

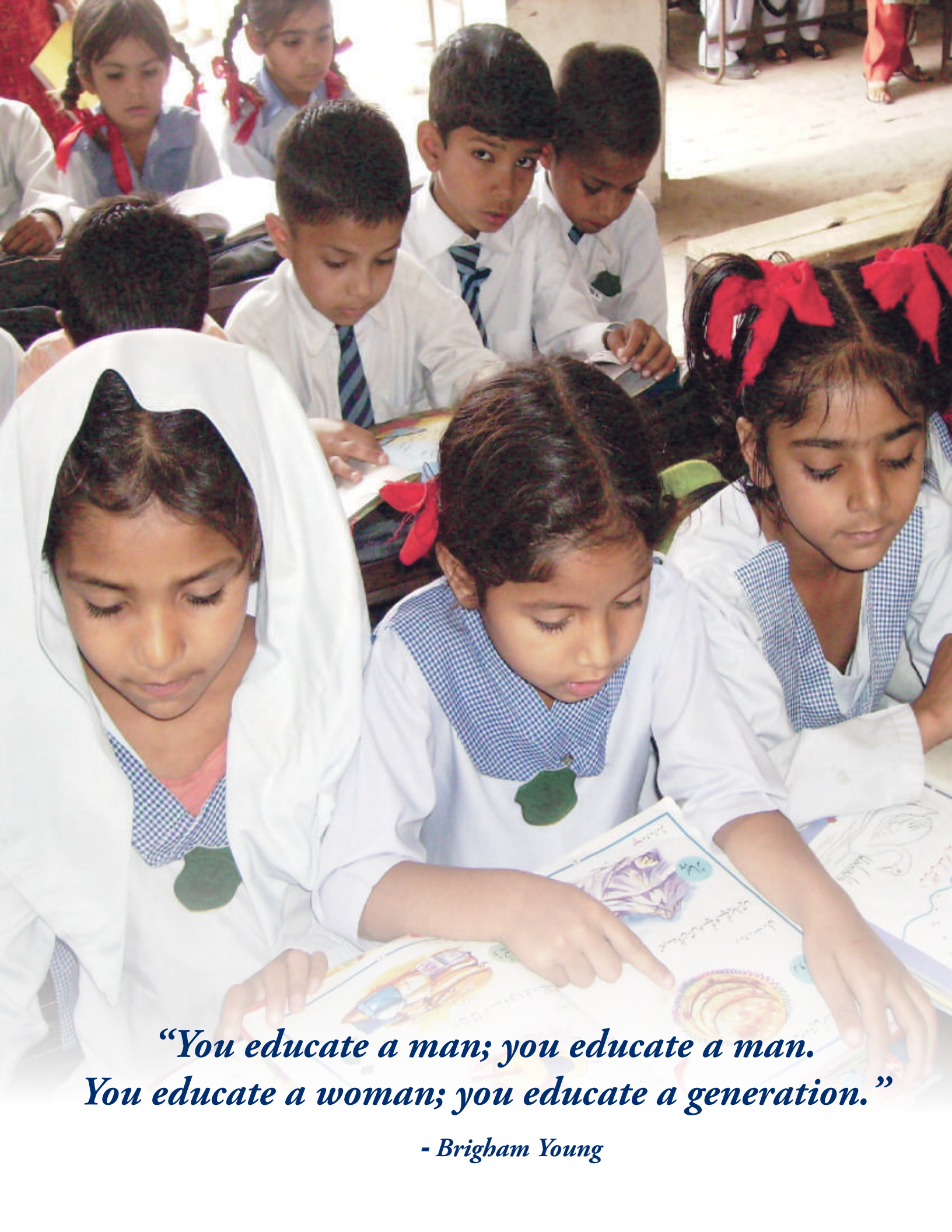


مضبوط عورت - مضبوط معاشرہ

Development Action for  
Mobilization & Emancipation



Annual  
Report  
2016



*“You educate a man; you educate a man.  
You educate a woman; you educate a generation.”*

*- Brigham Young*





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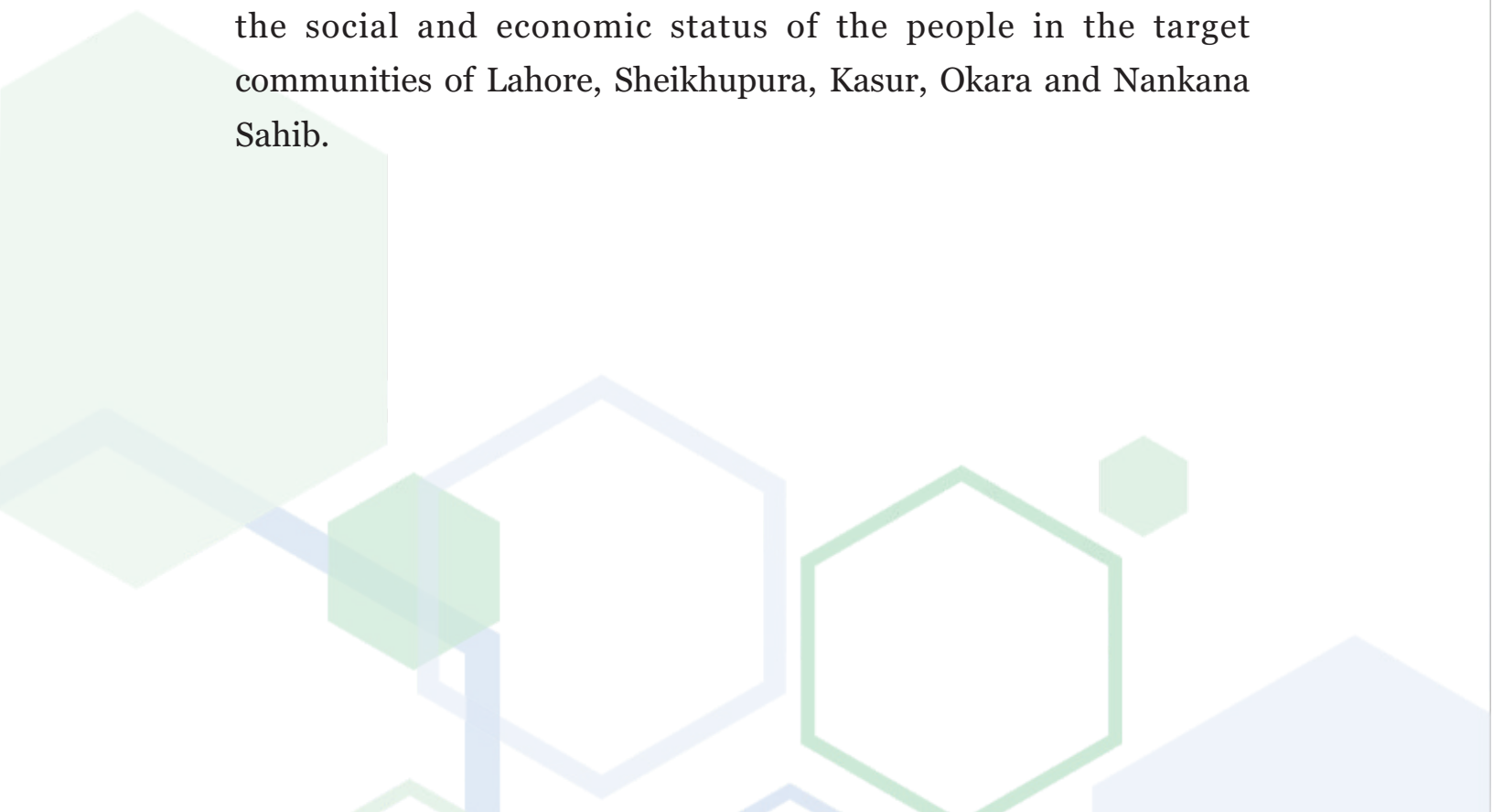


## Audit Report 20

## ABOUT DAMEN

DAMEN (Development Action for Mobilization & EmancipationN) is a non-profit, non-governmental organization established in May 1992 and registered under Societies Registration Act, working for alternative development at the grass-roots level in Pakistan. It is an alliance of social scientists, philanthropists and professionals from various fields having significant experience of working with NGOs within and outside Pakistan.

DAMEN plays a proactive role in providing educational opportunities, training, capacity building, health and sustainable livelihoods programs to marginalized communities through its network of non-formal home schools, primary health care centers and livestock extension services. DAMEN utilizes an integrated approach that is effective for bringing sustainable improvements in the social and economic status of the people in the target communities of Lahore, Sheikhpura, Kasur, Okara and Nankana Sahib.

The bottom half of the page features a decorative graphic consisting of several overlapping hexagons and polygons in light green and light blue colors, creating a modern, abstract design.



## MISSION

Mission of DAMEN is to make the people of marginalized communities understand the true notion of development and build their capacity, which would enable them to organize themselves into groups for collective action leading towards self-reliance and empowerment.

## VISION

DAMEN visualizes development as a process of capacity building of people in order to empower them to solve their socio-economic problems through collective action and their own participation.

## Message from the Executive Director

Pakistan is a signatory to the Convention on the Elimination of Discrimination against Women, as well as the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs) that have commitments on improving women's socio-economic conditions and promoting gender equality. These goals have also been incorporated in our country's Vision 2025. In Pakistan, female labour force participation rate (CAR) increased from 15.6 percent in 2012-13 to 15.8 percent in 2014-15, and the male labour force participation rate decreased from 49.3 percent in 2012-13 to 48.1 percent in 2014-15. Comparison of rural and urban participation rates for women reveals that labour force participation rate is higher (20.2%) in rural areas as compared to urban areas (7.5%) because of Pakistan's agrarian economy. Therefore, this is the right time to provide market linkages to rural women labour force to encourage them to participate more actively. In helping Pakistan to achieve these goals DAMEN believes that investing in women can be a major contributor towards economic growth.

Moreover, in the educational sector, the literacy rate of the population (10 years and above) is 60 percent as compared to 58 percent in 2014. The literacy rate for males during 2015 was 70 percent and for female was 49 percent which shows that there is a gap of 21 percent that needs to be bridged with the available resources to equalize the educational variances between males and females. DAMEN believes that education is an indispensable component of human development and a basic right of every citizen. Education is considered to have a strong correlation with the social and economic development of a country. Education enriches people's understanding and enhances their technical capabilities and creativity. It improves the quality of their lives and leads to immense social benefits to both individuals and society.

As far as the health sector is concerned, data from World Bank shows that Pakistan spends about US\$ 37 per capita on health which is lower than the WHO's prescribed level of US\$ 44 per capita: the minimum spending package required for essential health services. The ratio of one doctor per 1,038 persons, one hospital bed for 1,613 persons and one dentist for 11,513 persons shows clear inadequacies of health resources in the country. Animal health is also very important as livestock is an important sector of agriculture. Its role is pivotal towards rural socio-economic development. Nearly 8 million families are involved in livestock herding, deriving more than 35 percent of their income from livestock production activities. It is thus central to the livelihood of the rural poor in the country.

In order to address the above stated shortfalls, DAMEN provides educational and healthcare services to marginalized communities in 5 districts of Punjab: Lahore, Kasur, Okara, Sheikhupura and Nankana Sahib. In 2016, to achieve female empowerment, higher literacy rates and better healthcare facilities for individuals and livestock, DAMEN successfully maintained 100 female owned home schools catering to the educational needs of 4,535 students per year; 15 female owned health centers, serving 29,651 patients per year, and provided 11,478 livestock extension services to animals owned by female herders. However, a lot more still needs to be done in the coming years owing to the immense need for these services in Pakistan.

DAMEN is grateful to all the stakeholders who are helping us make a positive change in Pakistan.

**Shahid Mahmood**

# HOME SCHOOL EDUCATION PROGRAM

The goal of DAMEN's social sector programs is to organize activities in the fields of education and basic health, primarily by mobilizing women caught in the cycle of enduring poverty. Through its Home School Education Program, DAMEN identifies women who have at least a matriculation qualification and provides them with the opportunity to open an informal school in their neighbourhood. This not only socially and economically empowers these female teachers but also creates an avenue where out-of-school children from the ages of 5 to 14 years old can obtain basic education.



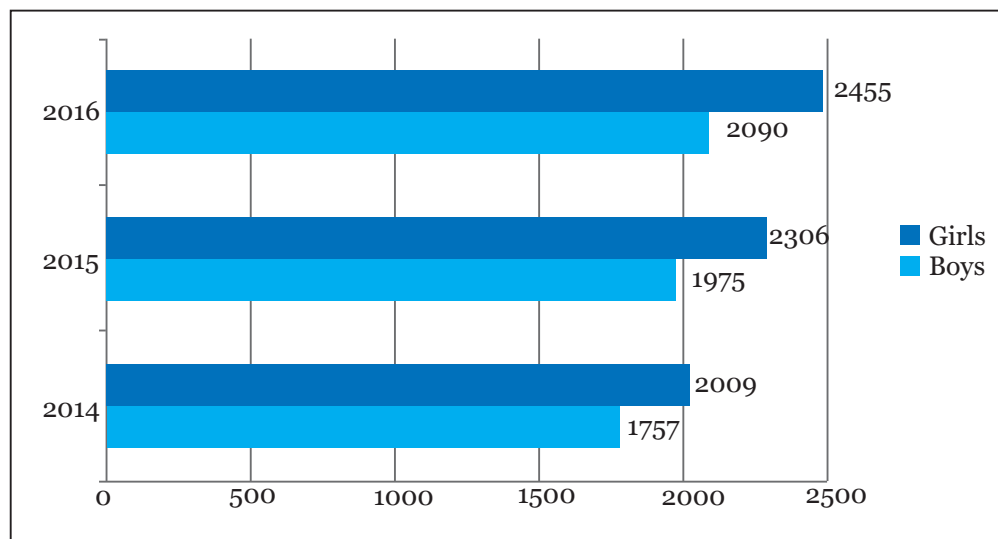
DAMEN currently supports 100 such female-run home schools in Lahore, Sheikhpura, Kasur and Nankana Sahib, which provide primary education to more than 4,500 children and thus keeps them off the streets and affords them a chance to educate, learn, and, hopefully, transition into productive citizens.

The following table and graph provides details about student enrollments in DAMEN's 100 home schools:

Area	No. of Boys	No. of Girls	No. of Students	No. of Schools
Niaz Baig, Lahore	538	612	1,150	28
Maraka, Lahore	280	324	604	15
BegumKot, Sheikhpura	385	358	743	14
Jamber, Kasur	583	653	1236	20
Nankana Sahib	304	508	812	23
<b>Grand Total</b>	<b>2,090</b>	<b>2,455</b>	<b>4,545</b>	<b>100</b>

Table 1.1: December 2016 Home School Statistics





Graph 1.1: Comparison of Student Strength over a 3 Year Period

These home schools also act as agents of positive social change and community development. Each home school teacher is responsible for forming a Women Social Organization (WSO), which consists of neighbourhood women and mothers of school-going children. These female committees meet on a monthly basis to discuss issues ranging from education to health and environment. The purpose of these meetings is to raise awareness about various culturally relevant social issues and to discuss these with the aim of seeking solutions and working together as responsible citizens to bring about positive change in society.



## CASE STUDY

Ms. Ume Farwa is a 28 year old teacher, mother and wife. She completed her Intermediate studies from Sayed Abid Hassan Foundation Girls High School and started giving tuitions to neighbourhood children, after her marriage. She initially took a loan from DAMEN (now DSP) to construct a room for a school, which she wanted to open in her home. Once this was accomplished she applied to become a home school teacher in collaboration with DAMEN. She

now operates a school with more than 50 students enrolled, most of whom were not attending school prior to coming here. She is also a regular and enthusiastic participant of the teacher training workshops conducted by DAMEN. She wishes to expand her school, provide education to an even greater number of children and one day sees her school achieve immense success and prosperity.



# HEALTH CARE SERVICES

DAMEN's health centers run on similar lines as its education program, founded on the principle of empowering local women to develop their communities and bring about positive and sustainable social change. Our 15 Lady Health Visitors (LHVs) not only provide medical treatment through their health centers and camps they also conduct awareness campaigns on various health related issues such as family planning, maternal and child healthcare, nutrition, and healthy lifestyle practices.



## CASE STUDY

Farhat-un-Nisa has extensive experience of more than 30 years in the field of health care. After acquiring her LHV degree, she worked at a BHU center and government hospital. In 2015, she heard about DAMEN's health care program, and started her own health center with the help of DAMEN's subsidy and has been providing subsidized health care and health camp facilities to poor patients since then.



The following table gives an account of the number of patients who visited DAMEN supported health centers in the year 2016:

## Health Centers

Social Organizer	Area	No. Of Health Centers	No. Of Patients
------------------	------	-----------------------	-----------------

### Area 1 (Niaz Baig, Lahore)

Nargis Rehman	Hanjar wall	1	1,732
	Shah Pur	1	241
Asifa Sultana	Awan Town	1	2,381
	Chung	1	1,661
<b>Sub Total</b>		<b>4</b>	<b>6,015</b>

### Area 2 (Maraka, Lahore)

Robina Begum	Manga Mandi	1	2,826
	Raiwind	1	2,905
<b>Sub Total</b>		<b>2</b>	<b>5,731</b>

### Area 3 (Begum Kot, Sheikhupura)

Shabnam Batool	Muridke	1	2,310
	Rachna Town	1	2,130
<b>Sub Total</b>		<b>2</b>	<b>4,440</b>

### Area 4 (Jamber, Kasur)

Sakina Amir	Jumber	1	1,410
	Pattoki	1	1,355
Nasreen Sharif	Phoolnagar	1	1,470
	Choonian	1	102
<b>Sub Total</b>		<b>4</b>	<b>4,337</b>

### Area 5 (Nankana Sahib)

Seher Mustafa	Nankana Sb.	1	4,384
	Shah Kot	1	2,156
Akbary Ali	More Khunda	1	2,588
<b>Sub Total</b>		<b>3</b>	<b>9,128</b>
<b>Grand Total</b>		<b>15</b>	<b>29,651</b>

Table 2.1: Patients Treated at DAMEN's Health Centers During 2016

## Health Camps

Area	Field Office	No. of Health Camps	Patients Treated
Area 1 (NiazBaig )	NiazBaig	4	194
	Chung	4	235
	BholaGarhi	4	187
	Shah Pur	1	47
Sub Total		13	663

Area 2 (Maraka)	Raiwind	1	40
	Manga Mandi	4	144
	Maraka	2	80
Sub Total		7	264

Area 3 (Sheikhupura)	Sharaq Pur	1	25
	Begum Kot	2	61
	Rachna Town	3	78
	Dhamke	1	22
	Muridke	1	25
Sub Total		8	211

Area 4 (Kasur )	Phool Nagar	4	163
	Jamber	4	165
	Pattoki	4	157
Sub Total		12	485

Area 5 (Nankana)	Nankana	5	303
	Shah Kot	4	216
	More Khunda	3	165
	Butcheyki	4	160
	Warburton	1	47
Sub Total		17	891

Grand Total		57	2,514
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Table 2.2: Patients Treated at DAMEN's Health Camps During 2016



# SUSTAINABLE LIVELIHOODS PROJECT

DAMEN launched its Sustainable Livelihoods Project in September 2015 through the initiation of its Livestock Extension Services Program. The rationale for setting up this integrated program is to build the capacity of smallholder farmers to achieve higher milk production. A Savory Program was also initiated under this project in January 2016, to test the feasibility of launching a soil fertility program in Punjab; however, this chapter was discontinued in October 2016 due to non-feasibility.

## Livestock Extension Services Program

The Livestock Extension Services Program is focused on improving the health of domestic dairy and livestock through tagging for traceability of animals, deworming and vaccinating. These interventions will not only protect animals from disease, they will also result in significant increases in milk production and consequently raise the incomes of smallholder farmers.

The following table reflects the achievements of this project so far:

Quarter	Target	Achieved	Variance under (Over)
Jan – March 16	1,200	770	430
April – June 16	3,600	2,646	954
July – Sep 16	4,400	2,766	1,634
Oct – Dec 16	4,800	5,296	(496)
<b>Total</b>	<b>14,000</b>	<b>11,478</b>	<b>2,522</b>

Table 3.1: Quarterly Comparison: Livestock Extension Services

# TRAINING AND CAPACITY BUILDING

Empirical evidence suggests that capacity building plays an important role in the growth and expansion of communities and organizations. DAMEN therefore places a great deal of importance on the training and capacity building of its staff and the local community in which it carries out its operations.

## Community Level

Community capacity building deals with supporting people to develop their skills and use them to raise awareness about social issues and consequently bring about positive change in society. DAMEN's vision and mission are also based on this principle of self-empowerment and active social participation.

## Institutional Level

DAMEN also creates opportunities for its employees to grow and develop their skills, competencies and expertise so as to enable them to contribute to their self-development and the development of the community.

During this year, DAMEN not only conducted training programs for its field office staff, it also organized activities to build the capacities of community members through WSO meetings, and teachers through interactive training workshops.

## Orientation of New Staff

Orientation sessions for newly hired staff were organized during January - December 2016. The orientation gave a brief introduction of DAMEN and its policies and role in economic development. The orientation also briefed the new recruits about the code of conduct, social mobilization techniques and the policies and procedures followed by the social sector.

## WOMEN SOCIAL ORGANIZATIONS

Each of the 100 DAMEN home schools supports an associated parental group called Women Social Organization (WSO) which comprises of neighbourhood women who gather on a regular basis to discuss community problems and engage with home school teachers, social organizers and the training coordinator to gain awareness about various issues dealing with education, health, and environment.

This year the social sector team decided to focus on the issue of gender sensitization in their WSO Meetings. In this regard, the training team screened documentaries advocating women's rights in a number of villages. An Oscar award-winning documentary, 'A Girl in the River' by Sharmeen Obaid Chinoy was screened in 22 village home schools to raise awareness among local residents about the issue of honour killing, which primarily targets young women.



The following tables summarize the total number of WSO meetings held during 2016:

### WSO Meetings Conducted by Social Organizers

Social Organizer	No. of Participants	No. of Meetings
<b>Area 1 (NiazBaig )</b>		
Nargis Rehman	1,695	167
Asifa Sultana	1,533	168
<b>Sub Total</b>	<b>3,228</b>	<b>335</b>
<b>Area 2 (Maraka)</b>		
Robina Begum	1,743	180
<b>Sub Total</b>	<b>1,743</b>	<b>180</b>
<b>Area 3 (Sheikhupura)</b>		
Shabnam Batool	1,733	175
<b>Sub Total</b>	<b>1,733</b>	<b>175</b>
<b>Area 4 (Kasur )</b>		
Sakina Bibi	1,637	120
Nasreen Sharif	1,467	120
<b>Sub Total</b>	<b>3,104</b>	<b>240</b>
<b>Area 5 (Nankana)</b>		
Seher Mustafa	1,522	129
Akbary Ali	793	123
<b>Sub Total</b>	<b>2,315</b>	<b>252</b>
<b>Grand Total</b>	<b>12,123</b>	<b>1,182</b>

Table 4.1: WSO Meetings with Social Organizers (Jan-Dec 2016)

## WSO Meetings Conducted by Training Coordinator

Topic	Description	Location	Date	Partic- ipants
Development	Adult Literacy (Lifelong Learning), Community Development, Role of Women to Combat Poverty	Hanjar Wall	19 <sup>th</sup> -20 <sup>th</sup> January	29
Gender sensitization:	Film Screening: 'A Girl in the River'	Ismail Town, Kasoor	1 <sup>st</sup> February	27
		Gandhi Outar, Kasoor	2 <sup>nd</sup> February	26
		Ali Pur, Kasoor	3 <sup>rd</sup> February	22
		Lundian wala, Nankana	4 <sup>th</sup> May	13
		Nankana	10 <sup>th</sup> May	22
		Jumber	11 <sup>th</sup> May	20
		Jumber	12 <sup>th</sup> May	24
		Dhamke	19 <sup>th</sup> May	16
		Ghazi Pur, Begum Kot	20 <sup>th</sup> May	16
		Shamke Bhattian	24 <sup>th</sup> May	22
		Shamke Bhattian	25 <sup>th</sup> May	27
		Thokar Niaz Baig	26 <sup>th</sup> May	19
		Chooong	25 <sup>th</sup> July	17
		Shah Pur	3 <sup>rd</sup> August	24
		Sardar Town, Maraka	22 <sup>nd</sup> Sep	21
		Jalyana, Maraka	26 <sup>th</sup> Sep	17
		Jalyana, Maraka	27 <sup>th</sup> Sep	17
		Phoolnagar	26 <sup>th</sup> Oct	19
		Choonian	27 <sup>th</sup> Oct	17
		Phoolnagar	15 <sup>th</sup> Nov	39
		Choonian	16 <sup>th</sup> Nov	40
		Phoolnagar	22 <sup>nd</sup> Nov	20
Total Participants				514

Table 4.2: WSO Meetings with Training Coordinator (Jan-Dec 2016)



## Training Workshops

In addition to Women Social Organization (WSO) meetings, DAMEN regularly conducts capacity building programs for its teachers and staff members. In 2016, a number of training workshops were conducted by DAMEN's head office staff for home school teachers, social organizers and livestock staff, on various topics.

During the year January to December 2016, subject-specific need based trainings were conducted for DAMEN's home school teachers in all 5 areas, covering the subjects of English, Urdu, Mathematics, Science and Social Studies. The following tables provide details about the training topics and participants:

Topic	Description	Area	Date	Participants (Teachers)
Primary Curriculum	Subject Specific Trainings: English, Urdu, Math, Science, Social Studies	Maraka	21 <sup>st</sup> -22 <sup>nd</sup> March	12
		NiazBaig	05 <sup>th</sup> -06 <sup>th</sup> April	19
		Begum Kot	12 <sup>th</sup> -13 <sup>th</sup> April	9
		Jamber	20 <sup>th</sup> -21 <sup>st</sup> April	13
		Nankana	27 <sup>th</sup> -28 <sup>th</sup> April	10
Science Education	Learning Through Experiments: Science	Niaz Baig	30 <sup>th</sup> August	15
		Begum Kot	01 <sup>st</sup> Sep	10
		Jamber	06 <sup>th</sup> Sep	8
		Nankana	07 <sup>th</sup> Sep	4
		Maraka	21 <sup>st</sup> Sep	10
Understanding Primary Curriculum	Child Psychology; Class Schedules and Activities	Niaz Baig	6 <sup>th</sup> -7 <sup>th</sup> Dec	12
		Maraka	8 <sup>th</sup> -9 <sup>th</sup> Dec	7
		Begum Kot	13 <sup>th</sup> -14 <sup>th</sup> Dec	5
		Jamber	15 <sup>th</sup> -16 <sup>th</sup> Dec	6
Total Participants				140

Table 4.3: Teacher Training Workshops (2016)

Topic	Area	Date	Participants (Social Organizers and Livestock Team)
Adult Literacy Session	Head Office	14 <sup>th</sup> Jan	8
Effective Leadership	Head Office	26 <sup>th</sup> May	8
WSO Meetings: Brain Storming	Head Office	17 <sup>th</sup> August	8
Future Course of Action	Head Office	5 <sup>th</sup> Sep	16
Lecture on the Use of Excel	Head Office	1 <sup>st</sup> Nov	17
Progress and Strategies	Head Office	6 <sup>th</sup> Dec	17

Table 4.4: Training Workshops for Social Organizers and Livestock Team (2016)

## NETWORKING & LINKAGES

DAMEN strives to create local and regional linkages for better collaboration with other organizations and institutions: to learn, share and coordinate on issues of common concern and to provide a platform for action research on various development initiatives. In line with this aim the following activities were carried out in 2016:

DAMEN in collaboration with DAMEN Support Program celebrated the International Women's Day on 8th March, 2016. Nearly 400 people including field and head office staff, board members, civil society organizations and media personnel were invited to the event.

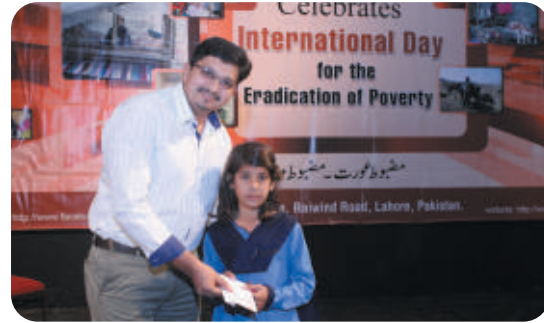
The highlights of the event were as follows:

- ✿ Students of DAMEN Home School (Rachna Town) performed a tableau
- ✿ theatrical performance was staged by the theatre group, RCDO (IRC)
- ✿ Best Performance Shield was awarded to DAMEN's Social Organizer, Robina Begum
- ✿ Oscar Award Winner, Sharmeen Obaid Chinoy's documentary 'Saving Face' was screened
- ✿ DAMEN's female entrepreneurs were given the opportunity to showcase and sell their crafts at the venue

Moreover, DAMEN in collaboration with DAMEN Support Program (DSP) also celebrated the International Day for the Eradication of Poverty on 17th October, 2016. Nearly 400 people including field and head office staff, board members, civil society organizations and media personnel were invited to the event.

The highlights of the event were as follows:

- ✿ Students of DAMEN Home School (Veer Singh, Choonian) performed a tableau
- ✿ A theatrical performance was staged by the children of DAMEN's Home School (Veer Singh, Choonian)
- ✿ A theatrical performance was staged by DAMEN's staff
- ✿ A panel discussion was arranged with DSP clients on the issue of Poverty Eradication
- ✿ Cash prizes and Bouquet of flowers were awarded to performers
- ✿ Poverty Eradication video clips were screened
- ✿ DAMEN's female entrepreneurs were given the opportunity to showcase and sell their crafts at the venue



## Other Networks and Linkages

- ❖ On 20th September 2016, a Renowned Classical Dancer, Nighat Chaudhry visited DAMEN and agreed to be our Brand Ambassador
- ❖ Ms. Hira Jamil attended the one-day NHN seminar dated 15th Dec, 2016 on the topic of “Policies and initiatives that have implications for humanitarian actors and inclusion of civil society representatives in strategic policy making forums according to the NDMA Act”
- ❖ Executive Director, Kernel Arshad Ansari, from “The Brooke Pakistan” visited DAMEN's Office.
- ❖ Mr. Sayed Mujahid Hussain Shah also visited DAMEN's office for collaboration purposes.
- ❖ During December 2016, 2 free eye camps were organized in district Okara. In these camps qualified doctors provided eye care services to 300 patients. Free medicines were also provided to the patients.







## BOARD OF DIRECTORS

DAMEN's Board has three Committees: Operations and Human Resource (HR) Committee; Audit Committee and Finance Committee.

These Committees meet at DAMEN's Head Office at least 4 times in a year.

**Ms. Zareen Niazi**

**Chairperson BOD**

**Mr. Humza Hussain**

**Treasurer BOD**

**Mr. Shahid Mahmood**

**ED / General Secretary**

**Mr. Adnan Afaq**

**Member BOD**

**Mr. Asim Saeed**

**Member BOD**

**Ms. Ghazala Saigol**

**Member BOD**

**Mr. Imran Niazi**

**Member BOD**

**Ms. Saweela Anees**

**Member BOD**

**Ms. Salma Rashid**

**Member BOD**

**Ms. Anum Maqsd**

**Member BOD**

**Mr. Mobeen Ahmed**

**Member General Body**

# LIST OF STAFF

**Shahid Mahmood**

**Executive Director**

## **Finance & Administration:**

**Atif Naseer**

**Manager Accounts & Administration**

## **Social Sector:**

**Tania Rashid**

**Team Leader**

**Nabila Roohi**

**Training Coordinator**

**Hira Jamil**

**Field Coordinator**

## **Livestock:**

**Sibghat Abbas**

**Veterinary Assistant**

**Tanveer Rashid**

**Veterinary Assistant**

**Qaisar Ali**

**Attendant**

**Ghulam Mustafa**

**Veterinary Assistant**

**Mujtaba Ashraf**

**Attendant**

**Ali Sher**

**Veterinary Assistant**

**Mudassar Ali**

**Veterinary Assistant**

**Adnan Ali**

**Veterinary Assistant**

**Naveed Iqbal**

**Veterinary Assistant**

## **Social Organizers:**

**Nargis Rehman**

**SO Area 1**

**Asifa Sultana**

**SO Area 1**

**Robina Begum**

**SO Area 2**

**Shabnam Batool**

**SO Area 3**

**Sakina Amir**

**SO Area 4**

**Nasrin Sharif**

**SO Area 4**

**Sehar Ghulam**

**SO Area 5**

**Akbary Ali**

**SO Area 5**

## **Auxiliary Staff:**

**Abdullah Saleem**

**Front Desk Officer**

**Wahid Iqbal**

**Driver**

**Muhammad Atiq**

**Driver**

**Muhammad Ashraf**

**Office Boy**

NOTE: DAMEN also has 15 Lady Health Visitors and 100 Home School Teachers on stipend.



# **AUDIT REPORT 2016**



Building a better  
working world

EY Ford Rhodes  
Chartered Accountants  
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## AUDITORS' REPORT TO THE GENERAL BODY

We have audited the accompanying financial statements of **Development Action for Mobilization and Emancipation** (the Society), which comprise of the balance sheet as at **31 December 2016**, and the income and expenditure account, the statement of changes in fund and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Board of members 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors 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.

### Opinion

In our opinion the financial statements present fairly in all material respects the financial position of **Development Action for Mobilization and Emancipation** as at **31 December 2016** and of its surplus and cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 04 February 2017

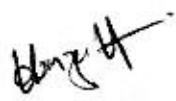


**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION  
BALANCE SHEET  
AS AT 31 DECEMBER 2016**

<b>ASSETS</b>	<b>Note</b>	<b>2016 Rupees</b>	<b>2015 Rupees</b>
<b>Non-current assets</b>			
Property and equipment	5	20,309,970	21,229,863
Loan to Damen Support Programme	6	<u>69,000,000</u>	<u>69,000,000</u>
		89,309,970	90,229,863
<b>Current assets</b>			
Loans and advances	7	-	812,500
Other receivables	8	10,343,072	7,185,726
Short term investments	9	56,000,000	67,000,000
Cash and bank balances	10	<u>1,646,771</u>	<u>359,607</u>
		67,989,843	75,357,833
<b>TOTAL ASSETS</b>		<u><u>157,299,813</u></u>	<u><u>165,587,696</u></u>
<b>FUND AND LIABILITIES</b>			
<b>FUND</b>			
General fund	11	11,463,331	19,172,816
Reserves	12	<u>139,766,521</u>	<u>139,766,521</u>
		151,229,852	158,939,337
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Security deposits		450,000	450,000
<b>Current liabilities</b>			
Trade and other payables	13	5,619,961	6,198,359
<b>TOTAL FUND AND LIABILITIES</b>		<u><u>157,299,813</u></u>	<u><u>165,587,696</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

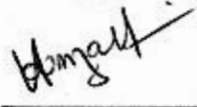
  
TREASURER

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 Rupees	2015 Rupees
<b>Continuing operations</b>			
<b>INCOME:</b>			
Profit on investments and bank deposits	15	9,804,451	11,486,115
Livestock extension services		2,869,500	-
Other income	16	<u>2,899,000</u>	<u>2,522,480</u>
		15,572,951	14,008,595
<b>EXPENDITURES:</b>			
Salaries, wages, stipends and other benefits		14,865,373	6,935,218
General and administrative expenses	17	3,769,404	2,504,901
Training expenses		114,682	120,107
Subsidy to home schools		714,600	696,000
Subsidy to health centres		865,000	900,000
Bio-Char project expenses		2,497,711	172,273
Livestock extension services		<u>455,666</u>	<u>479,333</u>
		<u>(23,282,436)</u>	<u>(11,807,832)</u>
Net (deficit)/ surplus for the year		(7,709,485)	2,200,763

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

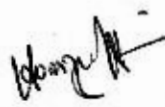
  
TREASURER

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 Rupees	2015 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net surplus for the year		(7,709,485)	2,200,763
<b>Adjustments for non cash and other related items</b>			
Depreciation		1,335,579	797,645
Gain on sale of fixed asset		(482,000)	-
		853,579	797,645
<b>Surplus before working capital changes</b>		(6,855,906)	2,998,408
<b>Effect of (Increase) /decrease in current assets:</b>			
Loans and advances		812,500	(577,272)
Deposits and prepayments		-	192,799
Other receivables		(3,157,346)	23,117,458
Micro credit loan portfolio		-	953,001,933
Short term investments		11,000,000	(8,351,400)
Security deposits		-	666,097
(Decrease)/Increase in trade and other payables		(578,398)	2,172,516
		8,076,756	970,222,131
<b>Net cash generated from/(used in) operating activities</b>		1,220,850	973,220,539
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Operating fixed assets expenditure		(415,686)	(7,248,693)
Increase in long term loan		-	(69,000,000)
Sale proceeds from sale of intangible assets		-	383,817
Sale proceeds from sale of fixed assets		482,000	13,386,259
<b>Net cash from/(used in) investing activities</b>		66,314	(62,478,617)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Deferred grants transferred		-	(1,563,075)
Deposit against building rent received		-	450,000
Repayment of short term financing		-	(15,625,542)
Endowment fund transferred		-	(106,000,000)
General fund reserves transferred		-	(144,441,398)
Repayment of long term loans		-	(1,058,627,806)
<b>Net cash (used in)/from generated from financing activities</b>		-	(1,325,807,821)
<b>Net increase/(decrease) in cash and cash equivalents</b>		1,287,164	(415,065,899)
Cash and cash equivalents at the beginning of year		359,607	415,425,506
<b>Cash and cash equivalents at the end of year</b>		1,646,771	359,607

The annexed notes from 1 to 24 form an integral part of these financial statements.


  
CHIEF EXECUTIVE OFFICER


  
TREASURER

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION**  
**STATEMENT OF CHANGES IN FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Endowment Fund	General Fund	Reserves	Total
	-----Rupees-----			
Balance as at 01 January 2015	106,000,000	160,202,733	140,977,239	407,179,972
Net surplus for the year	-	2,200,763	-	2,200,763
Sustainability reserves - social sector program	(106,000,000)	(138,104,369)	(1,210,718)	(245,315,087)
Payable to Damen Support Programme	-	(5,126,311)	-	(5,126,311)
Balance as at 31 December 2015	-	19,172,816	139,766,521	158,939,337
Net surplus for the year	-	(7,709,485)	-	(7,709,485)
Balance as at 31 December 2016	-	11,463,331	139,766,521	151,229,852

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE OFFICER

  
 TREASURER

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. STATUS AND NATURE OF THE BUSINESS**

- 1.1 Development Action for Mobilization and Emancipation (DAMEN) (the Society) was registered in May 1992 as a non profit organization under the Societies Registration Act XXI of 1860. DAMEN has field offices within vicinity of Lahore, Kasur, Sheikhupura & Nankana Districts.
- 1.2 The principal activity of DAMEN is to provide financial and operational support for provision of primary education and basic health facilities through community based schools and health centres in rural areas in vicinity of Lahore, Kasur and Sheikhupura Districts. In addition to these functions, DAMEN also provides non financial services in the form of trainings both to its clients and staff.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards for Small and Medium-sized entities (IFRSs for SMEs) and Accounting standards for Not for profit organizations issued by the Institute of Chartered Accountants of Pakistan.

Previously, the Society has been preparing its financial statements under Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs). The Society has adopted all applicable IFRS for SMEs for the first time for the year ended 31 December 2016. However, the applicable of revised accounting framework does not have any significant impact on these financial statements.

**3. BASIS OF PREPARATION**

These accounts have been prepared under the historical cost convention.

**3.1 Functional and presentation currency**

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

**3.2 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Society's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Society's financial statements or where judgments were exercised in application of accounting policies are as follows:

	<u>Notes</u>
Residual values and useful lives of property and equipment	(4.1)
Impairment	(4.3)
Provisions	(4.7)
Taxation	(4.11)

**4. SIGNIFICANT ACCOUNTING POLICIES**

These accounts have been prepared under the historical cost convention using accrual basis of accounting except for the cash flow information.

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**4.1 Property and equipment**

**All operating assets**

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment loss, if any.

Depreciation on all operating fixed assets is charged to income on straight-line method so as to write off the historical cost of assets over estimated useful life at rates specified in Note 5.

Full month's depreciation is charged on additions while no depreciation is charged in the month of disposals during the year. Impairment loss or its reversal, if any, is charged to income. Where an impairment loss is recognized, the depreciation charge is adjusted in the future years to allocate the asset's revised carrying amount over its estimated useful life.

The gain or loss on disposal or retirement of an asset is recognized as an income or expense.

The asset's residual values and estimated useful lives are reviewed at least at each balance sheet date and impact on depreciation is adjusted, if significant.

**4.2 Investments**

Held-to-maturity investments are investments with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- a) those that the entity upon initial recognition designates as at fair value through profit or loss; and
- b) those that the entity designates as available for sale.

These investments are recognized initially at fair value plus directly attributable transaction costs. The impairment loss, if any, on held to maturity investments and its reversal is recognized in profit or loss.

**4.3 Impairment of assets**

The carrying amounts of the Society's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

**4.4 Advances, prepayments and other receivables**

Advances, prepayments and other receivables are carried at original cost less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off, when identified.

**4.5 Trade and other payables**

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

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**4.6 Revenue recognition**

**4.6.1 Grants related to income**

Income from grants is recognized on receipt basis.

**4.6.2 Bank profit**

Profit on bank deposits is recognized on accrual basis.

**4.7 Provisions**

Provisions are recognized when, and only when, the Society has a present obligation (legal or constructive) as a result of a past event and 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 the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**4.8 Staff retirement benefits**

The Society operates a recognized provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Society and the employees at the rate of 10 percent of the basic salary. Obligation for contributions to defined contribution plan is recognized as an expense in the profit and loss account as and when incurred.

**4.9 Foreign currency translations**

Transactions in foreign currencies are initially recorded by the trust at their respective functional currency (Pak rupee) spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

**4.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

**4.11 Taxation**

The Society's income is exempt from tax under the provisions of Income Tax Ordinance 2001, hence no provision has been made for the current and prior years in these financial statements.

**4.12 Related party transactions**

Transactions and contracts with related parties are carried out at arms length prices determined in accordance with comparable uncontrolled price method. Parties are said to be related if they are able to influence the operating and financial decision of the Society and vice versa.

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DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

5. PROPERTY AND EQUIPMENT

Operating fixed assets

	2016	2015
Notes	Rupees	Rupees
(6.1)	20,309,970	21,229,863
	20,309,970	21,229,863

5.1 Operating fixed assets

2016										
DESCRIPTION	COST				DEPRECIATION				BOOK VALUE December 31 2016	% 
	As at 01 January, 2016	Additions during the year	Adjustments during the year	As at 31 December 2016	As at 01 January, 2016	Adjustments during the year	Charge for the year	As at 31 December 2016		
Land	10,753,700	-	-	10,753,700	-	-	-	-	10,753,700	-
Building	9,223,112	-	-	9,223,112	2,229,074	-	461,156	2,690,230	6,532,862	5
Computer equipment	409,796	75,546	-	485,342	276,120	-	85,154	361,274	124,066	33
Office equipment	2,566,862	21,000	-	2,587,862	918,701	-	361,322	1,280,024	1,307,838	20
Furniture and fittings	686,823	-	-	686,823	81,067	-	66,284	147,351	539,472	10
Vehicles	3,266,215	319,140	(650,000)	2,935,355	2,171,682	(650,000)	361,663	1,883,345	1,052,010	20
Total	26,906,508	415,686	(650,000)	26,672,194	5,676,645	(650,000)	1,335,579	6,362,224	20,309,970	

2015										
DESCRIPTION	COST				DEPRECIATION				BOOK VALUE December 31 2015	%
	As at 01 January, 2015	Additions during the year	Adjustments during the year	As at 31 December 2015	As at 01 January, 2015	On disposals / adjustments	Charge for the year	As at 31 December 2015		
Land	10,753,700	-	-	10,753,700	-	-	-	-	10,753,700	-
Building	4,031,121	380,283	-	9,223,112	1,941,517	-	287,557	2,229,074	6,994,038	5
- Transferred from CWIP	-	4,811,708	-	-	-	-	-	-	-	-
Computer equipment	7,622,024	111,355	(7,323,583)	409,796	6,246,979	(6,015,365)	44,506	276,120	133,676	33
Office equipment	5,151,444	1,746,295	(4,330,877)	2,566,862	3,759,732	(2,978,210)	137,179	918,701	1,648,161	20
Furniture and fittings	4,351,419	562,603	(4,227,199)	686,823	2,516,419	(2,467,379)	32,027	81,067	605,756	10
Vehicles	19,622,569	114,915	(16,471,269)	3,266,215	9,381,022	(7,505,715)	296,375	2,171,682	1,094,533	20
Total	51,532,277	7,727,159	(32,352,928)	26,906,508	23,845,669	(18,966,669)	757,645	5,676,645	21,229,863	

## 6. LOAN TO DAMEN SUPPORT PROGRAMME

A demand finance loan is given to Damen Support Programme, against mark up rate of 8%. The loan has a grace period of 5 years. Principal repayments will start from 30, September 2020. Mark-up is receivable on quarterly basis in arrears. This loan is secured against hypothecation of receivables amounting to PKR 69 million but the charge is not registered.

	Note	2016 Rupees	2015 Rupees
<b>7. LOANS AND ADVANCES - Considered good</b>			
Advances for expenses		-	812,500
		<u>-</u>	<u>812,500</u>
<b>8. OTHER RECEIVABLES - Considered good</b>			
Accrued income		291,578	535,288
Advance tax		7,155,008	6,519,883
Securities		185,000	-
Prepaid insurance		26,131	-
Other receivables		2,685,355	130,555
		<u>10,343,072</u>	<u>7,185,726</u>
<b>9. SHORT TERM INVESTMENT</b>			
Investments held to maturity:			
Term Deposit Receipts (TDRs)	(9.1)	<u>56,000,000</u>	<u>67,000,000</u>
9.1	These represent investments in Term Deposit Receipts having a term of 1 year. These investments carry mark up rate ranging from 6.03 % to 10.10% (2015: from 8.00 % to 8.75%).		
<b>10. CASH AND BANK BALANCES</b>			
Cash in hand		12,012	5,936
<b>Cash with banks:</b>			
current accounts - local currency		12,167	11,864
deposit accounts:			
- local currency		1,610,627	330,120
- foreign currency		11,965	11,687
		<u>1,622,592</u>	<u>341,807</u>
		<u>1,646,771</u>	<u>359,607</u>

10.1 The deposit account carry mark up rate ranging from 3% to 6% (2015: from 5% to 7%).

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# DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

		2016	2015
	Note	Rupees	Rupees
<b>11. GENERAL FUND</b>			
General Fund - Social Sector programme	(11.1)	11,463,331	19,172,816
		<u>11,463,331</u>	<u>19,172,816</u>
<b>11.1 General Fund - Social Sector programme</b>			
Opening balance		19,172,816	16,172,053
Transferred from General Fund - Micro Finance programme		-	800,000
Surplus/ (Deficit) for the year		(7,709,485)	2,200,763
		<u>11,463,331</u>	<u>19,172,816</u>
<b>12. RESERVES</b>			
Social sector programme	(12.1)	139,766,521	139,766,521
		<u>139,766,521</u>	<u>139,766,521</u>
<b>12.1 Social sector programme</b>			
Health centre - Shahpur		37,185	37,185
Health centre - Chung		15,761	15,761
Education services		269,400	269,400
Sustainability reserve - social sector programme		139,444,175	139,444,175
		<u>139,766,521</u>	<u>139,766,521</u>
<b>13. TRADE AND OTHER PAYABLES</b>			
Accrued expenses		493,650	1,072,048
Damen Support Programme	(13.1)	5,126,311	5,126,311
		<u>5,619,961</u>	<u>6,198,359</u>
<b>13.1</b>	This represents an amount payable to an associated entity, Damen Support Programme (DSP) against advance tax recoverable on microfinance operations which have been transferred to DSP.		
<b>14. CONTINGENCIES AND COMMITMENTS</b>			
There were no contingencies and commitments to report at the year end. (2015: Rs. Nil)			
<b>15. PROFIT ON INVESTMENTS AND BANK DEPOSITS</b>			
Profit on Investments - TDRs		4,159,356	8,638,106
Profit on bank deposits		250,246	303,222
Service charge on loan to Damen Support Programme		5,394,849	2,544,787
		<u>9,804,451</u>	<u>11,486,115</u>

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# DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

16. OTHER INCOME	Note	2016 Rupees	2015 Rupees
Building & equipment rental income		2,400,000	1,800,000
Vehicles rental income		-	690,000
Income on sale of fixed assets		482,000	-
Other income		17,000	32,480
		<u>2,899,000</u>	<u>2,522,480</u>

## 17. GENERAL AND ADMINISTRATIVE EXPENSES - Social Sector programme

Vehicles running expense		408,153	154,967
Communications		134,767	23,947
Utilities		89,155	98,748
Repair & Maintenance		216,253	125,579
Printing and stationary		141,437	46,262
Office supplies		145,941	36,072
Travelling expenses		195,900	110,533
Bank charges		15,851	14,402
Commercialization of building and property tax		158,637	318,423
Networking and linkages		28,156	61,600
Auditors' remuneration		250,000	375,000
Legal and professional charges		521,000	284,000
Depreciation	(5.1)	1,335,579	797,645
Insurance costs		124,992	57,723
Miscellaneous		3,583	-
		<u>3,769,404</u>	<u>2,504,901</u>

## 18. TAXATION

No provision for tax has been made in the financial statements because as per section 2(36) read with section 100C of income tax ordinance, 2001, the Society shall be allowed 100% tax credit of the tax payable, including minimum tax and final taxes payable under any provision of Income Tax Ordinance, 2001.

## 19. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The aggregate amount charged in the financial statements for the year in respect of remuneration including certain benefits to the Chief Executive Officer of the Society is as follows:

### Description

Managerial remuneration	<u>2,200,000</u>	<u>2,380,003</u>
No. of persons	<u>1</u>	<u>1</u>

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**20. RELATED PARTY TRANSACTIONS**

The related parties comprise of associated companies, directors of the Society, companies with common directorship and key management personnel. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

<u>Relation</u>	<u>Nature of transaction</u>	Note	2016 Rupees	2015 Rupees
Associated entity	Rent received		2,400,000	1,800,000
	Livestock extension service		2,869,500	-
	Service charge on loan to DSP		5,394,849	2,544,787
Staff provident fund	Contribution paid		1,076,589	494,600

Transactions entered into with the key management including Chief Executive Officer as per terms of employment are excluded from related party transactions.

**21. NUMBER OF EMPLOYEES,**

	2016	2015
Number of employees at the end of the year	<u>26</u>	<u>22</u>
Average number of employees	<u>24</u>	<u>22</u>

**22. DATE OF AUTHORIZATION**

These financial statements have been approved by the Board of Directors and authorized for issuance on

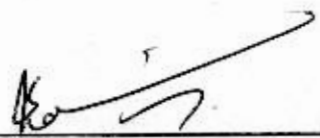
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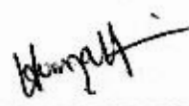
**23. CORRESPONDING FIGURES**

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison, however no significant classification has been made during the year.

**24. GENERAL**

Figures have been rounded off to the nearest rupee, unless otherwise stated.

  
CHIEF EXECUTIVE OFFICER

  
TREASURER



مضبوط عورت - مضبوط معاشرہ

## DAMEN

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