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BEDARI

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Ernst & Young Ford Rhodes Sidat Hyder
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AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

We have audited the accompanying Financial Statements of Bedari which comprise the balance sheet as at 30 June, 2014, the income and expenditure account, and the cash flow statement, for the year then ended, and a summary of significant policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Board of Governors are responsible for the preparation and fair presentation of these Financial Statements in conformity with the Guideline for Accounting and Financial Reporting by Non-Government Organizations (NGOs) / Non-Profit Organizations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan and for such internal controls as the Board of Governors determines are necessary to enable the preparation of financial statements that are free from material misstatements, 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 misstatements.

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 judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Governors, 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 Bedari as at 30 June, 2014 and its financial performance and its cash flows for the year then ended, in conformity with the Guideline for Accounting and Financial Reporting by Non-Government Organizations (NGOs) / Non-Profit Organizations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Engagement Partner's Name: Khayyam Mushir

Date: 14 JUN 2016

Place: Islamabad

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING
EDUCATION AND ADVOCACY)
BALANCE SHEET
AS AT 30 JUNE, 2014

	Note	2014	2013
		-----Rupees-----	
<u>ASSETS</u>			
Non-current assets			
Property and equipment	5	1,955,804	2,006,157
Current assets			
Grants receivable against operating activities	9	3,327,797	383,920
Advances	6	25,563	147,782
Deposits and short-term prepayments	7	906,023	223,358
Advance tax		129,657	127,873
Cash and bank	8	6,630,019	15,696,517
		11,019,059	16,579,450
TOTAL ASSETS		12,974,863	18,585,607
<u>FUND AND LIABILITIES</u>			
Fund			
Unrestricted fund		8,147,433	13,647,966
Non-current liabilities			
Deferred grants against operating activities	9	1,540,267	3,584,675
Current liabilities			
Accrued and other liabilities	10	3,287,163	1,352,966
TOTAL FUND AND LIABILITIES		12,974,863	18,585,607
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes, from 1 to 19, form an integral part of these financial statements.



CHAIRPERSON

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING
EDUCATION AND ADVOCACY)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2014

	Note	2014 -----Rupees-----	2013
INCOME			
Grant income	12	33,929,216	33,986,615
Other operating income	13	2,391,217	5,101,679
		36,320,433	39,088,294
EXPENDITURE			
Programme expenses - Restricted fund	14	(33,929,216)	(33,369,663)
Programme expenses - Unrestricted fund	15	(4,913,507)	(3,377,116)
Administrative expenses	16	(2,693,754)	(1,866,191)
Other operating expenses	17	(284,489)	(187,794)
		(41,820,966)	(38,800,763)
(EXCESS OF EXPENDITURE OVER INCOME) / EXCESS OF			
INCOME OVER EXPENDITURE FOR THE YEAR		(5,500,533)	287,531
Surplus brought forward		13,647,966	13,360,435
Surplus transferred to balance sheet		8,147,433	13,647,966

The annexed notes, from 1 to 19, form an integral part of these financial statements.



CHAIRPERSON

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING
EDUCATION AND ADVOCACY)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2014

2014 2013
 -----Rupees-----

CASH FLOW FROM OPERATING ACTIVITIES

(Excess of expenditure over income) / excess of income over expenditure for the year

(5,500,533) 287,531

Adjustments for non-cash and other items:

Return on savings accounts

(636,580) (434,284)

Return on investment in TDRs

- (516,246)

Depreciation

300,153 247,579

Loss on disposal of fixed assets

6,846 8,399

(329,581) (694,552)

(Deficit) before working capital changes

(5,830,114) (407,022)

Working capital changes

(Increase) / decrease in current assets

Grants receivable against operating activities

(2,943,877) 134,964

Advances

122,219 901,853

Deposits and short-term prepayments

(682,665) 44,642

(3,504,323) 1,081,459

Increase in current liabilities

Accrued and other liabilities

1,934,197 1,068,124

Deferred grant

(2,044,408) 1,110,876

Income tax paid

(1,784) (127,873)

Net cash (used in) / generated from operating activities

(9,446,432) 2,725,564

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property and equipment

(266,646) (326,459)

Sale proceeds from sale of asset

10,000 6,000

Interest income on financial assets

636,580 1,744,256

Net cash generated from investing activities

379,934 1,423,797

Net (decrease) / increase in cash and cash equivalents

(9,066,498) 4,149,362

Cash and cash equivalents at the beginning of the year

15,696,517 11,547,155

Cash and cash equivalents at the end of the year

6,630,019 15,696,517

The annexed notes, from 1 to 19, form an integral part of these financial statements.



CHAIRPERSON

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING
EDUCATION AND ADVOCACY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2014

1 LEGAL STATUS AND OBJECTIVES

Bedari (the Organization) is a national level, non-governmental voluntary organization registered in Pakistan under the Societies Registration Act, 1860, on 27 May, 1992. The primary objective of the organization is to highlight disparities towards marginalized groups of society and to launch advocacy campaigns on women and girls' human rights issues, by organizing events, theatres, puppet shows, talks, trainings, workshops and seminars.

The Head Office of Bedari is situated at Office # 06, 3rd floor, Huzaifa Centre, I-8 Markaz, Islamabad, with field offices located in Multan, Lahore, Chakwal, Nankana Sab, Sheikhpura and Vehari.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Guideline for Accounting and Financial Reporting of Non-Government Organizations (NGOs) / Non-Profit Organizations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan.

3 BASIS OF PREPARATION

The accompanying financial statements have been prepared under the 'historical cost convention'.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are the same as those employed in the previous year.

4.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to the income and expenditure account by applying the straight-line method, whereby the cost of an asset is written-off over its estimated useful life. Depreciation on additions is charged from the month of acquisition with no depreciation in the month of disposal.

Useful lives are determined by the management based on the expected usage of assets, the expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

An item of property and equipment is derecognized upon its disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income and expenditure account in the year the asset is derecognised.

Major improvements and repairs are capitalized and normal repairs and maintenance are charged to the income and expenditure account as and when incurred.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and cash at banks in savings accounts.

4.3 Advances, deposits and other receivables

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.

4.4 Impairment

4.4.1 Financial assets

A financial asset is assessed at each balance sheet date, to determine whether there is any objective evidence that is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

4.4.2 Non-financial assets

The carrying values of non-financial assets are assessed at each balance sheet date, to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the non-financial asset is estimated. Any impairment loss is recognised as an expense in the income and expenditure account, for the amount by which the non-financial asset's carrying value exceeds its recoverable amount.

4.5 Foreign currency translation

These financial statements are presented in Pak Rupees, which is the Organization's functional and presentation currency. Foreign currency transactions, during the year, are recorded at the exchange rates approximating those ruling on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange, which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using the exchange rates prevailing at the dates of the initial transactions.

4.6 Accrued liabilities and other payables

Liabilities for accrued liabilities and other payables are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to Bedari.

4.7 Provisions

Provisions are recognized when Bedari has a present, legal or constructive obligation 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 such obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability.

4.8 Taxation

No provision for taxation has been recognized in these financial statements, owing to the exemptions available under clauses 59 and 60 of Part 1 of the second schedule to the Income Tax Ordinance, 2001. Bedari has not earned any income from business or any other taxable income during the current and prior year.

4.9 Income recognition

4.9.1 Grant income

Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

4.9.2 Grants against operating activities

Grants of a non-capital nature are recognised as deferred grant at the time of their receipt. Subsequently, these are recognised in the income and expenditure account to the extent of expenditure incurred. Expenditure incurred against grants, against which grant funds have been committed but not received, is recognised in the income and expenditure account and reflected as a receivable from

4.9.3 Profit on savings accounts

Profit on savings accounts is recognised using the Effective Interest Rate method.

4.9.4 Income from general donations

Income from donation is recognized on receipt basis.

4.9.5 Costs allocation

Certain costs including salaries of project staff and other administrative overheads are allocated to Bedari's projects. The Organization analyses its total costs on an annual basis and allocations to the projects are made up to the maximum budget limit, as prescribed in the relevant project budgets.

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5 PROPERTY AND EQUIPMENT

	COST			Rate %	ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at 01 July, 2013	Additions	Disposal	As at 30 June, 2014	As at 01 July, 2013	Charge for the year	As at 30 June, 2014	As at 30 June, 2014
	Rupees				Rupees			

2014

Office equipment	73,820	63,100	(18,000)	118,920	5,293	9,652	13,791	105,129
Furniture and fixtures	30,400	73,400	-	103,800	4,558	6,121	10,679	93,121
Vehicles	1,859,500	-	-	1,859,500	242,609	185,950	428,559	1,430,941
Computer and accessories	141,714	20,000	-	161,714	45,239	39,524	84,763	76,951
Electric appliances	223,606	110,146	-	333,752	25,184	58,906	84,090	249,662
	<u>2,329,040</u>	<u>266,646</u>	<u>(18,000)</u>	<u>2,577,686</u>	<u>322,883</u>	<u>300,153</u>	<u>621,882</u>	<u>1,955,804</u>

	COST			Rate %	ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at 01 July, 2012	Additions	Disposal	As at 30 June, 2013	As at 01 July, 2012	Additions	As at 30 June 2013	As at 30 June, 2013
	Rupees				Rupees			

2013

Office equipment	11,320	62,500	-	73,820	908	4,385	5,293	68,527
Furniture and fixtures	30,400	-	-	30,400	1,518	3,040	4,558	25,842
Vehicles	1,835,000	24,500	-	1,859,500	56,659	185,950	242,609	1,616,891
Computer and accessories	75,064	66,650	-	141,714	11,761	33,478	45,239	96,475
Electric appliances	73,797	172,809	(23,000)	223,606	13,059	20,726	25,184	198,422
	<u>2,025,581</u>	<u>326,459</u>	<u>(23,000)</u>	<u>2,329,040</u>	<u>83,905</u>	<u>247,579</u>	<u>322,883</u>	<u>2,006,157</u>

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	2014	2013
	-----Rupees-----	
6 ADVANCES		
Unsecured, considered good		
To employees:		
Operational	4,000	22,700
Personal	21,563	125,082
	<u>25,563</u>	<u>147,782</u>
7 DEPOSITS AND SHORT-TERM PREPAYMENTS		
Deposits		
Security deposits	268,600	211,600
Short-term prepayments		
Rent	636,923	11,258
Others	500	500
	<u>637,423</u>	<u>11,758</u>
	<u>906,023</u>	<u>223,358</u>
8 CASH AND BANK		
In hand		
Local currency	2,750,000	6,117
At banks in:		
Savings accounts		
Local currency	66,704	13,545,587
Foreign currency	3,813,315	2,144,813
8.1	<u>3,880,019</u>	<u>15,690,400</u>
	<u>6,630,019</u>	<u>15,696,517</u>

8.1 Savings accounts carry interest at rates ranging between 2% to 7% (2014: 2% to 7%) per annum.

	2014	2013
	-----Rupees-----	
9 DEFERRED GRANTS / GRANTS RECEIVABLE AGAINST OPERATING ACTIVITIES		
Opening balance	3,200,755	1,954,915
Grants received	29,260,532	34,615,503
Adjustments	(319,601)	-
Grants recognised in the income and expenditure account against expenditure incurred	(33,929,216)	(33,369,663)
	<u>(1,787,530)</u>	<u>3,200,755</u>
Break-up of closing balance		
Unspent grants	1,540,267	3,584,675
Grants receivable-gross	(3,327,797)	(383,920)
	<u>(1,787,530)</u>	<u>3,200,755</u>

9.1 This represents adjustments made against projects closed during the prior period, by recognizing the non-refundable restricted funds as other income, during the year.

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	Note	2014 -----Rupees-----	2013
10 ACCRUED AND OTHER LIABILITIES			
Audit fees		365,000	270,000
Other liabilities			
Payable to supplier		687,544	-
Payable to staff		984,691	884,034
Withholding tax payable		182,921	140,082
Retention fund	10.1	1,067,007	58,850
		<u>2,922,163</u>	<u>1,082,966</u>
		<u>3,287,163</u>	<u>1,352,966</u>

10.1 This represents one month's gross salaries deducted at the time of joining of employees. The balance accumulated for each employee in this payable amount, will be paid to the employees at the time they leave Bedari.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments, as at the year end.

	Note	2014 -----Rupees-----	2013
12 GRANT INCOME			
Restricted grants	12.1	33,929,216	33,986,615
12.1 Project specific grants			
Free and Fair Election Network (FAFEN-STEAP)		5,076,746	14,371,413
Girls Power Programme (GPP-ICDI)		12,548,721	11,285,857
Girls Power Programme (GPP-PLAN)		3,705,803	1,674,400
REUTERS WPFS / Dance 4 Life (D4L)		-	1,021,689
Girls Education International (GEI 2)		212,828	293,940
Girls Education International (GEI)		304,978	-
Peace through Art (PTA)		5,564,042	-
Citizen Voice Project (CVP)		1,434,100	-
Lizza-Ghulam Abbas		-	202,689
Long-term Election Observation and Oversight in Pakistan (LTEOOP)		2,204,398	2,552,260
Short-term Observation (STO)		-	690,467
United Nation Fund for Population Activities (UNFPA)		2,877,600	1,893,900
		<u>33,929,216</u>	<u>33,986,615</u>

13 OTHER OPERATING INCOME

Return on savings accounts		636,580	434,284
Grant adjustment	9.1	319,601	-
Payables written-off		24,500	-
Return on investment in TDRs		-	516,246
General donations		1,302,785	2,689,486
Exchange gain		-	108,994
Others		107,751	1,352,669
		<u>2,391,217</u>	<u>5,101,679</u>

	2014	2013
	-----Rupees-----	
14 PROGRAMME EXPENSES - RESTRICTED FUND		
Salaries and wages	10,961,162	11,249,816
Trainers remuneration	-	459,523
Transportation	3,097,594	2,648,312
Refreshment expenses	-	82,721
Meetings and seminars	1,591,577	1,734,157
Advocacy and awareness raising sessions	3,486,883	3,741,105
Trainings	2,530,237	2,683,163
Office supplies and stationary	905,595	283,961
Research and publication	27,907	1,043,439
Communication	302,940	294,028
Networks district meetings	-	3,804,690
Girls protection help-line	808,474	132,219
Profiling	214,200	169,260
Capital expenditure	-	346,500
Utilities	224,214	346,101
Radio programs	1,181,688	1,168,423
Office rent and accommodation	1,261,396	676,885
Referral system development	448,093	1,689,482
Operational costs	1,079,793	815,878
Theatre	1,404,391	-
Audit fee	125,965	-
Psychological counselling	330,053	-
Baseline survey and consultancy	1,499,695	-
Convention and peace conferences	495,895	-
Formation of youth club and drop in center	938,705	-
Monitoring and evaluation	930,344	-
Staff capacity building	82,415	-
	<u>33,929,216</u>	<u>33,369,663</u>
15 PROGRAMME EXPENSES - UNRESTRICTED FUND		
Salaries and wages	2,895,991	2,906,140
Refreshment expenses	189,245	48,557
Meetings and seminars	143,913	5,180
Trainings and per diems	77,504	158,062
Advocacy and awareness raising sessions	74,854	153,177
Networks district meetings	-	103,000
Referral system development	-	3,000
Consultancy	150,000	-
Membership expenses	127,649	-
Monitoring and evaluation	81,730	-
Staff retreat and capacity building	1,172,621	-
	<u>4,913,507</u>	<u>3,377,116</u>
16 ADMINISTRATIVE EXPENSES		
Transportation	455,395	180,178
Office supplies and stationary	184,001	174,331
Repairs and maintenance	94,131	197,372
Research and publication	-	49,090
Communication	143,594	184,840
Utilities	165,892	156,097
Depreciation	300,153	247,104
Office rent	1,017,343	398,679
Audit fee	124,035	270,000
EOBI and insurance	115,755	-
Miscellaneous	93,455	8,500
	<u>2,693,754</u>	<u>1,866,191</u>

2014 2013
-----Rupees-----

17 OTHER OPERATING EXPENSES

Bank charges	163,139	179,395
Loss on disposal of assets	6,846	8,399
Advances written-off	82,800	-
Exchange loss	31,704	-
	<u>284,489</u>	<u>187,794</u>

18 DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on _____.

19 GENERAL

The amounts presented in these financial statements have been rounded-off to the nearest Pak Rupees.

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CHAIRPERSON