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
**GROUP DEVELOPMENT PAKISTAN**

**BALANCE SHEET**

**AS AT 30 JUNE, 2017**

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td></td>
</tr>
</tbody>
</table>

**NON-CURRENT ASSETS**

<table>
<thead>
<tr>
<th>Operating fixed assets</th>
<th>743,285</th>
<th>967,944</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment for non-cash charges and other items:</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td></td>
<td>803,285</td>
<td>1,027,944</td>
</tr>
</tbody>
</table>

**CURRENT ASSETS**

| Advances to employees - considered good | 60,185  | 30,785  |
| Prepayments and advances                | 6,190   |        |
| Cash and bank balance                   | 845,715 | 2,783,038 |
|                                        | 912,090 | 2,813,823 |

**TOTAL ASSETS**

| 1,715,375 | 3,841,767 |

**FUNDS AND LIABILITIES**

**FUNDS**

| Restricted fund | (266,101) | 3,106,169  |
| Unrestricted fund | 192,936  | 76,675    |
| **TOTAL FUNDS** | (73,165) | 3,182,844 |

**LIABILITIES**

**NON-CURRENT LIABILITIES**

| Deferred credit - grants | 252,877 | 321,733  |
| **CURRENT LIABILITIES** |         |         |
| Accrued and other liabilities | 1,535,663 | 337,190  |
| **TOTAL LIABILITIES** | 1,788,540 | 658,923  |

**CONTINGENCIES AND COMMITMENTS**

| **TOTAL FUNDS AND LIABILITIES** | 1,715,375 | 3,841,767 |

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

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**President**

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

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2017</th>
<th>2,016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted fund</td>
<td>Restricted fund</td>
</tr>
<tr>
<td>------</td>
<td>-------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td>315,117</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>16,073,144</td>
<td>16,073,144</td>
</tr>
<tr>
<td></td>
<td>68,098</td>
<td></td>
</tr>
<tr>
<td>EXPENDITURE</td>
<td>315,117</td>
<td>16,073,144</td>
</tr>
</tbody>
</table>

Salaries and benefits | 130,000 | 1,554,944 | 1,684,944 | 12,086,991 |
Program Cost | 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 | 68,856 | 155,803 | 224,659 | 255,290 |
Bank charges | 72,884 | 72,884 | 73,764 |

SURPLUS FOR THE YEAR |
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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>116,261</td>
<td>7,895</td>
</tr>
<tr>
<td>Adjustment for non-cash charges and other items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>224,659</td>
<td>255,290</td>
</tr>
<tr>
<td>Grant and voluntary contributions</td>
<td>(315,117)</td>
<td>(569,926)</td>
</tr>
<tr>
<td>Amortization of restricted funds</td>
<td>(16,073,144)</td>
<td>(19,964,258)</td>
</tr>
<tr>
<td>Cash used in operations before working capital changes</td>
<td>(16,047,341)</td>
<td>(20,270,999)</td>
</tr>
</tbody>
</table>

| Working capital changes          |         |         |
| increase/(decrease) in current assets |         |         |
| 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 |
| Cash generated from operations    | 1,094,027 | 187,561 |
| Net cash used in operating activities | (14,953,314) | (20,083,438) |

| **CASH FLOW FROM INVESTING ACTIVITIES** |         |         |
| Capital expenditure on operating fixed assets | -       | (399,935) |
| Net cash used in investing activities | -       | (399,935) |

| **CASH FLOWS FROM FINANCING ACTIVITIES** |         |         |
| Unrestricted funds received          | 315,117 | 569,926 |
| Restricted funds received            | 12,700,874 | 19,152,458 |
| Net cash from financing activities   | 13,015,991 | 19,722,384 |

| Net decrease in cash and cash equivalents | (1,937,323) | (760,989) |
| Cash and cash equivalents at the beginning of the year | 2,783,038 | 3,544,027 |
| Cash and cash equivalents at the end of the year | 845,715 | 2,783,038 |

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

[signatures]

PRESIDENT

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

<table>
<thead>
<tr>
<th>Unrestricted fund</th>
<th>Restricted fund</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rupees</td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
</tbody>
</table>

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

Restricted funds received during the year - 19,152,458 19,152,458

Expenditure incurred from restricted funds - (19,964,258) (19,964,258)

Balance as at 30 June 2016 76,675 3,106,169 3,182,844

Surplus for the year ended 30 June 2017 116,261 - 116,261

Restricted funds received during the year - 12,700,874 12,700,874

Expenditure incurred from restricted funds - (16,073,144) (16,073,144)

Balance as at 30 June 2016 192,936 (266,101) (73,165)

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

4.1 Depreciation charged during the period has been
allocated as follows:
Unrestricted fund
Restricted fund

2017  2016
Rupees  Rupees
68,856  68,098
155,803  187,192
224,659  255,290

5 CASH AND BANK BALANCE
Cash in hand
Cash at bank - current account

18,248  402,056
827,467  2,380,982
845,715  2,783,038

6 RESTRICTED FUND

Donor Name | Solidar | LTMV | EU | ARO | 2017 | 2016
---|---|---|---|---|---|---
At the beginning of the year | 769,618 | (2,135,310) | (68,554) | 4,510,415 | 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)

7 DEFERRED CREDIT - GRANTS
Opening balance
Grant received in kind
Amortization of deferred grant
Closing balance

321,733  389,831
(68,856)  (68,098)
252,877  321,733

8 ACCRUED AND OTHER LIABILITIES
Rent Payable
Withholding tax
Audit fee
Others

20,557  16,478
94,000  50,000
1,421,106 -
1,535,665  337,190

9 Remuneration the Executive Director
Managerial remuneration

3,156,896  5,878,316

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

0.7 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**

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>COST</th>
<th>DEPRECIATION</th>
<th>W.D.V.</th>
<th>RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AS AT 01.07.2016</td>
<td>AS AT 30.06.2017</td>
<td>AS AT 01.07.16 for the Year</td>
<td>AS AT 30.06.2017</td>
</tr>
<tr>
<td>Adjustment for non-cash charge</td>
<td>244,372</td>
<td>-</td>
<td>466,663</td>
<td>224,659</td>
</tr>
<tr>
<td>Computer Equipments</td>
<td>834,210</td>
<td>-</td>
<td>304,429</td>
<td>158,934</td>
</tr>
<tr>
<td>Electric &amp; Office Equipments</td>
<td>356,025</td>
<td>-</td>
<td>96,645</td>
<td>38,907</td>
</tr>
<tr>
<td></td>
<td>1,434,607</td>
<td>-</td>
<td>1,434,607</td>
<td>224,659</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>COST</th>
<th>DEPRECIATION</th>
<th>W.D.V.</th>
<th>RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AS AT 01.07.2015</td>
<td>AS AT 30.06.2016</td>
<td>AS AT 01.07.15 for the Year</td>
<td>AS AT 30.06.2016</td>
</tr>
<tr>
<td>Furniture &amp; Fittings</td>
<td>244,372</td>
<td>-</td>
<td>34,039</td>
<td>31,550</td>
</tr>
<tr>
<td>Computer Equipments</td>
<td>436,775</td>
<td>397,435</td>
<td>834,210</td>
<td>126,241</td>
</tr>
<tr>
<td>Electric &amp; Office Equipments</td>
<td>353,525</td>
<td>2,500</td>
<td>356,025</td>
<td>51,093</td>
</tr>
<tr>
<td></td>
<td>1,034,672</td>
<td>399,935</td>
<td>1,434,607</td>
<td>211,373</td>
</tr>
</tbody>
</table>