

RSM Avais Hyder Liaquat Nauman

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### Independent auditors' report to the Board of Trustees

We have audited the accompanying financial statements of Management and Development Foundation (MDF) which comprises of statement of financial affairs as at June 30, 2016, statement of financial activities, statement of changes in accumulated fund and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. 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 statement. 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-and fair presentation of the financial statement 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 Board of Trustee, as well as evaluating the overall presentation of the financial statement. 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, the financial statements presents fairly, in all material respects, the of statement of financial affairs of Management and Development Foundation (MDF) as at June 30, 2016 , statement of



financial activities for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

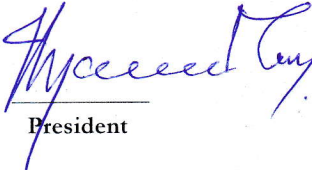
RSM Avais Hyder Liaquat Nauman  
Chartered Accountants  
Engagement Partner: Nauman Mahmood  
Date: August 9, 2016  
Place: Islamabad

**Management and Development Foundation (MDF)**  
**Balance Sheet**  
**As at 30 June 2016**

	Note	30 June 2016 Rupees	30 June 2015 Rupees
<b>Non-Current Assets</b>			
Fixed assets -tangible	4	1,607,400	791,623
<b>Current Assets</b>			
Fund receivable	5	9,862,361	20,788,662
Other receivable	6	410,056	592,034
Cash and bank balance	7	232,679	5,740,808
		<b>10,505,096</b>	<b>27,121,504</b>
<b>TOTAL ASSETS</b>		<b>12,112,496</b>	<b>27,913,127</b>
<b>REPRESENTED BY:</b>			
<b>Funds</b>			
General funds	8	204,487	3,232,184
Restricted funds	8	2,311,149	5,993,868
		<b>2,515,637</b>	<b>9,226,052</b>
<b>Current Liabilities</b>			
Accrued and Other Liabilities		9,596,859	18,687,075
		<b>12,112,496</b>	<b>27,913,127</b>

The annexed notes from 1 to 10 form an integral part of these financial statements.

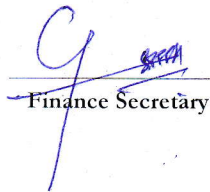
  
 Finance Secretary

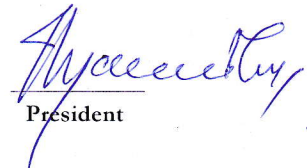
  
 President

**Management and Development Foundation (MDF)**  
**Income and Expenditure Account**  
**For the Year Ended 30 June 2016**

	Note	30 June 2016 Rupees	30 June 2015 Rupees
<b>Income</b>			
Donation	7	75,396,938	103,445,501
Contribution Receipts		327,202	-
		<b>75,724,141</b>	<b>103,445,501</b>
<b>Expenditure</b>			
Staff Salaries		15,105,084	13,413,351
Local Travel		4,004,150	6,084,555
Communication		175,982	355,064
Office Rent and Utilities		1,199,076	1,710,386
Bank Charges		393,542	222,597
Community Trainings and Workshops		4,451,624	2,877,630
Printing and Publication		2,531,252	7,013,293
Office Supplies		2,271,651	67,776
Staff Trainings		33,750	17,852
Consultancy expense		2,785,000	587,125
Construction expense		1,216,683	13,696,179
Depriciation		395,983	178,764
Contribution Expenses		-	-
Certifications & Other Official Fees		405,250	292,675
Audit Fees		80,000	65,200
Other		1,140,404	2,782
BHC Expenses		38,226,906	50,138,256
Microfinance Disbursements		5,010,000	460,000
Islamic Relief Pakistan Project Expenses		-	322,200
SPO Project Expenses		-	165,000
Equipment rentals/ Purchase of fixed assets		-	154,960
Sub-award cost		-	-
BBSYDP Expenses		100,000	-
NRSP Expenses		2,908,219	-
		82,434,556	97,825,645
Surplus For The Year		<b>(6,710,415)</b>	<b>5,619,856</b>
Opening fund		9,226,052	3,606,196
Closing fund		<b>2,515,637</b>	<b>9,226,052</b>

The annexed notes from 1 to 10 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 2016**

	Note	30 June 2016 Rupees	30 June 2015 Rupees
<b>Cash Flow From Operating Activities</b>			
Surplus / (deficit) income over expenditures		(6,710,415)	5,619,856
Adjustments for			
Depreciation		395,983	178,764
		(6,314,432)	5,798,620
(Increase) / decrease in current assets			
Fund receivable		10,926,301	(9,234,732)
Other receivable		181,978	(512,034)
Increase / (decrease) in current liabilities			
Accrued and Other Liabilities		(9,090,216)	1,079,689
		2,018,064	(8,667,076)
Net cash flows from operating activities		<b>(4,296,368)</b>	<b>(2,868,456)</b>
<b>Cash Flows from Investing Activities</b>			
Fixed capital expenditure		(1,211,760)	(276,025)
Net cash flows from investing activities		<b>(1,211,760)</b>	<b>(276,025)</b>
Net (decrease) / (increase) in cash and cash equivalents		(5,508,129)	(3,144,481)
Net cash and cash equivalents at the beginning of the year		5,740,808	8,885,290
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>232,679</b>	<b>5,740,809</b>

The annexed notes from 1 to 10 form an integral part of these financial statements.

  
 Finance Secretary

  
 President

4 Fixed Assets -tangible

Description	Cost			Rate	Accumulated Depreciation			Written down value
	As at July 1, 2015	Addition/ (deletion)	As at June 30, 2016		As at July 1, 2015	Charge for the year	As at June 30, 2016	
Equipment	396,975	237,900	634,875	15%	57,716	86,574	144,290	490,585
Furniture, fixtures & fittings	299,450	659,360	958,810	15%	53,456	135,803	189,259	769,551
Computers and peripherals	387,160	314,500	701,660	33%	180,790	173,606	354,396	347,264
<b>Total</b>	<b>1,083,585</b>	<b>1,211,760</b>	<b>2,295,345</b>		<b>291,962</b>	<b>395,983</b>	<b>687,945</b>	<b>1,607,400</b>
<b>2015</b>	<b>807,560</b>	<b>276,025</b>	<b>1,083,585</b>		<b>113,198</b>	<b>178,764</b>	<b>291,962</b>	<b>791,623</b>

**Management and Development Foundation (MDF)**  
**Notes To The Financial Statement**  
**For the Year Ended June 30, 2016**

**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			Written down value
	As at July 1, 2015	Addition/ (deletion)	As at June 30, 2016		As at July 1, 2015	Charge for the year	As at June 30, 2016	
	Equipment	396,975	237,900		634,875	15%	57,716	
Furniture, fixtures & fittings	299,450	659,360	958,810	15%	53,456	135,803	189,259	769,551
Computers and peripherals	387,160	314,500	701,660	33%	180,790	173,606	354,396	347,264
<b>Total</b>	<b>1,083,585</b>	<b>1,211,760</b>	<b>2,295,345</b>		<b>291,962</b>	<b>395,983</b>	<b>687,945</b>	<b>1,607,400</b>
2015	807,560	276,025	1,083,585		113,198	178,764	291,962	791,623

5 Fund Receivable

From Non-Formal Basic Education	-	9,504,000
From Community Development Program	2,049,930	2,049,930
From PSPC	3,038,817	1,916,382
From Micro finance	856,011	1,000,000
From BHC	3,477,534	6,318,350
From ASK Development	70,000	-
From SEF	270,000	-
Accounts Receivable	100,069	-
	<b>9,862,361</b>	<b>20,788,662</b>

6 Other Receivable

Others	-	422,628
Security deposits	410,056	169,406
	<b>410,056</b>	<b>592,034</b>

7 Cash and Bank Balance

Cash in hand	-	2,827
Cash at bank	232,679	5,737,981
	<b>232,679</b>	<b>5,740,808</b>

8 Fund Account

	IOM Shikarpur		IOM Kamber		IOM Ideas Basin		IOM Ideas Scale Up		CDP Unserkot		PSPC Punjab		British Council Basoir		CDP Basoir		NFRB		British Council Basoir, Dada & N.Feroz		Aurat Foundation Karachi		Sindh Reading Program Dada		USAID SCAFP Dada		Micro Finance		TOTAL RESTRICTED		GENERAL FUND		TOTAL FUND				
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016					
<b>Opening Fund</b>	242,851	(22,250)	(329)	3,715,275	1,211,579	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839				
<b>Income</b>																																					
Donation from donors				2,860,573																																	
Contribution Income				288,935	683,745																																
<b>Expenditure</b>																																					
Staff Salaries				238,020	66,667																																
Local Travel	185,000			107,560	103,532																																
Communication				8,000																																	
Office Rent and Utilities				39,280																																	
Bank Charges				12,370																																	
Community Trainings and Workshops				1,502,464																																	
Printing and Publication				2,060,000																																	
Office Supplies				9,390																																	
Staff Trainings				2,220,000																																	
Consultancy expense																																					
Construction expense	37,851				935,500																																
Depreciation																																					
Contribution Expenses																																					
Certifications & Other Official Fees																																					
Audit Fees																																					
Other				367,500																																	
BHC Expenses																																					
Microfinance Disbursements																																					
Islamic Relief Pakistan Project Expenses																																					
SPO Project Expenses																																					
Equipment rentals / Purchase (fixed as)																																					
Subsward cost																																					
BRSYDP Expenses																																					
NRSP Expenses																																					
<b>Surplus For The Year</b>	242,851	(22,250)	329	6,564,784	1,311,699	3,342,380	43,839	2,470,402	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839	802,902	43,839		
<b>Closing Fund</b>																																					

Aug 09, 2016

*Precedent*  
President

*[Signature]*  
President

9 Authorization  
These financial statements were authorized for issue on:

10 General  
Figures have been rounded off to the nearest rupee