

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF BEDARI

Opinion

We have audited the financial statements of BEDARI ('the Organization'), which comprise the balance sheet as at 30 June 2017, and the income and expenditure account, statement of changes in fund and the cash flow statement, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Organization for the year ended 30 June 2016 were audited by another firm of chartered accountants who expressed an unmodified opinion on those statements on 24 July 2018 including emphasis of matter paragraph on the issue of going concern.

Material Uncertainty relating to Going Concern

We draw attention to Note 1.1 in the financial statements, which indicates that the Organization incurred a deficit of Rupees 1,975,444 during the year ended 30 June 2017 and, as of that date, the Organization's current liabilities exceeded its current assets by Rupees 1,248,221. As stated in Note 1.1, these events or conditions, along with other matters as set forth in Note 1.1, indicate that a material uncertainty exists that may cast significant doubt on the Organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

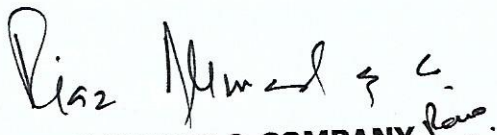
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.

Riaz Ahmad & Company

Chartered Accountants

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


RIAZ AHMAD & COMPANY
Chartered Accountants

Date: 08 FEB 2019

ISLAMABAD

Name of engagement partner:
Raheel Arshad

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING EDUCATION AND
ADVOCACY)
BALANCE SHEET
AS AT 30 JUNE 2017

| | Note | 2017 Rupees | 2016 Rupees |
|--|------|-------------------------|-------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Operating fixed assets | 3 | 2,963,559 | 3,380,372 |
| CURRENT ASSETS | | | |
| Grants receivable against operating activities | 8 | 2,197,130 | 2,596,403 |
| Advances | 4 | 310,671 | 224,275 |
| Security deposits and short term prepayments | 5 | 747,001 | 940,836 |
| Youth friendly loan | 6 | 376,450 | 505,447 |
| Cash and bank balances | 7 | 1,045,111 | 949,351 |
| | | <u>4,676,363</u> | <u>5,216,312</u> |
| TOTAL ASSETS | | <u><u>7,639,922</u></u> | <u><u>8,596,684</u></u> |
| FUND AND LIABILITIES | | | |
| FUND | | | |
| Unrestricted fund | | (3,152,800) | (1,177,356) |
| NON-CURRENT LIABILITIES | | | |
| Deferred grants against operating activities | 8 | 2,211,619 | 2,427,483 |
| Deferred grants related to assets | 9 | 1,833,919 | 1,632,683 |
| Youth friendly loan | | 488,003 | 745,547 |
| Revolving fund | | 334,597 | 1,054,453 |
| | | <u>4,868,138</u> | <u>5,860,166</u> |
| CURRENT LIABILITIES | | | |
| Accrued and other liabilities | 10 | 5,924,584 | 3,913,874 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 11 | | |
| TOTAL FUND AND LIABILITIES | | <u><u>7,639,922</u></u> | <u><u>8,596,684</u></u> |

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


Chairperson



Board member

BEDARI
(PROMOTING EQUAL RIGHTS THROUGH CAPACITY BUILDING EDUCATION AND
ADVOCACY)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

| | NOTE | 2017 Rupees | 2016 Rupees |
|---|------|--------------------|--------------------|
| INCOME | | | |
| Amortization of deferred grants: | | | |
| against expenditure incurred | 8 | 35,391,218 | 17,629,694 |
| against service provided | | - | 1,419,803 |
| | | 35,391,218 | 19,049,497 |
| Amortization of grant related to assets | 9 | 583,769 | 683,422 |
| Donations received | | 4,422,592 | 91,515 |
| Other operating income | 12 | 147,052 | 128,867 |
| | | 40,544,631 | 19,953,301 |
| EXPENDITURE | | | |
| Programme expenses - restricted fund | 13 | (35,391,218) | (17,629,694) |
| Programme expenses - unrestricted fund | 14 | (3,417,916) | (7,088,627) |
| Administrative expenses | 15 | (3,710,941) | (3,924,922) |
| | | (42,520,075) | (28,643,243) |
| DEFICIT FOR THE YEAR | | <u>(1,975,444)</u> | <u>(8,689,942)</u> |

The annexed notes 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 2017

| | Rupees |
|-----------------------------------|---------------------------|
| Balance as at 30 June 2015 | 7,512,586 |
| Deficit for the year | (8,689,942) |
| Balance as at 30 June 2016 | <u>(1,177,356)</u> |
| Deficit for the year | <u>(1,975,444)</u> |
| Balance as at 30 June 2017 | <u><u>(3,152,800)</u></u> |

The annexed notes 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 2017**

| | 2017 Rupees | 2016 Rupees |
|---|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Deficit for the year | (1,975,444) | (8,689,942) |
| Adjustments for non-cash charges and other items: | | |
| Return on saving accounts | (147,052) | (91,667) |
| Return on youth friendly loan | - | (37,200) |
| Depreciation | 1,233,267 | 799,156 |
| Amortization of deferred grants | (35,391,218) | (19,049,497) |
| Amortization of deferred capital grants | (583,769) | (683,422) |
| Loss on disposal of operating fixed assets | 10,761 | - |
| | <u>(34,878,011)</u> | <u>(19,062,630)</u> |
| Deficit before working capital changes | (36,853,455) | (27,752,572) |
| Working capital changes | | |
| (Increase) / decrease in current assets | | |
| Advances | (86,396) | (199,895) |
| Security deposits and short-term prepayments | 193,835 | (671,161) |
| Youth friendly loan | 128,997 | 345,100 |
| | <u>236,436</u> | <u>(525,956)</u> |
| Increase / (decrease) in current liabilities | | |
| Accrued and other liabilities | 2,010,710 | (9,764,586) |
| Net cash used in operating activities | <u>(34,606,309)</u> | <u>(38,043,114)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure on operating fixed assets | (834,215) | (1,322,914) |
| Proceeds from sale of operating fixed assets | 7,000 | - |
| Interest income on financial assets | 147,052 | 128,867 |
| Net cash used in investing activities | <u>(680,163)</u> | <u>(1,194,047)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Deferred grants related to assets | - | 1,100,000 |
| Restricted grants received during the year | 36,100,421 | 36,038,164 |
| Grant adjustment | 259,211 | (85,776) |
| Youth friendly loan | (257,544) | (105,000) |
| Revolving fund | (719,856) | 775,000 |
| Net cash generated from investing activities | <u>35,382,232</u> | <u>37,722,388</u> |
| Net increase / (decrease) in cash and cash equivalents | 95,760 | (1,514,773) |
| Cash and cash equivalents at the beginning of the year | 949,351 | 2,464,124 |
| Cash and cash equivalents at the end of the year | <u>1,045,111</u> | <u>949,351</u> |

7

The annexed notes 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 2017

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 26 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 the Organization is situated at 1st floor, Qamar Plaza, Near Mehran Hotel, IJP Road, Faizabad, Islamabad, with field offices located in Lahore, Chakwal, Vehari, Muzaffargarh, Lodhran and Gujranwala.

- 1.1 The Organization has incurred a deficit of Rupees 1,975,444 for the year ended 30 June 2017 and, as of that date, the Organization's current liabilities exceeded its current assets by Rupees 1,248,221. Further, the unrestricted fund reflects negative balance of Rupees 3,152,800. This indicates the existence of material uncertainty that may cast a significant doubt about the Organization's ability to continue as a going concern and the Organization may not be able to realize its assets and discharge its liabilities, in the normal course of business.

The management has however, drawn up alternative financial plans, based on certain secured projects for the next two to three years with various donors having aggregate budgeted amount of Rupees 171,003,853, for the growth of its operations and has planned to reduce its operating costs. As a result of execution of future plan, the financial position of the Organization is expected to become self sufficient and the management is determined to continue the operations of the Organization for the foreseeable future. Accordingly, these financial statements have been prepared on going concern basis of accounting.

1.2 Projects executed by the Organization

(a) Names and details of projects and respective donors:

| Project names and details | Donor |
|--|---|
| <ul style="list-style-type: none"> ● Empowerment of Girls Total Grant: USD 17,400 Period covered: 1 April 2014 - 30 March 2015 Total Grant: USD 17,400 Period covered: 1 April 2015 - 30 March 2016 Total Grant: USD 18,900 Period covered: 1 April 2015 - 30 March 2016 Total grant: USD 6,475 Period covered: 1 April 2017 - 30 June 2017 | Girls Education International |
| <ul style="list-style-type: none"> ● Building Child Marriage Free Communities Total grant: Euros 100,000 Period covered: 1 January 2016 - 31 December 2016 Total grant: Euros 51,128 Period covered: 1 January 2017 - 30 June 2017 | International Child Development Institute |

- Improving Women Participation in Electoral Process
Total Grant: Rupees 613,212
Period Covered: 5 May 2017 - 30 June 2018
Trust for Democratic Education and Accountability
- Youth Economic Empowerment Project in Chakwal
Total grant: Rupees 2,666,100
Period covered: 24 November 2014 - 31 December 2017
Plan Pakistan
- Preventing Child Forced Early Marriage Using Open Distance and Technology Base Education and Training
Total Grant: USD 17,650
Period Covered: 1 April 2016 - 30 June 2016
Common Wealth of Learning
- Marriage No Child Play
Total Grant: USD 20,191
Period Covered: 1 July 2016 - 30 June 2017
Oxfam
- Deepening Democracy and Election Support Project
Total Grant: Euros 175,000
Period Covered: 1 January 2016 - March 2017, April 2017 - March 2018
Oxfam
- Provision of Immediate Services and Implementation and Review of Minimum Standards for Government Shelter Homes for Women Victims
Total Grant: Euros 80,097
Period Covered: 1 July 2016 - 30 June 2017
Amplify Change
- Deepening Democracy and Election Support Project
Total Grant: Rupees 1,558,110
Period Covered: 25 July 2016 - 24 February 2017
Trust for Democratic Education and Accountability

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

a) Statement of Compliance

These financial statements have been prepared in accordance with the Accounting Standard for Not-for-Profit Organizations and Revised Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by The Institute of Chartered Accountants of Pakistan as applicable in Pakistan.

Previously, the financial statements of the Organization were 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. This transition has not affected the reported financial position, financial performance and cash flows.

b) Accounting convention

The accompanying financial statements have been prepared under the historical cost convention, except otherwise stated.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the Accounting Standard for Not-for-Profit Organizations and Revised Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by The Institute of Chartered Accountants of Pakistan as applicable in Pakistan 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 are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

(i) **Useful life of operating fixed assets**

Management of the Organization determines the estimated useful lives of its operating fixed assets 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.

Operating fixed assets 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 Rupees 2,197,130 (2016: Rupees 2,596,403), 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 account.

(iii) **Youth friendly loan**

The organization reviews its youth friendly loan portfolio to assess amounts of non-performing advances and the provision there against 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.

d) **Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the Organization's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the income and expenditure account.

2.2 **OPERATING FIXED ASSETS**

Operating fixed assets 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 operating fixed assets 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.

2.3 CASH AND CASH EQUIVALENTS

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

2.4 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.

2.5 IMPAIRMENT

2.5.1 Financial assets

A financial asset is assessed at each balance sheet date, to determine whether there is any objective evidence that it 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.

2.5.2 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.

2.6 ACCRUED LIABILITIES AND OTHER PAYABLES

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 the Organization.

2.7 PROVISIONS

Provisions are recognized when the Organization 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.

2.8 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.

2.9 INCOME RECOGNITION

2.9.1 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.

2.9.2 Grants against operating activities

Grants of 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.

2.9.3 Profit on savings accounts

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

2.9.4 Income from general donations

Income from donation is recognized on receipt basis.

2.9.5 Costs allocation

Certain costs including salaries of project staff and other administrative overheads are allocated to the Organization's projects. The Organization analysis 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.

3 OPERATING FIXED ASSETS

| Office equipment | Furniture and fixtures | Vehicles | Computers and accessories | Electric appliances | Total |
|------------------|------------------------|----------|---------------------------|---------------------|-------|
|------------------|------------------------|----------|---------------------------|---------------------|-------|

----- Rupees -----

At 30 June 2015

| | | | | | | |
|--------------------------|---------------|----------------|----------------|----------------|----------------|------------------|
| Cost | 118,920 | 388,429 | 1,347,500 | 1,207,389 | 799,804 | 3,862,042 |
| Accumulated depreciation | (25,683) | (45,302) | (441,289) | (223,981) | (269,173) | (1,005,428) |
| Net book value | <u>93,237</u> | <u>343,127</u> | <u>906,211</u> | <u>983,408</u> | <u>530,631</u> | <u>2,856,614</u> |

Year ended 30 June 2016

| | | | | | | |
|------------------------|---------------|----------------|------------------|----------------|----------------|------------------|
| Opening net book value | 93,237 | 343,127 | 906,211 | 983,408 | 530,631 | 2,856,614 |
| Additions | - | 23,000 | 1,100,000 | 146,500 | 53,414 | 1,322,914 |
| Depreciation charge | (11,892) | (38,856) | (213,106) | (334,359) | (200,943) | (799,156) |
| Closing net book value | <u>81,345</u> | <u>327,271</u> | <u>1,793,105</u> | <u>795,549</u> | <u>383,102</u> | <u>3,380,372</u> |

At 30 June 2016

| | | | | | | |
|--------------------------|---------------|----------------|------------------|----------------|----------------|------------------|
| Cost | 118,920 | 411,429 | 2,447,500 | 1,353,889 | 853,218 | 5,184,956 |
| Accumulated depreciation | (37,575) | (84,158) | (654,395) | (558,340) | (470,116) | (1,804,584) |
| Net book value | <u>81,345</u> | <u>327,271</u> | <u>1,793,105</u> | <u>795,549</u> | <u>383,102</u> | <u>3,380,372</u> |

Year ended 30 June 2017

| | | | | | | |
|--------------------------|----------------|----------------|------------------|----------------|----------------|------------------|
| Opening net book value | 81,345 | 327,271 | 1,793,105 | 795,549 | 383,102 | 3,380,372 |
| Additions | 120,000 | 73,375 | - | 561,500 | 79,340 | 834,215 |
| Disposal: | | | | | | |
| Cost | - | - | - | - | (41,914) | (41,914) |
| Accumulated depreciation | - | - | - | - | 24,153 | 24,153 |
| | - | - | - | - | (17,761) | (17,761) |
| Depreciation charge | (19,892) | (47,465) | (489,500) | (438,431) | (237,979) | (1,233,267) |
| Closing net book value | <u>181,453</u> | <u>353,181</u> | <u>1,303,605</u> | <u>918,618</u> | <u>206,702</u> | <u>2,963,559</u> |

At 30 June 2017

| | | | | | | |
|--------------------------|----------------|----------------|------------------|----------------|----------------|------------------|
| Cost | 238,920 | 484,804 | 2,447,500 | 1,915,389 | 890,644 | 5,977,257 |
| Accumulated depreciation | (57,467) | (131,623) | (1,143,895) | (996,771) | (683,942) | (3,013,698) |
| Net book value | <u>181,453</u> | <u>353,181</u> | <u>1,303,605</u> | <u>918,618</u> | <u>206,702</u> | <u>2,963,559</u> |

| | | | | | | |
|---------------------------------|-----|-----|-----|-----|-----|--|
| Rates of depreciation per annum | 10% | 10% | 10% | 25% | 25% | |
|---------------------------------|-----|-----|-----|-----|-----|--|

| | 2017 Rupees | 2016 Rupees |
|---|----------------|----------------|
| 4 ADVANCES | | |
| Unsecured, considered good | | |
| Employees against expenses | 279,171 | 224,275 |
| Suppliers | 31,500 | - |
| | <u>310,671</u> | <u>224,275</u> |
| 5 SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS | | |
| Security deposits | 537,001 | 564,000 |
| Short term prepayments | | |
| Rent | 210,000 | 354,408 |
| Others | - | 22,428 |
| | <u>210,000</u> | <u>376,836</u> |
| | <u>747,001</u> | <u>940,836</u> |
| 6 YOUTH FRIENDLY LOAN | | |
| Unsecured, considered good | | |
| Balance as at 01 July | 505,447 | 850,547 |
| Add: Disbursements during the year | 611,853 | 775,000 |
| Less: Recoveries during the year | (740,850) | (1,120,100) |
| | <u>376,450</u> | <u>505,447</u> |

6.1 There is no requirement for the borrowers to save or deposit any amount, as a condition for the loan disbursement.

| | NOTE | 2017 Rupees | 2016 Rupees |
|------------------------------------|------|------------------|----------------|
| 7 CASH AND BANK BALANCES | | | |
| Cash in hand | | 19,949 | - |
| Cash at bank | | | |
| Current account - foreign currency | | 410 | 174,725 |
| Saving accounts - local currency | 7.1 | 1,024,752 | 774,626 |
| | | <u>1,025,162</u> | <u>949,351</u> |
| | | <u>1,045,111</u> | <u>949,351</u> |

7.1 Savings accounts carry interest at rates ranging between 3% to 7.5% (2016: 3% to 7.5%) per annum.

8 DEFERRED GRANTS AGAINST OPERATING ACTIVITIES

| | Girls Power Programme Extension | Girls Power Programme | Peace Through Art | Child International Helpline | Creative | Empowerment of Girls | Building Child Marriage Free Communities | Improving Women Participation in Electoral Process | Girls Equity Programme | Youth Economic Empowerment Project in Chakwal | Citizen's Action for Democratic Governance in Pakistan | Balance carried forward |
|--|---------------------------------|-----------------------|-------------------|------------------------------|--------------|----------------------|--|--|------------------------|---|--|-------------------------|
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Opening balance as at 01 July 2015 | - | (2,294,000) | (30,261) | - | (13,283,380) | 458,156 | - | (999,813) | 538,760 | 124,669 | - | (15,485,869) |
| Grant received during the year | 1,616,524 | 4,710,063 | - | 71,324 | 14,499,485 | 1,681,860 | 5,040,000 | 999,813 | 299,860 | 550,850 | 3,039,782 | 32,509,561 |
| Transferred to grant related to assets - Note 9 & 8.1 | - | - | - | - | (1,216,105) | - | - | - | - | - | - | (1,216,105) |
| Less: Utilization during the year transferred to income and expenditure account: | | | | | | | | | | | | |
| Against expenses incurred | (1,616,600) | (3,558,713) | - | (71,324) | - | (1,562,216) | (2,948,781) | - | (1,495,088) | (585,971) | (3,068,836) | (14,907,529) |
| Against services provided | - | - | - | - | (71,324) | (1,562,216) | (4,198,208) | - | (1,495,088) | (585,971) | (3,068,836) | (1,249,427) |
| Grant refund to donor | - | (3,558,713) | - | - | - | - | - | - | - | - | 29,054 | 59,315 |
| Closing balance as at 30 June 2016 | (76) | (1,142,650) | 30,261 | - | - | 577,800 | 841,792 | - | (656,468) | 89,548 | - | (290,054) |
| Break-up of closing balance: | | | | | | | | | | | | |
| Deferred grants against operating activities | (76) | - | - | - | - | 577,800 | 841,792 | - | - | 89,548 | - | 1,509,140 |
| Grants receivable against operating activities | - | (1,142,650) | - | - | - | - | - | - | (656,468) | - | - | (1,799,194) |
| Opening balance as at 01 July 2016 | (76) | (1,142,650) | - | - | - | 577,800 | 841,792 | - | (656,468) | 89,548 | - | (290,054) |
| Grant received during the year | - | - | - | - | - | 1,764,048 | 10,641,871 | 613,212 | 649,540 | - | - | 13,668,671 |
| Transferred to grant related to assets - Note 9 & 8.1 | - | - | - | - | - | - | (63,855) | (94,350) | - | - | - | (158,205) |
| Less: Utilization during the year transferred to income and expenditure account | - | - | - | - | - | (1,583,515) | (11,870,069) | (479,336) | - | (183,108) | - | (14,116,028) |
| Grant adjustment | 76 | 259,135 | - | - | - | - | - | - | - | - | - | 259,211 |
| Closing balance as at 30 June 2017 | - | (883,515) | - | - | - | 758,333 | (450,261) | 39,526 | (6,928) | (93,560) | - | (636,405) |
| Break-up of closing balance: | | | | | | | | | | | | |
| Deferred grants against operating activities | - | (883,515) | - | - | - | 758,333 | (450,261) | - | (6,928) | (93,560) | - | (1,434,264) |
| Grants receivable against operating activities | - | - | - | - | - | - | (450,261) | 39,526 | (6,928) | (93,560) | - | (636,405) |

8 DEFERRED GRANTS AGAINST OPERATING ACTIVITIES (continued)

| | Balance brought forward | Impossible | Child Marriage Fund | Preventing Child Marriage in Asia and Africa | Preventing Child Marriage Using Open Distance and Technology Based Education and Training | Insani Hugooq Ittehad | Trust for Democratic Education and Accountability | Marriage: No Child Play (reimbursements) | Marriage: No Child Play | Provision of Immediate Services and Implementation of Minimum Standards for Government Shelter Homes for Women Victims | Red Cross | Deepening Democracy and Election Support Project | Closing balance |
|--|-------------------------|------------|---------------------|--|---|-----------------------|---|--|-------------------------|--|-----------|--|-----------------|
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Opening balance as at 01 July 2015 | (15,485,869) | (116,414) | (323,334) | - | - | 145,091 | (75,180) | - | - | - | - | - | (15,855,706) |
| Grant received during the year | 32,509,561 | 463,445 | 849,343 | 280,325 | 1,860,310 | - | 75,180 | - | - | - | - | - | 36,038,164 |
| Transferred to grant related to assets - Note 9 & 8.1 | (1,216,105) | - | - | - | - | - | - | - | - | - | - | - | (1,216,105) |
| Less: Utilization during the year transferred to income and expenditure account: | | | | | | | | | | | | | |
| Against expenses incurred | (14,907,529) | (347,031) | (355,633) | (280,325) | (941,567) | - | - | (88,200) | (280,109) | (428,900) | - | - | (17,829,694) |
| Against services provided | (1,249,427) | - | (170,376) | - | - | - | - | - | - | - | - | - | (1,419,803) |
| | (16,156,956) | (347,031) | (526,009) | (280,325) | (941,567) | - | - | (88,200) | (280,109) | (428,900) | - | - | (19,049,497) |
| Grant refund to donor | 59,315 | - | - | - | - | (145,091) | - | - | - | - | - | - | (85,776) |
| | (290,054) | - | - | - | - | - | - | (88,200) | (280,109) | (428,900) | - | - | (168,920) |
| Closing balance as at 30 June 2016 | | | | | | | | | | | | | |
| Break-up of closing balance: | | | | | | | | | | | | | |
| Deferred grants against operating activities | 1,509,140 | - | - | - | 918,343 | - | - | - | - | - | - | - | 2,427,483 |
| Grants receivable against operating activities | (1,799,194) | - | - | - | - | - | - | (88,200) | (280,109) | (428,900) | - | - | (2,596,403) |
| | (290,054) | - | - | - | 918,343 | - | - | (88,200) | (280,109) | (428,900) | - | - | (168,920) |
| Opening balance as at 01 July 2016 | (290,054) | - | - | - | 918,343 | - | - | (88,200) | (280,109) | (428,900) | - | - | (168,920) |
| Grant received during the year | 13,668,671 | - | - | - | 2,156,655 | - | - | 8,035,131 | 1,471,189 | 9,095,915 | 114,750 | 1,558,110 | 36,100,421 |
| Transferred to grant related to assets - Note 9 & 8.1 | (158,205) | - | - | - | - | - | - | (206,800) | - | (420,000) | - | - | (785,005) |
| Less: Utilization during the year transferred to income and expenditure account | (14,116,028) | - | - | - | (2,241,772) | - | - | (7,159,597) | (1,191,496) | (9,009,465) | (114,750) | (1,558,110) | (35,391,218) |
| Grant adjustment | 259,211 | - | - | - | - | - | - | - | - | - | - | - | 259,211 |
| | (636,405) | - | - | - | 833,226 | - | - | 580,534 | (416) | (762,450) | - | - | 14,489 |
| Closing balance as at 30 June 2017 | | | | | | | | | | | | | |
| Break-up of closing balance: | | | | | | | | | | | | | |
| Deferred grants against operating activities | 797,859 | - | - | - | 833,226 | - | - | 580,534 | - | - | - | - | 2,211,619 |
| Grants receivable against operating activities | (1,434,264) | - | - | - | - | - | - | - | (416) | (762,450) | - | - | (2,197,130) |
| | (636,405) | - | - | - | 833,226 | - | - | 580,534 | (416) | (762,450) | - | - | 14,489 |

8.1 The Organization was allowed by International Child Development Institute, Trust for Democratic Education and Accountability, Oxfam and Amplify Change (2016: Creative) to utilize grants provided by them for certain items of operating fixed assets with a value of Rupees 785,005 (2016: Rupees 1,216,105).

| | NOTE | 2017 Rupees | 2016 Rupees |
|---|------|------------------|------------------|
| 9 DEFERRED GRANTS RELATED TO ASSETS | | | |
| Opening balance as at 01 July | | 1,632,683 | - |
| Assets received / purchased during the year | | - | 1,100,000 |
| Transferred from deferred grants | 8 | 785,005 | 1,216,105 |
| Amortization representing depreciation of related items of operating fixed assets | | (583,769) | (683,422) |
| Closing balance as at 30 June | | <u>1,833,919</u> | <u>1,632,683</u> |

10 ACCRUED AND OTHER LIABILITIES

| | | | |
|-------------------------|------|------------------|------------------|
| Audit fee | | 255,000 | 270,000 |
| Accrued interest | 10.1 | 171,300 | 25,947 |
| Payable to suppliers | | 3,624,423 | 2,449,085 |
| Payable to staff | | 711,173 | 357,479 |
| EOBI payable | | 70,850 | 960 |
| Insurance payable | | 13,917 | 39,024 |
| Withholding tax payable | | 121,530 | 358,224 |
| Retention fund | 10.2 | <u>956,391</u> | <u>413,155</u> |
| | | <u>5,924,584</u> | <u>3,913,874</u> |

10.1 This represents, mark-up on youth friendly loans to borrowers at the rate of 6% to 12% (2016: 6%), payable to Plan Pakistan.

10.2 This represents one month's gross salaries deducted at the time of joining of employees. Payment will be made to the employees at the time they leave the Organization.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments as of the balance sheet date (2016: NIL).

12 OTHER OPERATING INCOME

| | 2017 Rupees | 2016 Rupees |
|-------------------------------|----------------|----------------|
| Return on saving accounts | 147,052 | 91,667 |
| Return on youth friendly loan | - | 37,200 |
| | <u>147,052</u> | <u>128,867</u> |

| | 2017 Rupees | 2016 Rupees |
|--|-------------------|-------------------|
| 13 PROGRAMME EXPENSES - RESTRICTED FUND | | |
| Salaries and wages | 15,074,121 | 5,414,964 |
| Transportation | 4,440,926 | 1,669,927 |
| Refreshment expenses | 332,938 | 11,925 |
| Meetings and seminars | 383,435 | 809,954 |
| Advocacy and awareness raising sessions | 1,769,464 | 708,895 |
| Trainings / workshop | 2,927,996 | 1,491,296 |
| Office supplies and stationery | 764,247 | 1,258,679 |
| Research and publication | 100,000 | 753,311 |
| Mobilization | 317,377 | 417,031 |
| Legal aid | 740,570 | 4,000 |
| Communication | 509,279 | 146,299 |
| Girls protection help-line | 345,681 | 270,720 |
| Utilities | 215,917 | 110,985 |
| Radio programs | 231,900 | 335,500 |
| Office rent and accommodation | 1,413,471 | 769,175 |
| Referral system development | 4,000 | 554,318 |
| Theatre | 879,974 | 193,375 |
| Audit fee | - | 88,400 |
| Psychological counselling | - | 348,091 |
| Survey, research and analysis | 918,111 | 1,162,331 |
| Convention and peace conferences | - | 188,380 |
| Formation of youth club and drop in center | - | 71,324 |
| Monitoring and evaluation | 26,870 | 246,202 |
| Staff capacity building | 466,252 | 543,530 |
| Repairs and maintenance | 295,530 | 58,842 |
| Cultural and sports activities | - | 2,240 |
| Beneficiary support | 3,233,159 | - |
| | <u>35,391,218</u> | <u>17,629,694</u> |
| 14 PROGRAMME EXPENSES - UNRESTRICTED FUND | | |
| Salaries and wages | 1,223,093 | 6,135,452 |
| Meetings and seminars | - | 723 |
| Trainings and per-diems | 35,200 | 99,687 |
| Advocacy and awareness raising sessions | 2,005 | 403,506 |
| Consultancy | 1,916,000 | 253,733 |
| Membership expenses | 40,525 | 77,394 |
| Monitoring and evaluation | - | 68,078 |
| Beneficiary support | 194,093 | - |
| Staff capacity building | 7,000 | 50,054 |
| | <u>3,417,916</u> | <u>7,088,627</u> |

15 ADMINISTRATIVE EXPENSES

| | NOTE | 2017 Rupees | 2016 Rupees |
|--------------------------------|------|------------------|------------------|
| Office rent | | 993,490 | 1,135,160 |
| Depreciation | 3 | 1,233,267 | 799,156 |
| Repairs and maintenance | | 200,947 | 469,801 |
| Office supplies and stationery | | 163,960 | 401,106 |
| Transportation | | 186,590 | 175,046 |
| Utilities | | 81,761 | 212,281 |
| Audit fee | | 175,000 | 181,600 |
| Consultancy | | 115,000 | 22,000 |
| Refreshment expenses | | 238,605 | 114,970 |
| Membership | | 15,020 | - |
| Communication | | 15,162 | 115,114 |
| EOBI and insurance | | 58,003 | 115,429 |
| Exchange loss | | - | 4,513 |
| Loss on sale of assets | | 10,761 | - |
| Bank charges | | 223,375 | 178,746 |
| | | <u>3,710,941</u> | <u>3,924,922</u> |

16 DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on 29 JAN 2019 by the board of directors.

17 CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures has been made.

18 GENERAL

Figures have been rounded off to the nearest Pak Rupee, unless otherwise stated. *Done*


Chairperson


Board Member