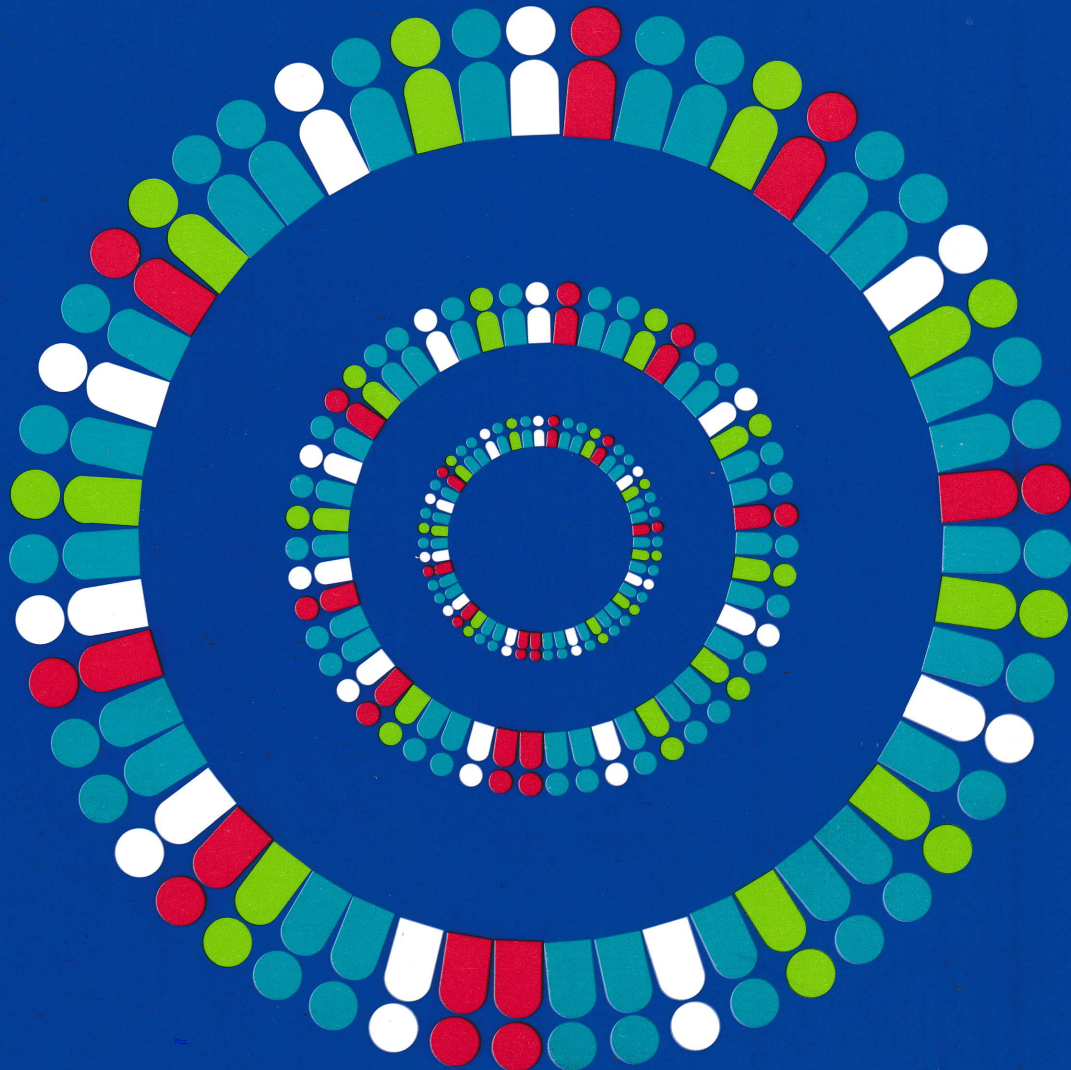


**MANAGEMENT AND
DEVELOPMENT FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNNE
30, 2019**



INDEPENDENT AUDITOR'S REPORT

To the Management Committee of Management and Development Foundation.

Opinion

We have audited the financial statements of **Management and Development Foundation**, which comprise the statement of financial position as at June 30, 2019 and statement of financial affairs, statement of cash flows for the year then ended, and notes to the financial statement including a summary of significant accounting policies.

In our opinion the accompanying financial statements presented fairly in all material respect, the statement of financial position of **Management and Development Foundation** as at June 30, statement of financial affairs, statement of cash flows for the year then ended and the notes to the financial statement in accordance with the accounting and reporting standards as applicable in Pakistan,

Basis for Opinion

We conducted our audit in accordance with 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 entity in accordance with 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.

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

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

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

Those charged with governance are responsible for overseeing the entity'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 entity's internal control.
- 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 entity'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 entity 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 the management committee 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.

The engagement partner on the audit resulting in this independent auditor's report is **Imran Iqbal**

The last year financial statements were audited by another firm of Chartered Accountants, Whose report dated 28 December 2018 expressed an unqualified opinion.

UHY Hassan Naeem & Co.

KARACHI


DATE: December 17, 2019

Management and Development Foundation (MDF)
Statement of Financial Position
As at 30 June 2019

	Note	30 June 2019 Rupees	30 June 2018 Rupees
Non-Current Assets			
Fixed assets - tangible	4	4,602,829	4,102,953
Current Assets			
Fund receivable	5	3,446,260	11,418,261
Other receivable	6	8,184,500	518,565
Cash and bank balance	7	5,613,245	4,901,306
		17,244,005	16,838,131
TOTAL ASSETS		21,846,834	20,941,084
REPRESENTED BY:			
Current Liabilities			
Accrued and Other Liabilities	8	15,512,879	6,466,751
Funds			
General funds	9	2,972,716	5,477,344
Restricted funds	9	3,361,239	8,996,988
		6,333,955	14,474,333
		21,846,834	20,941,084

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


Finance Secretary


President

Management and Development Foundation (MDF)

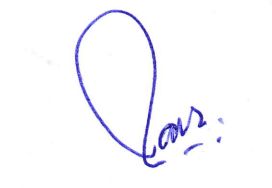
**Statement of Financial Affairs
For the Year Ended 30 June 2019**

	Note	30 June 2019 Rupees	30 June 2018 Rupees
Income			
Donation		60,341,854	64,207,847
Bank Profit		474,021	-
Contribution Income ^{at}		4,484,200	1,599,056
		65,300,075	65,806,903
Expenditure			
Staff Salaries		20,733,302	12,119,241
Local Travel		9,452,039	4,288,836
Communication		108,685	39,805
Office Rent and Utilities		1,865,018	897,819
Bank Charges		258,991	202,261
Community Trainings and Workshops		2,473,933	475,066
Printing and Publication		915,123	315,326
Office Supplies		624,771	334,936
Staff Trainings		87,208	14,580
Consultancy expense		873,000	-
Depriciation		1,112,674	823,360
Contribution Expenses		2,100,000	50,000
Certifications & Other Official Fees		173,500	165,424
Audit Fees		150,000	79,000
Other		18,400	243,510
Theater Expense		2,179,200	460,000
Staff Fringe Benefits		-	88,799
BHC Expenses		24,654,420	29,625,404
ILM Ambassador Mobilization cost		2,930,400	320,150
Plan International Survey Expenses		-	5,250,516
RTP Expenses		8,000	12,000
Statelife Expenses		256,828	3,273,679
Establishment of ECE Class Rooms		776,000	1,164,000
Establishment of Libraries		1,144,600	1,716,900
Installation of Solar Panels		544,360	816,540
		73,440,452	62,777,152
Surplus For The Year		(8,140,378)	3,029,751
Opening fund		14,474,333	11,444,582
Closing fund		6,333,955	14,474,333

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



Finance Secretary




President

Management and Development Foundation (MDF)
Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	30 June 2019 Rupees	30 June 2018 Rupees
Cash Flow From Operating Activities			
Surplus / (deficit) income over expenditures		(8,140,378)	3,029,751
Adjustments for:			
Depreciation		1,112,674	823,360
		(7,027,704)	3,853,111
(Increase) / decrease in current assets			
Fund receivable		7,972,000	3,450,883
Other receivable		(7,665,935)	(300,802)
Increase / (decrease) in current liabilities			
Accrued and Other Liabilities		9,046,128	(366,484)
		9,352,193	2,783,597
Net cash flows from operating activities		<u>2,324,489</u>	<u>6,636,708</u>
Cash Flows from Investing Activities			
Fixed capital expenditure		(1,612,550)	(1,916,605)
Net cash flows from investing activities		<u>(1,612,550)</u>	<u>(1,916,605)</u>
Net (decrease) / (increase) in cash and cash equivalents		711,939	4,720,103
Net cash and cash equivalents at the beginning of the year		4,901,306	181,203
Cash and Cash Equivalents at the End of the Year		<u>5,613,245</u>	<u>4,901,306</u>

The annexed notes 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, 2019

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, 2018	Addition/ (deletion)	As at June 30, 2019		As at July 1, 2018	Charge for the year	As at June 30, 2019	Written down value
Equipment	1,835,305	138,000	1,973,305	15%	596,631	206,501	803,132	1,170,173
Furniture, fixtures & fittings	3,438,824	394,300	3,833,124	15%	887,362	441,864	1,329,226	2,503,898
Computers and peripherals	958,605	1,080,250	2,038,855	33%	645,788	464,309	1,110,097	928,758
Total	6,232,734	1,612,550	7,845,284		2,129,781	1,112,674	3,242,455	4,602,829
2018	4,316,129	1,916,605	6,232,734		1,306,420	823,361	2,129,781	4,102,953

5 Fund Receivable

From Community Development Program	-	1,086,499
From PSPC	-	3,089,717
From Micro finance	-	9,195
From ASK Development	-	70,000
From SRP	-	30,535
From Statelife	-	435,000
From SEF	-	962,400
From SBBHC GoS	1,293,842	2,837,438
Accounts Receivable	2,152,418	2,897,477
	3,446,260	11,418,261

6 Other Receivable

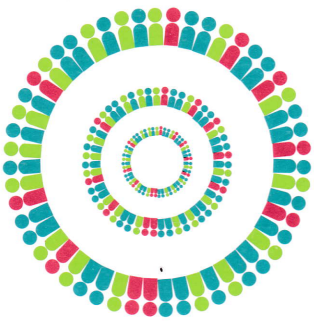
Others	486,717	98,309
Security deposits	7,697,783	420,256
	8,184,500	518,565

7 Cash and Bank Balance

Cash in hand	2,927	2,927
Cash at bank	5,610,318	4,898,379
	5,613,245	4,901,306

8 Accrued and Other Liabilities

Payable to PSPC Punjab	-	1,614,863
Payable to Childern Global Network	-	(421,520)
Payable to EWEE Aurat Foundation	-	7,520
Payable to CDP Dadu	-	1,472,654
Payable to Sindh Reading Program Phase-I	-	5,790
Payable to Sindh Reading Program Phase-II	-	487,140
Payable to British Council Badin	-	170,873
Payable to Micro Finance	-	1,202,520
Payable to AALTP SEF	-	407,348
Salary Payable	7,646,829	-
Account Payable	7,866,050	1,519,563
	15,512,879	6,466,751



OFFICES IN PAKISTAN

Karachi Office:

402 Progressive Centre,
30-A, Block-6 P.E.C.H.S,
Shahrah-e-Faisal, Karachi.
Phone +92 (21) 34322551-3

Lahore Office:

193-A, Shah Jamal,
Lahore - 54000.
Phone: +92 (42) 35403550-1, 35403588
Fax: +92 (42) 35403599
Email: info@uhy-hnco.com
Web: <http://www.uhy-hnco.com>

Islamabad Office:

West Lower Ground, Pak Plaza (19-A)
Fazl-e-Haq Road, Blue Area, Islamabad.
Phone: +92 (51) 2873431-3
Fax: +92 (51) 2261791

UHY INTERNATIONAL

UHY Hassan Naeem & Company is a member of Urbach Hacker Young International Limited, a UK company, and forms part of the international UHY network of legally independent accounting and consulting firms. UHY is the brand name for the UHY international network. The services described herein are provided by the Firm and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.