217,245,653	1,018,564,752	1,430,133,019	517,438,817
<u>Other comprehensive income</u>				
<i>Items that are to be classified subsequently to profit and loss account:</i>				
Unrealised appreciation / (diminution) during the period on remeasurement of 'available for sale' investments	1,024,844,700	(973,515,387)	1,344,646,047	14,758,985
<b>Total comprehensive income for the period</b>	<b>3,242,090,353</b>	<b>45,049,365</b>	<b>2,774,779,066</b>	<b>532,197,802</b>

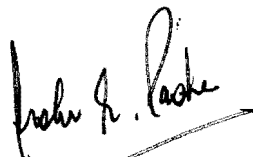
The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

2014/15

Lahore

  
General Manager

  
Private Member


  
Chairman

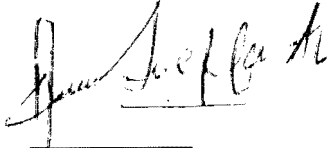
Punjab Pension Fund Trust  
Condensed Interim Cash Flow Statement (Un-Audited)  
For the half year and quarter ended 31 December 2014

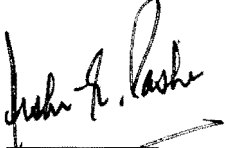
	Half year ended		Quarter ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
----- Rupees -----				
<b><u>Cash flow from operating activities</u></b>				
Net income for the period	2,217,245,653	1,018,564,752	1,430,133,019	517,438,817
<i>Adjustments for non cash items:</i>				
Discount on Pakistan Investment Bonds	(19,346,249)	(16,991,391)	(5,460,609)	(8,737,220)
Discount on Marketable Treasury Bills	(40,056,458)	(134,538,005)	(4,494,760)	(74,495,837)
Discount on Term Finance Certificates	(757,990)	(860,777)	(380,643)	(218,388)
	(60,160,697)	(152,390,173)	(10,336,012)	(83,451,445)
<b><u>Changes in working capital</u></b>				
<i>(Increase) / decrease in current assets:</i>				
Accrued interest	295,767,622	26,707,547	(179,111,198)	(343,684,286)
<i>(Decrease) / increase in current liabilities:</i>				
Trustee fee payable	68,738	13,169	51,083	16,358
Brokerage payable	(126,974)	100,725	(254,415)	100,725
	295,709,386	26,821,441	(179,314,530)	(343,567,203)
<b>Cash generated from operations</b>	<b>2,452,794,342</b>	<b>892,996,020</b>	<b>1,240,482,477</b>	<b>90,420,169</b>
<b><u>Cash flow from investing activities</u></b>				
Investments	(7,077,200,899)	817,889,739	(5,509,591,476)	503,013,864
Net cash generated from / (used in) investing activities	(7,077,200,899)	817,889,739	(5,509,591,476)	503,013,864
<b><u>Cash flow from financing activities</u></b>				
Amount contributed by the Governmnet through the Reserve Pension Fund	1,000,000,000	-	1,000,000,000	-
<b>Cash generated from financing activities</b>	<b>1,000,000,000</b>	<b>-</b>	<b>1,000,000,000</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>(3,624,406,557)</b>	<b>1,710,885,759</b>	<b>(3,269,108,999)</b>	<b>593,434,033</b>
Cash and cash equivalents at the beginning of the period	5,506,029,196	6,480,744,797	5,150,731,638	5,962,417,045
<b>Cash and cash equivalents at the end of the period</b>	<b>1,881,622,639</b>	<b>8,191,630,556</b>	<b>1,881,622,639</b>	<b>6,555,851,078</b>

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

12/12/14

  
Lahore General Manager

  
Private Member

  
Chairman

Punjab Pension Fund Trust


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

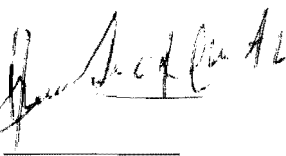
For the half year and quarter ended 31 December 2014

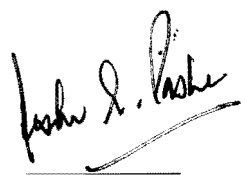
	Half year ended		Quarter ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	----- Rupees -----			
Balance as at 30 June	24,737,383,346	18,812,816,747	25,204,694,633	18,325,668,310
Amount contributed by the Governmnet through the Reserve Pension Fund	1,000,000,000	-	1,000,000,000	-
<b><u>Total comprehensive income for the period</u></b>				
Net income for the period	2,217,245,653	1,018,564,752	1,430,133,019	517,438,817
Unrealised appreciation / (diminution) during the period on remeasurement of 'available for sale' investments	1,024,844,700	(973,515,387)	1,344,646,047	14,758,985
	3,242,090,353	45,049,365	2,774,779,066	532,197,802
Balance as at 31 December	<u>28,979,473,699</u>	<u>18,857,866,112</u>	<u>28,979,473,699</u>	<u>18,857,866,112</u>

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

Lahore

  
General Manager

  
Private Member

  
Chairman



# Punjab Pension Fund Trust

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

For the half year and quarter ended 31 December 2014

### 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

These 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 IFRSs as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Punjab Pension Fund Act 2007 and Punjab Pension Fund Rules 2007 differ with the requirements of these standards, the requirements of Punjab Pension Fund Act 2007 and Punjab Pension Fund Rules 2007 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 2014.

#### 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 2014.

2014

### 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 2014.

### 3 Summary of significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this 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 2014.

4 Investments	Note	(Un-Audited)	(Audited)
		31 December 2014	30 June 2014
		Rupees	Rupees
- Deposits	4.1	16,250,000,000	1,000,000,000
- Available for sale	4.2	10,277,204,206	17,364,997,910
		<u>26,527,204,206</u>	<u>18,364,997,910</u>
<b>4.1 Deposits</b>			
Term Deposit Receipts	4.1.1	5,700,000,000	1,000,000,000
National Savings Account - Regular Income	4.1.2	3,900,000,000	-
National Savings Account - Special Savings	4.1.3	6,650,000,000	-
		<u>16,250,000,000</u>	<u>1,000,000,000</u>
4.1.1	Deposits are placed with commercial banks and carries interest at the rate ranging from 10.10% to 12.05% per annum (30 June 2014: 12.05% per annum).		
4.1.2	These carries interest at the rate of 12.30% per annum (30 June 2014 : Nil).		
4.1.3	These carries interest at the rate of 11.60% per annum (30 June 2014 : Nil).		
<b>4.2 Available for Sale</b>			
		<u>Carrying value</u>	
		(Un-Audited)	(Audited)
		31 December	30 June
		2014	2014
	Note	Rupees	Rupees
		<u>Fair value</u>	
		(Un-Audited)	(Audited)
		31 December	30 June
		2014	2014
		Rupees	Rupees
<i>Government securities</i>			
- Pakistan Investment Bond	4.2.1	8,463,758,072	16,084,255,439
- Market Treasury Bills	4.2.2	-	492,895,191
Debt Securities- Term Finance Certificates	4.2.3	593,701,765	592,947,611
		<u>9,057,459,837</u>	<u>17,170,098,241</u>
Fair value adjustment		1,219,744,369	194,899,669
		<u>10,277,204,206</u>	<u>17,364,997,910</u>

4.2.1 Government Securities - Pakistan Investment Bonds

Issue date	Tenure - Years	Face value			Balance as at 31 December 2014			Fair value as percentage of net assets	Fair value as percentage of total investments
		As at 1 July 2014	Purchase during the period	Sales / Matured during the period	As at 31 December 2014	Carrying value	Fair value		
----- Rupees -----									
18-Jul-13	5 - Years	350,000,000	-	350,000,000	-	-	-	-	-
30-Aug-08	10 - Years	500,000,000	-	500,000,000	-	-	-	-	-
3-Sep-09	10 - Years	3,050,000,000	-	3,050,000,000	-	-	-	-	-
22-Jul-10	10 - Years	2,300,000,000	-	2,300,000,000	-	-	-	-	-
18-Aug-11	10 - Years	500,000,000	-	500,000,000	-	-	-	-	-
19-Jul-12	10 - Years	6,325,000,000	300,000,000	5,625,000,000	1,000,000,000	957,253,459	1,067,374,242	110,120,783	3.68
17-Jul-14	10 - Years	-	3,022,500,000	3,022,500,000	-	-	-	-	-
31-Oct-06	15 - Years	68,000,000	-	68,000,000	-	-	-	-	-
30-Aug-08	15 - Years	1,400,000,000	-	1,400,000,000	-	-	-	-	-
18-Aug-11	15 - Years	25,000,000	-	-	25,000,000	23,551,465	27,282,388	3,730,923	0.09
20-Jan-04	20 - Years	5,000,000	-	5,000,000	-	-	-	-	-
31-Oct-06	20 - Years	25,000,000	-	-	25,000,000	21,335,893	24,008,235	2,672,342	0.08
30-Aug-08	20 - Years	900,000,000	-	-	900,000,000	867,271,389	1,002,180,602	134,909,213	3.46
18-Aug-11	20 - Years	575,000,000	5,500,000,000	-	6,075,000,000	5,850,764,948	6,695,868,245	845,103,297	23.11
30-Aug-08	30 - Years	750,000,000	-	-	750,000,000	743,580,918	860,990,494	117,409,576	2.97
		<b>16,773,000,000</b>	<b>8,822,500,000</b>	<b>16,820,500,000</b>	<b>8,775,000,000</b>	<b>8,463,758,072</b>	<b>9,677,704,206</b>	<b>1,213,946,134</b>	

- These bonds carries interest at the rate ranging from 10% to 13.75% (30 June 2014 : 10 % to 13.75 %)

4.2.2 Government Securities - Market Treasury Bills

Issue date	Tenure - Months	Face value			Balance as at 31 December 2014			Fair value as percentage of net assets	Fair value as percentage of total investments
		As at 1 July 2014	Purchase during the period	Sales / Matured during the period	As at 31 December 2014	Carrying value	Fair value		
----- Rupees -----									
12-Jul-13	3 Months	-	-	-	-	-	-	-	-
10-Jul-14	3 Months	-	850,000,000	850,000,000	-	-	-	-	-
24-Jul-14	3 Months	-	1,900,000,000	1,900,000,000	-	-	-	-	-
27-Nov-14	3 Months	-	500,000,000	500,000,000	-	-	-	-	-
6-Mar-14	6 Months	400,000,000	-	400,000,000	-	-	-	-	-
12-Jul-13	12 Months	100,000,000	-	100,000,000	-	-	-	-	-
		<b>500,000,000</b>	<b>3,250,000,000</b>	<b>3,750,000,000</b>	-	-	-	-	-

- These bills carried interest at the rate ranging from 8.96% to 10.45% (30 June 2014 : 8.96% to 10.49%)

4.2.3 Debt Securities - Term Finance Certificates

Name of issuer	Issue Date	Number of Certificates			Balance as at 31 December 2014			Fair value as percentage of net assets	Fair value as percentage of total investments
		As at 1 July 2014	Purchase during the period	Sales during the period	As at 31 December 2014	Carrying value	Fair value		
----- Rupees -----									
Engro Perpetual I	18-Mar-08	20,000	-	-	20,000	93,701,765	99,500,000	5,798,235	0.34
WAPDA TFC	8-Sep-13	100,000	-	-	100,000	500,000,000	500,000,000	-	1.73
		<b>120,000</b>	-	-	<b>120,000</b>	<b>593,701,765</b>	<b>599,500,000</b>	<b>5,798,235</b>	

- Term finance certificates carries interest at the rate ranging from 11.14% to 12.12% (30 June 2014 : 11.13% to 10.49%)

Grand Total

9,057,459,837 10,277,204,206 1,219,744,369

			(Un-Audited) 31 December 2014 Rupees	(Audited) 30 June 2014 Rupees
<b>5</b>	<b>Accrued interest</b>	<i>Note</i>		
	Term Deposit Receipts		9,989,315	7,767,124
	National Saving Certificate		125,954,318	50,386,740
	Pakistan Investment Bonds		416,982,584	790,631,995
	Term Finance Certificates		18,145,456	18,053,436
			<u>571,071,673</u>	<u>866,839,295</u>
<b>6</b>	<b>Cash and cash equivalents</b>			
	<i>Cash at bank</i>			
	Saving account	<i>6.1</i>	881,581,034	205,997,026
	Current Account		41,605	32,170
	Term deposit receipts	<i>6.2</i>	<u>1,000,000,000</u>	<u>4,300,000,000</u>
			<u>1,881,622,639</u>	<u>4,506,029,196</u>
	Deposit in National Savings Account	<i>6.3</i>	-	1,000,000,000
			<u>1,881,622,639</u>	<u>5,506,029,196</u>

**6.1** The saving account carries interest at the rate of 8.00% to 9.85% per annum (30 June 2014: 7.00% to 9.50% per annum).

**6.2** Term Deposit Receipts placed with commercial bank carries interest at the rate of 10.10% per annum (30 June 2014: 10.30% to 10.50% per annum).

**6.3** Deposit in National Savings Account carries interest at the rate of Nil (30 June 2014: 11.40% per annum).

#### **7 Contingencies and commitments**

There were no contingencies and commitments as at 31 December 2014.

#### **8 Transaction and balances with related parties**

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

		(Un-Audited) 31 December 2014 Rupees	(Un-Audited) 31 December 2013 Rupees
<b>Transactions with</b>			
<i>Central Depository Company</i>			
	- Trustee fee expense for the period	2,963,173	2,370,885
	- Custody Fee - CDS Charges	14,912	11,361
<i>Bank of Punjab</i>			
	- Term deposit receipts (TDR) placed during the period	1,000,000,000	1,000,000,000
	- Income realised during the period	62,958,904	68,710,111
	- Income on savings account realised during the period	16,261,781	84,171,004

	(Un-Audited) 31 December 2014 Rupees	(Un-Audited) 31 December 2013 Rupees
<b>Balances with</b>		
<i>Central Depository Company</i>		
- Trustee fee payable	524,819	456,081
<i>Bank of Punjab</i>		
- Bank balances maintained during the period	801,212,236	38,699,650
- Investments (deposits)	1,000,000,000	1,000,000,000
- Accrued Interest receivable on term deposit receipts	2,213,699	1,650,685
- Term deposit receipts placed during the period classified in cash and cash equivalents	1,000,000,000	-

**9 Date of authorization for issue**

These condensed interim financial information were authorized for issue on 30 SEP 2015 by the Management Committee of the Fund.

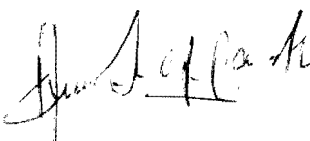
**10 General**


Figures have been rounded off to the nearest rupees.

7/2/2015

Lahore

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Private Member

  
\_\_\_\_\_  
Chairman