



OMAR ASGHAR KHAN  
DEVELOPMENT FOUNDATION

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2020

BDO Ebrahim & Co. Chartered Accountants

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OMAR ASGHAR KHAN  
DEVELOPMENT FOUNDATION  
101 Abu Dhabi Tower, F-11  
Islamabad, Pakistan  
Tel: 051-2224861 Fax: 051-2224862

The Board of Governors,  
Omar Asghar Khan Development Foundation,  
Flat no 101, Abu Dhabi Towers, F-11 Markaz  
Islamabad.

April 26, 2021  
BDO/AUD/480/2021

**AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

Ladies and Gentlemen,

We have completed the audit of your financial statements for the above referred year and are pleased to enclose herewith three copies of the draft financial statements together with our draft audit report duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the financial statements are approved by the Board and signed on their behalf by the Executive Director and Deputy Manager Finance and on receipt/review of the following:

- (a) Letter of representation addressed to us on behalf of the Board of Governors and signed by the Executive Director and Deputy Manager Finance as per draft provided by us.
- (a) Board approval regarding expenditure amounting to Rs 1,476,860 incurred against Disaster Response Fund.
- (c) Bank account closure letter of Standard Chartered Bank bearing account no. 1944577401.

Our observations on this set of financial statements are as follows:

**1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS**

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Foundation's management.

The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Foundation and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.



## 2. CASH AND BANK

During the course of audit, we observed that following bank accounts were dormant:

Name	Account No.	Amount (PKR)	Inactive Period
JS Bank Limited	204522	501,000	Over 7 Years
NIB Bank	0111-9364878	137,930	Over 2.5 Years
The Bank of Khyber	0113000014362000	426,095	Over 2.5 Years

We have neither received bank statement of JS Bank Limited and NIB Bank nor bank confirmation of NIB Bank. As per management no transaction has occurred in these accounts during the year and balance as per Foundation's books is correct. Please confirm this is in order. Further, we recommend that these accounts should either be closed or reactivated.

## 3. TAXATION

3.1 We observed that the approval of organization u/s 2(36) expired for tax year 2017. As per management, income of organization is not subject to tax as 100% credit is available u/s 100C of Income Tax ordinance, 2001. However, approval u/s 2(36) is mandatory for all NPOs/NGOs in order to claim 100% credit u/s 100C from July 2022 onward. Approval u/s 2(36) is only valid for 3 years as per SRO 754(I)/2016 dated august 15, 2016. According to this SRO, every approved NPOs/NGOs must renew approval every 3 years and approval of all NPOs/NGOs exceeding 3 years stand expired and must be renewed for tax year 2017 onward. We recommend that approval u/s 2(36) must be renewed at the earliest, in order to avoid taxability of income of organization for tax year 2023 and onward.

3.2 The Foundation has not deposited the taxes withheld on salaries/procurement within the prescribed time (within seven days from the end of each week ending on every Sunday) as required by section 43 of the Income Tax Rules 2002. Some of the instances are being mentioned below:

Month	Due Date	Deposit Date	Delayed (DAYS)	Amount (PKR)
January	9-Feb-20	20-Feb-20	11	61,466
March	15-Mar-20	13-May-20	59	61,466
May	31-May-20	19-Jun-20	19	61,466
February	23-Feb-20	13-Mar-20	19	81,000

We recommend that withholding tax should be deposited into government treasury within the stipulated time period to avoid any penal consequences.



**4. ACCOUNTING SOFTWARE**

The Foundation is using Peach tree accounting software for bookkeeping, however, we noted that transactions are not being recorded on real time basis. Further, it was also noted that there are no controls in place to restrict deletion of transactions from bookkeeping record. In the absence of proper bookkeeping controls there is a risk that all the transactions might not be accounted for in the system. We recommend that proper IT controls should be implemented to ensure completeness of accounting records.

**5. SALES TAX RETURNS**

Every person registered under Sales Tax Act 1990, is required to file sales tax return. Sales tax return has to be filled within the 15 days of preceding month. We noted that foundation has not filled sales tax return for the period January, 2020 to August, 2020. We recommend that sales tax return should be filled within the stipulated time.

**6. GRANT**

We observed that restricted grant amounting to Rs 279,455 relating to the Project 'She Can Lead' donated by Oxfam, has been transferred to general fund after the completion of the project during the year. However, no approval from donor is on record in this regard. We recommend that such transfer should be made only after donor's approval.

**7. IMPACT OF COVID-19**

The spread of COVID-19 during the year has had a material adverse effect on the economy. In this regard measures taken to combat the spread of the virus have caused material economic downturn. However, as per the management, COVID-19 has no significant impact on the foundation's financial performance during the year as the foundation continued its operations after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees in order to maintain foundation's performance despite slowed down economic activity. Please confirm the management representation.

**8. RELATED PARTY TRANSACTIONS**

We have been informed by the management that there were no transactions with the related parties other than those disclosed in the notes to the financial statements. Kindly confirm the representations made by management.

**9. FRAUD AND ERROR**

We have been informed by the management that no case of fraud and error has been brought to their knowledge during the year. Kindly confirm the representations made by management.





We wish to place on record our appreciation for courtesy and cooperation extended to our staff during the course of audit.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'BDO Ebrahim &amp; Co.'.

BDO EBRAHIM & CO.

Encl as above

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNERS****Opinion**

We have audited the financial statements of Omar Asghar Khan Development Foundation ("the Foundation"), which comprise the statement of financial position as at December 31, 2020, and the statement of income and expenditure 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 the Foundation as at December 31, 2020, 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 Foundation 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 management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards, and for such internal control as the management determines 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, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation financial reporting process.

**Auditors' 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 Foundation'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 Foundation'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 Foundation 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.

ISLAMABAD

DATED:

CHARTERED ACCOUNTANTS

Engagement Partner: Abdul Qadeer

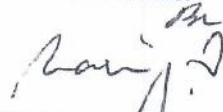


**OMAR ASGHAR KHAN DEVELOPMENT FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	Note	2020 Rupees	2019 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	12,344,406	15,445,621
Long term deposits		280,000	280,000
		<u>12,624,406</u>	<u>15,725,621</u>
<b>CURRENT ASSETS</b>			
Deposits and short term prepayments	6	3,459,388	2,545,486
Project receivables	10	5,374,694	930,574
Other receivables	7	6,793	774,068
Cash and bank balances	8	18,469,363	82,393,673
		<u>27,310,238</u>	<u>86,643,801</u>
<b>TOTAL ASSETS</b>		<u>39,934,644</u>	<u>102,369,422</u>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
General fund	9	23,931,377	24,984,023
Restricted grant	10	7,474,125	68,364,527
Deferred capital grant	11	6,458,231	8,784,142
		<u>37,863,733</u>	<u>102,132,692</u>
<b>CURRENT LIABILITIES</b>			
Accrued liabilities	12	2,070,911	236,730
<b>TOTAL GENERAL FUNDS AND LIABILITIES</b>		<u>39,934,644</u>	<u>102,369,422</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

  
**EXECUTIVE DIRECTOR**

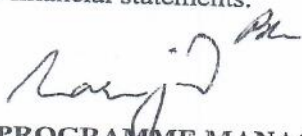
  
**DEPUTY PROGRAMME MANAGER FINANCE**

**OMAR ASGHAR KHAN DEVELOPMENT FOUNDATION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 Rupees	2019 Rupees
<b>INCOME</b>			
Restricted grant recognized	10	90,682,325	47,188,514
Deferred capital grant recognized	11	2,325,911	2,928,018
Exchange gain		258,237	844,091
		93,266,473	50,960,623
<b>EXPENDITURE</b>			
Programme expenses	13	81,673,962	34,966,195
Personnel expenses	14	2,884,740	6,309,572
Operational expenses	15	8,417,368	8,840,765
Institutional support - net	16	1,343,049	861,249
		94,319,119	50,977,781
<b>DEFICIT FOR THE YEAR</b>		<u>(1,052,646)</u>	<u>(17,158)</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

  
**EXECUTIVE DIRECTOR**

  
**DEPUTY PROGRAMME MANAGER FINANCE**

**OMAR ASGHAR KHAN DEVELOPMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**1 LEGAL STATUS**

Omar Asghar Khan Development Foundation (the Foundation) was established in 1999 by a group of activists in Khyber Pakhtunkhwa (KPK). It was registered in April of 2000 under the Societies Registration Act, 1860 in Peshawar.

**2 AIMS AND OBJECTIVES**

The Foundation seeks to:

- Create political space for marginalized by promoting democratic values and practices;
- Facilitate dense patterns of association and mobilization among people, particularly the more vulnerable, to strengthen their social and political capital;
- Mobilize public action to secure human and livelihood rights, and achieve gender justice;
- Promote public-private partnerships to improve governance, achieve environmental conservation, and provision of social services;
- Build public demand for pro-poor public institutions and policies;
- Increase economic opportunities by improving infrastructure facilities and promoting small and medium enterprises.

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) applicable to non-corporate entities issued by the Institute of Chartered Accountants of Pakistan and Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

**3.2 Basis of measurement**

These financial statements have been prepared under historical cost conventions and accrual basis of accounting.

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### **3.3 Functional and presentation currency**

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

## **4 SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Property, plant and equipment**

These are stated at cost less accumulated depreciation. Depreciation is charged on reducing balance method considering the economic useful life of the assets. Full month depreciation is charged on additions, while no depreciation is charged on assets disposed of during the month.

### **4.2 Receivable, advances, deposits and prepayments**

These are recognized at cost, which is the fair value of the consideration given. However an assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or a group of assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying value.

### **4.3 Cash and bank balances**

Cash in hand and at banks are carried at nominal amount.

### **4.4 Impairment**

The carrying amount of Foundation's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on a judgmental basis, for which, provisions may differ in future years based on actual experience.

### **4.5 Taxation**

Income of the Foundation other than surplus funds as defined in Sub-section 1A of section 100C is not subject to tax as 100% tax credit is available u/s 100C of Income Tax Ordinance, 2001. Surplus funds of NGOs / NPOs as defined Sub-Section 1A of Section 100C of Income Tax Ordinance, 2001 are subject to tax at the rate of 10%.

### **4.6 Restricted grant**

Grant is recognized as income to the extent it is actually utilized during the year and unspent grant at year end is treated as restricted grant. Grants of non-capital nature are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the income and expenditure account to the extent of the actual expenditure incurred. Expenditure incurred against grants committed but not received, is recognized directly in income and expenditure account and

reflected as a receivable from donors.

**4.7 Deferred capital grant**

Deferred capital grant is recognized when operating fixed assets are purchased from donor's funds which is amortized over the useful life of the respective assets based on annual depreciation of respective assets.

**4.8 Interest income**

Profit on bank deposit is recognized using the effective interest rate method.

**4.9 Accrued liabilities**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Foundation.

**4.10 Provisions**

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, 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.

**4.11 Foreign currency transactions**

Foreign currency transactions are recorded in Rupees at the exchange rate ruling on the transaction date. All monetary assets and liabilities in foreign currencies are translated into Rupees at the exchange rate prevailing on the balance sheet date. Exchange gains and losses are included in the current year's income.

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5 PROPERTY, PLANT AND EQUIPMENT

Description	Vehicles	Furniture and fixtures	Office equipment	Computers and accessories	Total
	Rupees				
Net carrying value basis year ended December 31, 2020					
Opening net book value (NBV)	13,712,430	725,559	356,509	651,123	15,445,621
Additions (at cost)	-	-	-	-	-
Depreciation charge	5.1 (2,742,486)	(72,556)	(71,302)	(214,871)	(3,101,215)
Closing net book value	10,969,944	653,003	285,207	436,252	12,344,406
Gross carrying value basis year ended December 31, 2020					
Cost	23,257,011	1,304,269	1,687,664	2,782,914	29,031,858
Accumulated depreciation/Impairment	(12,287,067)	(651,266)	(1,402,457)	(2,346,662)	(16,687,452)
Net book value	10,969,944	653,003	285,207	436,252	12,344,406
Net carrying value basis year ended December 31, 2019					
Opening net book value (NBV)	17,140,537	499,420	471,662	986,013	19,097,632
Additions (at cost)	-	300,000	-	-	300,000
Assets written off	5.2	(18,902)	(22,405)	(6,680)	(47,987)
Depreciation charge	(3,428,107)	(54,959)	(92,748)	(328,210)	(3,904,024)
Closing net book value	13,712,430	725,559	356,509	651,123	15,445,621
Gross carrying value basis year ended December 31, 2019					
Cost	23,257,011	1,304,269	1,687,664	2,782,914	29,031,858
Accumulated depreciation	(9,544,581)	(578,710)	(1,331,155)	(2,131,791)	(13,586,237)
Net book value	13,712,430	725,559	356,509	651,123	15,445,621
Depreciation rate per annum					
	20%	10%	20%	33%	

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5.1	Depreciation has been allocated as under:	Note	2020 Rupees	2019 Rupees
	Operational expenses	15	2,325,911	2,928,018
	Institutional expenses	16	775,304	976,006
			<u>3,101,215</u>	<u>3,904,024</u>
5.2	These represent obsolete and damaged assets written off during the period as per management decision.			
6	<b>DEPOSITS AND SHORT TERM PREPAYMENTS</b>	Note	2020 Rupees	2019 Rupees
	Short term advances		142,500	-
	Prepayments:			
	Prepaid rent		1,653,000	1,425,000
	Prepaid insurance	6.1	<u>1,663,888</u>	<u>1,120,486</u>
			<u>3,459,388</u>	<u>2,545,486</u>
6.1	This represents the health and life insurance of Foundations' staff.			
7	<b>OTHER RECEIVABLES</b>	Note	2020 Rupees	2019 Rupees
	Receivable from employees		6,793	2,586
	Other receivables		-	771,482
			<u>6,793</u>	<u>774,068</u>
8	<b>CASH AND BANK BALANCES</b>			
	Cash in hand		45,000	70,000
	Cash with bank:			
	Local currency - current accounts	8.1	10,121,771	74,279,318
	Foreign currency - saving account		8,302,592	8,044,355
			<u>18,424,363</u>	<u>82,323,673</u>
			<u>18,469,363</u>	<u>82,393,673</u>
8.1	This carries mark up at the rates ranging from 0.05 % to 0.10 % (2019 : 0.05 % to 0.10 %) per annum.			
9	<b>GENERAL FUND</b>		2020 Rupees	2019 Rupees
	Opening balance		24,984,023	25,001,181
	Deficit for the year		(1,052,646)	(17,158)
			<u>23,931,377</u>	<u>24,984,023</u>

# 10 RESTRICTED GRANT / PROJECT RECEIVABLES

Donors	Opening balance		Movement during 2020					Closing balance		
	Project receivables	Restricted Grant	Receipts	Transferred to deferred capital grant	Transferred to general fund	Expensed	Expenses borne by Foundation	Project receivables	Restricted grant	
Note _____ Rupees _____										
British Council - Aawaz- II	10.1	-	-	6,41,653	-	-	(3,14,394)	-	-	3,27,251
Asian Development Bank - ADB	10.2	618,000	-	2,328,000	-	-	(2,09,032)	-	380,532	-
International Budget Partnership	-	-	-	468,132	-	-	(468,132)	-	-	-
Disaster Response Fund	10.3	-	5,178,294	500,000	-	-	(1,47,686)	-	-	4,201,414
European Union - EU	10.4	-	62,517,590	-	-	-	(66,154,700)	-	3,637,110	-
Fempower	10.5	312,574	-	12,237,865	-	-	(13,282,343)	-	1,357,052	-
Oxfam - She Can Lead	10.6	-	668,643	3,203,878	-	2,79,455	(3,593,066)	-	-	-
COVID-19 Relief Fund	10.7	-	-	472,450	-	-	(472,450)	-	-	-
Total rupees -2020		930,574	68,364,527	25,627,258	-	2,79,455	(90,682,325)	-	5,374,694	7,474,15
Total rupees -2019		2,878,739	53,465,851	63,262,310	(300,000)	-	(47,188,514)	(1,073,035)	930,574	68,364,57

10.1 This represents grant from British Council (sub-contractor for DFID) for the period from February 2020 to March 2022. Total grant funds committed to be disbursed by the donor were GBP 270,699 out of which GBP equivalent to Rs. 6,41,653 were received during the year 2020 and the remaining would be received in the next year as the project is in progress.

10.2 This represents grant from Asian Development Bank under the contract, R07849, for the period from January 2019 to March 2020. Total grant funds committed to be disbursed by the donor were Rs 1,540,000 out of which Rs. 828,000 were received during the year 2020. This contract has been renewed for the period from April 2020 to June 2021. Total grant funds committed to be disbursed by the donor were Rs 3,255,000 out of which Rs. 1,500,000 were received during the year 2020.

10.3 This fund was generated in 2009 shifting surplus for the year into Disaster Response Fund. Since then, small contributions from philanthropists were added when received and it was used to provide humanitarian assistance in response to various disasters. In 2020, this fund was used to provide protective equipment to health and other front-line workers as well as food and non-food assistance to families affected by the COVID 19 pandemic.

10.4 This represents grant from European Union under the contract dated December 20, 2016 for the period from January 2017 to December 2020. Total grant funds committed to be disbursed by the donor were EURO 1,500,000 out of which EURO 321,659.36 equivalent to Rs. 55,261,078 were received in year 2019. No funds have been during the year and the remaining would be received after the submission of final report.

10.5 This represents grant from Shiksha Gah for the project Fempower under the contract dated 15 April 2019 for the period from 1 April 2019 to 31 March 2023. Total grant fund received during the year was Rs. 12,237,865. Further, Rs. 1,713,852 is receivable from donor at year end.

10.6 This represents grant from Oxfam GB for the project She Can Lead under the contract dated 15 November 2019 for the period from the 1 July 2019 to 30 June 2020. Total grant funds committed to be disbursed by the donor are AID 44,444,000 out of which AID equivalent to Rs. 3,203,878 were received during the year 2020 and the remaining would be received in the next year as the project is in progress.

10.7 This represents grants received from various individual donors. These have been utilized in COVID-19 relief activities undertaken by the foundation.

11	DEFERRED CAPITAL GRANT	Note	2020 Rupees	2019 Rupees
	Opening balance			
	Deferred grant transferred during the year	11.1	8,784,142	11,412,160
	Less: Amortization for the year	5.1	-	300,000
			<u>(2,325,911)</u>	<u>(2,928,018)</u>
			<u>6,458,231</u>	<u>8,784,142</u>
11.1	This represents restricted funds received from fempower for purchase of capital expenditure.			
12	ACCRUED LIABILITIES	Note	2020 Rupees	2019 Rupees
	Accrued expenses			
	Payable to coapplicant	12.1	572,210	41,230
	Withholding income tax		1,290,834	-
	Audit fee payable		2,867	13,500
			<u>205,000</u>	<u>182,000</u>
			<u>2,070,911</u>	<u>236,730</u>
12.1	This represents payable to Media Matters for Democracy (MMfD), coapplicant in European Union's (EU) project, duly approved by European Union (EU). The contract was of Rs 12,908,340 out of which Rs 7,885,940 had been disbursed till December 2019 and expensed out. During the year, MMfD incurred expenditure amounting to Rs 5,022,400 out of which Rs 3,731,566 has been disbursed during the year.			
13	PROGRAMME EXPENSES	Note	2020 Rupees	2019 Rupees
	Accountability			
	Governance		26,060,644	17,421,719
	Tolerance		21,706,524	15,758,708
	Poverty Reduction		14,152,053	945,768
			<u>19,754,741</u>	<u>840,000</u>
		13.1	<u>81,673,962</u>	<u>34,966,195</u>
13.1	The total programme expenses include programme staff salaries of Rs. 10.994 million (2019: Rs. 12.221 million) which also includes salary of Executive Director amounting to Rs. 4.49 million (2019: Rs. 4.49 million). These have been allocated to their respective programme activities. Break up of these salaries is as follows:			
	Accountability			
	Governance		3,272,174	5,731,916
	Tolerance		1,598,493	5,184,541
	Poverty Reduction		4,231,904	465,000
			<u>1,891,886</u>	<u>840,000</u>
			<u>10,994,457</u>	<u>12,221,457</u>

*AL*

	Note	2020 Rupees	2019 Rupees
<b>14 PERSONNEL EXPENSES</b>			
Finance and administration			
Benefits		2,650,434	3,139,681
Support staff	14.1	234,306	-
		<u>"</u>	<u>3,169,891</u>
		<u>2,884,740</u>	<u>6,309,572</u>

14.1 This mainly includes the health insurance of Foundation's staff.

	Note	2020 Rupees	2019 Rupees
<b>15 OPERATIONAL EXPENSES</b>			
Rent		1,820,860	2,565,750
Depreciation	5.1	2,325,911	2,928,018
Utilities		499,799	132,917
Travelling expenses		962,465	655,113
Communication		242,387	645,368
Supplies and stationery		691,485	616,155
Repair and maintenance		958,195	240,805
Vehicles insurance		436,266	976,639
Audit fee	15.1	480,000	80,000
		<u>8,417,368</u>	<u>8,840,765</u>

15.1 This includes fee relating to annual audit of foundation and European Union's project related expenditure verification amounting to Rs 205,000 and Rs 275,000 respectively.

	Note	2020 Rupees	2019 Rupees
<b>16 INSTITUTIONAL SUPPORT</b>			
Programme expenses	16.1	-	1,714,244
Rent		468,432	105,394
Other expenses		664,266	397,084
Depreciation	5.1	775,304	976,006
Asset written off		<u>-</u>	<u>47,987</u>
		1,908,002	3,240,715
Less: Grant for institutional support	16.2	<u>(564,953)</u>	<u>(2,379,466)</u>
		<u>1,343,049</u>	<u>861,249</u>

16.1 These represent various expenses borne by the Foundation, which were not allowed by the donor under various grants last year. Moreover, it includes different expenses on program activities by the Foundation.

16.2 This mainly represents donations received from European Union and other income generated during the year, which are applied to meet the institutional expenses.

17 **IMPACT OF COVID-19**

The spread of COVID-19 during the year has had a material adverse effect on the economy. In this regard measures taken to combat the spread of the virus have caused material economic downturn. However, as per the management, COVID-19 has no significant impact on the foundation's financial performance during the year as the foundation continued its operations after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees in order to maintain foundation's performance despite slowed down economic activity.

18 **NUMBER OF EMPLOYEES**

The number of employees as at year end was 26 (2019: 27) and average number of employees during the year was 27 (2019: 27).

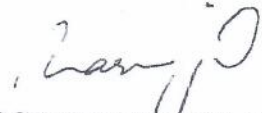
19 **DATE OF AUTHORIZATION**

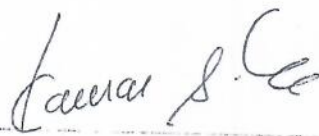
These financial statements have been authorized for issue by the Board of Governors of the Foundation on \_\_\_\_\_.

20 **GENERAL**

Figures have been rounded off to nearest rupee.

  
EXECUTIVE DIRECTOR

  
DEPUTY PROGRAMME MANAGER FINANCE



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