

Awaz Foundation Pakistan-Centre for Development Services

Financial statements for the year ended
30 June 2009



KPMG Taseer Hadi & Co.
Chartered Accountants
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Auditors' Report to the Board of Directors

We have audited the annexed balance sheet of **Awaz Foundation Pakistan – Centre for Development Services ("the NGO")** as at 30 June 2009 and the related income and expenditure account, cash flow statement and statement of changes in fund together with the notes forming part thereof for the year then ended (here-in- after referred to as the financial statements for the year then ended).

It is the responsibility of the Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the NGO as at 30 June 2009 and of its deficit and cash flow for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Lahore:

06 OCT 2009

KPMG Taseer Hadi & Co
Chartered Accountants
(Kamran Iqbal Yousafi)

Awaz Foundation Pakistan: Centre For Development Services
Balance Sheet
As at 30 June 2009


	Note	2009 Rupees	2008 Rupees	Note	2009 Rupees	2008 Rupees
General fund	4	1,857,374	3,320,006			
Reserve fund	5	1,256,131	2,011,680	10	2,532,941	2,767,763
Capital grant	6	17,785	22,150	11	312,300	305,000
		<u>3,131,290</u>	<u>5,353,836</u>			
Non current liabilities						
Employees' security deposits		427,836	322,963			
Current liabilities						
Deferred income	7	336,041	-		244,729	168,556
Creditors, accrued and other liabilities	8	1,104,598	997,029		147,482	110,702
Contingencies and commitments	9	-	-		276,809	-
					<u>1,469,020</u>	<u>3,321,807</u>
					<u>2,155,324</u>	<u>3,601,065</u>
					<u>5,000,265</u>	<u>6,673,828</u>

	2009	2008
Current assets		
Grant receivable from PLAN Pakistan	-	168,556
Grant receivable from CNP	244,729	-
Advances - considered good	147,482	110,702
Other Receivable	276,809	-
Cash and bank balances	1,469,020	3,321,807
	<u>2,138,040</u>	<u>3,601,065</u>

The attached notes 1 to 18 form an integral part of these financial statements.

6/27/09


Chairperson


Chief Executive

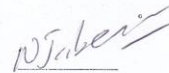
Lahore:

Awaz Foundation Pakistan: Centre For Development Services
 Income and Expenditure Account
 For the year ended 30 June 2009

	Note	2009 Rupees	2008 Rupees
Income			
Grants from:			
Oxfam NOVIB		11,701,383	9,246,515
GCAP Contribution (UNMC, CIVICUS & Oxfam Novib)		1,549,343	-
PLAN Pakistan		-	1,438,250
SAP PK		250,000	-
Heinrich Boll Foundation		326,000	950,687
Oxfam Great Britain		898	1,913,715
World Population Foundation		990,530	705,073
British Council		762,228	-
Miscellaneous grants		149,354	102,459
		15,729,736	14,356,699
Other income	15	905,839	171,290
		16,635,575	14,527,989
Expenditures			
Project expenses	16	(18,853,256)	(15,968,732)
Deficit for the year		(2,217,681)	(1,440,743)

The attached notes 1 to 18 form an integral part of these financial statements.

Lahore:


 Chairperson


 Chief Executive

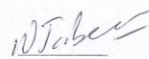
Awaz Foundation Pakistan: Centre For Development Services
Cash Flow Statement

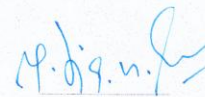
For the year ended 30 June 2009

	Note	2009 Rupees	2008 Rupees
Cash flow from operating activities			
Deficit for the year		(2,217,681)	(1,440,743)
Adjustment for non cash expenses and other items:			
Depreciation		450,305	508,721
Gain on sale of fixed assets		-	(54,633)
Bad debts expense		168,556	
Deferred income		(1,549,343)	
Depreciation of donated assets		4,365	5,850
Capital grants charged to income and expenditure		(4,365)	(5,850)
		(3,148,163)	(986,655)
(Increase)/decrease in working capital			
Increase in advances		(36,780)	84,896
Increase in grant receivable		(244,729)	(168,556)
Increase in creditors, accrued and other liabilities		107,569	825,031
Increase in other receivable		(276,609)	-
		(450,549)	741,371
Net cash used in operating activities		(3,598,712)	(245,284)
Cash flow from investing activities			
Fixed assets purchased		(219,848)	(125,720)
Proceeds from sale of fixed assets		-	260,000
Increase in long term security deposits		(7,000)	(305,000)
Net cash used in investing activities		(226,848)	(170,720)
Cash flow from financing activities			
Deferred income		1,885,384	-
Employees' security deposits		104,873	322,963
Net cash generated from financing activities		1,990,257	322,963
Net decrease in cash and cash equivalents		(1,835,303)	(93,041)
Cash and cash equivalents at the beginning of the year		3,321,807	3,414,848
Cash and cash equivalents at the end of the year	14	1,486,504	3,321,807

The attached notes 1 to 18 form an integral part of these financial statements.

Lahore:


Chairperson

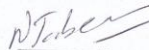

Chief Executive

Awaz Foundation Pakistan: Centre For Development Services
 Statement of Changes in Fund Balances
 For the year ended 30 June 2009

	General fund	Reserve fund	Capital grant	Total
Note	-----Rupees-----			
Balance as at 30 June 2007	5,760,984	1,011,445	28,000	6,800,429
Transferred to income and expenditure account	-	-	(5,850)	(5,850)
Transferred to vehicle reserve fund	(345,971)	345,971	-	-
Transferred to staff benefit reserve fund	(223,150)	223,150	-	-
Transferred to technical assistance revolving fund	(431,114)	431,114	-	-
Total transfer to reserve fund	(1,000,235)	1,000,235	-	-
Deficit for the year	(1,440,743)	-	-	(1,440,743)
Balance as at 30 June 2008	3,320,006	2,011,680	22,150	5,353,836
Transferred to income and expenditure account	-	-	(4,365)	(4,365)
Transferred from vehicle reserve fund	281,167	(281,167)	-	-
Transferred from staff benefit reserve fund	589,421	(589,421)	-	-
Transferred to technical assistance revolving fund	(115,039)	115,039	-	-
Total transfer from reserve fund	755,549	(755,549)	-	-
Deficit for the year	(2,217,681)	-	-	(2,217,681)
Balance as at 30 June 2009	<u>1,857,874</u>	<u>1,256,131</u>	<u>17,785</u>	<u>3,131,790</u>

The attached notes 1 to 12 form an integral part of these financial statements.

Lahore


 Chairperson


 Chief Executive

Awaz Foundation Pakistan: Centre For Development Services

Notes to the Financial Statements

For the year ended 30 June 2009

1 Legal status and nature of business

Awaz Foundation Pakistan - Centre for development services (the "NGO") was registered under Societies Registration Act, XXI of 1860 on the 26 December 2002 by the Registrar, Joint Stock Company, Multan vide Registration No. RM/123/S/2002. The registered office of the NGO is situated in Multan at House: 2440-N/ 8-A D Block, Shamsabad Colony, Multan. The main object of the NGO is to provide health and hygiene education, enhancing literacy and education empowering people, especially women and youth through group formation, training and networking. Facilitating mechanism that promote tolerance, democratic values and culture, social harmony and peace in the society.

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 Standard for Small Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

3 Significant accounting policies

3.1 Accounting convention

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

3.2 Accounting estimates

In these financial statements except for the cash flow statement, all the transactions have been accounted for on accrual basis. The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Useful life and residual values of fixed assets - note 3.3
- b) Provisions - note 3.6

3.3 Operating fixed assets

Fixed assets are stated at cost less accumulated depreciation and any identified impairment loss. Depreciation is charged to income and expenditure account on reducing balance method by applying rates as disclosed in note 10.

Depreciation on addition is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Gain/ loss on disposal of fixed assets is taken to income and expenditure account.

Maintenance and normal repairs are charged to income as and when incurred.

Donated assets

Donated assets are stated at fair value of the asset at the time of acquisition.

3.4 Revenue recognition

Grants related to income

Grants related to income are recognized on a systematic basis as income over the periods necessary to match them with related expenses incurred in accordance with terms of the respective project agreements.

Grants related to assets

Grants related to assets are recognized as deferred income under the head Capital grant. An amount equivalent to the depreciation for each year on such assets is credited to income and expenditure account in the same year in which the depreciation is charged. Amount equal to book value of assets relating to grant is also transferred to income and expenditure account in the same year in which asset is disposed off.

Bank profit and management fees

Profit on bank deposits and management fees are recognized on accrual basis.

Others

All other grants/donations are recognized when actually received/transferred to the Foundation.

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 comprise of cash in hand and bank balances.

3.6 Provisions

Provisions are recognized when the Foundation has a present obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.7 Accrued expenses and other liabilities

Accrued expenses and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.8 Creditors, accrued and other liabilities

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and/or services received, whether or not billed to the Foundation.

3.9 Allocation of common cost

Common cost are cost used by more than one activity and cannot be allocated to single project activity. Common costs are allocated to the activities on a basis consistent, to the extent possible, with the actual use of the resources by the activities from relevant project/ programs budgets.

3.10 Taxation

The income of the Foundation is exempt from levy of tax under clause (c) of sub-section 36 of section 2 of the Income Tax Ordinance, 2001. Accordingly, no provision for taxation has been made in the financial statements.

4 General fund

The General fund comprises of the accumulated surplus and deficit of donations and grants for which the donor has specified an intention to support a particular aspect of activities together with income accruing directly to those restricted funds. Surpluses are held until they are fully expended or returned at the end of the respective grant period.

5 Reserve fund

A reserve fund is made in which funds for specific purposes are transferred to/ from General fund. This fund comprises of:

	Reserve fund			
	Vehicle reserve fund	Staff benefit reserve fund	Technical assistance revolving fund	Total
Opening balance	951,322	614,144	446,214	2,011,680
Transferred (to)/ from general reserve	(281,167)	(589,421)	115,039	(755,549)
Closing balance	<u>670,155</u>	<u>24,723</u>	<u>561,253</u>	<u>1,256,131</u>

6 Capital grant

	2009 Rupees	2008 Rupees
Opening balance	22,150	28,000
Fixed assets purchased during the year		
Less: Amortization for the year	(1,365)	(5,850)
	<u>17,785</u>	<u>22,150</u>

This amount represents grants received from various donors in form of fixed assets.

	2009 Rupees	2008 Rupees
7 Deferred Income		
GCAP Contribution	1,885,384	
Income Recognized during the year	1,549,343	
	<u>336,041</u>	<u>-</u>

During the year the organization has received a donation from GCAP amounting Rs.1,885,384. Grant equal to expenditure is recognized as income during the period. Remaining amount is treated as deferred income.

	2009 Rupees	2008 Rupees
8 Creditors, accrued and other liabilities		
Accrued liabilities	-	155,405
Audit fee payable	150,000	150,000
Salaries payable	205,000	506,000
Security deposits	-	90,000
Bills Payable	10,333	51,622
Communication expense payable	7,612	13,200
Income tax payable	16,330	24,684
POE Bill Payable	22,019	
Medical Allowance Payable	675,044	
SAP Pk Pre budget seminar	12,500	
EOBI payable	5,760	6,118
	<u>1,104,598</u>	<u>997,029</u>

9 Contingencies and commitments

There were no significant contingencies and commitments at the balance sheet date (2008: Nil).

10 Fixed assets - at cost less accumulated depreciation

	Cost			Depreciation			Written down	
	As at 01 July 2008 Rupees	Additions Rupees	As at 30 June 2009 Rupees	Deletions Rupees	For the Year Rupees	Deletion Rupees	As at 30 June 2009 Rupees	value as at 30 June 2009 Rupees
<i>Owned</i>								
Furniture and fixtures	747,718	31,250	795,738	-	52,751	-	310,031	489,707
Office equipments	766,753	57,706	824,439	-	55,477	-	285,281	539,158
Computers and printers	664,225	62,165	726,400	-	73,922	-	529,831	196,569
Electric installation	301,028	48,027	349,055	-	22,119	-	137,795	211,270
Medical instruments	81,214	-	81,214	-	4,499	-	40,722	40,492
Shuttering	12,460	-	12,460	-	7,836	-	8,292	4,108
Leveling machine	23,500	-	23,500	-	683	-	17,349	6,151
Generator	180,000	-	180,000	-	13,122	-	61,902	118,098
Vehicles	2,390,372	-	2,390,372	-	227,376	-	1,481,269	909,103
	5,167,230	219,348	5,387,128	-	450,305	-	2,872,472	2,514,656
<i>Donated assets</i>								
Computers and accessories	20,000	-	20,000	-	3,150	-	12,650	7,350
Electric installation	15,000	-	15,000	-	1,215	-	4,065	10,935
	35,000	-	35,000	-	4,365	-	16,715	18,285
Total 2009	5,202,230	219,348	5,422,128	-	454,670	-	2,889,187	2,532,941
Total 2008	5,371,190	125,720	5,202,230	(294,530)	313,371	(89,263)	2,434,517	2,767,763

Depreciation charge for the year has been allocated as follows:

	2009 Rupees	2008 Rupees
Owned assets	450,305	636,264
Donated assets	4,365	7,000
	454,670	643,264

	2009 Rupees	2008 Rupees
11 Long term security deposits		
Display centre	300,000	300,000
POL security	12,000	5,000
	<u>312,000</u>	<u>305,000</u>

12 Advances - considered good		
Advances to employees		
Against salary	139,500	31,000
Against expenses	7,982	79,702
	<u>147,482</u>	<u>110,702</u>

13 Other receivable

This amount represents short term loans given by the company from technical assistance revolving fund.

	<i>Note</i>	2009 Rupees	2008 Rupees
14 Cash and bank balances			
Cash in hand		15,648	65,854
Cash at bank		1,470,856	3,255,953
		<u>1,486,504</u>	<u>3,321,807</u>

15 Other income

Bank profit		413,048	100,807
Gain on disposal of fixed assets		-	54,633
Membership fee		3,960	7,200
Transferred from capital grants	6	4,365	5,850
Vehicle rent income-VRE		194,356	-
Salary deduction-SBRF		165,471	-
Technical assistance from ICDEP & interest income-TARF		124,639	-
Others		-	2,800
		<u>905,839</u>	<u>171,290</u>

16 Project expenses

	ICDEP HO	ICDEP FO AP	ICDEP FO TA	ICDEP FO JP	YAC	LSBE	IPHP	EDU.M.G	GCAP	GNP	ACDS	TOTAL
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Staff salaries	4,592,918	627,496	670,955	434,824	80,000	435,120	-	-	-	330,000	-	7,171,313
Communication	164,160	22,231	22,087	10,100	6,845	25,603	-	-	-	25,068	-	326,784
Utility bills	215,132	19,217	21,493	17,230	5,000	25,465	-	-	50,690	-	-	303,537
Office rent	335,000	92,400	72,000	80,000	25,000	96,000	-	-	-	-	6,000	706,400
Administrative cost	550,012	59,950	36,004	33,991	1,378	31,565	-	-	64,176	-	-	778,576
Traveling and transportation	632,546	91,148	-	87,182	-	72,790	-	3,050	39,529	129,000	-	1,055,245
Vehicle repair & maintenance-VRF	-	-	-	-	-	-	-	-	-	-	-	475,523
Staff medical allowance & EOBI-SBRF	-	-	-	-	-	-	-	-	-	-	-	754,892
Technical assistance-TARF	100,000	-	-	-	-	-	-	-	-	-	-	109,600
Networking and linkages	159,787	58,373	9,690	12,600	-	35,771	-	-	501,757	116,374	273,213	1,147,765
Training and workshops	29,312	22,736	217,768	-	-	66,236	-	-	-	16,775	-	352,827
Establishment of YDC Offices	390,000	41,726	24,179	-	-	-	-	-	-	-	-	455,905
BOD and staff meetings	542,391	27,907	13,830	8,360	-	-	-	15,682	16,018	-	-	624,188
Forums and seminars	-	-	-	-	95,570	66,619	-	-	208,865	-	-	371,052
Printing & Publishing	634,825	-	-	-	-	-	-	-	-	-	-	634,825
SUTA Rates by PARCs	-	-	-	-	148,641	-	-	-	666,560	-	39,100	1,168,417
Advocacy Events	957,883	10,000	19,513	13,280	-	-	-	-	-	-	-	1,000,676
Volunteer Expenses	-	-	-	-	-	-	-	-	-	-	-	145,011
Community mobilization & Resource Centre	760,500	-	-	-	-	-	-	-	-	-	-	760,500
Audit Fee	150,000	-	-	-	-	-	-	-	-	-	-	150,000
Bank charges	7,458	2,763	5,194	1,410	480	4,103	-	966	1,750	-	-	71,110
Bad Debts	-	-	-	-	-	-	-	-	-	-	-	168,556
Depreciations	-	-	-	-	-	-	-	-	-	-	-	454,670
Total	10,201,924	1,056,147	1,112,713	698,977	362,914	859,272	-	19,698	1,549,343	762,228	2,230,040	18,853,256
Total 2008	7,972,897	973,968	1,505,293	-	1,549,830	597,067	1,043,791	2,158,140	-	-	167,746	15,968,732

Project name

ICDEP	Integrated community development & empowerment program
-HO	Head office, Multan
-FO AP	Field office, Ali pur
-FO TA	Field office, Taunsa
YAC	Youth awareness campaign for peace, democracy and human rights
LSBE	Life skill based education program
IPHP	Integrated primary healthcare program
EDU.M.G	Addressing gender disparities through education
ACDS	Awar centre for development services (Miscellaneous)
GCAP	Global Call to Action against Poverty
GXP	Global Exchange program

Reserve fund name

VRF	Vehicle reserve fund
SBRF	Staff benefit reserve fund
TARF	Technical assistance revolving fund

Supporting donors:

Oxfam NOVIB
Henrich Boll Foundation
World Population Foundation
PLAN Pakistan
Oxfam Great Britain
Self help basis
UNMCC, CIVICUS & Oxfam Novib
British Council

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17 **Date of authorization**


These financial statements were authorized for issue on 6-10-2009 by the board of directors.

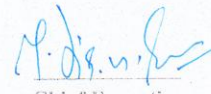
18 **General**

Figures have been rounded off to the nearest rupee.

18/10/09

Lahore:


Chairperson


Chief Executive