

**HUJRA-VILLAGE SUPPORT ORGANIZATION
(HUJRA-VSO)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**



Rafaqat Babar & Co
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of "HUJRA-Village Support Organization (HUJRA-VSO)" which comprise the Statement of Financial position as at December 31, 2013 and the statement of income and expenditure, statement of cash flows, statement of changes in fund for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) 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 fraud or error. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board; as amended and are notified by the Institute of Chartered Accountants of Pakistan through guidelines for "Accounting and Financial Reporting by Non Government/profit Organizations" as described in note 2 of these financial statements.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

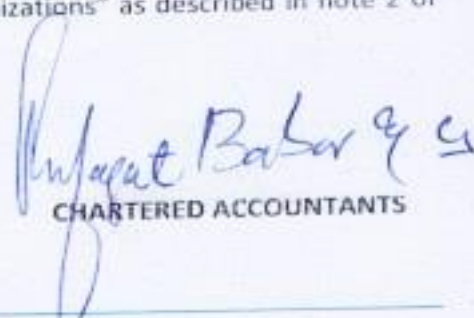
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditors' Opinion:

In our opinion, and to the best of information and according to the explanations given to us, the financial statements together with notes forming part thereof, present fairly the financial position of "HUJRA-Village Support Organization (HUJRA-VSO)" as of December 31, 2013 and of its financial performance, its cash flows and changes in fund for the year then ended in accordance with such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board; as amended and are notified by the Institute of Chartered Accountants of Pakistan through guidelines for "Accounting and Financial Reporting by Non Government/profit Organizations" as described in note 2 of these financial statements.

PESHAWAR

07 APR 2014


CHARTERED ACCOUNTANTS

**HUJRA VILLAGE SUPPORT ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	Notes	<u>2013</u> <u>(RUPEES)</u>	<u>2012</u> <u>(RUPEES)</u>
NON CURRENT ASSETS			
Property, plant and equipment	3	5,771,106	3,162,431
CURRENT ASSETS			
Grants receivables	4	9,581,920	2,061,358
Advances, deposits, prepayments & other receivables	5	1,069,100	1,555,350
Cash & bank balances	6	6,754,893	13,766,149
		17,405,913	17,382,857
TOTAL ASSETS		<u>23,177,019</u>	<u>20,545,288</u>
CURRENT LIABILITIES			
Accrued expenses & other liabilities	7	4,281,945	3,438,720
Securities & retention money payable		1,137,066	2,033,782
Grants payable	4	6,487,703	6,480,186
		11,906,714	11,952,688
NET ASSETS EMPLOYED		<u>11,270,305</u>	<u>8,592,600</u>
REPRESENTED BY:			
Accumulated surplus / (deficit) of resources		11,270,305	8,592,600
		<u>11,270,305</u>	<u>8,592,600</u>

(R/S)

The annexed notes form an integral part of these financial statements

SWAT


CHAIRMAN


EXECUTIVE DIRECTOR

**HUJRA VILLAGE SUPPORT ORGANIZATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2013**


	NOTES	<u>2013</u> <u>(RUPEES)</u>	<u>2012</u> <u>(RUPEES)</u>
INCOME			
Grants from donors	4	90,751,805	78,100,549
Donations & Other Income	8	7,265,508	6,566,691
<i>Total income</i>		<u>98,017,313</u>	<u>84,667,240</u>
EXPENDITURES			
Program costs	9	89,654,334	77,390,914
Administrative expenses	10	4,973,884	4,298,444
Depreciation on property, plant and equipments		711,390	343,134
<i>Total expenditures</i>		<u>95,339,608</u>	<u>82,032,492</u>
EXCESS OF INCOME OVER EXPENDITURES		<u>2,677,706</u>	<u>2,634,748</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the year			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>2,677,706</u></u>	<u><u>2,634,748</u></u>

The annexed notes form an integral part of these financial statements

SWAT



CHAIRMAN




EXECUTIVE DIRECTOR

**HUJRA VILLAGE SUPPORT ORGANIZATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 [RUPEES]	2012 [RUPEES]
CASH FLOW FROM OPERATING ACTIVITIES:		
Excess of income over expenditure	2,677,706	2,634,748
<i>Adjustments for non-cash items:</i>		
Depreciation on property, plant and equipment	711,390	343,134
Gain on disposal of fixed assets	-	(10,717)
Net surplus	<u>3,389,095</u>	<u>2,967,165</u>
(Increase)/decrease in current assets and current liabilities		
Advances, deposits, prepayments & other receivables	486,250	(1,218,150)
Grant receivables	(7,520,562)	11,526,158
Accrued expenses & other liabilities	843,225	6,528,227
Securities & retention money payable	(896,716)	2,033,782
Grants payable	7,517	(9,706,047)
	(7,080,286)	9,163,970
Net cash from operating activities	<u>(A) (3,691,191)</u>	<u>12,131,135</u>
NET CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant and equipments	(3,320,065)	(1,761,000)
Proceeds from sale of fixed assets	-	54,000
Net cash used in investing activities	<u>(B) (3,320,065)</u>	<u>(1,707,000)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash flow during the year	<u>(C) (7,011,256)</u>	<u>10,424,135</u>
Cash and cash equivalents at the beginning of the year	<u>(D) 13,766,149</u>	3,342,013
Cash and cash equivalents at the end of the year	<u>(A+B+C+D) 6,754,893</u>	<u>13,766,149</u>

SWAT


CHAIRMAN


EXECUTIVE DIRECTOR


**HUJRA VILLAGE SUPPORT ORGANIZATION
CONSOLIDATED STATEMENT OF CHANGES IN ACCUMULATED FUND
AS AT DECEMBER 31, 2013**

	<u>Accumulated surplus / deficit (RUPEES)</u>	<u>Total (RUPEES)</u>
Balance as on December 31, 2011	5,957,852	5,957,852
Total comprehensive income for the year	2,634,748	2,634,748
Balance as on December 31, 2012	<u>8,592,600</u>	<u>8,592,600</u>
Total comprehensive income for the year	2,677,706	2,677,706
Balance as on December 31, 2013	<u>11,270,305</u>	<u>11,270,305</u>

The accompanying notes form an integral parts of these financial statements.

SWAT


CHAIRMAN


EXECUTIVE DIRECTOR

**HUJRA VILLAGE SUPPORT ORGANIZATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

1. STATUS AND OPERATION:

HUJRA VILLAGE SUPPORT ORGANIZATION a non-profit non government organization, is registered under the Societies Act, 1860 and is having its registered office at Swat. Its program includes capacity building for undertaking socio-economic development, to enhance knowledge base through research, to advocate for betterment of environmental impact of development and to enable communities especially women for collective decision making regarding their sustainable and harmonious socio-economic development.

1.1 PROJECTS CARRIED OUT DURING THE YEAR

During the financial year 2013, HUIRA-VSO has carried out the following projects:

Enhancing food and nutrition security and rebuilding social cohesion.

The project was funded by World Food Programme. The aim of the project is to regulate the modalities of assistance to beneficiaries by providing training agroforestry and disaster risk reduction.

Strengthen Educational Facilities through Renovation/Reconstruction Phase II Dabkor

The project was funded by UNHCR. The aims of the project is to improve schools infrastructure in Mohmand Agency of FATA. The schools have been destroyed due to long militancy conflict in the area.

Increasing reliance reducing vulnerabilities and strengthening coping and disaster-pron communities of KPK province.

The project was funded by Maltesar International. The objective of the project is to decrease vulnerability to disasters through mitigation interventions and improved or diversified livelihood practices.

Strengthening Rule of Law in Malakand - UNDP

The project was funded by United Nations Development Programme. The aim of the project is to launch improving access to justice through streamling legal aid project in districts Buner and Swat of Malakand division.

Safeguarding Livelihoods of Flood Victims & IDPs (FD-28)

The project was funded by GIZ. The aims to meet the immediate wash needs of 1960 conflict and flood affected population of mostly residng in remote villages.

US-AID entrepreneurs Honey Value Chain

The project was funded by United States Agency for International Development (USIAD). The purpose of the project is to implement a Value Chain Development Project in Honey subsector that will increase incomes of 3,000 honey beekeepers predominantly women by 50% in Khyber Pakhtunkhwa.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of these financial statements. The effect of changes in accounting policies have been taken in the preparation of financial statements.

2.1 Accounting convention:

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board as are notified under Institute of Chartered Accountants of Pakistan guidelines for "Accounting and Financial Reporting by Non Profit Organizations" issued in 2009.

2.2 Property, plant and equipment:

These are stated at cost less accumulated depreciation. Depreciation is charged on straight line method considering the economic useful life of the assets. Full year depreciation is charged in the year of purchase and no depreciation in the disposal. Major renewals and improvements are capitalized. Gain or loss on disposal of fixed assets is recognized in current year's income.

For the purpose of recognition of grants and donations received, grants are divided into the following two categories.

2.3.1 Restricted grants/Specific purpose grants:

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by donors or which have been raised by the entity for particular purposes. Funds are initially recorded as current liability under unexpended projects funds and are recognized as revenue to the extent of expenditures incurred.

2.3.2 Unrestricted grants/General purpose grants:

Unrestricted funds are funds which are available for use at the discretion of the entity in furtherance of the general objectives and which have not been designated for other purposes. Revenue is recognized from grants when it is probable that the grants will be awarded.

2.3.3 Revenue from WFP

Revenue from WFP is recognized on distribution of food items to beneficiaries.

2.4 Foreign currency conversion:

The financial statements are presented in Pak rupees, which is the entity's functional and presentation currency. Transactions in other currencies are accounted for in Pak rupees at exchange rate ruling at the time of the transaction. Monetary assets and liabilities denominated in other currencies are translated into Pak rupees at the rate of exchange ruling on the balance sheet date. Exchange gains or losses are recognized in income and expenditures account.

2.5 Cash and cash equivalents:

Cash and cash equivalents are carried in the balance sheet at cost. The fair value of cash and cash equivalents approximate their carrying amount. For the purpose of cash flow statement, cash and cash equivalent comprises cash on hand and in bank.

3.3. PROPERTY, PLANT AND EQUIPMENTS

PARTICULARS	COST				RATE %	DEPRECIATION				WRITTEN DOWN VALUE AS AT 31-12-2013
	AS AT 01-01-2013	ADDITION	DELETION	AS AT 31-12-2013		AS AT 01-01-2013	ADJUSTMENT	FOR THE YEAR	AS AT 31-12-2013	
Furniture & fixture	482,836	64,815	-	547,651	10	87,854	-	45,980	133,834	413,817
Computers and accessories	990,425	36,750	-	1,027,175	20	395,776	-	126,280	522,056	505,119
Electric appliances	136,500	-	-	136,500	10	20,048	-	11,645	31,693	104,807
Office equipment	829,120	297,500	-	1,126,620	10	211,772	-	91,485	303,257	823,363
Vehicles	1,520,000	2,921,000	-	4,441,000	10	81,000	-	436,000	517,000	3,924,000
2013 (RUPEES)	3,958,881	3,320,065	-	7,278,946		796,450	-	711,390	1,507,840	5,771,106
2012 (RUPEES)	2,246,881	1,761,000	(49,000)	3,958,881		459,032	(5,717)	343,134	796,450	3,162,431

3.1 The following vehicles owned by Hojra are registered in the name of Executive Director.

Vehicle Registration number	Make	Model	Cost
UA-221	Toyota	XLI 2011	1,486,000
PSTGS 0876	Toyota	Prado 1996	920,000
PSTGS 1114	Toyota	Prado 1996	975,000
Swat 0007	Toyota	Fielder 2001	1,060,000
			<u>4,441,000</u>

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(All amounts in Rupees)

	Opening balance		Movements in resources during the year				Closing balance	
	As at January 01, 2013						As at December 31, 2013	
	Grants Receivable	Unutilized grants Payable	Incoming Resources	Paid Back to Donors	Used or revenue Recognized	Management Cost Recognized	Grants Receivable	Unutilized grants Payable
4. GRANTS FROM DONORS								
Strengthen educational facilities through renovation reconstruction-(RAHA-Project) Phase-II (Dabkor) UNHCR	-	-	6,150,427	-	6,421,281	-	270,854	-
Provision of clean water through improved Gravity Water Supply Schemes GWSS -GITZ	-	-	6,471,991	-	6,471,991	-	-	-
Strengthen educational facilities through renovation reconstruction-(RAHA-Project) Phase-I (Ekka (Grandy) UNHCR	-	6,357,165	166,486	1,242,248	4,548,945	-	-	732,458
Human Rights Fund HRF-III (TAF)	-	-	3,012,206	-	1,834,258	93,319	-	1,084,629
WASH-SDC	-	-	5,175,455	-	753,259	-	-	4,422,196
Cash For Work (CFW-DRR) WFP Kalam	-	-	16,426,689	-	15,757,397	977,943	308,651	-
Comments Research work	-	-	521,255	-	521,255	-	-	-
FAO-ITALY	1,823,108	-	1,823,108	-	-	-	-	-
USAID Value Chain	-	123,021	18,147,808	-	18,154,279	-	-	116,550
Citizens Awareness through high female turnout CYP-YAF	-	-	2,314,820	-	2,314,820	-	-	-
SDC Feasibility Study on DWSS in Tirat Madyan	-	-	350,000	-	350,000	-	-	-
Strengthening Rule of Law in Malakand Division SRUM-UNDP	-	-	3,996,000	-	4,421,227	-	425,227	-
Mahesar International - 2354-13	238,280	-	12,769,593	-	12,399,473	-	-	131,870
Food for Work (FTW - DRR) WFP FATA	-	-	9,402,686	-	16,803,620	1,176,253	8,577,187	-
	2,061,358	6,480,186	86,728,524	1,242,248	90,751,805	2,247,515	9,581,920	6,487,703

	2013 (RUPEES)	2012 (RUPEES)					
5. Advances, deposits, prepayments and other receivables							
Advances-considered good							
Staff salary	94,500	160,171					
Operational expenses	85,000	83,080					
Mobilization advance	-	803,200					
	179,500	1,046,451					
Deposits							
Security deposits to Fuel Pumps	310,000	120,000					
Post paid sums	37,000	17,000					
Office security	110,000	100,000					
	457,000	237,000					
Prepayments							
Office rent	432,600	232,190					
	432,600	232,190					
Other receivables							
Bank interest	-	39,709					
	-	39,709					
	1,069,100	1,555,350					
6. CASH AND BANK BALANCES							
Cash in hand	(6.1) 240,235	34,271					
Cash at bank	6,514,658	13,731,878					
	6,754,893	13,766,149					
(6.1) Hujra bank accounts							
PLS Accounts	6,355,699	3,289,973					
Current Accounts	158,959	10,441,905					
	6,514,658	13,731,878					
7. ACCRUED EXPENSES AND OTHER LIABILITIES							
	WFP FATA	WFP KALAM	RAHA Project	UNDP SRLM	Head Office-Swat	TOTAL 2013	TOTAL 2012
Salaries payable	3,352,083	245,000	-	-	-	3,597,083	-
Utilities	-	-	-	-	-	-	16,297
Vehicle rentals	100,000	-	-	-	-	100,000	-
Construction cost	-	-	244,862	-	-	244,862	3,271,050
Other Expenses	-	-	-	-	-	-	14,373
Lawyers Honoraria	-	-	-	240,000	-	240,000	-
Sense Maker Survey	-	-	-	100,000	-	100,000	-
Office rent	-	-	-	-	-	-	22,000
Audit remuneration	-	-	-	-	-	-	115,000
	3,452,083	245,000	244,862	340,000	-	4,281,945	3,438,720
8. DONATIONS & OTHER INCOME							
Donations					8.1	2,705,000	3,864,015
Bank profit						300,993	132,090
Vehicle Rent						2,000,000	250,000
Miscellaneous income					8.2	-	2,254,838
Other income						12,000	65,748
Management Cost						2,247,515	-
						7,265,508	6,566,691

8.1 Donations represents amounts collected from general public and contribution received from management for miscellaneous charitable and welfare activities and paying off head office running expenses.

8.2 Expenses incurred for WFP was recognised as income under the heading "grants from donors" while amount reimbursed from WFP was based on tonnage of food distributed. The excess amount was treated as miscellaneous income.

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9. PROGRAM COSTS

	Human Rights Fund-III	Mahtsar International 2554-13	Matkhand Rehabilitation Project - GIZ	Citizens Voice Project	Strengthening Rule of Law in Matkhand - UNDP	Strengthen Educational Facilities through Reconstruction Kohat, Buner, Mohmand Agency	Strengthen Educational Facilities through Renovation Reconstruction Phase II Dabkor	WASH - SDC	USAID ENT Value Chain	WFP- Kalam	WFP DATA	TOTAL 2013	TOTAL 2012
Salaries and wages	817,946	2,119,435	936,000	572,500	1,720,833	2,092,166	6,998,918	254,739	5,681,858	11,170,276	32,364,691	17,881,188	1,758,832
Casual Labour	158,290	6,916,925	4,767,076	614,427	541,375	2,994,669	215,826	4,526,916	6,694,687	28,980	25,900,273	26,910,829	226,698
Construction Cost	101,850				253,984				45,345		1,604,243	355,834	
Meeting & presentation					310,335				127,100		310,335	348,500	165,000
Seminars & Workshops					470,000						470,000		
Support to Legal Aid Desk													
Staff Insurance													
Scholarships													
Entertainment													
Trainings													
Vehicle rentals	362,910	472,424	21,520	144,578	461,693	423,500	3,191,540	100,000	1,441,750	2,333,402	7,800,845	4,278,802	5,835,082
Fuel charges		507,500	240,000	329,090		307,033	1,601,000		792,496	1,531,726	4,446,602	2,654,363	
Project office rent		240,139	180,075		60,000	122,760	283,800	45,000	300,000	407,263	1,295,823	849,600	
Warehouse rent		77,000											
Utilities	4,370	60,000			56,437	18,963	93,692	5,530	132,463	154,125	525,489	327,166	
Helpline	364,492	14,309											
Communication Charges		28,129	17,986	77,609	2,136	29,118	193,791	2,136	104,094	132,943	364,492	543,800	
Office supplies		30,720		21,510	95,832	95,832	110,221	346,500	141,607	578,770	778,660	521,764	
Equipments													
Security expenses													
Printing and stationery		18,820		25,600	46,570	261,040	225,356	7,000	63,310	109,269	495,925	380,660	
Traveling and transportation		47,800					133,435		11,385	41,467	495,127	6,102,181	
Truck rentals													
IEC Material Printing			33,600	202,300								236,000	
Hotel & accommodation charges												475,703	
Distribution kits & Water Testing												947,885	
Repair & maintenance		863,085					453,703		50,000			3,120	
Consultants fee		950,000			500,000		222,000					1,672,000	
Computers Procurement													
Furniture Procurement													
Electric Procurement													
Honey bee boxes													
Rest of furniture & equipment													
Farming kits													
Beneficiary bazaarium													
Distribution Expenses													
Generator fuel		626											
Postage & telegram		51,436		248,378		31,200	2,523		152,340	78,776	612,699	333,207	
Viability	24,600							750	1,850	2,900	7,925	16,278	
Bank charges		1,125											
Miscellaneous													
	1,834,758	13,309,473	6,471,991	2,281,692	4,421,227	4,548,945	18,154,279	750,259	15,787,397	16,610,532	89,054,334	77,390,914	

10. ADMINISTRATIVE EXPENSE

	<u>2013</u> <u>(RUPEES)</u>	<u>2012</u> <u>(RUPEES)</u>
Salaries and other benefits	2,081,728	797,153
Remuneration of Executive Director and Chairman	1,080,000	930,000
Printing and stationery expense	71,901	11,998
Advertisement & Publication	18,271	47,298
Travelling and transportation charges	133,805	69,654
Vehicle Fuel & Maintenance	41,414	33,801
Office Equipments	20,600	151,434
Meeting cost	-	37,823
Workshop & Exhibitions	7,360	-
Kitchen supplies	101,161	91,397
Office rent	535,552	679,767
Office supplies	140,855	112,610
Entertainment	7,049	15,720
Repair and maintenance	316,483	53,016
Utility bills	77,783	224,976
Postage & courier	65,319	1,736
Legal and professional	133,030	458,385
Miscellaneous	51,505	429,149
Food and meal expenses	16,560	15,980
Boarding & Lodging Expenses	63,305	119,208
Bank charges	10,203	17,339
	<u>4,973,884</u>	<u>4,298,444</u>

11. RELATED PARTY TRANSACTIONS

The organisation has related party transaction with key management personnel. There are no transaction with key management personnel other than under their terms of employment:

	<u>2013</u>		<u>2012</u>	
	<u>Executive Director</u>	<u>Chairman</u>	<u>Executive Director</u>	<u>Chairman</u>
Remuneration and other benefits	960,000	120,000	810,000	120,000
	<u>960,000</u>	<u>120,000</u>	<u>810,000</u>	<u>120,000</u>

12. GENERAL

- These figures have been rounded to the nearest rupee.
- Comparative figures are rearranged and regrouped whenever necessary for the purpose of comparison.

13. AUTHORIZATION OF FINANCIAL STATEMENT

- These financial statements have been approved by the Board of Directors on **07 APR 2014**


CHAIRMAN


EXECUTIVE DIRECTOR