

**SMALL AND MEDIUM ENTERPRISES
DEVELOPMENT AUTHORITY**

**ACCOUNTS FOR THE
YEAR ENDED JUNE 30, 2017**

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY

We have audited the accompanying financial statements of SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY ("SMEDA"), which comprise of the balance sheet as at June 30, 2017, and the income and expenditure account, cash flow statement and statement of changes in fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SMEDA as at June 30, 2017 and its financial performance, and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

DATE: _____
PLACE: LAHORE

CHARTERED ACCOUNTANTS
(M.ILYAS)
ENGAGEMENT PARTNER

SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY
BALANCE SHEET
AS AT 30 JUNE 2017

ASSETS	Note	2017 Rupees	2016 Rupees
NON-CURRENT ASSETS			
Fixed assets	3	31,876,852	37,416,296
Long term receivable	4	1,078,907	1,078,907
Long term security deposits		1,092,706	1,024,301
		34,048,465	39,519,504
CURRENT ASSETS			
Advances	5	19,477,131	12,554,793
Prepayments	6	20,355,854	18,144,063
Other receivables	7	8,586,321	4,167,196
Cash and bank balances	8	79,473,350	92,850,161
		127,892,656	127,716,213
TOTAL ASSETS		161,941,121	167,235,717
FUND AND LIABILITIES			
FUND		(45,014,648)	(33,955,066)
NON-CURRENT LIABILITIES			
Deferred credits	9	59,247,413	61,076,551
Employee benefit-gratuity	10	113,542,902	93,285,602
		172,790,315	154,362,153
CURRENT LIABILITIES			
Creditors		1,414,976	1,252,751
Accrued and other liabilities	11	32,750,478	45,575,879
		34,165,454	46,828,630
TOTAL LIABILITIES		206,955,769	201,190,783
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL FUND AND LIABILITIES		161,941,121	167,235,717

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



Chief Executive Officer


Finance Manager

SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
INCOME			
Grants	13	232,030,341	225,052,953
Income from services	14	1,272,005	2,696,980
Income from projects	15	8,496,917	-
Other income	16	1,218,269	965,838
		243,017,532	228,715,771
EXPENDITURE			
Salaries, wages and other benefits-permanent staff			
-Key management personnel		7,724,532	9,802,998
-Others		125,755,043	106,393,000
Salaries, wages and other benefits-Contract staff		4,676,635	3,674,739
Travelling and vehicle running		23,212,523	22,998,501
Freight, postage and courier		735,513	772,615
Utilities		8,705,292	7,924,951
Rent, rates and taxes		21,581,194	19,306,346
Legal and professional charges		3,500	93,200
Audit remuneration	17	151,250	137,500
Fee and subscription		-	17,500
Insurance		2,670,191	2,691,600
Printing and stationery		2,513,211	2,714,838
Books and periodicals		302,480	197,433
Advertisement		312,352	897,894
Training & Conference		5,382,507	3,234,070
Entertainment		2,171,450	2,184,495
Repair and maintenance		4,222,659	3,171,611
Financial charges		102,933	414,871
PMYBL expenses		-	310,000
Coal briquetting plant - FATA development authority		265,000	1,575,000
Miscellaneous	18	8,303,979	7,324,389
		218,792,244	195,837,551
Projects expenditure (ER & PHRS Projectst)	19	8,916,903	3,450,301
Provision for staff gratuity	10	21,149,540	19,677,117
Depreciation	3.1	5,183,826	6,551,389
Loss on assets		-	2,518,605
Amortization of intangible assets	3.1	34,601	51,642
		26,367,967	28,798,753
Total expenditure		254,077,114	228,086,605
Surplus / (Deficit) for the year		(11,059,582)	629,167

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


 Chief Executive Officer


 Finance Manager

SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	(11,059,582)	629,167
Adjustment for non-cash and other items:		
Grant income for the year	(232,030,341)	(225,052,953)
Depreciation	5,183,826	6,551,389
Amortization	34,601	51,642
Provision for staff gratuity	21,149,540	19,677,117
Profit on bank deposits	(940,486)	(804,350)
Financial charges	102,933	414,871
Loss/(Gain) on disposal property and equipment	(233,283)	2,518,605
Operating income before working capital changes	(217,792,792)	(196,014,513)
Changes in working capital:		
(Increase) / decrease in long term security deposits	(68,405)	-
(Increase) / decrease in advances	(6,922,338)	(2,199,019)
(Increase) / decrease in prepayments	(2,211,791)	(1,020,338)
(Increase) / decrease in other receivables	(4,419,125)	(1,685,709)
Increase / (decrease) in creditors	162,225	284,420
Increase / (decrease) in accrued and other liabilities	(12,825,401)	37,503,660
Cash generated from operations	(244,077,627)	(163,131,499)
Gratuity paid	(892,240)	(14,537,735)
Financial charges paid	(102,933)	(414,871)
Net cash used in operating activities	(245,072,800)	(178,084,104)
Investing activities		
Purchase of property and equipment	(3,200)	(235,061)
Sale proceeds on disposal of property and equipment	557,501	205,755
Profit received on bank deposits	1,510,787	1,748,534
Cash generated from investing activities	2,065,088	1,719,228
Financing activities		
Grant received during the Year	228,704,000	218,000,000
Income based grant	926,902	-
Cash generated from financing activities	229,630,902	218,000,000
Net (decrease) / increase in cash and cash equivalents	(13,376,811)	41,635,125
Cash and cash equivalents at the beginning of the year	92,850,161	51,215,036
Cash and cash equivalents at the end of the year	79,473,350	92,850,161

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


Chief Executive Officer


Finance Manager

SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2017

	2017 Rupees	2016 Rupees
FUND		
Balance as on 01 July	(33,955,066)	(34,584,233)
Surplus / Deficit for the year	(11,059,582)	629,167
Balance as on 30 June	<u>(45,014,648)</u>	<u>(33,955,066)</u>

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



Chief Executive Officer



Finance Manager

SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1 STATUS AND ACTIVITIES

- 1.1 Small and Medium Enterprises Development Authority (SMEDA) was created under a notification dated 13 October 1998 issued by the Prime Minister's office and is working under the Ministry of Industries and Production, Government of Pakistan. On 12 August 2002, an ordinance, the Small and Medium Enterprises Development Authority Ordinance, 2002 (Ordinance No. (XXXIX of 2002) was promulgated for the establishment of SMEDA as an autonomous body under the Federal Government for encouraging and facilitating the development and growth of small and medium enterprises in Pakistan.
- 1.2 SMEDA is primarily working as an apex policy making body for the economic and commercial development of small and medium enterprises. The primary objective of SMEDA is to provide fresh impetus of Pakistan's economy through the launch of aggressive Small and Medium Enterprises (SME) support programs. The head office of SMEDA is situated at 4th floor, building No. 01, Aiwan-e-Iqbal Complex, Egerton Road, Lahore.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by IASB and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention.

c) **Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, 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 value of assets and liabilities that are not readily apparent from the other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on going basis. Revision to accounting estimates are recognized in the period in which the estimates are revised affect only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the financial statements of SMEDA or where judgments were exercised in application of accounting policies are as follows:

- Useful life of property and equipment and intangible assets
- Provision for staff gratuity
- Other provisions and contingencies

2.2 **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any cost comprises acquisition and other directly attributable expenses.

Depreciation is charged to income on reducing balance method so as to write off the cost of property and equipment over their estimated useful lives at the rates given in note 3.1. Depreciation on additions to property and equipment is charged from the month in which an item is put to use while no depreciation is charged for the month in which an item is de-recognized/ disposed off. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

The asset's residual value and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to SMEDA and cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is charged to income currently.

2.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. The depreciable amount of intangible asset is amortized on a systematic basis over the estimated useful lives using reducing balance method.

2.4 Advances, prepayments and other receivables

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

2.5 Creditors, accrued and other liabilities

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.6 Government grants

Government grants are recognized at the fair value where there is reasonable assurance that the grant will be received and SMEDA will comply with all attached conditions. Fair value signifies the amount received in cash.

Government grants, where there is primary condition to purchase, construct or otherwise acquire long-term assets, are included in non-current liabilities as deferred credit to and credited to the income and expenditure account over the expected useful lives of the related assets. Grant received for specific project activities are also included in non-current liabilities as deferred credit and credited to the income and expenditure account over the period necessary to match them with the expenses that they are intended to compensate.

All other grants are recognized in the income and expenditure account in the year of receipt.

2.7 Revenue

Income from services, sale of projects, seminar, training fee, reports and publications and consultants registration fee is recognized when received.

Return on bank deposit is recognized on time proportion basis.

2.8 Employee benefits-gratuity

SMEDA operates an un-funded gratuity scheme for its employees who have been completed the minimum qualifying period of service of one year.

Amount of liability of each employee at the year end is computed by number of years completed multiplied by last drawn monthly gross salary. The difference between current and previous liability is charged to income and expenditure account as expense for the year.

2.9 Taxation

Provision for income tax is not made in the financial statements being considered as exempted Government organization under the Tax Free Number 9011808-1 issued by the Federal Board of Revenue.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current and deposit accounts.

2.11 Impairment

The carrying amount of the assets are analyzed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as an expense in the income and expenditure account.

2.12 Figures

Figures are rounded off to the nearest rupee and those for the last year are rearranged if necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangements.

Fixed assets

Property and equipment (Note 3.1)
Intangible assets (Note 3.1)

2017 Rupees	2016 Rupees
31,806,602	37,311,446
70,250	104,850
<u>31,876,852</u>	<u>37,416,296</u>

3.1

	Property and equipment						Intangible assets
	Leasehold Improvement	Furniture and fixture	Office equipment	Computers	Vehicles	Total	Computer software
	Rupees						
At 30 June 2015							
Cost	34,413,619	14,005,456	13,390,693	28,222,860	33,455,680	123,488,308	9,415,748
Accumulated depreciation/Amortization	(12,499,223)	(7,731,668)	(8,423,338)	(23,203,711)	(24,422,021)	(76,279,961)	(9,259,256)
Accumulated impairment loss	(2,372,983)	(40,527)	-	(202,703)	-	(2,616,213)	-
Net book value	<u>19,541,413</u>	<u>6,233,261</u>	<u>4,967,355</u>	<u>4,816,446</u>	<u>9,033,659</u>	<u>44,592,134</u>	<u>156,492</u>
At 30 June 2016							
Opening net book value	19,541,413	6,233,261	4,967,355	4,816,446	9,033,659	44,592,134	156,492
Additions	-	-	1,995,061	-	-	1,995,061	-
Disposal:							
cost	(8,427,543)	(315,147)	(729,126)	(1,336,276)	-	(10,808,092)	-
Accumulated depreciation	<u>5,937,162</u>	<u>260,033</u>	<u>555,398</u>	<u>1,331,139</u>	<u>-</u>	<u>8,083,732</u>	<u>-</u>
	(2,490,381)	(55,114)	(173,728)	(5,137)	-	(2,724,360)	-
Depreciation/Amortization	(1,843,947)	(622,820)	(689,977)	(1,587,913)	(1,806,732)	(6,551,389)	(51,642)
Closing net book value	<u>15,207,085</u>	<u>5,555,327</u>	<u>6,098,711</u>	<u>3,223,396</u>	<u>7,226,927</u>	<u>37,311,446</u>	<u>104,850</u>
At 30 June 2016							
Cost	25,986,076	13,690,309	14,656,628	26,886,584	33,455,680	114,675,277	9,415,748
Accumulated depreciation/Amortization	(8,406,008)	(8,094,455)	(8,557,917)	(23,460,485)	(26,228,753)	(74,747,618)	(9,310,898)
Accumulated impairment loss	(2,372,983)	(40,527)	-	(202,703)	-	(2,616,213)	-
Net book value	<u>15,207,085</u>	<u>5,555,327</u>	<u>6,098,711</u>	<u>3,223,396</u>	<u>7,226,927</u>	<u>37,311,446</u>	<u>104,850</u>
At 30 June 2017							
Opening net book value	15,207,085	5,555,327	6,098,711	3,223,396	7,226,927	37,311,446	104,850
Additions	-	-	3,200	-	-	3,200	-
Disposal:							
cost	-	-	(2,314,378)	-	-	(2,314,378)	-
Accumulated depreciation	<u>-</u>	<u>-</u>	<u>1,990,160</u>	<u>-</u>	<u>-</u>	<u>1,990,160</u>	<u>-</u>
	-	-	(324,218)	-	-	(324,218)	-
Depreciation/Amortization	(1,520,709)	(555,533)	(598,479)	(1,063,721)	(1,445,385)	(5,183,826)	(34,601)
Closing net book value	<u>13,686,377</u>	<u>4,999,794</u>	<u>5,179,215</u>	<u>2,159,675</u>	<u>5,781,542</u>	<u>31,806,602</u>	<u>70,250</u>
At 30 June 2017							
Cost	25,986,076	13,690,309	12,345,450	26,886,584	33,455,680	112,364,099	9,415,748
Accumulated depreciation/Amortization	(9,926,717)	(8,649,988)	(7,166,235)	(24,524,206)	(27,674,138)	(77,941,284)	(9,345,499)
Accumulated impairment loss	(2,372,983)	(40,527)	-	(202,703)	-	(2,616,213)	-
Net book value	<u>13,686,377</u>	<u>4,999,794</u>	<u>5,179,215</u>	<u>2,159,675</u>	<u>5,781,542</u>	<u>31,806,602</u>	<u>70,250</u>
Depreciation rate per annum (%)	10%	10%	10%	33%	20%		33%

	2017 Rupees	2016 Rupees
4 LONG TERM RECEIVABLES		
Considered good:		
Common facility centre-computerized pattern designing	1,078,907	1,078,907
	<u>1,078,907</u>	<u>1,078,907</u>
5 ADVANCES		
Advances to Suppliers - considered doubtful	1,019,304	1,019,304
Provision for doubtful advances	<u>(1,019,304)</u>	<u>(1,019,304)</u>
	-	-
Advances to employees - considered good		
-against expenses	284,389	207,162
-against salary	129,577	129,577
-against gratuity	19,063,165	12,218,054
	<u>19,477,131</u>	<u>12,554,793</u>
	<u>19,477,131</u>	<u>12,554,793</u>
6 PREPAYMENTS		
Prepaid rent	19,217,015	17,020,568
Prepaid Insurance	1,138,839	1,123,495
	<u>20,355,854</u>	<u>18,144,063</u>
7 OTHER RECEIVABLE		
Other receivables	<u>8,586,321</u>	<u>4,167,196</u>
7.1	The balance amount of Rs. 6,500,000/- represents receivable from "Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas (ERKF)" project which is being implemented by SMEDA Khyber Pakhtunkhwa. The project is a joint initiative for both Governments of Khyber Pakhtunkhwa & FATA, is financed by Multi Donor Trust Fund (MDTF) and implemented through The World Bank. SMEDA is implementing SME development component of the project. This component is providing direct support to the crisis affected SMEs through matching grants program that is managed and administered by the Project Unit (PU) established by SMEDA in coordination with the Project Management Units (PMUs) established under the Governments of KP and FATA.	
8 CASH AND BANK BALANCES		
Cash in Hand	253,715	150,350
Cash at Bank:		
On saving accounts	52,910,660	65,571,188
On current accounts	26,308,975	27,128,623
	<u>79,219,635</u>	<u>92,699,811</u>
	<u>79,473,350</u>	<u>92,850,161</u>



9 DEFERED CREDIT

	2017 Rupees	2016 Rupees
Income based grants (Note 9.1)	926,902	-
Asset based grants (Note 9.2)	58,320,510	61,076,550
	<u>59,247,412</u>	<u>61,076,550</u>
9.1 Income based grant		
Investment Promotion Unit (IPU) Italia	<u>926,902</u>	<u>-</u>
9.2 Asset based grants		

	Grant for				Total
	Own	Flood Early Recovery Project	PHRS	LEDN	
	Fixed Assets	Operating Expenses	Operating Expenses	Operating Expenses	
Rupees.....				
Balance as at 30 June 2015	26,854,800	26,152,514	2,606,801	11,571,204	67,185,319
Add:					
Generator gifted by USAID-At nominal value under IAS 20	1	-	-	-	1
Profit on bank deposit	-	944,184	-	-	944,184
	<u>26,854,801</u>	<u>27,096,698</u>	<u>2,606,801</u>	<u>11,571,204</u>	<u>68,129,504</u>
Less:					
Amortization for the year	(3,602,652)	(2,450,000)	(763,207)	(237,094)	(7,052,953)
Balance as at 30 June 2016	<u>23,252,149</u>	<u>24,646,698</u>	<u>1,843,594</u>	<u>11,334,110</u>	<u>61,076,551</u>
Add:					
Profit on bank deposit	-	570,301	-	-	570,301
	<u>23,252,149</u>	<u>25,216,999</u>	<u>1,843,594</u>	<u>11,334,110</u>	<u>61,646,852</u>
Less:					
Amortization for the year	(2,889,874)	-	(436,467)	-	(3,326,341)
Balance as at 30 June 2017	<u>20,362,275</u>	<u>25,216,999</u>	<u>1,407,127</u>	<u>11,334,110</u>	<u>58,320,511</u>

- 9.2.1 The balance amount of Rupees 25,216,999 (2016: Rupees 24,646,698) represents undisbursed grants under ER project. These grants could not be disbursed due To non-fulfillment of required formalities by the beneficiaries. This undisbursed amount is not claimed by the grantor. The management intends to present the matter of utilisation of this amount before SMEDA's Board of Directors. The amount would be utilised subject to and in accordance with the approval of the Board of Directors.
- 9.2.2 This represents business support fee charged by SMEDA to the Government of khyber Pakhtunkhwa in respect of administrative expenses for implementation of "Pakhtunkhwa Hunermand Rozgaar Scheme (PHRS)". The scheme is being implemented by the Bank of Khyber Pakhtunkhwa in coordination with SMEDA and Directorate of Technical Education, Government of Khyber Pakhtunkhwa.
- 9.2.3 Livelihood and Enterprise Development Network-Pakistan (LEDN-PK) is established to develop capacities of the member organizations for livelihood, business development, disaster management, organizational development and other related avenues.

10 PROVISION FOR STAFF GRATUITY

Balance as on 01 July	93,285,602	88,146,220
Provision for the year	21,149,540	19,677,117
Payment made during the year	(892,240)	(14,537,735)
Balance as on 30 June	<u>113,542,902</u>	<u>93,285,602</u>

11 ACCRUED AND OTHER LIABILITIES

Accrued liabilities	29,631,076	42,361,585
Security deposit	3,000,000	3,000,000
Others	119,402	214,294
	<u>32,750,478</u>	<u>45,575,879</u>

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

The landlord of the previous head office building filed a suit against SMEDA for the recovery of rent for vacant period and damages for an amount of Rupees 5,013,796. The case was decided exparte against Smeda through an order whereby bank account of SMEDA in Standard Chartered Bank (Pakistan) Limited, DHA, Lahore was attached. SMEDA filed an application before civil judge for setting aside the expatre decree. In pursuance to the application the civil judge passed an order for detachment of the above said bank account vide order dated 26 May 2009. According to the legal advisor, SMEDA has strong grounds for favourable decision and hence no provision for the said claim by the landlord has been made in the financial statements.

12.2 Commitments

There are no significant commitments as at reporting date.

13 GRANTS

Grant from Government of Pakistan	228,704,000	218,000,000
Amortization of deferred credits	3,326,341	7,052,953
	<u>232,030,341</u>	<u>225,052,953</u>

14 INCOME FROM SERVICES

Training programs and conferences	1,272,005	1,496,980
FATA development authority	-	1,200,000
	<u>1,272,005</u>	<u>2,696,980</u>

15 INCOME FROM PROJECTS

Investment Promotion Unit (IPU) Italia	2,734,806	-
United National Development Programme- Youth	5,762,111	-
Entrepreneurship Program (UNDP- YEP)	<u>8,496,917</u>	<u>-</u>

16 OTHER INCOME

Profit on bank deposits	940,486	816,988
Profit on sale of fixed asset	233,283	-
Miscellaneous	44,500	148,850
	<u>1,218,269</u>	<u>965,838</u>

17 AUDITORS' REMUNERATION

Audit fee	137,500	125,000
Out of pocket expenses	13,750	12,500
	<u>151,250</u>	<u>137,500</u>

18 MISCELLANEOUS

Security services	2,187,154	1,615,087
Office maintenance	4,238,797	4,483,397
Janatorial services	-	553,350
Meeting expenses	804,921	-
Others	1,073,106	672,555
	<u>8,303,978</u>	<u>7,324,389</u>

19 PROJECTS EXPENDITURE

Early Recovery Project	-	2,687,094
Pukhtunkhwa Hunarmand Rozgar Scheme	436,467	763,207
IPU Project	2,734,806	-
UNDP-YEP	5,745,630	-
	<u>8,916,903</u>	<u>3,450,301</u>

20 DATE OF AUTHORIZATION

These financial statements were authorized for issue on _____ by the Board of Directors of SMEDA.



Chief Executive Officer



Finance Manager