

**HUJRA-VILLAGE SUPPORT ORGANIZATIO
(HUJRA-VSO)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**



Rafaqat Babar & Co
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of **HUJRA- Village Support Organization (HUJRA-VSO)**, which comprise of the statement of financial position as at December 31, 2016, and income and expenditure account, the statement of cash flows and statement of changes in accumulated fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, 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 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 approved accounting standards issued by International Accounting Standard Board as are notified under Institute of Chartered Accountants of Pakistan guidelines for "Accounting and Financial Reporting by Non-Profit Organization" issued in 2009. 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 auditors' 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness 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 reasonable basis for our audit opinion.


Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of **HUJRA-Village Support Organization (HUJRA-VSO)**, as at December 31, 2016, and its financial performance, its cash flows and changes in accumulated fund for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Other matter:

The financial statements of **HUJRA- Village Support Organization (HUJRA-VSO)** for the year ended December 31, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on April 21, 2016.

30 MAR 2017
PESHAWAR


CHARTERED ACCOUNTANTS
Engagement Partner: Shuja-Ul-Mulk, FCA

HUJRA VILLAGE SUPPORT ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	NOTES	2016 (RUPEES)	2015 (RUPEES)
NON CURRENT ASSETS			
Property and equipment	3	6,854,932	6,328,138
CURRENT ASSETS			
Grants receivables	4	20,453,952	24,663,129
Advances, deposits, prepayments & other receivables	5	3,984,031	2,794,881
Cash & bank balances	6	45,213,429	31,001,778
		69,651,412	58,459,788
TOTAL ASSETS		76,506,344	64,787,926
CURRENT LIABILITIES			
Accrued expenses & other liabilities	7	23,086,841	18,099,950
Securities & retention money payable		-	2,020,443
Deferred grant	4	27,113,965	24,232,618
		50,200,806	44,353,011
NET ASSETS EMPLOYED		26,305,538	20,434,915
REPRESENTED BY:			
Accumulated fund		26,305,538	20,434,915
		26,305,538	20,434,915

The annexed notes from 1 to 13 form an integral part of these financial statements

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SWAT

CHAIRMAN

EXECUTIVE DIRECTOR

HUJRA VILLAGE SUPPORT ORGANIZATION

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2016

	NOTES	Restricted Fund	Unrestricted Fund	2016 (RUPEES)	2015 (RUPEES)
INCOME					
Grants from donors	4	145,142,816	9,946,556	155,089,372	285,671,887
Donations & Other Income	8	-	8,208,121	8,208,121	11,166,177
<i>Total income</i>		<u>145,142,816</u>	<u>18,154,677</u>	<u>163,297,493</u>	<u>296,838,064</u>
EXPENDITURE					
Program costs	9	145,142,816	-	145,142,816	288,538,213
Administrative expenses	10	-	11,346,572	11,346,572	9,847,657
Depreciation on property and equipment	3	-	937,482	937,482	792,377
<i>Total expenditure</i>		<u>145,142,816</u>	<u>12,284,054</u>	<u>157,426,870</u>	<u>299,178,248</u>
SURPLUS / (DEFICIT) OF INCOME OVER EXPENDITURE		<u>-</u>	<u>5,870,623</u>	<u>5,870,623</u>	<u>(2,340,184)</u>
OTHER COMPREHENSIVE INCOME					
Other comprehensive income for the year					
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		<u>-</u>	<u>5,870,623</u>	<u>5,870,623</u>	<u>(2,340,184)</u>

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The annexed notes from 1 to 13 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, 2016

	NOTES	2016 [RUPEES]	2015 [RUPEES]
CASH FLOW FROM OPERATING ACTIVITIES:			
Surplus / (deficit) of income over expenditure		5,870,623	(2,340,184)
Adjustments for non-cash items:			
Depreciation on property and equipment	3	937,482	792,377
Accruals reversal		-	78,261
Gain on disposal of fixed assets		-	23,886
Net surplus / (deficit)		6,808,105	(1,445,660)
(Increase)/decrease in current assets			
Advances, deposits, prepayments & other receivables		(1,189,150)	(1,610,731)
Grant receivables		4,209,177	(4,560,925)
		3,020,027	(6,171,656)
Increase/(decrease) in current liabilities			
Accrued expenses & other liabilities		4,986,891	7,762,510
Securities & retention money payable		(2,020,443)	1,363,377
Deferred grant		2,881,347	19,356,676
		5,847,795	28,482,563
Net cash inflow from operating activities	(A)	15,675,927	20,865,247
NET CASH FLOW FROM INVESTING ACTIVITIES			
Addition in property and equipment		(1,464,276)	(327,192)
Proceeds from sale of fixed assets		-	8,000
Net cash used in investing activities	(B)	(1,464,276)	(319,192)
CASH FLOW FROM FINANCING ACTIVITIES			
Cash inflow during the year	(C)	14,211,651	20,546,056
Cash and cash equivalents at the beginning of the year	(D)	31,001,778	10,455,722
Cash and cash equivalents at the end of the year	(A+B+C+D)	45,213,429	31,001,778

The annexed notes from 1 to 13 form an integral part of these financial statements

SWAT

CHAIRMAN

EXECUTIVE DIRECTOR

HUJRA VILLAGE SUPPORT ORGANIZATION
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Accumulated Fund (RUPEES)</u>
Balance as on December 31, 2014	<u>22,775,099</u>
Total comprehensive loss for the year	(2,340,184)
Balance as on December 31, 2015	<u>20,434,915</u>
Total comprehensive income for the year	5,870,623
Balance as on December 31, 2016	<u>26,305,538</u>

The annexed notes from 1 to 13 form an integral part of these financial statements

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SWAT

CHAIRMAN

EXECUTIVE DIRECTOR

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 2016, HUIRA-VSO has carried out the following projects:

World Food Programme (WFP) Funded projects

The aims of the projects are to restore livelihood and reduce hunger to zero by providing food commodities to targeted number of families, providing financial assistance and other preventive measures like storage and transport of food for disaster risk management under the projects:

- Food For Work project*
- Earthquake Response Project*
- General Food Distribution Project*
- CBDRM livelihood project*
- Warehousing and transportation project*

SDC funded project

The project is funded by Swiss Agency for Development. The aim of the project is to improve the livelihood and resilience to Disasters through establishing Disaster management Committees and Capacity Building trainings in FATA.

TDEA funded projects

The aim of the project is to create awareness about the importance of local government by facilitating potential candidates in running of office in the Local government elections and to mobilize citizens, particularly women, to vote in the local government elections, Strengthening citizens voice for electoral reforms in order to enhance confidence of public regarding their political rights under the projects:

- Importance of Local Government CVP VI*
- Advocacy for Electoral Reforms CVP VIII*

UNHCR Schools Construction Project

The project was funded by UNHCR. The aims of the project is to improve the capacity and infrastructure of schools in Peshawar.

UNDP funded projects

The aims of the projects are to implement legal aid and access to justice by creating awareness in communities, building trust between police and public for facilitating the local communities and restoration of livelihood and community infrastructure under the following projects:

- Improving Access to justice by Streamlining legal Aid (SRLP)*
- Building Trust Between Police and local Government through Community Policing-CPP*
- Restoration of Livelihood and Community Infrastructure*

SLIC funded projects

The project is funded by State Life Insurance Corporation. The aim of the project is to distribute sehat suhulat cards to targeted areas of KPK and spreading awareness to avail health care facilities.

- Sehat suhulat Program*
- Sehat Insaf Program*

IRC funded project

The aim of the project is to create awareness about Environmental Health in Schools and Villages and taking effective measures for improving Environmental Health.

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 Basis of Preparation

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 and equipment:

2.2.1 Owned

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Major renewals and improvements are capitalized.

Disposal of asset is recognized when significant risks and rewards incidental to ownership have been transferred to the buyer. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in income and expenditure account.

2.2.2 Depreciation

Depreciation is charged to income and expenditure account applying reducing balance method, whereby the cost of an asset is written off over its estimated useful life. Full year depreciation is charged in the year of purchase and no depreciation in the year of disposal. The residual value, depreciation method and the useful lives of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

2.3 Accrued and Other Liabilities

Accrued & other liabilities are recognized at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.4 Provisions

Provisions are recognized when the entity has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.5 Taxation

The organization has been approved as a non-profit organization under section 2(36) of Income Tax Ordinance, 2001 by the Commissioner Inland Revenue as it is working as non-profit organization evaluated positively by Pakistan Centre for Philanthropy. The income of the organization is subject to 100% tax credit under section 100(C) of the Income Tax Ordinance, 2001.

2.6 Grant recognition:

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

2.6.1 Restricted Funds/Specific purpose grants:

Restricted funds are funds which are used in accordance with specific restrictions imposed by donors or which are raised by the entity for particular purposes. Funds received in advance are initially recorded as current liability and are recognized as revenue to the extent of expenditures incurred or milestone achieved or deliverables made. Income, related to funds received in arrears, are recognized in the period in which specific milestones are achieved or deliverables are made according to the terms of project.

2.6.2 Unrestricted Funds/General purpose grants:

Unrestricted funds are funds which are received as grants from executive members, general public or raised by the entity for the general purpose of the society. Revenue from unrestricted funds is recognized when received in cash or kind.

2.7 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.

2.8 Related Party Transactions

The entity enters into transaction with related parties on an arm's length basis.

2.9 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 in hand and cash at bank.

3. PROPERTY AND EQUIPMENT

PARTICULARS	COST				RATE %	DEPRECIATION				WRITTEN DOWN VALUE
	AS AT 01-01-2016	ADDITION	DELETION	AS AT 31-12-2016		AS AT 01-01-2016	FOR THE YEAR	ADJUSTMENT	AS AT 31-12-2016	
Furniture & fixture	739,851	483,476	-	1,223,327	10	248,978	97,435	-	346,413	876,914
Computers and accessories	1,486,737	939,800	-	2,426,537	20	844,131	316,481	-	1,160,612	1,265,925
Electric appliances	410,130	15,000	-	425,130	10	99,490	32,564	-	132,054	293,076
Office equipment	1,513,162	26,000	-	1,539,162	10	506,937	103,223	-	610,160	929,002
Vehicles	5,171,000	-	-	5,171,000	10	1,293,206	387,779	-	1,680,985	3,490,015
2016 (RUPEES)	9,320,880	1,464,276	-	10,785,156		2,992,742	937,482	-	3,930,224	6,854,932
2015 (RUPEES)	9,047,688	327,192	54,000	9,320,880		2,222,478	792,377	22,114	2,992,742	6,328,138

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Closing balance

As at December 31, 2016

Grants Receivable	A	Grants Payable	B	Incoming Resources	C	Paid Back to Donors	D	Revenue Recognized	E	Management Fee Recognized	F	Grants Receivable	G	Unutilized grants Payable	H
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Movements in resources during the year

As at January 01, 2016

Unutilized grants Payable	B	Revenue Recognized	E	Management Fee Recognized	F	Grants Receivable	G	Unutilized grants Payable	H
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GRANTS FROM DONORS

	A	B	C	D	E	F	G	H
Importance of Local Government- CVP Cycle VI	420,445	-	420,445	-	-	-	-	-
UNHCR Schools Construction (Peshawar)	4,229,924	2,750,818	8,976,373	468,312	11,258,879	-	-	-
Improving Access to Justice through Streamlining Legal Aid (SRLP)	297,810	-	26,331,844	-	22,101,920	-	-	-
Advocacy for Electoral Reforms-CVP VIII	14,494,382	-	5,742,426	-	5,444,616	-	-	-
Food for Work (FTW - DRR) FATA - WFP	2,024,945	-	17,585,747	-	2,889,125	202,240	-	-
Building Trust between Police and Local Community through Community Policing - CPP	1,769,430	-	6,325,065	-	4,257,909	297,726	-	-
Earthquake Response - WFP	-	7,500,000	-	7,121,603	378,397	-	-	-
Restoration of Livelihoods and Community Infrastructure (UNDP)	-	13,981,800	52,916,471	-	39,784,306	-	-	27,113,965
CBDRM/Livelihood Project in FATA (SDC)	1,426,193	-	4,966,836	-	3,540,663	-	-	-
Health Cards Distribution Project - Sehat Sahulat Program S.I.C	-	-	12,755,825	-	11,957,185	798,640	-	-
General Food Distribution GFD Bannu - WFP	-	-	8,314,282	-	13,498,745	944,912	6,129,375	-
CBDRM/Livelihood Project in FATA - WFP	-	-	9,144,061	-	12,905,346	681,273	4,440,558	-
Warehousing & Transportation Project in FATA - WFP	-	-	17,190,262	-	5,468,132	-	5,468,132	-
Health Cards Distribution Project - Sehat Insaaf Program S.I.C	-	-	-	-	21,606,149	-	4,415,887	-
Community Driven Environmental Health Program - IRC	-	-	-	-	-	-	-	-
TOTAL	24,663,129	24,232,618	172,694,602	7,589,915	155,089,372	2,924,791	20,453,952	27,113,965

4.1 Revenue amount includes Rs. 9,946,556 recognized as unrestricted revenue related to WFP projects

NOTES	2016 (RUPEES)	2015 (RUPEES)
5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances-considered good		
Staff salary	-	31,603
Operational Advances - Employees	83,221	271,799
Operational Advances - Field Offices	255,288	82,052
Operational Advances - NWA	-	18,000
	338,509	403,454
Deposits		
Security deposits to Fuel Pumps	270,000	270,000
Post paid sims	-	37,000
State Life Insurance Corporation	1,630,000	1,135,157
Office security	155,000	190,000
Security with Vehicles vendor	100,000	-
Other Deposits	208,660	-
	2,363,660	1,632,157
Prepayments		
Vehicle Insurance	7,123	-
Staff Insurance	298,062	-
Office Rent	91,177	-
	396,362	-
Other receivables		
Vehicle rent	247,500	300,000
Salaries from other projects	308,000	242,000
Office Rent from other projects	330,000	206,250
Rozan	-	11,020
	885,500	759,270
	3,984,031	2,794,881
6. CASH AND BANK BALANCES		
Cash in hand	54,500	85,841
Cash at bank	45,158,929	30,915,937
	45,213,429	31,001,778
6.1 Cash at bank		
PLS Accounts-PKR	45,151,517	9,973,109
Current Account-PKR	7,412	20,942,828
	45,158,929	30,915,937
7. ACCRUED EXPENSES AND OTHER LIABILITIES		
Salaries payable	12,538,451	9,300,639
Utilities	31,045	28,223
Vehicle Fuel & Maintenance	2,822,611	2,153,181
Other Expenses	2,046,796	1,035,740
Lawyers Honararia	223,200	248,000
DSA	242,000	220,000
Support to LAD	82,078	91,198
Tax Payable	32,753	-
Meetings and presentations	3,037,506	3,104,895
Printing & Stationery	1,038,384	943,985
Advertisement	248,400	276,000
Communication Charges	131,193	119,266
Staff Insurance	40,824	45,360
Office rent	421,600	356,000
Audit remuneration	150,000	120,000
Management fee	-	57,463
	23,086,841	18,099,950

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NOTES	2016 (RUPEES)	2015 (RUPEES)
8. DONATIONS & OTHER INCOME		
Donations	2,743,253	2,813,378
Bank profit	590,077	439,370
Vehicle Rent	1,950,000	1,941,557
Other income	-	648,400
Management fee	2,924,791	5,323,472
	8,208,121	11,166,177

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

9. PROGRAM COSTS

Salaries and wages	75,215,959	61,016,575
Periderm and honoraria	940,487	510,200
Construction Cost	24,499,209	7,650,645
Meeting & presentation	2,494,134	6,031,426
Staff Insurance	745,175	1,300,101
EOBI	141,560	-
Advertisement	521,838	2,174,391
Trainings	1,266,210	951,153
Travelling & Transportation	14,109,779	16,598,782
Project office rent	3,317,000	2,315,500
Utilities	448,636	857,608
Communication Charges	919,590	1,365,339
Office supplies	6,650,687	3,463,235
Security expenses	118,000	228,938
Printing and stationery	743,408	1,748,210
Distribution kits & Water Testing	4,455,450	173,720,650
Repair & maintenance	374,891	78,720
Legal and professional	3,796,274	931,273
POL	4,016,697	7,018,774
Bank charges	15,314	60,755
Miscellaneous	352,518	515,938
	145,142,816	288,538,213

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10. ADMINISTRATIVE EXPENSE

	2016 (RUPEES)	2015 (RUPEES)
Salaries and other benefits	6,010,534	5,665,564
Remuneration of Executive body members	1,560,000	1,440,000
Printing and stationery expense	31,535	83,052
Travelling and transportation charges	559,596	36,820
POL	141,937	184,446
Kitchen supplies	149,790	129,721
Office rent	1,456,439	793,750
Office supplies	80,214	70,387
Entertainment	31,966	32,360
Repair and maintenance	335,450	229,022
Utility bills	100,557	179,051
Legal and professional	333,002	490,380
Miscellaneous	11,699	26,455
Boarding & Lodging Expenses	6,100	8,960
Communication charges	243,577	210,417
EOBI	21,425	-
Vehicle Insurance	80,277	-
Bank charges	42,474	27,272
Audit fee	150,000	240,000
	11,346,572	9,847,657

11. RELATED PARTY TRANSACTIONS

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

	2016		2015	
	Executive Director	Chairman	Executive Director	Chairman
Remuneration and other benefits	1,440,000	120,000	1,320,000	120,000
	1,440,000	120,000	1,320,000	120,000

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 Executive council on

30 MAR 2017.

SWAT

CHAIRMAN

EXECUTIVE DIRECTOR