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working world**

BEDARI

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2015**

EY Ford Rhodes
Chartered Accountants
Eagle Plaza 75-West, Fazlul-Haq Road
Blue Area, P.O. Box 2388
Islamabad 44000, Pakistan

Tel: +9251 234 4160-62
Fax: +9251 234 4163
ey.isb@pk.ey.com
ey.com/pk



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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, 2015, and the income and expenditure account, the statement of changes in fund 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 management is 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 control as the management determines is 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 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 the management, 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, 2015 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.

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner's Name: Khayyam Mushir

Date: 15 June, 2017

Place: Islamabad

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING
EDUCATION AND ADVOCACY)
BALANCE SHEET
AS AT 30 JUNE, 2015

	Note	2015 -----Rupees-----	2014
<u>ASSETS</u>			
Non-current assets			
Property and equipment	5	2,856,614	1,955,804
Current assets			
Grants receivable against operating activities	10	17,122,381	3,327,797
Advances	6	24,380	25,563
Deposits and short-term prepayments	7	269,675	906,023
Micro-credit advances	8	850,547	-
Advance tax		-	129,657
Cash and bank	9	2,464,124	6,630,019
		<u>20,731,107</u>	<u>11,019,059</u>
TOTAL ASSETS		<u>23,587,721</u>	<u>12,974,863</u>
<u>FUND AND LIABILITIES</u>			
Fund			
Unrestricted fund		7,512,586	8,147,433
Non-current liabilities			
Deferred grants against operating activities	10	1,266,675	1,540,267
Loan for Micro-credit advances		850,547	-
Revolving fund		279,453	-
		<u>2,396,675</u>	<u>1,540,267</u>
Current liabilities			
Accrued and other liabilities	11	13,678,460	3,287,163
TOTAL FUND AND LIABILITIES		<u>23,587,721</u>	<u>12,974,863</u>
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes, from 1 to 20, form an integral part of these financial statements.



CHAIRPERSON



BOARD MEMBER

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING
EDUCATION AND ADVOCACY)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2015

Note 2015 2014
 -----Rupees-----

INCOME

Grant income	13	69,553,218	33,929,216
Other operating income	14	5,464,114	2,391,217
		75,017,332	36,320,433

EXPENDITURE

Programme expenses - Restricted fund	15	(69,553,218)	(33,929,216)
Programme expenses - Unrestricted fund	16	(4,355,669)	(4,913,507)
Administrative expenses	17	(1,520,325)	(2,693,754)
Other operating expenses	18	(222,967)	(284,489)
		(75,652,179)	(41,820,966)
EXCESS OF EXPENDITURE OVER INCOME FOR THE YEAR		(634,847)	(5,500,533)

The annexed notes, from 1 to 20, form an integral part of these financial statements.



CHAIRPERSON



BOARD MEMBER

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING
EDUCATION AND ADVOCACY)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE, 2015

	Head Office Reserve ----- Rupees -----
Balance as at 1 July, 2013	13,647,966
Excess of expenditure over income for the year	(5,500,533)
Balance as at 30 June, 2014	<u>8,147,433</u>
Excess of expenditure over income for the year	(634,847)
Balance as at 30 June, 2015	<u><u>7,512,586</u></u>

The annexed notes, from 1 to 20, form an integral part of these financial statements.



CHAIRPERSON

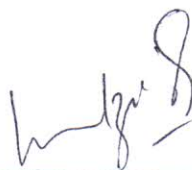


BOARD MEMBER

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING
EDUCATION AND ADVOCACY)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2015

	2015	2014
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenditure over income for the year	(634,847)	(5,500,533)
Adjustments for non-cash and other items:		
Return on savings accounts	(216,816)	(636,580)
Return on Micro-credit advances	(25,947)	-
Depreciation	558,804	300,153
(Gain)/loss on disposal of fixed assets	(165,258)	6,846
	150,783	(329,581)
Deficit before working capital changes	(484,064)	(5,830,114)
Working capital changes		
(Increase) / decrease in current assets		
Grants receivable against operating activities	(13,794,584)	(2,943,877)
Advances	1,183	122,219
Deposits and short-term prepayments	636,348	(682,665)
Micro-credit advances	(850,547)	-
	(14,007,600)	(3,504,323)
Increase / (Decrease) in liabilities		
Accrued and other liabilities	10,391,297	1,934,197
Deferred grants against operating activities	(273,592)	(2,044,408)
Loan for Micro-credit advances	850,547	-
Revolving fund	279,453	-
Income tax paid	129,658	(1,784)
Net cash used in operating activities	(3,114,301)	(9,446,432)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(1,844,356)	(266,646)
Sale proceeds from sale of asset	550,000	10,000
Interest income on financial assets	242,762	636,580
Net cash (used in) / generated from investing activities	(1,051,594)	379,934
Net decrease in cash and cash equivalents	(4,165,895)	(9,066,498)
Cash and cash equivalents at the beginning of the year	6,630,019	15,696,517
Cash and cash equivalents at the end of the year	2,464,124	6,630,019

The annexed notes, from 1 to 20, form an integral part of these financial statements.



CHAIRPERSON



BOARD MEMBER

BEDARI

(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING EDUCATION AND ADVOCACY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2015

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, theatre, puppet shows, talks, trainings, workshops and seminars.

The Head Office of Bedari is situated at 2nd floor, House 50-B, Roshan street, off street No. 92, I-8/4 extension Islamabad, with field offices located in Lahore, Chakwal, Vehari, Muzaffargarh and Lodhran.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance 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.

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 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

While applying the accounting policies as stated in Note 4, the management of Bedari has made certain judgments, estimated and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

(i) Useful life of operating fixed assets

Management of the Bedari determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

Property and equipment are assessed for impairment based on assessment of cash flows on individual cash-generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash-generating units.

(ii) Impairment of receivables

An estimate of the un-collectible amount of receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, Grants receivable against operating activities were Rs. 17,122,381 (2015: Rs. 3,327,797), with no provision for doubtful debts in the current or prior period. Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the Income and Expenditure Statement.

(iii) Micro-credit advances

The organization reviews its Micro-credit portfolio to assess the amounts of non-performing advances and the provision thereagainst required on a regular basis. While assessing this requirement, various factors, including the financial position of the borrowers and the requirements of the organization's policies are considered.

4.2 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.

4.3 CASH AND CASH EQUIVALENTS

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

4.4 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.


4.5 IMPAIRMENT

4.5.1 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.

4.5.2 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.



4.6 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.

4.7 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.

4.8 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.

4.9 TAXATION

The organization is looking to obtain the status of a "non-profit organization" under section 2 (36) of the Income Tax Ordinance, 2001. As per section 100 C of the Ordinance, the organization being a non-profit organization, is eligible to obtain a tax credit equal to one hundred percent of the tax payable against any income arising from its activities, upon the fulfilment of certain conditions.

Accordingly, owing to the available tax credit under clause 100 C, no provision for taxation has been recognized by the organization.

4.10 INCOME RECOGNITION

4.10.1 Grant income

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

4.10.2 Grants against operating activities

Grants of a non-capital nature are recognized as deferred grant at the time of their receipt. Subsequently, these are recognized 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 recognized in the income and expenditure account and reflected as a receivable from donors.

4.10.3 Profit on savings accounts


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

4.10.4 Income from general donations

Income from donation is recognized on receipt basis.

4.10.5 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.



5 PROPERTY AND EQUIPMENT

COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
As at 01 July, 2014	Additions	Disposal	As at 30 June, 2015	As at 01 July, 2014	Charge for the year	Disposal	As at 30 June, 2015	As at 30 June, 2015
Rupees				Rupees				
				</				

	Note	2015 -----Rupees-----	2014
6 ADVANCES			
Unsecured, considered good			
To employees:			
Operational		160	4,000
Personal		24,220	21,563
		<u>24,380</u>	<u>25,563</u>
7 DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits			
Security deposits		260,000	268,600
Short-term prepayments			
Rent		-	636,923
Others		9,675	500
		<u>9,675</u>	<u>637,423</u>
		<u>269,675</u>	<u>906,023</u>
8 MICRO-CREDIT ADVANCES			
Unsecured			
Considered good		850,547	-
Considered doubtful		-	-
		<u>850,547</u>	<u>-</u>
8.1 Movement in micro-credit advances			
Balance as at 01 July		-	-
Add: Disbursements during the year		1,130,000	-
Less: Recoveries during the year		<u>(279,453)</u>	<u>-</u>
		<u>850,547</u>	<u>-</u>
8.2 There is no requirement for the borrowers to save or deposit any amount, as a condition for the loan disbursement.			
	Note	2015 -----Rupees-----	2014
9 CASH AND BANK			
In hand			
Local currency		-	2,750,000
At banks in:			
Savings accounts			
Local currency		2,381,841	66,704
Foreign currency		82,283	3,813,315
		<u>2,464,124</u>	<u>3,880,019</u>
		<u>2,464,124</u>	<u>6,630,019</u>
9.1 Savings accounts carry interest at rates ranging between 3% to 7.5% (2014: 2% to 7%) per annum.			
	Note	2015 -----Rupees-----	2014
10 DEFERRED GRANTS / GRANTS RECEIVABLE AGAINST OPERATING ACTIVITIES			
Opening balance		(1,787,530)	3,200,755
Grants received		56,068,451	29,260,532
Adjustments	10.1	(583,409)	(319,601)
Grants recognized in the income and expenditure account against expenditure incurred		<u>(69,553,218)</u>	<u>(33,929,216)</u>
		<u>(15,855,706)</u>	<u>(1,787,530)</u>
Break-up of closing balance			
Deferred grants		1,266,675	1,540,267
Grants receivable against operating activities - gross		<u>(17,122,381)</u>	<u>(3,327,797)</u>
		<u>(15,855,706)</u>	<u>(1,787,530)</u>

- 10.1 This represents adjustments made against expenditure disallowed against a project closed in the prior year. The donor, subsequent to the project period allowed this expenditure owing to which other income against unspent grant with Bedari was recorded during the current year.

	Note	2015 -----Rupees-----	2014
11 ACCRUED AND OTHER LIABILITIES			
Audit fees		270,000	365,000
Accured interest	11.1	25,947	-
Other liabilities			
Payable to supplier		2,782,951	687,544
Payable to staff		1,372,616	984,691
Payable to participants	11.2	8,047,537	-
EOBI Payable		-	-
Withholding tax payable		251,755	182,921
Retention fund	11.3	927,654	1,067,007
		13,382,513	2,922,163
		<u>13,678,460</u>	<u>3,287,163</u>

- 11.1 This represents, mark-up on micro-credit loans to borrowers disbursed during the year, at the rate of 6%, payable to Plan Pakistan.
- 11.2 This represents travelling costs payable to participants at the year-end, in respect of the project titled Promoting Peace by Engaging Youth in Cultural and Sport activities.
- 11.3 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.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments, as at 30 June, 2015 and the prior year ended 30 June, 2014.

	Note	2015 -----Rupees-----	2014
13 GRANT INCOME			
Restricted grants	13.1	69,553,218	33,929,216
13.1 Project specific grants			
Free and Fair Election Network (FAFEN-STEAP)		-	5,076,746
Girls Power Programme (GPP-ICDI)		8,575,740	12,548,721
Girls Power Programme (GPP-PLAN)		1,477,952	3,705,803
Girls Education International (GEI 2)		1,921,616	212,828
Girls Education International (GEI)		-	304,978
Peace through Art (PTA)		4,656,147	5,564,042
Citizen Voice Project (CVP)		1,897,908	1,434,100
Long-term Election Observation and Oversight in Pakistan (LTEOOP)		-	2,204,398
United Nation Fund for Population Activities (UNFPA)		-	2,877,600
Celebrating minorities day to promote interfaith harmony		662,910	-
Impossible		691,987	-
Gender Equity Program (GEP)		3,579,643	-
Youth Economic Empowerment (YEE)		190,581	-
Child Marriage Fund (CMF)		8,814,936	-
Insani Huqooq Itehad (IHI)		40,000	-
By-election observation		95,350	-
Parliament Watch and Reforms Project		75,180	-
Training of employees and volunteers		150,950	-
Promoting Peace by Engaging Youth in Cultural and Sports Activities	13.2	36,722,318	-
		<u>69,553,218</u>	<u>33,929,216</u>

13.2 This Project comprised of various social media, music, theatre, pottery and art, activities and competitions, along with mentoring and self-growth training sessions held in various districts of Punjab comprising of Bahawalpur, Lodhran, Multan and Muzaffargarh.

	Note	2015	2014
		-----Rupees-----	
14 OTHER OPERATING INCOME			
Return on savings accounts		216,816	636,580
Grant adjustment	10.1	583,409	319,601
Payables written-off		-	24,500
Return on Micro-credit advances		25,947	-
Gain on sale of asset		165,258	-
General donations		4,418,315	1,302,785
Exchange gain		54,369	-
Others		-	107,751
		<u>5,464,114</u>	<u>2,391,217</u>
15 PROGRAMME EXPENSES - RESTRICTED FUND			
Salaries and wages	15.1	17,508,052	10,961,162
Transportation		5,645,307	3,097,594
Refreshment expenses		58,433	-
Meetings and seminars		2,063,965	1,591,577
Advocacy and awareness raising sessions		19,547,030	3,486,883
Trainings		3,183,881	2,530,237
Office supplies and stationary		1,324,039	905,595
Research and publication		1,404,197	27,907
Communication		567,222	302,940
Girls protection help-line		723,804	808,474
Profiling		-	214,200
Utilities		678,858	224,214
Radio programs		513,504	1,181,688
Office rent and accommodation		1,363,228	1,261,396
Referral system development		487,388	448,093
Operational costs		-	1,079,793
Theatre		4,549,490	1,404,391
Audit fee		-	125,965
Psychological counselling		283,891	330,053
Baseline survey and consultancy		639,320	1,499,695
Convention and peace conferences		3,258,003	495,895
Formation of youth club and drop in center		865,194	938,705
Monitoring and evaluation		944,755	930,344
Staff capacity building		55,297	82,415
Repairs and maintenance		78,499	-
Cultural and Sports activities		3,809,861	-
		<u>69,553,218</u>	<u>33,929,216</u>
15.1	This includes Rs. 15,734 (2014: Rs. 5,492) in respect of EOBI.		
16 PROGRAMME EXPENSES - UNRESTRICTED FUND			
Salaries and wages		2,343,786	2,895,991
Refreshment expenses		77,648	189,245
Meetings and seminars		47,274	143,913
Trainings and per-diems		31,659	77,504
Advocacy and awareness raising sessions		42,890	74,854
Consultancy		121,073	150,000
Membership expenses		68,000	127,649
Monitoring and evaluation		4,423	81,730
Staff retreat and capacity building		1,618,916	1,172,621
		<u>4,355,669</u>	<u>4,913,507</u>

	Note	2015	2014
		-----Rupees-----	
17 ADMINISTRATIVE EXPENSES			
Transportation		155,728	455,395
Office supplies and stationary		88,486	184,001
Repairs and maintenance		99,404	94,131
Communication		36,845	143,594
Utilities		31,568	165,892
Depreciation	5	558,804	300,153
Office rent		183,699	1,017,343
Audit fee		270,000	124,035
EOBI and insurance		95,791	115,755
Miscellaneous		-	93,455
		<u>1,520,325</u>	<u>2,693,754</u>
18 OTHER OPERATING EXPENSES			
Bank charges		197,020	163,139
Loss on disposal of assets		-	6,846
Advances written-off		-	82,800
Exchange loss		-	31,704
Interest expense		25,947	-
		<u>222,967</u>	<u>284,489</u>
19 GENERAL			

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

20 DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on 15 JUN 2017



CHAIRPERSON



BOARD MEMBER