

PEOPLE EMPOWERING & DEVELOPMENT
ALTERNATIVES

PEDA INTERNATIONAL

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2015



Suriya Nauman Rehan & Co.
CHARTERED ACCOUNTANTS

House # 2, Street # 2, F-7/3, Islamabad, Pakistan.

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**AUDITORS' REPORT TO THE PARTNERS OF
PEOPLE EMPOWERING & DEVELOPMENT ALTERNATIVES -PEDA INTERNATIONAL**

We have audited the accompanying financial statements of People Empowering & Development Alternatives-PEDA International which comprise of balance sheet as at June 30, 2015, and the related profit and loss account, cash flow statement together with the notes forming part thereof, for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Revised Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan. Management is responsible for such internal control as the management determine 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 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 risks 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 society'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 society's internal control. 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 basis for our audit opinion and we report that:

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of People Empowering & Development Alternatives-PEDA International as at June 30, 2015, and its financial performance and its cash flows for the period then ended, in accordance with Revised Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

SNRC

Date: March 10, 2017
Place: Islamabad

Suriya Nauman Rehan & Co.
Chartered Accountants
Engagement Partner:
Mr. Zahir Sadiq

PEOPLE EMPOWERING & DEVELOPMENT ALTERNATIVES-PEDA INTERNATIONAL
BALANCE SHEET
AS AT JUNE 30, 2015

	<u>Note</u>	<u>30-Jun-15</u> <u>Rupees</u>
ASSETS		
CURRENT ASSETS		
Cash and bank balances	4	11,900
TOTAL ASSETS		<u>11,900</u>
EQUITY AND LIABILITIES		
Partners' Capital accounts		
Mujahid Hussain		(471,995)
Mrs. Mujahid Hussain		(26,105)
	5	(498,100)
NON CURRENT LIABILITIES		
Loan from partner	6	510,000
		<u>11,900</u>
CONTINGENCIES AND COMMITMENTS	7	-

SNRL

The annexed notes from 1 to 11 form an integral part of these financial statements.


 PARTNER


 PARTNER

PEOPLE EMPOWERING & DEVELOPMENT ALTERNATIVES-PEDA INTERNATIONAL
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED JUNE 30, 2015

	<u>Note</u>	<u>From March 27, 2014 to June 30, 2015 Rupees</u>
Revenue		-
Less: Cost of services		-
Gross profit		-
Admin and general expenses	8	522,000
Financial charges		100
Loss for the period		<u>(522,100)</u> SNRL

The annexed notes from 1 to 11 form an integral part of these financial statements.


PARTNER


PARTNER

PEOPLE EMPOWERING & DEVELOPMENT ALTERNATIVES-PEDA INTERNATIONAL
 CASH FLOW STATEMENT
 AS AT JUNE 30, 2015

	From March 27, 2014 to June 30, 2015
Note	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit (loss) before taxation	(522,100)
Adjustments for the non cash items:	-
	<u>(522,100)</u>
Working capital changes	-
Cash Generated from Operations	<u>(522,100)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(522,100)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Fresh capital from partner	24,000
Loan from partner	<u>510,000</u>
NET CASH INFLOW FROM FINANCING ACTIVITIES	534,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,900
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4 <u><u>11,900</u></u>

SNRL

The annexed notes from 1 to 11 form an integral part of these financial statements.


 PARTNER


 PARTNER

PEOPLE EMPOWERING & DEVELOPMENT ALTERNATIVES-PEDA INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2015

1 LEGAL STATUS AND ACTIVITIES

People Empowering & Development Alternatives-PEDA International (the Firm) was formed on March 27, 2014 as a partnership firm under Section 58 (1) of the Partnership Act, 1932. The Firm is engaged in the quality services and management consultancies, programmatic technical services, etc to government, public and development sectors both national and international level clients. The Firm's corporate office is located in Islamabad.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Revised Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention and on accrual basis of accounting except for the cash flow statement.

3.2 Functional and presentation currency

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

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to useful life of depreciable assets and provisions for doubtful debts.

3.4 Operating fixed assets

These are stated at cost, less accumulated depreciation or impairment, if any. Depreciation is charged to income applying the reducing balance method at the monthly rates. Full month's depreciation is charged on additions during the month while no depreciation is charged during the month of disposal of assets.

Normal repair and maintenance costs are charged to income as and when incurred. However, major renewals and improvements are capitalized. Gain and loss on disposal of fixed assets is charged to income.

3.5 Impairment

The Firm assesses at each balance sheet date whether there is any indication that assets may be impaired. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the recoverable amount, assets are written down to the recoverable amount and the difference is charged to profit and loss account. The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

SNRL

3.6 Cash and cash equivalents

For the purpose of cash flow statements, cash and cash equivalent comprise of cash in hand and cash at bank. Cash and cash equivalents are carried in the balance sheet at cost.

3.7 Taxation

Provision for taxation is based on taxable payable method by applying tax rates to taxable income and adjusting therefrom available tax credits and rebates, if any.

3.8 Revenue recognition

Revenue is recognized to the extent that it is probable that the future economic benefits will flow to the Firm and the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis.

3.9 Foreign currency transactions

Transactions in foreign currencies are recorded in Pak Rupee at prevailing rate on the date of the transaction. Monetary assets and liabilities in foreign currencies at the year end are translated into Pak Rupees at the rate of exchange prevailing at the balance sheet date.

3.10 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms' length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

3.11 Provision

A provision is recognized when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

3.12 Financial Instrument

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Subsequently all financial assets and financial liabilities are measured at amortized cost, except for investments in equity instruments. Investments in equity instruments that are quoted in an active market shall be measured at fair value and investments in equity instruments that do not have active market shall be carried at cost less impairment, if any. Changes in fair value are recognized in net income

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PEOPLE EMPOWERING & DEVELOPMENT ALTERNATIVES-PEDA INTERNATIONAL
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED JUNE 30, 2015

From March 27,
 2014 to June 30,
 2015
Rupees

4 CASH AND BANK BALANCES

Cash in hand	8,000
Cash at bank	3,900
	<u>11,900</u>

5 PARTNERS' CAPITAL ACCOUNT

	Mujahid Hussain	Mrs. Mujahid Hussain	Total
	<u>Rupees</u>		
Opening capital as at March 01, 2015	-	-	-
Add: Fresh capital injected during the period	24,000	-	24,000
Less : Drawings	-	-	-
Add: Share of profit for the period	(495,995)	(26,105)	(522,100)
Closing capital as at June 30, 2015	<u>(471,995)</u>	<u>(26,105)</u>	<u>(498,100)</u>

6 LOAN FROM PARTNER

Mr. Mujahid Hussain has provided loan for managing day to day routine expenses of the Firm. It was agreed that this loan will be interest free and will be repayable after one year.

7 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at year end.

8 ADMIN AND GERNERAL EXPNESES

Salaries and benefits	40,000
Food and entertainment charges	19,340
Stationary and office supplies	15,000
Legal and professional charges	68,000
Rent, rates and taxes	360,000
Printing and photocopies charges	19,140
Postage and courier charges	520
	<u>522,000</u>

9 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of partners of AOP, companies with common directorship and key management staff. Transactions and balances with the related parties are disclosed in Notes 5 and 6.

10 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Members of the Firm on 10th March 2017.

11 GENERAL

11.1 Figures have been rounded off to the nearest Rupee.

11.2 Comparative figures are not available as the firm was formed on March 27, 2014. Further the current period represents more than 12 months but it has no impact as the operational activities were started during last 12 months.

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 PARTNER


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