

**FAST RURAL DEVELOPMENT PROGRAM (FRDP)
AUDIT FOR THE YEAR ENDED JUNE 30, 2016**



RSM Avais Hyder Liaquat Nauman

Flat # 6, 1st Floor, Rafay Arcade
Ashiana Chowk, Alahabad
Westridge-III, Rawalpindi, Pakistan

T: +92 (51) 519 3135

rawalpindi@rsmpakistan.pk
www.rsmpakistan.pk

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

We have audited the accompanying financial statements of **FAST RURAL DEVELOPMENT PROGRAM**, which comprise of the Statement of Financial Position as at June 30, 2016, and the Combined Statement of Comprehensive Income and Accumulated Surplus, Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 the Management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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 statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 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 policies used and the reasonableness of accounting estimates made by Trustees 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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Other Offices at:
Lahore : 92 (42) 35872731-3
Karachi : 92 (21) 3565 5975-6
Faisalabad : 92 (41) 854 1165/854 1965
Islamabad : 92 (51) 211 4096-8
Quetta : 92 (81) 782 9809
Peshawar : 92 (91) 527 8310/527 7205
Kabul : 93 (799) 058155

RSM Avais Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not a separate legal entity in any jurisdiction.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **FAST RURAL DEVELOPMENT PROGRAM**, as at June 30, 2016 and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Rsm Avasi Hyder Liaquat Nauman

**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS**

ENGAGEMENT PARTNER: SYED NAVEED ABBAS

Date: *April 14, 2017*

Place: Islamabad

**FAST RURAL DEVELOPMENT PROGRAM
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016**

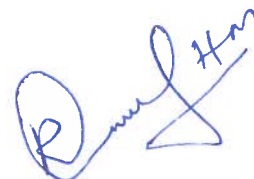
	<u>Notes</u>	<u>Amounts in PKR</u>	
		<u>2016</u>	<u>2015</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4	473,825	457,026
Intangible assets	5	203,287	306,930
		677,112	763,956
CURRENT ASSETS			
Advances deposit and other receivables	6	1,177,990	100,244
Cash and bank balances	7	4,588,328	27,088
		5,766,318	127,332
TOTAL ASSETS		6,443,430	891,288
FUND AND LIABILITIES			
FUNDS			
Accumulated surplus		5,380,588	356,056
CURRENT LIABILITIES			
Accrued and other payable	8	956,332	535,232
Restricted grant	9	106,510	-
		1,062,842	535,232
TOTAL FUND AND LIABILITIES		6,443,430	891,288
Contingencies and commitments	10	-	-

Ern

The annexed notes from 1 to 15 form an integral part of these financial statements.



CHAIRMAN



TREASURER

FAST RURAL DEVELOPMENT PROGRAM
COMBINED STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Notes</u>	<u>Amounts in PKR</u>	
		<u>2016</u>	<u>2015</u>
INCOME			
Restricted grants	9	6,116,466	8,056,035
Unrestricted grants	11	5,587,500	-
Donations		-	961,206
Other income		12,106	254,710
		11,716,072	9,271,951
 EXPENDITURE			
Program activity cost	12	6,165,966	8,622,416
Operating and administrative expenses	13	525,574	1,198,664
		6,691,540	9,821,080
Surplus/(deficit) for the year		5,024,532	(549,129)
Accumulated Surplus b/d		356,056	905,185
Accumulated Surplus c/d		5,380,588	356,056

Rm

The annexed notes from 1 to 15 form an integral part of these financial statements.


CHAIRMAN


TRESURER

**FAST RURAL DEVELOPMENT PROGRAM
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

	2016 (Rupees)	2015 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus / (defecit) for the year	5,024,532	(549,129)
Depreciation	105,701	98,547
Amortization	103,643	103,643
Cashflow Before Working Capital Changes	<u>5,233,876</u>	<u>(346,939)</u>
Changes in Working Capital		
(Increase) / Decrease in Current Assets:		
Advances deposit and other receivables	(1,077,746)	175,747
	<u>(1,077,746)</u>	<u>175,747</u>
Increase / (Decrease) in Current Liabilities:		
Accrued and other payable	421,100	(350,849)
Restricted grant	106,510	(3,801,092)
Net Cashflow After Working Capital Changes	<u>4,683,740</u>	<u>(4,323,133)</u>
Cash used in Operating Activities	<u>4,683,740</u>	<u>(4,323,133)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in Fixed Assets	(122,500)	-
Net cash used in Investing Activities	<u>(122,500)</u>	<u>-</u>
Net (Decrease) / Increase in Cash and Cash Equivalents	4,561,240	(4,323,133)
Cash and Cash Equivalents at the Beginning of the Year	27,088	4,350,221
Cash and Cash Equivalents at the End of the Year	<u>4,588,328</u>	<u>27,088</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.


CHAIRMAN


TRESURER

FAST RURAL DEVELOPMENT PROGRAM
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2016

1 BACKGROUND AND OPERATIONS

Fast Rural Development Program (FRDP) is a society and registered under the Societies Registration Act XXI of 1860 on August 07, 2007 as an indigenous, non-profit, association. FRDP envisions to realize individuals, groups, institutions and media to ensure their financial moral, support for the improvement of education, health, human rights, child rights and capacity building. The head office of FRDP is situated at Hyderabad, Sindh.

During the year, main project executed by the society are as below:

(i) Feed our World project funded by Penny Appeal, Pakistan

(ii) Prvision of clean drinking water for deserving communities in Pakistan funded by Lahaute Foundation inc.

(iii) Middle and High School project funded by Sindh Education Foundation

(iv) Tearfund / Shifting the power funded by Tearfund

(v) Citizen Voice Project funded by Trust for Democratic Education and Accountability

(vi) Capacity building of Partner's organization funded by Oxfam Novib

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Accounting standards for not for profit organization, and Revised Accounting and Financial Reporting Standards for small-sized entities as applicable in Pakistan

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

These financial statements have been prepared under historical cost convention.

3.2 Property and equipment

All items of Property and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to income for the year using the reducing balance method at rates specified in note 4. Depreciation is charged on additions during the year from the month of purchase.

The carrying values of Property and Equipment are reviewed for impairment when events or changes in circumstances indicate that carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to recoverable amount.

All repairs and maintenance are charged to income for the year in which they are incurred. Gains and losses on disposal of Property and Equipment are charged to income for the year.

3.3 Intangible assets

This represent cost of accounting software purchased and of web designing and stated at written down value. The cost would be amortized over a period of five years on straight line method

3.4 Grant recognition

3.4.1 Un-restricted grant

Grant received for non-specific purposes are recognized at the time of receipt, i.e. when received as cash or deposited in the bank account or at the time when there is a reasonable assurance that it will be received. grants received in kind are recorded at their prevailing fair values.

Rm

3.4.2 Restricted grant

Grant received for specific purposes are initially recognized as liability at the time of receipt. Subsequently the amount expensed on intended purposes is recognized as income upto the extent of expenditure incurred thereon.

Utilization of grant is restricted to activities as described in the agreement with the donors.

3.5 Taxation

Income of society is grant against which 100% tax credit u/s 100C of Income Tax Ordinance 2001 is available

	Note	Amounts in PKR	
		2016	2015
4 Property and equipment	4.1	473,825	457,026
		<u>473,825</u>	<u>457,026</u>

4.1- Property, plant and equipment								
Particulars	C O S T			Rate %	D E P R E C I A T I O N			W.D.V.
	As at 1-Jul-15	Additions/ (Deletions)	As at 30-Jun-16		As at 1-Jul-15	For the year	As at 30-Jun-16	As at 30-Jun-16
Furniture and fixture	383,660		383,660	15	177,906	31,488	209,394	174,266
Air conditioners	77,496	-	77,496	15	42,388	5,266	47,654	29,842
Computer and accessories	263,300	50,000	313,300	30	192,321	36,294	228,615	84,685
Office equipment	251,693	72,500	324,193	15	106,508	32,653	139,161	185,032
Rupees 2016	976,149	122,500	1,098,649		519,123	105,701	624,824	473,825
Particulars	C O S T			Rate %	D E P R E C I A T I O N			W.D.V.
	As at 1-Jul-14	Additions/ (Deletions)	As at 30-Jun-15		As at 1-Jul-14	For the year	As at 30-Jun-15	As at 30-Jun-15
Furniture and fixture	383,660	-	383,660	15	141,596	36,310	177,906	205,754
Air conditioners	77,496	-	77,496	15	36,192	6,196	42,388	35,108
Computer and accessories	263,300	-	263,300	30	161,901	30,420	192,321	70,979
Office equipment	251,693	-	251,693	15	80,887	25,621	106,508	145,185
Rupees 2015	976,149	-	976,149		420,576	98,547	519,123	457,026

5 Intangible assets

2016

Cost	518,216
Less: Accumulated depreciation as at June 30, 2015	(211,286)
Net book value as at June 30, 2015	306,930
Amortization charged during the year	(103,643)
Net book value as at June 30, 2015	<u>203,287</u>

Rm

		<u>Amounts in PKR</u>	
		<u>2016</u>	<u>2015</u>
6	Advances, deposits and other receivables		
	Advances to staff	-	244
	Receivable from Pennyappeal	1,137,367	-
	Account receivable	40,623	-
	Security deposit	-	100,000
		<u>1,177,990</u>	<u>100,244</u>
7	Cash and bank balances		
	Cash in hand	183	26,403
	Cash at bank	4,588,145	684
		<u>4,588,328</u>	<u>27,087</u>
8	Accrued and other payable		
	Accounts payable	351,935	160,232
	Salaries payable	187,060	195,000
	Audit fee payable	205,000	130,000
	Loan from executive director	50,000	50,000
	Withholding tax payable	160,337	-
	EOBI payable	2,000	-
		<u>956,332</u>	<u>535,232</u>

9 Restricted grant						
Particulars	Note	As at 01 July, 2015	Received/ Receivable during the year	Recognized during the year	Amortized during the year	As at June 30, 2016
Rupees						
Funds received from:						
USAID - CVP (Asia Foundation)	9.1	-	1,103,605	1,103,605	(1,103,605)	-
Lahaute Foundation Inc	9.2	-	1,883,137	1,883,137	(1,776,627)	106,510
Penny Appeal Pakistan	9.3	-	2,088,142	2,088,142	(2,088,142)	-
Oxfam	9.4	-	1,148,092	1,148,092	(1,148,092)	-
Rupees 2016		<u>-</u>	<u>6,222,976</u>	<u>6,222,976</u>	<u>(6,116,466)</u>	<u>106,510</u>
Particulars	Note	As at 01 July, 2014	Received/ Receivable during the year	Recognized during the year	Amortized during the year	As at June 30, 2015
Rupees						
Funds received from:						
USAID - CVP (Asia Foundation)	9.1	-	256,493	256,493	(256,493)	-
CONCERN PROJECT	9.5	1,510,456	1,636,779	3,147,235	(3,147,235)	-
Oxfam - HCP - I	9.6	447,832	-	447,832	(447,832)	-
Oxfam - HCP - II	9.7	568,401	-	568,401	(568,401)	-
Oxfam - HCP - III	9.8	1,274,403	451,671	1,726,074	(1,726,074)	-
UNICEF		-	1,910,000	1,910,000	(1,910,000)	-
Rupees 2015		<u>3,801,092</u>	<u>4,254,943</u>	<u>8,056,035</u>	<u>(8,056,035)</u>	<u>-</u>
Represent funds for :						
9.1	Strategic efforts to facilitate the free fair and peaceful elections in District Jamshoro.					
9.2	Provision of Clean Drinking Water for Deserving Communities in Pakistan					
	Distribution of ramadan food					
9.3	packets in deserving families					
9.4	various aspects to community.					
9.5	Development of water supply, sanitation facilities flood effectees of UC Nawara district Jaccobabad.					
9.6	Humanitarian capacity building on various aspects to community.					
9.7	Providing immediate water and sanitation (WASH) integrated with health hygiene services					
9.8	Diversified rural livelihood support to home based workers					

Rm

10	Contingencies and commitments			
	There were no contingencies and commitments at the year end (2015: Nil)			
11	Unrestricted grant		Amounts in PKR	
	Grant from Sindh Education Foundation		2016	2015
	Grant from Tearfunds		4,587,500	-
			1,000,000	-
			<u>5,587,500</u>	<u>-</u>
12	Program activity expenses			
	Feed Our World Program Project	12.1	2,095,042	-
	Provision of Clean Drinking Water for Deserving Communities in Pakistan	12.2	1,776,627	-
	SEF Middle & High School Project	12.3	315,454	-
	Tearfund/Shifting the Power	12.4	144,963	-
	Citizens' Voice Project	12.5	660,972	632,083
	OXFAM PROJECT	12.6	1,172,908	-
	Concern Project	12.7	-	3,149,335
	Oxfam Project-I	12.8	-	1,009,220
	Unicef Project	12.9	-	2,059,722
	Oxfam Project-III	12.10	-	1,772,056
			<u>6,165,966</u>	<u>8,622,416</u>
12.1	Feed Our World Program Project			
	Salaries and benefits		63,000	-
	Ramadan Food Packs		1,892,142	-
	Vehicle rent		60,000	-
	Fuel for rented vehicles		27,900	-
	Transportation charges		52,000	-
			<u>2,095,042</u>	<u>-</u>
12.2	Provision of Clean Drinking Water for Deserving Communities in Pakistan			
	Salaries and benefits		270,000	-
	Local Traditional Thach Roof with Wooden Phata Bench		269,000	-
	Vehicle rent		215,000	-
	Fuel for rented vehicle		75,180	-
	Office rent		45,000	-
	Utilities and communication		30,000	-
	Hand Dug Well		10,000	-
	Water Testing charges		18,000	-
	Overhead Cost for Unforeseen Expenses		42,500	-
	Brick Lined		800,000	-
	Bank charges		1,947	-
			<u>1,776,627</u>	<u>-</u>

Pran

12.3	SEF Middle & High School Project		
	Building of School	305,000	-
	Bank charges	10,454	-
		<u>315,454</u>	<u>-</u>
		Amounts in PKR	
12.4	Tearfund/Shifting the Power	2016	2015
	Training expense	144,963	-
		<u>144,963</u>	<u>-</u>
12.5	Citizens' Voice Project		
	Salaries and benefits	152,000	310,000
	Establishment of stalls	9,055	31,040
	Debate competition and signature campaign	-	15,800
	Citizen Assembly	58,540	20,114
	Orientation Session	-	53,129
	Training of 40 young leaders	-	43,999
	Development of IEC material	-	79,900
	Interactive Conference	60,353	400
	Media event	31,360	-
	Walk and Rallies	7,150	-
	Public Forum	74,935	-
	Radio Messages	100,000	-
	Vehicle Rental & Fuel	131,320	20,000
	Stationary charges	23,794	-
	Communication	3,260	21,340
	Office supplies	6,555	16,361
	Office rent	2,650	20,000
		<u>660,972</u>	<u>632,083</u>
12.6	OXFAM PROJECT		
	Salaries expense	180,000	-
	Project Orientation Workshop	95,580	-
	Training workshop	541,656	-
	ICE Material	53,120	-
	Car for Official Visits with Fuel	260,500	-
	Communication	17,500	-
	Stationary	20,000	-
	Bank Charges	4,552	-
		<u>1,172,908</u>	<u>-</u>
12.7	CONCERN PROJECT		
	Salaries and benefits	-	194,000
	Travelling and conveyance	-	130,109
	Communication, utilities and office supplies	-	76,271
	Office rent	-	15,000
	Rehabilitation of Latrine	-	2,251,655
	Rehabilitation of Pipelinked Raised Hand pumps	-	398,574
	Visibility material	-	4,490

Bruce

Bank charges	-	156
Heavy Duty Generator with Fuel	-	9,080
Pre & Post KAP Survey	-	70,000
	-	<u>3,149,335</u>

Amounts in PKR

	<u>2016</u>	<u>2015</u>
12.8 OXFAM PROJECT-I		
Salaries and benefits	-	784,224
HAP Training	-	224,996
FRDPPolicies Review		
	-	<u>1,009,220</u>

12.9 UNICEF		
Salaries and benefits	-	675,000
Launching BCC campaign	-	281,971
Construction of Latrine	-	240,000
Organize 8 UC Level Rallies	-	48,000
Rehabilitation of Hand pumps	-	32,000
Rehabilitation of Wash Facilities	-	161,000
Training for S.O and CRP	-	22,756
Training/Refresher for VSCs	-	10,165
Travel expense	-	19,900
Visibility/Signs Board	-	81,170
Vehicle rent and fuel cost	-	227,314
Communication and utilities	-	75,000
Office Rent	-	120,000
Office supplies and consumables	-	23,980
Stationery and photocopy	-	31,644
Bank charges	-	9,822
	-	<u>2,059,722</u>

12.10 OXFAM PROJECT-III		
Salaries and benefits	-	360,000
Travelling and conveyance	-	200,000
Communication and utilities	-	26,758
Office supplies	-	25,360
Office rent	-	56,000
Orientation workshop and seminars	-	91,581
Advocacy workshop	-	143,455
Enterprise development and marketing training	-	380,867
End line evolution of project	-	80,000
Exhibition UC level	-	285,524
Exposure Visit	-	120,234

RSM

Bank charges	-	2,277
	-	<u>1,772,056</u>

13	Operating and administrative expenses	Amounts in PKR	
		2016	2015
	Salaries and benefits	-	356,180
	Communication and utilities	-	18,505
	Office supplies	-	32,952
	Rent expense	241,000	149,000
	Audit fee	75,000	30,000
	Bank charges	230	12,927
	Travelling expense	-	132,000
	Organizational development	-	245,000
	Amortization	103,643	103,643
	Depreciation	105,701	98,547
	Miscellaneous expense	-	19,910
		<u>525,574</u>	<u>1,198,664</u>

14 **GENERAL**

Figures have been rounded off to nearest Pak Rupee.

15 **DATE OF AUTHORISATION**

These Financial Statements have been approved by the Management Committee on April 13, 2017

Am



PRESIDENT



TRESURER