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**INDEPENDENT
AUDITORS' REPORT
TO THE MANAGEMENT
OF
SOCIETY FOR SUSTAINABLE DEVELOPMENT**

We have audited the annexed Statement of Financial Position of "**SOCIETY FOR SUSTAINABLE DEVELOPMENT**" as at June 30, 2012 and related Statement of Comprehensive Income together with the notes forming part thereof, for the year then ended.

Management's Responsibility

It is the responsibility of the organization's management to prepare and present the above said financial statements. Our responsibility is to express an opinion on these statements based on our audit.

Auditors' Responsibility

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and after due verification.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we have found the Statement of Financial Position of "**SOCIETY FOR SUSTAINABLE DEVELOPMENT**" as at June 30, 2012 and the related Statement of Comprehensive Income for the year then ended to be in order and in accordance with the record provided to us.

Place: Rawalpindi.

Dated: 03 DEC 2012


(HORWATH HUSSAIN CHAUDHURY & CO.)
CHARTERED ACCOUNTANTS


SOCIETY FOR SUSTAINABLE DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

	Note	2012 ------(Rupees)-----	2011
CAPITAL AND LIABILITIES			
FUND ACCOUNT			
Opening balance		168,673	294,133
Deficit for the year		(1,606,049)	(125,460)
		(1,437,376)	168,673
CURRENT LIABILITIES			
Audit fee payable		10,000	100,000
Accounts payable		1,799,500	1,575,348
Withholding tax payable		99,750	-
Payable to partner NGOs		-	2,757,439
		1,909,250	4,432,787
		<u>471,874</u>	<u>4,601,460</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		90,990	49,947
Security deposits		60,000	28,500
		150,990	78,447
CURRENT ASSETS			
Advances, deposits and prepayments	4	60,000	60,096
Receivable from donor		-	3,850,671
Cash and bank balances	5	260,884	612,246
		320,884	4,523,013
		<u>471,874</u>	<u>4,601,460</u>

AUDITORS' REPORT ANNEXED:

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




CHAIRPERSON


NATIONAL MANAGER

**SOCIETY FOR SUSTAINABLE DEVELOPMENT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2012**

	Note	2012 ------(Rupees)-----	2011
INCOME			
Consultancies		1,650,685	1,883,525
Donations in cash		238,281	22,830
DTCE project		-	448,000
Stop project		-	19,334,010
Child Sponsorship Program - Donations		1,902,450	-
Exchange Gain		216,443	-
Translation fee		41,448	61,800
		4,049,307	21,750,165
OPERATING EXPENDITURE			
Program expenditure	6	3,873,395	19,731,613
Administrative expenditure	7	1,781,961	2,144,012
		(5,655,356)	(21,875,625)
DEFICIT FOR THE YEAR		<u>(1,606,049)</u>	<u>(125,460)</u>

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




CHAIRPERSON


NATIONAL MANAGER

**SOCIETY FOR SUSTAINABLE DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

1 ORGANISATION AND ITS OPERATION

Society for Sustainable Development ("the Society") was registered in Pakistan, on November 04, 2009 under the Societies Act XXI of 1860. The objectives of the society are to reduce poverty, increase awareness regarding child rights and human rights, prevent communities from diseases like HIV and TB and to build capacity of civil organizations.

2 BASIS OF PREPARATION

2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention without making any adjustments for the effect of inflation or current values.

2.2 REPORTING CURRENCY

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 PROVISIONS

A provision is recognized in the balance sheet when the organization has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the

3.2 TRADE AND OTHER PAYABLES

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

3.3 TAXATION

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax rebates and credits available, if any.

3.4 REVENUE RECOGNITION:

Income is recognized on accrual basis.

SOCIETY FOR SUSTAINABLE DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

3.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, are stated at cost less accumulated depreciation and any identified impairment loss. Cost includes direct cost, related overheads and mark up.

Depreciation on all property, plant and equipment is charged on reducing balance method so as to write off the depreciable amount of an asset over its useful estimated life at the rates mentioned in the schedule.

Depreciation is charged proportionally for the period for use in respect of addition and deletion. Any gain or loss on disposal is charged to income or expense for the year.

Maintenance and normal repairs are charged to income as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the organization and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired.

ORBIT AVIATION-TRAVEL CONSULTANTS & TOUR OPERATORS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 ------(Rupees)-----	2011
4 ADVANCES, DEPOSITS AND PREPAYMENTS			
Prepaid rent		60,000	57,000
Prepaid Info tech expense		-	3,096
		<u>60,000</u>	<u>60,096</u>
5 CASH AND BANK BALANCES			
Cash in hand		20,000	20,000
Cash at Askari Bank-Current Account		240,884	592,246
		<u>260,884</u>	<u>612,246</u>
6 PROGRAM EXPENDITURE			
National Manager salary		1,200,000	1,200,000
Program Manager salary		600,000	-
Sponsor a child		1,812,450	-
Seminar, trainings and workshops		85,124	75,344
Medical camp in D I Khan		105,823	18,979
Capacity building workshop		45,678	88,914
Research & development		24,320	436,100
Translation and transcription		-	13,896
STOP Project		-	17,898,380
		<u>3,873,395</u>	<u>19,731,613</u>
6.1 CAPACITY BUILDING WORKSHOP			
Resource Mobilization and Financial Management DG Khan		-	88,914
		<u>-</u>	<u>88,914</u>
6.2 STOP PROJECT			
Winterization Kit expense		-	8,243,100
Salaries		-	630,000
Staff travelling expense		-	872,893
CFS establishment cost		-	366,655
CFS coordinators		-	979,200
CFS assistants		-	1,088,424
Eatables for children and women		-	926,499
CFS Rent		-	1,080,000
CFS utilities		-	878,332
Social mobilizers		-	1,306,800
Project orientations		-	462,679
Coordination linkages		-	256,498
Travelling		-	807,300
		<u>-</u>	<u>17,898,380</u>

ORBIT AVIATION-TRAVEL CONSULTANTS & TOUR OPERATORS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
Note	-----	-----
	(Rupees)	(Rupees)
7 ADMINISTRATIVE EXPENDITURE		
Salaries and benefits expenses	1,071,295	1,386,826
Travelling and POL	7,070	6,552
Audit fee	10,000	100,000
Office rent	317,092	342,000
Security deposit - Write-off	28,500	-
Stationery and office supplies	54,626	45,675
Utilities	97,259	89,515
Repair and maintenance	43,449	131,904
Repair and maintenance - Vehicle	86,850	-
MIS and IT expenses	11,024	5,032
Postage and courier	980	3,007
Bank charges	1,672	3,199
Depreciation	18,978	8,299
Miscellaneous expenses	33,166	22,003
	1,781,961	2,144,012

8 GENERAL

- Figures have been rounded off to nearest rupee
- Last year figures have been rearranged and restated where necessary for comparative purposes only.

SOCIETY FOR SUSTAINABLE DEVELOPMENT
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
AS AT JUNE 30, 2012

Particulars	W.D.V. as at 01-07-11	Additions/ (Deletions)	Total as at 30-06-12	Depreciation for the year	W.D.V. as at 30-06-12	Rate %
	(Rupees)					
Office equipment	19,794	60,020	79,814	15,963	63,851	20
Furniture & Fixture	30,154	-	30,154	3,015	27,139	10
Total 2012	49,948	60,020	109,968	18,978	90,990	
Total 2011	58,246	-	58,246	8,299	49,947	