

**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION  
(SSDO)**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED**

**JUNE 30, 2018**



**MUACO**

M. Usman Akram & Co.  
Chartered Accountants

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## **Independent Auditor's Report to the Board Members**

### **Opinion**

We have audited the financial statements of Sustainable Social Development Organization (“SSDO”), which comprises the statement of financial position as at June 30, 2018, the statement of income and expenditure and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sustainable Social Development Organization (“SSDO”) as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

### **Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board Members in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, Board Members are responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
Muhammad Usman Akram & Co.  
Chartered Accountants  
Islamabad.



Date: October 08<sup>th</sup>, 2018

Engagement Partner: Muhammad Usman Akram

**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)**

**STATEMENT OF FINANCIAL POSITION**

**AS AT JUNE 30, 2018**

	NOTE	<u>2018</u>	<u>2017</u>
		Rupees	
<b>Non - Current Assets</b>			
Property and equipment	5	394,948	92,780
<b>Current Assets</b>			
Advances, deposits and receivables	6	1,272,338	40,553
Cash and bank	7	119,582	48,470
		<u>1,391,920</u>	<u>89,023</u>
<b>TOTAL ASSETS</b>		<u>1,786,868</u>	<u>181,802</u>
<b>Current Liabilities</b>			
Accrued and other liabilities	8	2,262,644	402,979
<b>TOTAL LIABILITIES</b>		<u>2,262,644</u>	<u>402,979</u>
<b>NET ASSETS</b>		<u>(475,776)</u>	<u>(221,177)</u>
<b>REPRESENTED BY</b>			
General fund	9	<u>(475,776)</u>	<u>(221,177)</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-	-

*The annexed notes 1 to 16 form an integral part of these financial statements.*

  
Executive Director

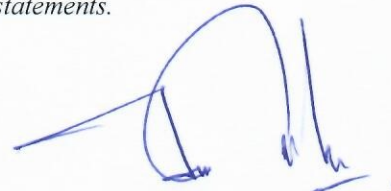
  
Finance Secretary

**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	NOTE	2018	2017
		Rupees	
<b>INCOME</b>			
Grants - Restricted	11	4,056,496	4,257,299
<b>EXPENDITURE</b>			
Project expenses	12	(4,811,806)	(4,343,134)
General and administration expenses	13	(361,902)	(387,001)
		(5,173,708)	(4,730,135)
<b>SUPLUS / (DEFICIT) FOR THE YEAR</b>		<u>(1,117,212)</u>	<u>(472,836)</u>
Transferred from restricted grants	6.2	780,653	-
Transfer to SSDO fund		<u>(336,559)</u>	<u>(472,836)</u>

*The annexed notes 1 to 16 form an integral part of these financial statements.*

  
**Executive Director**

  
**Finance Secretary**



SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)


STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(Deficit) for the year	(336,559)	(472,836)
Adjustment for non cash items:		
Prior year adjustment	81,960	108,404
Loss on asset disposal	8,000	-
Depreciation	76,058	14,231
	<u>(170,541)</u>	<u>(350,201)</u>
<b>Changes in Working Capital</b>		
<i>(Increase) / Decrease in Current Assets</i>		
Advances, deposits and receivables	(1,231,785)	712,058
<i>Increase / (Decrease) in Current Liabilities</i>		
Accrued and other liabilities	1,859,665	(523,643)
	<u>627,880</u>	<u>188,415</u>
	<u>457,339</u>	<u>(161,785)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>(Increase) / Decrease in Property and equipment</i>		
Additions in property and equipment	(441,726)	(91,138)
Sale proceeds from disposal of assets	55,500	-
	<u>(386,226)</u>	<u>(91,138)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>71,112</b>	<b>(252,923)</b>
<b>Cash and cash equivalent at the beginning of the year</b>	48,470	301,393
<b>Cash and cash equivalent at the end of the year</b>	<u><u>119,582</u></u>	<u><u>48,470</u></u>

The annexed notes 1 to 16 form an integral part of these financial statements.

  
Executive Director

  
Finance Secretary

**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**1 LEGAL STATUS AND OBJECTS**

Sustainable Social Development Organization (SSDO) was registered on March 13, 2015 as non-profit organization under "Societies Registration Act 1860". The registered office of the organization is situated in Rawalpindi.

The main objects of the organization are to ensure citizens rights by fostering purposeful and responsive legislation, law enactment, stakeholders empowerment, good governance and service delivery.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared on accrual basis of accounting and in accordance with the approved accounting and reporting standards as applicable in Pakistan.

**3 BASIS OF PREPARATION**

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

**4 PRINCIPAL ACCOUNTING POLICIES.**

**4.1 Fixed capital expenditure**

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on all fixed assets is charged on reducing balance method at the rate specified in note 5.1. Depreciation on additions to be charged from the month in which an asset is available for use while no depreciation to be charged for the month in which an asset is disposed off.

Maintenance and normal repair are charged to statement of income & expenditure as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on deletion of assets are included in current year's income or expense.

**4.2 Receivables**

Receivables are recognized at nominal amount, which is the fair value of the consideration to be received in future. Balances considered bad and irrecoverable are written off when identified.

**4.3 Payables**

These are initially carried at their fair value, subsequent to initial recognition, these are stated at their amortized cost.

**4.4 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost.

**4.5 Income recognition**

Donations/Restricted grants relating to income are recognized on receipt basis. Unrestricted grants are recognized on accrual basis. Administrative charges included in the grants are recognized as income proportionate to the utilized amount of grants.

**4.6 Functional and presentation currency**

These financial statements are presented in Pak Rupee, which is the organization's functional and presentation currency.

	Note	<u>2018</u>	<u>2017</u>
		Rupees	
<b>5 Property and equipment</b>			
at cost-less-accumulated depreciation	5.1	<u>394,948</u>	<u>92,780</u>

**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**5.1 Property and equipment**

Description	COST			Rate	DEPRECIATION			WDV as at June 30, 2018		
	As at July 01, 2017	Additions	(Deletions)		As at June 30, 2018	As at July 01, 2017	For the year		Deletion / Adjustment	As at June 30, 2018
Computer & IT Equipment	26,350	288,000	-	314,350	33%	10,705	51,445	-	62,150	252,200
Furniture and fixtures	82,638	153,726	(68,000)	168,364	20%	7,753	24,163	(4,500)	27,416	140,948
Office equipment	2,500	-	-	2,500	20%	250	450	-	700	1,800
<b>June 30, 2018</b>	<b>111,488</b>	<b>441,726</b>	<b>(68,000)</b>	<b>485,214</b>		<b>18,708</b>	<b>76,058</b>	<b>(4,500)</b>	<b>90,266</b>	<b>394,948</b>
<b>June 30, 2017</b>	<b>20,350</b>	<b>91,138</b>	<b>-</b>	<b>111,488</b>		<b>4,477</b>	<b>14,231</b>	<b>-</b>	<b>18,708</b>	<b>92,780</b>



**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018	2017
		Rupees	
<b>6 Advances, deposits and receivables</b>			
Grant receivable - TDEA	6.1	1,033,153	-
Advances, deposits and prepayments		214,508	15,876
Advance tax		24,677	24,677
		1,272,338	40,553

6.1 Grant receivable from M/s Trust for Democratic Education and Accountability (TDEA) includes amount of Rs. 22,500/- and Rs. 230,000/- against milestone no. 18 and 20A respectively of Citizens' Voice Project & remaining amount of Rs. 780,653/- is receivable against expenses incurred by SSDO for the same project as depicted in the schedule of restricted grants in note 6.2.

**6.2 Restricted Grants**

Particulars	Balance as at July 01, 2017	Donation for the year	Admin Cost transferred to SSDO	Income for the year	Expenses for the year	Balance after Expenses	Balance transferred to SSDO	Balance as at June 30, 2018
	A	B	C	D = B + C	E	F = D - E	G	H = A + F - G
Trust for Democratic Education and Accountability (TDEA)	-	2,742,103	-	2,742,103	3,522,756	(780,653)	-	(780,653)
USAID	-	1,022,000	-	1,022,000	1,003,012	18,988	18,988	-
Secour's Islamique France	-	292,393	-	292,393	286,038	6,355	6,355	-
<b>Total</b>	-	<b>4,056,496</b>	-	<b>4,056,496</b>	<b>4,811,806</b>	<b>(755,310)</b>	<b>25,343</b>	<b>(780,653)</b>

**7 Cash and bank**

Cash at bank	111,237	43,100
Cash in hand	8,345	5,370
	119,582	48,470

**8 Accrued and other liabilities**

Project salaries payable - TDEA	858,000	-
Payable to staff against expenses	760,046	310,597
Account payables	496,779	33,569
Audit fee payable	80,000	40,000
Withholding tax payable	67,819	18,813
	2,262,644	402,979

**9 General fund**

Opening balance	(221,177)	143,255
Prior year adjustment:		
Difference between provision made and actual expense	81,960	108,404
Restated balance	(139,217)	251,659
Surplus/(Deficit) for the year	(336,559)	(472,836)
	(475,776)	(221,177)

**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018	2017
		Rupees	
<b>10 Contingencies and commitments</b>			
There are no contingencies and commitments as at the date of statement of financial position.			
<b>11 Grants - Restricted</b>			
Trust for Democratic Education and Accountability		2,742,103	-
USAID		1,022,000	-
Secour's Islamique France		292,393	-
Promoting Local Govts' Role in Building Peace in Pakistan		-	3,688,400
Strengthening School Councils in PP-5		-	433,899
Early Child Marriages		-	135,000
		<u>4,056,496</u>	<u>4,257,299</u>

<b>12 Project expenses</b>			
Trust for Democratic Education and Accountability	12.1	3,522,756	-
USAID Project	12.1	1,003,012	-
Secour's Islamique France	12.1	286,038	-
Promoting Local Govts' Role in Building Peace in Pakistan		-	3,797,966
Strengthening School Councils in PP-5		-	414,500
Early Child Marriages		-	130,668
		<u>4,811,806</u>	<u>4,343,134</u>

**12.1 Schedule of Project Wise Expenses**

Account	Trust for Democratic Education and Accountability	USAID Project	Secour's Islamique France Project	Total
Payroll Expenses	2,239,347	120,000	63,500	2,422,847
Seminars and Workshops	520,170	229,596	171,900	921,666
Office rent	218,999	81,617	-	300,616
Stationery and printing	138,988	28,875	-	167,863
Fuel	114,954	13,700	-	128,654
Telephone and internet	97,750	-	-	97,750
Travel expenses	57,546	20,000	-	77,546
Other Expense	40,666	-	-	40,666
Utilities	34,151	-	-	34,151
Legal and professional fees	19,000	-	-	19,000
Repairs and Maintenance	16,605	108,738	-	125,343
Bank charges	11,018	486	-	11,504
Postage	8,402	-	-	8,402
Office supplies	5,160	-	-	5,160
Consultancy fees	-	400,000	50,638	450,638
	<u>3,522,756</u>	<u>1,003,012</u>	<u>286,038</u>	<u>4,811,806</u>



**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018	2017
Rupees			
<b>13 General and administration expenses</b>			
Salaries		92,000	70,000
Depreciation	5.1	76,058	14,231
Auditor's Remuneration		40,000	40,000
Office rent		32,593	
Fee and subscriptions		30,000	8,040
Boarding and lodging		15,500	16,830
Printing and stationery		14,600	68,432
Fuel		14,240	22,280
Legal and professional		10,734	63,200
Bank Charges		8,924	2,024
Utilities		8,415	12,790
Loss on asset disposal		8,000	-
Others		6,055	5,700
Entertainment		2,783	16,683
Postage and courier		1,600	220
Office supplies		400	-
Workshops		-	30,000
Repair and maintenance		-	8,555
Communication		-	8,015
		<u>361,902</u>	<u>387,001</u>

**14 Taxation**

Commissioner Inland Revenue has granted an approval to SSDO under rule 212 of Income Tax Rules 2002 in terms of section 2 (36) of Income Tax Ordinance 2001 on August 31, 2018. Therefore provision for current taxation has not been provided for in these financial statements.

**15 Date of Authorization for issue**

These financial statements were authorized for issue on 08-10-18 by the Board Members of Sustainable Social Development Organization (SSDO).

**16 General**

- Figures have been rounded off to the nearest rupee.
- Figures of the previous year have been rearranged, wherever necessary, for the purpose of comparison

  
**Executive Director**

  
**Finance Secretary**