

Year 2016 – 2017 MDF



Ref: MDF/Adt-17/112

October 13, 2017

The Board of Trustees,
Management and Development Foundation (MDF),
Hyderabad.

RSM Avals Hyder Liaquat Nauman
Chartered Accountants

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RE: Audit of Financial Statements of the management and development foundation (MDF) which comprise the Balance Sheet for the year ended June 30, 2017 and Statement of Income & Expenditure, Statement of Cash flows together with notes to the financial statements

Dear,

We are pleased to enclose three copies of financial statements of the management and development foundation (MDF) which comprise the Balance Sheet for the year ended June 30, 2017 and Statement of Income & Expenditure, Statement of Cash flows together with notes to the financial statements prepared by management together with our auditors' report thereon. The statements have been initialed by us for the purpose of identification only.

May we apprise the management that until the auditors have signed their report on the statements, such statements will remain and be deemed unaudited.

We shall be pleased to sign the audit report in the present or modified form after the management has considered the matters rose in this letter and approved the statements in their present or modified form and we have received the following:



1. Financial statements duly approved and signed by President and Finance Secretary.
2. Minutes of meeting in which the statements have been approved.
3. Representation letter signed by the Executive Director or other authorized person.

Responsibilities of the Management and an Independent Auditor Relating to the Statement

The responsibilities of the independent auditor, in a usual examination of statement are explained in International Standards on Auditing -200. While the auditor is responsible for forming and expressing an opinion on the statements, the responsibility for preparation of the statement is primarily that of the management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding assets of the project and prevention and detection of frauds, errors and irregularities. The audit of statement does not relieve the management of its responsibilities.

AHLN

Yours truly,



RSM Avals Hyder Liaquat Nauman
Chartered Accountants

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Management and Development Foundation (MDF)

**Balance Sheet
As at 30 June 2017**

	Note	30 June 2017 Rupees	30 June 2016 Rupees
Non-Current Assets			
Fixed assets - tangible	4	3,009,708	1,607,400
Current Assets			
Fund receivable	5	14,869,144	9,862,361
Other receivable	6	217,763	410,056
Cash and bank balance	7	181,203	232,679
		15,268,110	10,505,096
TOTAL ASSETS		18,277,818	12,112,496
REPRESENTED BY:			
Current Liabilities			
Accrued and Other Liabilities	8	6,828,236	9,596,860
Funds			
General funds	9	(2,706,599)	(634,498)
Restricted funds	9	14,156,181	3,150,134
		11,449,582	2,515,637
		18,277,818	12,112,496

The annexed notes from 1 to 11 form an integral part of these financial statements.

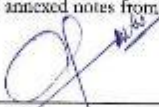

Finance Secretary


President

Management and Development Foundation (MDF)
Income and Expenditure Account
For the Year Ended 30 June 2017

	Note	30 June 2017 Rupees	30 June 2016 Rupees
Income			
Donation		63,394,034	75,396,938
Contribution Receipts		514,081	327,202
		63,908,115	75,724,141
Expenditure			
Staff Salaries		17,901,443	15,105,084
Local Travel		3,659,377	4,004,150
Communication		217,720	175,982
Office Rent and Utilities		901,414	1,199,076
Bank Charges		201,755	393,542
Community Trainings and Workshops		780,793	4,451,624
Printing and Publication		3,477,522	2,531,252
Office Supplies		268,343	2,271,651
Staff Trainings		315,482	33,750
Consultancy expense		175,000	2,785,000
Construction expense		17,588,892	39,443,589
Depreciation		618,476	395,983
Contribution Expenses		-	-
Certifications & Other Official Fees		384,610	405,250
Audit Fees		220,000	80,000
Other		823,829	1,140,404
Microfinance Disbursements		2,832,000	5,010,000
Search for Common Ground Expenses		211,000	-
Guest House Expenses		215,570	-
Service Charges OCT		3,157,414	-
Food Material Supply		-	-
Accommodation Expenses		848,250	-
CHIP Survey Expenses		140,000	-
Staff Fringe Benefits		35,280	-
BBSYDP Expenses		-	100,000
NRSP Expenses		-	2,908,219
		54,974,170	82,434,556
Surplus For The Year		8,933,945	(6,710,415)
Opening fund		2,515,637	9,226,052
Closing fund		11,449,582	2,515,637

The annexed notes from 1 to 11 form an integral part of these financial statements.


Finance Secretary


President

Management and Development Foundation (MDF)
Cash Flow Statement
For the Year Ended 30 June 2017

	Note	30 June 2017 Rupees	30 June 2016 Rupees
Cash Flow From Operating Activities			
Surplus / (deficit) income over expenditures		8,933,945	(6,710,415)
Adjustments for:			
Depreciation		618,476	395,983
		9,552,421	(6,314,432)
(Increase) / decrease in current assets			
Fund receivable		(5,006,783)	10,926,301
Other receivable		192,293	181,978
Increase / (decrease) in current liabilities			
Accrued and Other Liabilities		(2,768,623)	(9,090,216)
		(7,583,113)	2,018,064
Net cash flows from operating activities		1,969,307	(4,296,368)
Cash Flows from Investing Activities			
Fixed capital expenditure		(2,020,784)	(1,211,760)
Net cash flows from investing activities		(2,020,784)	(1,211,760)
Net (decrease) / (increase) in cash and cash equivalents		(51,477)	(5,508,129)
Net cash and cash equivalents at the beginning of the year		232,679	5,740,808
Cash and Cash Equivalents at the End of the Year		181,202	232,679

The annexed notes from 1 to 11 form an integral part of these financial statements.


Finance Secretary


President

Management and Development Foundation (MDF)
Notes To The Financial Statement
For the Year Ended June 30, 2017

1 STATUS AND NATURE OF BUSINESS

The Management and Development Foundation (MDF) was established on 21 September 2010 and registered under the Societies Registration Act, 1860. It is established as non-profit organization. The basic purpose of the foundation is to improve the overall condition of health, education and living standard of people of rural areas

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention.

2.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards 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.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income and Expenditure Recognition

Income is recognized to the extent that it is probable that the future economic benefits will flow to the organization and can be measured reliably.

Expenditures are recognized at the time of their occurrence

3.2 Fixed Assets

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a diminishing balance method at the rate mentioned in the relevant note. Depreciation on depreciable assets is commenced from the month the asset is available for use up to the date when the asset is disposed off.

Maintenance and repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off.

3.3 Impairment of Assets

The carrying amount of the Organization's assets are reviewed at each balance sheet date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

3.4 Fund receivables

Fund receivable are carried at agreed amount on the basis of real activities.

3.5 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with banks.

3.6 Other Payable

Liabilities for other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.7 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 setoff the recognised amounts and the Society intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

4 Fixed Assets -tangible

Description	Cost			Rate	Accumulated Depreciation			
	As at July 1, 2016	Addition/ (deletion)	As at June 30, 2017		As at July 1, 2016	Charge for the year	As at June 30, 2017	Written down value
Equipment	634,875	1,067,760	1,702,635	15%	144,290	233,752	378,042	1,324,593
Furniture, fixtures & fittings	558,610	895,224	1,454,034	15%	189,259	249,716	438,975	1,415,059
Computers and peripherals	701,660	57,800	759,460	33%	354,396	135,008	489,404	270,056
Total	2,295,345	2,020,784	4,316,129		687,945	618,476	1,306,421	3,009,708
2016	1,083,585	1,211,760	2,295,345		291,962	395,983	687,945	1,607,400

4 Fixed Assets - Tangible

Description	Cost			Rate	Accumulated Depreciation			Written down value
	As at July 1, 2016	Addition/ (deletion)	As at June 30, 2017		As at July 1, 2016	Charge for the year	As at June 30, 2017	
Equipment	634,875	1,067,740	1,702,615	13%	144,290	233,752	378,042	1,324,573
Furniture, fixtures & fittings	998,810	895,224	1,894,034	13%	189,259	249,716	438,975	1,455,059
Computers and peripherals	701,660	57,980	759,640	33%	354,396	135,008	489,404	270,236
Total	2,295,345	2,020,784	4,316,129		687,945	618,476	1,306,421	3,009,708
2016	1,083,585	1,211,760	2,295,345		291,962	395,983	687,945	1,607,400

5 Fund Receivable

From Non-Financed Basic Education	-	-
From Community Development Program	865,000	2,045,920
From PSDC	3,689,717	3,038,817
From Micro finance	256,011	856,011
From BHC	5,214,134	3,477,534
From ASK Development	70,000	70,000
From MDH	2,000,000	-
From SRP	50,000	-
From RSU GoS	154,000	-
From Statlife	1,275,000	-
From SEF	50,000	270,000
Accounts Receivable	3,845,282	100,000
	14,869,144	9,862,361

6 Other Receivable

Others	97,507	-
Security deposits	129,256	410,056
	227,763	410,056

7 Cash and Bank Balance

Cash on hand	2,927	-
Cash at bank	178,296	232,679
	181,203	232,679

8 Accrued and Other Liabilities

Account Payable Contribution Expenses	167,683	-
Payable to PSFC Punjab	1,614,863	1,568,116
Payable to ILM Ideas Scale up	-	1,325
Payable to Children Global Network	8,580	-
Payable to RWFF Aarst Foundation	37,388	67,773
Payable to CDP Umeckot	-	241
Payable to Sach Reading Program Phase-I	261,015	118,055
Payable to Sach Reading Program Phase II	225,050	-
Payable to British Council Bodin	-	29,568
Payable to USAID SGAPP	120,057	33,658
Payable to British Council Dachs & N.Feroz	-	123,529
Payable to Micro Finance	1,202,520	1,002,520
Payable to TOM Kamber	-	34,720
Payable to ILM Ideas Bodin	-	7,793
Payable to CDP Bodin	-	2,014,533
Account Payable	3,190,680	4,258,399
	6,828,236	9,596,860

	TOTAL MAINTAINED	CONSERVED, PENDING	TOTAL PENDING
			10,950

[illegible]

13 Oct 2017

2. General

[Signature]