

GROUP DEVELOPMENT PAKISTAN

FINANCIAL STATEMENTS WITH  
ACCOMPANYING INFORMATION

30 JUNE 2017

**INDEPENDENT AUDITORS' REPORT  
OF  
GROUP DEVELOPMENT PAKISTAN**

We have audited the annexed Balance sheet of "**GROUP DEVELOPMENT PAKISTAN**" as at June 30, 2017 and income and expenditure account, statement of cash flows along with the notes forming part thereof, for the year ended June 30, 2017 (here-in-after referred to as the Financial Statements).

**Management's Responsibility**

Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. 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 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 management, as well as evaluating the 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 financial statements present fairly, in all material respects, the financial position of "**GROUP DEVELOPMENT PAKISTAN**" as at June 30, 2017 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

**Place: Islamabad.****Dated: May 7, 2018**  
**HORWATH HUSSAIN CHAUDHURY & CO.**  
**(CHARTERED ACCOUNTANTS)**

**GROUP DEVELOPMENT PAKISTAN**  
**BALANCE SHEET**  
**AS AT 30 JUNE, 2017**

	2017	2016
NOTE	-----Rupees-----	
<b>NON-CURRENT ASSETS</b>		
Operating fixed assets	4 743,285	967,944
Adjustment for non-cash charges and other items:	60,000	60,000
	803,285	1,027,944
<b>CURRENT ASSETS</b>		
Advances to employees - considered good	60,185	30,785
Prepayments and advances	6,190	-
Cash and bank balance	5 845,715	2,783,038
	912,090	2,813,823
<b>TOTAL ASSETS</b>	<b>1,715,375</b>	<b>3,841,767</b>
<b>FUNDS AND LIABILITIES</b>		
<b>FUNDS</b>		
Restricted fund	6 (266,101)	3,106,169
Unrestricted fund	192,936	76,675
<b>TOTAL FUNDS</b>	<b>(73,165)</b>	<b>3,182,844</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Deferred credit - grants	7 252,877	321,733
<b>CURRENT LIABILITIES</b>		
Accrued and other liabilities	8 1,535,663	337,190
<b>TOTAL LIABILITIES</b>	<b>1,788,540</b>	<b>658,923</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL FUNDS AND LIABILITIES</b>	<b>1,715,375</b>	<b>3,841,767</b>

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

  
**PRESIDENT**

  
**EXECUTIVE DIRECTOR**



**GROUP DEVELOPMENT PAKISTAN  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2017**

		2017	2,016
Unrestricted fund	Restricted fund	Total funds	Total funds

NOTE

-----R u p e e s -----

**Adjustment for non-cash charges and other items:**

Grant and voluntary contributions		315,117	-	315,117	569,926
Amortization of restricted funds	6	-	16,073,144	16,073,144	19,964,258
Amortization of deferred grant	7	-	-	-	68,098
		315,117	16,073,144	16,388,261	20,602,282

**EXPENDITURE**

Salaries and benefits		130,000	1,554,944	1,684,944	12,086,991
Program Cost	9	-	6,564,642	6,564,642	-
Rent, rates and taxes		-	605,024	605,024	447,487
Office supplies		-	277,430	277,430	193,590
Utilities		-	88,620	88,620	196,625
Communication		-	43,904	43,904	211,449
Trainings and capacity building		-	954,055	954,055	577,155
Awareness campaigns		-	1,196,394	1,196,394	2,080
Conferences & seminars		-	3,665,012	3,665,012	3,843,605
Composing, designing and printing charges		-	323,128	323,128	450,000
Repair and maintenance		-	366,632	366,632	75,474
Traveling and conveyance		-	114,672	114,672	171,410
Networking meetings		-	-	-	357,908
Consultancies		-	-	-	1,442,500
Auditors' remuneration		-	90,000	90,000	209,059
Depreciation	4.1	68,856	155,803	224,659	255,290
Bank charges		-	72,884	72,884	73,764
		198,856	16,073,144	16,272,000	20,594,387
<b>SURPLUS FOR THE YEAR</b>		116,261	-	116,261	7,895

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

  
PRESIDENT

  
EXECUTIVE DIRECTOR

**GROUP DEVELOPMENT PAKISTAN  
CASH FLOW STATEMENT  
FOR YEAR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	-----RUPEEES-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	116,261	7,895
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation	224,659	255,290
Grant and voluntary contributions	(315,117)	(569,926)
Amortization of restricted funds	(16,073,144)	(19,964,258)
Cash used in operations before working capital changes	(16,047,341)	(20,270,999)
<b>Working capital changes</b>		
<b>increase/ (decrease) in current assets</b>		
Prepaid Rent	(6,190)	-
Advances to employees considered good	(29,400)	(30,785)
increase/ (decrease) in accrued in other liabilities	1,129,617	218,346
<b>Cash generated from operations</b>	1,094,027	187,561
<b>Net cash used in operating activities</b>	(14,953,314)	(20,083,438)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on operating fixed assets	-	(399,935)
<b>Net cash used in investing activities</b>	-	(399,935)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Unrestricted funds received	315,117	569,926
Restricted funds received	12,700,874	19,152,458
<b>Net cash from financing activities</b>	13,015,991	19,722,384
<b>Net decrease in cash and cash equivalents</b>	(1,937,323)	(760,989)
<b>Cash and cash equivalents at the beginning of the year</b>	2,783,038	3,544,027
<b>Cash and cash equivalents at the end of the year</b>	<b>845,715</b>	<b>2,783,038</b>

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

  
PRESIDENT

  
EXECUTIVE DIRECTOR

**GROUP DEVELOPMENT PAKISTAN  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Unrestricted fund	Restricted fund	Total funds
	----- Rupees -----		
Adjustment for non-cash charges and other items:	68,780	3,917,969	3,986,749
Surplus for the year ended 30 June 2016	7,895	-	7,895
Resrtricted funds received during the year	-	19,152,458	19,152,458
Expenditure incurred from restricted funds	-	(19,964,258)	(19,964,258)
<b>Balance as at 30 June 2016</b>	<b>76,675</b>	<b>3,106,169</b>	<b>3,182,844</b>
Surplus for the year ended 30 June 2017	116,261	-	116,261
Resrtricted funds received during the year		12,700,874	12,700,874
Expenditure incurred from restricted funds		(16,073,144)	(16,073,144)
<b>Balance as at 30 June 2016</b>	<b>192,936</b>	<b>(266,101)</b>	<b>(73,165)</b>

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

  
PRESIDENT

  
EXECUTIVE DIRECTOR



**GROUP DEVELOPMENT PAKISTAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**1 THE SOCIETY AND ITS OPERATIONS**

Group Development Pakistan ("the Society") was established on 03 October 2012 and registered under the Societies Registration Act, 1860. Registered office is located at A & K Plaza, Plot No. 7-E, F-10 Markaz, Islamabad. The Society has expertise in building institutional and technical capacities for organizations working in the field of child protection through creative, user friendly and culture sensitive methods. The organization also develops synergies and enhances positive communication to promote collaboration between government institutions, civil society, community members, Pakistani artists and donors.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of the Chartered Accountants of Pakistan.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in preparation of these financial statements are set out below:

**3.1 Basis of preparation**

**Accounting convention**

These financial statements have been prepared under the historical cost convention, except as modified by certain financial instruments which are dealt with as stated in respective notes and policies.

**3.2 Significant accounting estimates and judgments**

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for Small-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from the other sources. Actual results may differ from these estimates.

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

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets.

### **3.3 Funds accounting**

#### **Restricted funds**

The restricted funds comprise the accumulated surplus / deficit of donations / voluntary contributions and grants for which donors have specified an intention to support a particular aspect of Society's activities together with income accruing directly to those restricted funds. The surplus is held until they are fully expended or returned at the end of the respective grant period or disposed off according to the donor's instructions.

#### **Unrestricted funds**

The unrestricted funds comprise the accumulated surplus / deficit of donations / voluntary contributions and grants for which donors have not specified any intention.

### **3.4 Deferred credit - grants**

Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the board will comply with all attached conditions. Grants relating to expenses are deferred and thereafter recognized in the income and expenditure account over the period necessary to match them with the expenses that they are intended to compensate. Grants relating to operating fixed assets are recognized as deferred grants and credited to the income and expenditure account over the expected lives of the related assets.

### **3.5 Operating Fixed Assets**

Operating fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises acquisition and other directly attributable costs.

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 the Society and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure account during the year in which they are incurred.

#### **Depreciation**

Depreciation on operating fixed assets is charged to income and expenditure account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 4. Depreciation on additions to operating fixed assets is charged from the month in which an item is put to use while no depreciation is charged for the month in which the item is derecognized / disposed off. The residual values and useful lives of assets are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

#### **De-recognition**

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the income and expenditure account in the year the asset is de-recognized.



### **3.6 Trade and other receivables**

Trade and other receivables are recognized at nominal amount which is fair value of the consideration to be received in future. Balances considered bad are written off when identified.

### **3.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at book value which approximate their fair value. Cash and cash equivalents comprise cash in hand, cash with banks and other short term highly liquid instruments that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in values.

### **3.8 Accrued and other liabilities**

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

### **3.9 Revenue**

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Society and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

- (i) cash donations / voluntary contributions are recognized on cash receipt basis;
- (ii) donations in kind for depreciable assets are accounted for in the books of account on the basis of fair market value as on balance sheet date; and
- (iii) grants are recognized as revenue in the year in which they are committed, subject to the assurance that the conditions attached thereto, if any, shall be complied with.

### **3.10 Taxation**

Society is a non-profit organization as defined under section 2(36) of the Income Tax Ordinance, 2001. Therefore, no provision for taxation has been made in these financial statements.

### **3.11 Foreign currencies**

These financial statements are presented in Pak Rupees, which is the Society'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 the exchange rates prevailing at the date of transaction or the date when fair values are determined. The entity charges all exchange differences to income and expenditure account.

### **3.12 Provisions**

Provisions are recognized when the Society has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

### **3.13 Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Society has a legally enforceable right to set off the recognized amounts and the Society intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

GROUP DEVELOPMENT PAKISTAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	-----Rupees-----	
4.1 Depreciation charged during the period has been allocated as follows:		
Unrestricted fund	68,856	68,098
Restricted fund	155,803	187,192
	<u>224,659</u>	<u>255,290</u>
5 CASH AND BANK BALANCE		
Cash in hand	18,248	402,056
Cash at bank - current account	827,467	2,380,982
	<u>845,715</u>	<u>2,783,038</u>

6 RESTRICTED FUND

Donor Name	Solidar	LTMV	EU	ARO	2017	2016
	-----Rupees-----					
At the beginning of the year	769,618	(2,135,310)	(68,554)	4,540,415	3,106,169	3,917,969
Funds received during the year	2,812,670	-	787,997	9,100,207	12,700,874	19,152,458
Funds utilized during the year	(3,727,950)	-	(865,049)	(11,480,145)	(16,073,144)	(19,964,258)
	<u>(145,662)</u>	<u>(2,135,310)</u>	<u>(145,606)</u>	<u>2,160,477</u>	<u>(266,101)</u>	<u>3,106,169</u>

7 DEFERRED CREDIT - GRANTS

Opening balance	321,733	389,831
Grant received in kind	-	-
Amortization of deferred grant	(68,856)	(68,098)
Closing balance	<u>252,877</u>	<u>321,733</u>

8 ACCRUED AND OTHER LIABILITIES

Rent Payable	-	270,712
Withholding tax	20,557	16,478
Audit fee	94,000	50,000
Others	1,421,106	-
	<u>1,535,663</u>	<u>337,190</u>

9 Remuneration the Executive Director

Managerial remuneration	<u>3,156,896</u>	<u>5,878,316</u>
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10 Related Party Transactions

All related entities and key management personnel are related parties of the society. Transactions and balances with related parties, if any, during the year have been disclosed and the respective notes to these financial statements.

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 07 MAY 2018 by the Board of Directors of the Society.

12 GENERAL

Figures have been rounded off to the nearest Rupee.

  
PRESIDENT

  
EXECUTIVE DIRECTOR



GROUP DEVELOPMENT PAKISTAN  
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT  
AS AT JUNE 30, 2017

PARTICULARS	COST				DEPRECIATION				W.D.V.	RATE %
	AS AT 01.07.2016	Additions	Deletions	AS AT 30.06.2017	AS AT 01.07.16	for the Year	Adjustments	AS AT 30.06.2017	AS AT 30.06.2017	
	----- (Rupees) -----									
Adjustment for non-cash charge	244,372		-	244,372	65,589	26,817	-	92,406	151,966	15
Computer Equipments	834,210	-	-	834,210	304,429	158,934	-	463,363	370,847	30
Electric & Office Equipements	356,025	-	-	356,025	96,645	38,907	-	135,552	220,473	15
	-									
	1,434,607	-	-	1,434,607	466,663	224,659	-	691,322	743,285	

GROUP DEVELOPMENT PAKISTAN  
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT  
AS AT JUNE 30, 2016

PARTICULARS	COST				DEPRECIATION				W.D.V.	RATE %
	AS AT 01.07.2015	Additions	Deletions	AS AT 30.06.2016	AS AT 01.07.15	for the Year	Adjustments	AS AT 30.06.2016	AS AT 30.06.2016	
	----- (Rupees) -----									
Furniture & Fittings	244,372	-	-	244,372	34,039	31,550	-	65,589	178,783	15
Computer Equipements	436,775	397,435	-	834,210	126,241	178,188	-	304,429	529,781	30
Electric & Office Equipements	353,525	2,500	-	356,025	51,093	45,552	-	96,645	259,380	15
	-									
	1,034,672	399,935	-	1,434,607	211,373	255,290		466,663	967,944	