

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Comprehensive Disaster Response Services - CDRS (the Society) as at December 31, 2014 and the related statement of income and expenditure and statement of cash flows together with the notes forming part thereof (here-in-after referred to as the financial statements), for the year then ended. It is our first year as statutory auditors of the Society, the last year's financial statements were audited by another firm of chartered accountants who issued an un-modified audit opinion.

It is the responsibility of the governing body to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with 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 the auditing standards as applicable in Pakistan. 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 Society as at December 31, 2014 and of its surplus and cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.



Tahir Shah and Co.

Chartered Accountants

Islamabad

Date:

28/04/2015

COMPREHENSIVE DISASTER RESPONSE SERVICES - CDRS
BALANCE SHEET
AS AT DECEMBER 31, 2014

	Note	2014		2013	
		PKR	USD	PKR	USD
NON-CURRENT ASSETS					
Operating fixed assets	4	3,657,863	35,815	2,039,302	20,052
Security deposit	5	100,000	979	172,450	1,696
CURRENT ASSETS					
Advances, deposits & pre-payments	6	-	-	225,000	2,212
Cash and bank balances	7	207,694	2,034	1,040,100	10,227
		207,694	2,034	1,265,100	12,439
TOTAL ASSETS		<u>3,965,557</u>	<u>38,827</u>	<u>3,476,852</u>	<u>34,187</u>
CURRENT LIABILITIES					
Accrued expenses and other payables	8	4,353,810	42,629	4,610,910	45,338
Contingencies and commitments	9	-	-	-	-
NET ASSETS		<u>(388,253)</u>	<u>(3,801)</u>	<u>(1,134,058)</u>	<u>(11,151)</u>
REPRESENTED BY:					
Accumulated deficit of income over expenditure		<u>(388,253)</u>	<u>(3,802)</u>	<u>(1,134,058)</u>	<u>(11,151)</u>
		<u>(388,253)</u>	<u>(3,802)</u>	<u>(1,134,058)</u>	<u>(11,151)</u>

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

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PRESIDENT



MEMBER

COMPREHENSIVE DISASTER RESPONSE SERVICES
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014		2013	
		PKR	USD	PKR	USD
INCOME					
Donations	10	46,765,399	457,886	14,748,728	145,022
Other income	11	756,606	7,408	41,460	408
		47,522,006	465,294	14,790,188	145,430
EXPENDITURE					
Program expenses	12	41,259,826	403,980	15,106,714	148,542
Admin expenses	13	5,516,375	54,012	4,203,876	41,336
		46,776,201	457,992	19,310,590	189,878
Surplus / (deficit) of income over expenditure for the year		745,805	7,302	(4,520,402)	(44,448)
(Deficit) / surplus of income over expenditure brought forward		(1,134,058)	(11,104)	3,386,344	33,297
Deficit of income over expenditure carried forward		(388,253)	(3,802)	(1,134,058)	(11,151)

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


PRESIDENT


MEMBER

COMPREHENSIVE DISASTER RESPONSE SERVICES - CDRS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014		2013	
	PKR	USD	PKR	USD
CASH FLOWS FROM OPERATING ACTIVITIES				
Surplus / (deficit) of income over expenditure	745,805	7,302	(4,520,402)	(44,448)
Depreciation charged during the year	694,733	6,803	902,757	8,877
Gain on sale of fixed asset	(30,007)	(294)	-	-
Cash flow before working capital change	1,410,531	13,811	(3,617,645)	(35,571)
Changes in working capital				
Advances, deposits & pre-payments	225,000	2,203	(154,000)	(1,514)
Accrued expenses and other payables	(257,100)	(2,517)	3,975,845	39,093
	(32,100)	(314)	3,821,845	37,579
Net cash generated from operating activities	1,378,431	13,497	204,200	2,008
CASH FLOW FROM INVESTING ACTIVITIES				
Payment for capital expenditure	(2,508,287)	(24,559)	(29,700)	(292)
Sale proceeds from fixed asset	225,000	2,203	-	-
Security deposit	72,450	709	(82,450)	(811)
Net cash from investing activities	(2,210,837)	(21,647)	(112,150)	(1,103)
CASH FLOW FROM FINANCING ACTIVITIES				
Net (decrease) / increase in cash and cash equivalents	(832,406)	(8,150)	92,050	905
Cash & cash equivalents at beginning of the year	1,040,100	10,184	948,050	9,322
Cash & cash equivalents at end of the year	207,694	2,034	1,040,100	10,227

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


PRESIDENT


MEMBER

COMPREHENSIVE DISASTER RESPONSE SERVICES - CDRS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

1. LEGAL STATUS AND OPERATIONS

- 1.1** The Comprehensive Disaster Response Services - CDRS (the Society) was registered under Pakistan Societies Act 1860/21 applicable to Azad Government of the State of Jammu & Kashmir Muzaffarabad on March 05, 2007. The Society is a non-profit organization which aid, assist, set up, maintain, administer and run hospitals nursing homes, laboratories, mother and child care centers, clinics or other centers connected or concerned directly or indirectly with the care of the human body, promoting welfare of public at large at any place or places in the district of Muzaffarabad and other districts and areas of the State of Azad Jammu & Kashmir.
- 1.2** The registered office of the Society is situated at Union Council Chikar, District Muzaffarabad, State of Azad Jammu and Kashmir (AJK) or such other place as, from time to time, may be determined by the Board of Governors (the "BOARD") of the Society.
- 1.3** 1.3 These financial statements cover all the activities of Comprehensive Disaster Response Services - CDRS which is a society registered under the Societies Registration Act, 1860 in Pakistan.

2. STATEMENT OF COMPLIANCE AND SIGNIFICANT ESTIMATES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan.

2.2 Significant estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgment about carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised if the revision affects only that year, or in the year of the revision and any future year affected.

2.2.1 Property and equipment

The Society reviews the useful lives of property and equipment on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment. *TR*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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

3.2 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation on all operating fixed assets is charged using diminishing balance method at the rate specified in note 4 without taking into account the residual value. Depreciation on additions is charged for full year in the year of addition while no depreciation is charged in the year of deletion.

Maintenance and normal repairs are charged to revenue as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains or losses on disposal of property and equipment are charged to the income and expenditure account.

3.3 Cash and cash equivalent

Cash and cash equivalents are carried at cost and comprise of cash in hand and balance with banks.

3.4 Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.5 Unrestricted Fund

Fund that is not subject to donor-imposed restrictions, normally used to meet the working capital requirements of the Society.

Unrestricted grants are recognized on receipt basis directly in the income and expenditure account.

3.6 Restricted Fund

Fund that is subject to donor-imposed restrictions may require the passage of time or the occurrence of a specific event to become available for use.

3.7 Revenue from other sources

Income from other sources is recognized when the right to receive is established.

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COMPREHENSIVE DISASTER RESPONSE SERVICES - CDRS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

4 OPERATING FIXED ASSETS

	COST					DEPRECIATION				Net value as at Dec 31, 2014
	As at Jan 01, 2014	Additions	Disposal	As at Dec 31, 2014	Rate	As at Jan 01, 2014	For the year	Disposal	As at Dec 31, 2014	
Electric appliances	414,605	1,091,632	-	1,506,237	15%	286,941	182,894	-	469,835	1,036,402
Other appliances	36,500	-	-	36,500	15%	21,900	2,190	-	24,090	12,410
Office equipment	51,550	-	-	51,550	15%	16,067	5,322	-	21,389	30,161
Furniture, fixture & fittings	399,515	61,116	(102,000)	358,631	15%	221,608	20,554	(56,742)	185,420	173,211
Medical equipment	3,457,042	888,042	(337,465)	4,007,619	15%	2,035,261	295,854	(187,730)	2,143,385	1,864,234
Ultra sound machine	237,050	-	-	237,050	15%	106,673	19,557	-	126,230	110,820
Air conditioners	75,000	-	-	75,000	15%	45,000	4,500	-	49,500	25,500
Generator	247,186	-	-	247,186	15%	89,765	23,613	-	113,378	133,808
Digital camera	52,800	24,800	-	77,600	30%	55,860	7,440	-	63,300	14,300
Laptops	202,950	177,000	-	379,950	30%	243,540	53,100	-	296,640	83,310
Computer & accessories	294,215	265,697	-	559,912	30%	306,496	79,709	-	386,205	173,707
TOTAL 2014	5,468,413	2,508,287	(439,465)	7,537,235		3,429,111	694,733	(244,472)	3,879,372	3,657,863
TOTAL 2013	5,438,713	29,700	-	5,468,413		2,526,354	902,757	-	3,429,111	2,039,302

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COMPREHENSIVE DISASTER RESPONSE SERVICES - CDRS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014		2013	
		PKR	USD	PKR	USD
5. SECURITY DEPOSIT					
Security deposit (Refundable) for CDRS office		100,000	979	172,450	1,696
		<u>100,000</u>	<u>979</u>	<u>172,450</u>	<u>1,696</u>
6. ADVANCES, DEPOSITS & PRE-PAYMENTS					
Pre-paid rent		-	-	225,000	2,212
		<u>-</u>	<u>-</u>	<u>225,000</u>	<u>2,212</u>
7. CASH AND BANK BALANCES					
Cash in hand		160,645	1,573	2,591	25
Cash at bank - MCB A/C # 059301010048832		47,049	461	1,037,509	10,202
		<u>207,694</u>	<u>2,034</u>	<u>1,040,100</u>	<u>10,227</u>
7.1	This represents balance with bank on current account.				
8. ACCRUED EXPENSES AND OTHER PAYABLES					
Salaries payable		2,421,032	23,705	1,454,741	14,304
Per diem payable to ED		1,839,043	18,006	2,023,000	19,892
Payroll taxes payable		13,735	134	-	-
Audit fee payable		80,000	783	75,000	737
Loan payable		-	-	440,000	4,326
Medication for facility bills payable		-	-	478,169	4,702
Vehicle rent payable		-	-	140,000	1,377
		<u>4,353,810</u>	<u>42,629</u>	<u>4,610,910</u>	<u>45,338</u>

9. CONTINGENCIES AND COMMITMENTS

No significant contingencies or commitments existed on the balance sheet date.

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COMPREHENSIVE DISASTER RESPONSE SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014		2013	
		PKR	USD	PKR	USD
10. DONATIONS					
Donation from Global Giving		1,750,114	17,136	5,344,512	52,552
Donation from Imran Khan Foundation		34,126,917	334,141	-	-
Donation from Todd Shea		3,575,405	35,007	1,978,413	19,454
Donation from Walnut Media		150,000	1,469	-	-
Donation from UKMAP		1,621,958	15,881	1,850,855	18,199
Donation from fund raising event at USA		3,954,163	38,716	2,308,150	22,696
Donation received within Pakistan		470,571	4,607	950,724	9,348
Donation from individuals		1,116,271	10,930	1,052,714	10,350
Donation from SPM through Todd Shea		-	-	12,000	118
Donation from APPS		-	-	903,360	8,883
Donation from HUM Network		-	-	300,000	2,950
Donation from FM Radio-01		-	-	48,000	472
		46,765,399	457,886	14,748,728	145,022

11. OTHER INCOME

Collection from Swat - OPD Fee	696,899	6,823	41,460	408
Sale of scrap	29,700	291	-	-
Gain on sale of fixed assets	30,007	294	-	-
	<u>756,606</u>	<u>7,408</u>	<u>41,460</u>	<u>408</u>

12. PROGRAM EXPENSES

Medication expenses	16,197,706	158,594	1,304,463	12,827
Donations to needy and poor	942,272	9,226	431,449	4,242
Food hospitality	1,245,176	12,192	572,060	5,625
Hotel accommodation	162,660	1,593	67,480	664
Salaries and benefits	12,836,635	125,685	7,661,707	75,337
Per diem - ED	1,103,426	10,804	1,213,800	11,935
Accommodation for staff -Swat facility	60,000	587	-	-
Office rent	900,000	8,812	912,000	8,968
Fund raising event expenses	80,000	783	-	-
General supplies	526,544	5,155	102,559	1,008
Cleaning supplies	65,189	638	34,795	342
Office supplies	89,501	876	117,586	1,156
Gas cylinder refilling	132,125	1,294	44,990	442
Repair and maintenance	626,801	6,137	102,405	1,007
Depreciation	486,313	4,762	631,930	6,214
Truck transportation	292,560	2,864	84,520	831
Air fare	135,760	1,329	146,430	1,440
Domestic train and bus fare	97,209	952	76,168	749
Vehicle rental	2,020,996	19,788	460,890	4,532

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Generator fuel	489,050	4,788	40,370	397
Utility bills	403,858	3,954	228,168	2,244
Communication	254,682	2,494	206,160	2,027
Janitorial services	19,165	188	42,033	413
Professional fee	202,750	1,985	53,435	525
Printing and stationery	158,695	1,554	-	-
Bank charges	161,849	1,585	30,769	302
Miscellaneous expenses	31,800	311	67,078	660
	<u>41,259,826</u>	<u>403,980</u>	<u>15,106,714</u>	<u>148,542</u>

13. ADMIN EXPENSES

Salaries and benefits	946,226	9,265	1,300,886	12,791
Medication for employees	13,907	136	24,890	245
Audit fee	80,000	783	75,000	738
Professional fee	202,750	1,985	53,435	526
Per diem - ED	735,617	7,203	809,200	7,958
Repair and maintenance	419,902	4,111	56,988	561
General supplies	351,030	3,437	68,373	672
Office supplies	59,667	584	78,389	771
Cleaning supplies	43,459	426	23,197	228
CDRS promo expenses	-	-	101,859	1,002
Miscellaneous	41,718	408	109,661	1,078
Depreciation	208,420	2,041	270,827	2,663
Food hospitality	1,245,175	12,192	572,060	5,625
Office rent	132,000	1,292	228,000	2,242
Communication	28,298	277	22,907	225
Vehicle rental	224,555	2,199	51,210	504
Vehicle fuel	170,678	1,671	48,219	474
Air fare	135,760	1,329	146,430	1,440
Domestic train and bus fare	97,209	952	76,168	749
Utility bills	100,965	989	57,042	561
Printing and stationery	158,695	1,554	-	-
Bank charges	120,343	1,178	29,135	284
	<u>5,516,374</u>	<u>54,012</u>	<u>4,203,876</u>	<u>41,336</u>


14. GENERAL

- All figures in the financial statements have been rounded off to the nearest rupee.
 - Total number of employees at year end was 109 (2013: 32).
 - Corresponding figures have been re-arranged, where necessary, for the purpose of comparison.
- However, no significant re-classifications have been made.

15. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Governors of the Society
on 28th April 2015.


PRESIDENT


MEMBER