



Annual Report 2017

Development Action for Mobilization & Emancipation

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The rationale for setting up Sustainable Livelihoods Project was to build the capacity of smallholder farmers to achieve higher milk production.



DAMEN 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.



DAMEN empowers poverty riven females by enabling them to start a non formal home school and provide primary education to 5 to 14 year old out-of-school children.

DAMEN

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Message From Executive Director

The year 2017 was yet another remarkable year for DAMEN as it continued to be the force for change. Attacking our biggest challenges in low cost universal primary education, health services, equity, and environment. We steadily progressed embedded in our consciousness.

This year, we welcomed new Board Chair, new Board Members, and new staff, worked the plan we created to guide and support us, and built partnerships. We see them going a long way in creating lasting impact for our future work.



DAMEN kept its pace, releasing unstoppable energy into home school operations and healthcare services, across its five districts. We are proud to be working with a wide range of dedicated, caring individuals and organizations representing diverse spectrum of rural and urban communities and connected with local government. There's a genuine groundswell on seeing an end to

the plight of education for our out of school children from our communities and managing sustainable health service facilities for them and their families.

Our passion is building effective home schools and health centers that resonate values and interests of our communities, using active help from our project team, and supported by an untiring team of social mobilizers, who bring the very best of themselves to the cause they support in improving service delivery. Achieving operational excellence and effective compliance to affect change, through meaningful transformation in day to day activities. We want to recognize and thank Tania Rashid, our team leader for her great stewardship through DAMEN's time of change.

“Our passion is building effective home schools and health centers that resonate values and interests of our communities, using active help from our project team, and supported by an untiring team of social mobilizers.”

DAMEN has been constantly growing and learning through its involvement with its 100+ WSO- teacher led women social groups and home-school teacher forums.

Our success is community success. We find great enjoyment in the work we do and look for opportunities to design and innovate. I want to take a moment to share our gratefulness to the Packages Foundation, for imparting us grant from the very first correspondence, which helped us purchase needed curriculum books for our 4500+ primary level students. We simply would not have the means to support the purchase without this assistance. We successfully finished collecting public and private school data from our working communities. It helped us carve out a purpose driven, student-centered strategy. And, we designed and developed “Teacher Guide toolkit” to skill up our primary teachers in delivering course work. Ongoing support of the Board and technical advice from Ms Naghma Rashid helped us to be ready to achieve our mission fueled by great leadership, great strategy and most importantly great results, ahead in 2018.

While the obstacles have been many, from a persistently tough fundraising climate to discouraging public misperceptions about the role and value of primary education and healthcare service development and community led assistance, what has shone through is our steadfast commitment in helping the communities' poorest and most vulnerable take charge of their lives and strive to thrive.

Salman Javed
Executive Director



Home School Education Program

The goal of DAMEN's social sector programs is to organize activities in the fields of education and primary health, primarily by mobilizing women caught in the cycle of enduring poverty. Through its home school education program, DAMEN seeks to empower poverty riven females by enabling them to start a non formal home school and provide primary education to 5 to 14 year old out-of-school children. DAMEN currently supports 100 such female-run home schools in Lahore, Sheikhpura, Kasur, Okara and Nankana Sahib, which provide primary education to around 4,000 children and thus keeps them off the streets and affords them a chance to educate, learn, and, hopefully, transition into productive citizens.



Tooba is a young entrepreneur who opened a home school with DAMEN's support in Phoolnagar. She provides primary education to over 50 out-of-school children and is also continuing her own education privately.

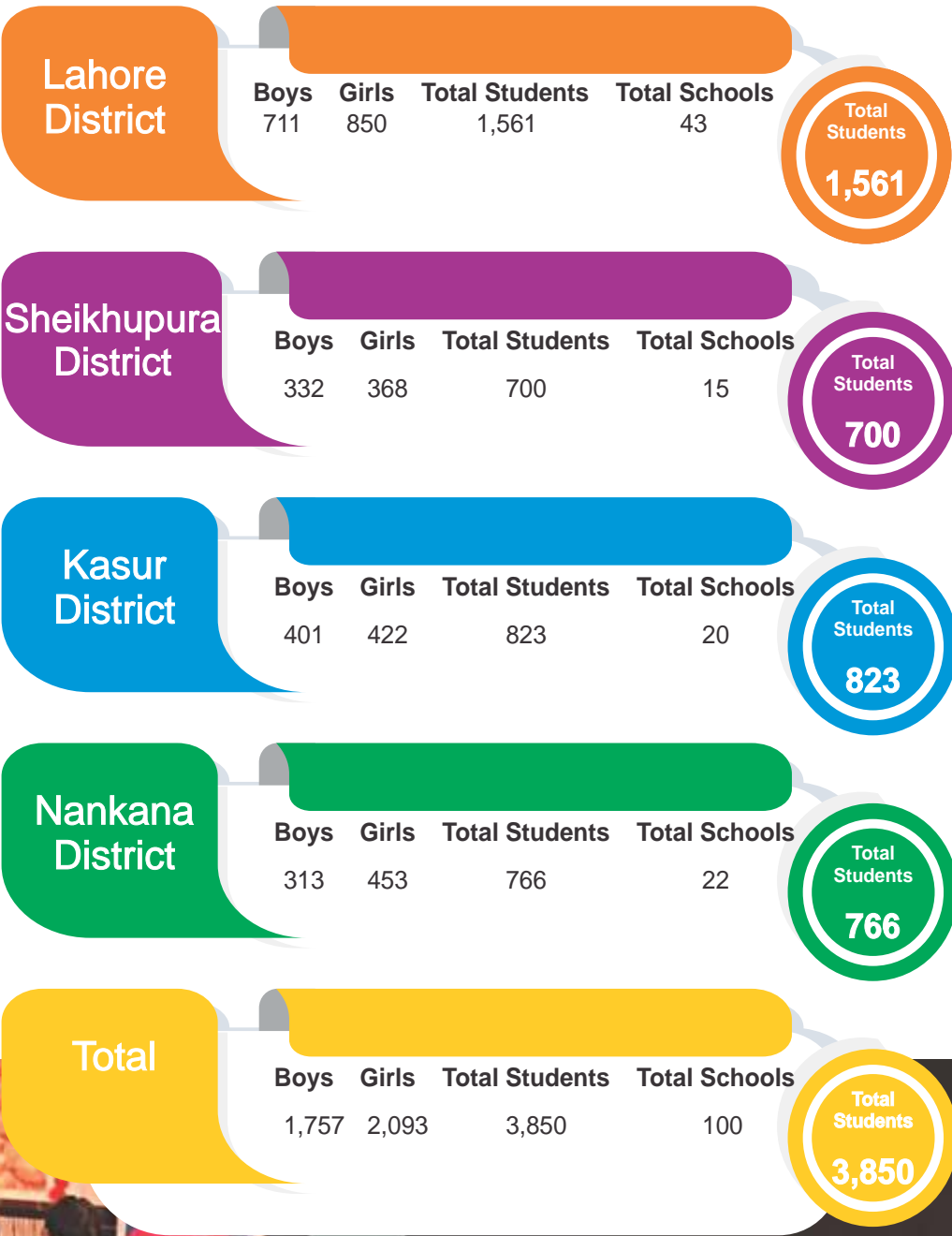
Case Story

Home School Teacher

Fizza Batool has been associated with DAMEN for the last 6 months and is successfully running a home school in Shahpur, Lahore. Prior to this, she was unemployed and spent her free time at home. She now provides primary education to about 37 students who belong to impoverished households and were unable to afford the fees of private schools running nearby. She is on her way to not only becoming an entrepreneur and enterprising teacher but also a social worker who works for the benefit of marginalized children by providing them with an education.



Attached is the home school report of Dec 2017:



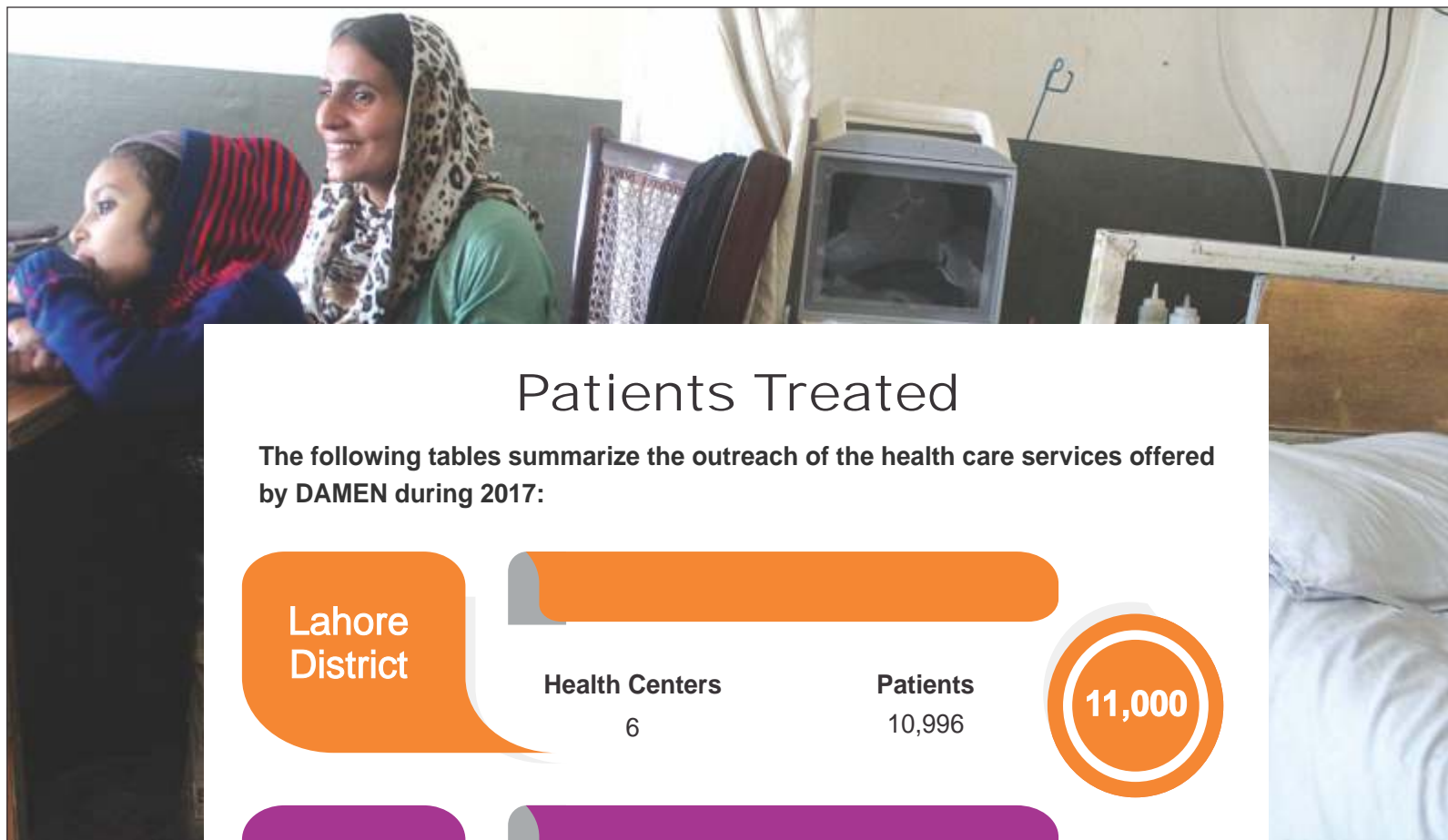


Health Care Services

DAMEN's health centers run on similar lines as its educational 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 clinics and camps, they also conduct awareness campaigns on various health related issues such as family planning, maternal and child healthcare, and healthy lifestyle practices.

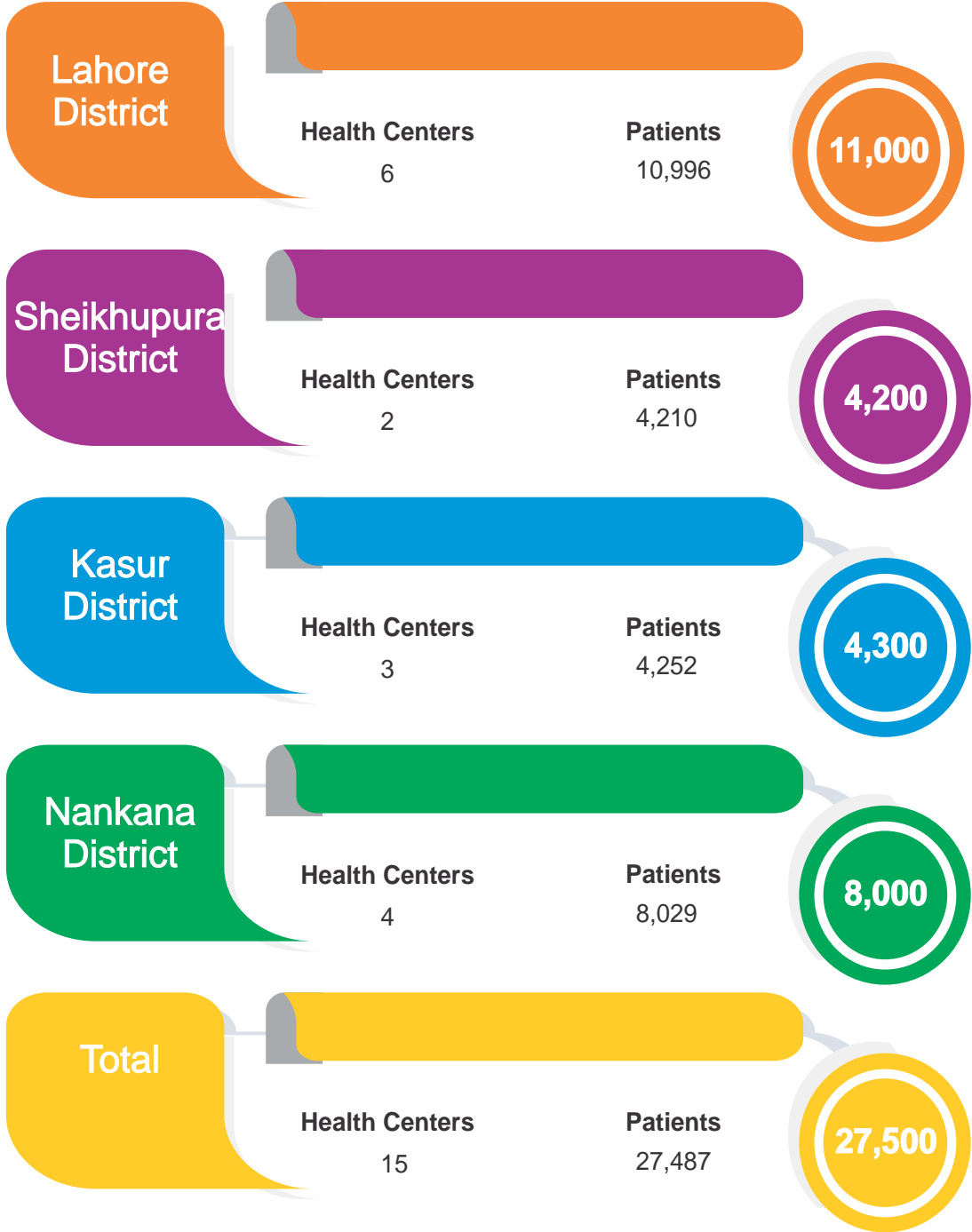
Health Camps

Health camps are regularly set up in Lahore, Sheikhpura, Kasur, Okara and Nankana Sahib by mobilizing LHVs to reach out to a greater number of patients. These health camps provide diagnostic and medical services at a modest PKR 10 per patient contribution, and many of our LHVs do not even charge this amount. These camps are set up in various locations such as DAMEN's area offices and home schools. A wide variety of diseases and medical conditions are treated at these camps such as fever, aches and pains, diarrhea, blood pressure, gynecology and pregnancy related issues among others. In addition, awareness about family planning and contraceptives is also provided at these camps.



Patients Treated

The following tables summarize the outreach of the health care services offered by DAMEN during 2017:



Health Camp Visits

Areas	No of Health Camps	No of Patients	Free / Non Free
Area 1	16	788	788/0
Area 2	8	347	347/0
Area 3	7	230	0/230
Area 4	13	521	521/0
Area 5	16	719	719/0
Grand Total	60	2,605	2,375/230

LHV STORY



Saeeda Khan completed her LHV diploma in 1992 and started working in a BHU soon after. She heard about Damen's healthcare model in 2017 and has been associated with it since then. She now runs her own clinic in lahore and provides subsidized healthcare to around 150 patients every month. She is proud to be a working lady and of service to poor community members.



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 was to build the capacity of smallholder farmers to achieve higher milk production.

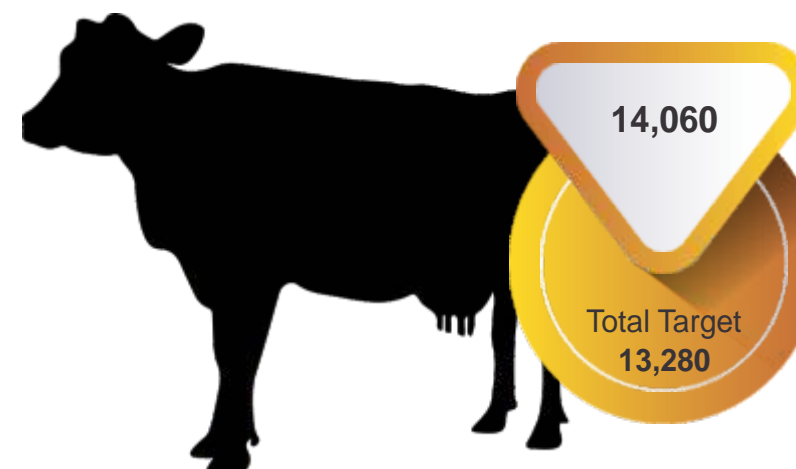
Livestock Extension Services Program

The Livestock Extension Services Program focused on improving the health of domestic dairy and livestock through tagging for traceability of animals, deworming and vaccinating. Since the Government of Punjab is providing free livestock extension services to the local community, DAMEN's board and senior management decided to discontinue this program with effect from 10th August 2017.

The following table reflects the achievements of this program from Jan-Aug 2017:

	Jan – March	April– June	July – Aug
Target	4,800	6,000	2,480
Animals Treated	5,466	6,007	2,587

Total Animals Treated





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. Community capacity building is primarily achieved by holding regular Women Social Organization (WSO) meetings.

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.



Ayesha is 10 years old and studying in Class 2. She loves to play football with her younger brother after school. She aspires to be a teacher when she grows up.



Tehreem is the brightest pupil in her school, always scoring the highest marks. She loves to write and aspires to teach when she grows up.

Teacher Training Workshops

Communication Skills & ECE Area – I

21 – 22 March

Participants 7

Communication Skills & ECE Area – II

27 – 28 March

Participants 12

Communication Skills & ECE Area – III

29 – 30 March

Participants 8

Communication Skills & ECE Area – IV

24 – 25 April

Participants 10

Communication Skills & ECE Area – V

26 – 27 April

Participants 12

Lesson Planning Area – I

22 – 23 May

Participants 21

Science & Math Area – II

17 – 18 Aug

Participants 7

Lesson Planning Area – III

19 – 20 Sep

Participants 9

Lesson Planning Area – IV

26 – 27 Sep

Participants 16

Lesson Planning Area – V

30 – 31 Oct

Participants 10

Lesson Planning Area – II

21 – 22 Dec

Participants 10

Early Childhood Education (ECE) Area – I

27 – 28 Dec

Participants 16

External Training Programs			
Training	Dates	Venue	Participant/s
Project Management	17 – 20 Jan	IRC Office Lahore	Nabila Roohi
Anti-Sexual Harassment	12 – 14 May	Mehergarh Office Islamabad	Nabila Roohi



Orientation of New Staff

Orientation sessions for newly hired staff were organized and 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.



Memona works as a Lady Health Visitor (LHV) in a government health center during the day, and runs her own clinic in the afternoon. She also manages a household, consisting of her husband and 4 children, who are looked after by a nanny when she is away at work.



Diyah is 7 years old and loves coming to school. Both her parents work to support the education of their three daughters.





Women Social Organizations (WSO)

Each of the DAMEN home schools supports an associated parental group called Women Social Organization (WSO) which comprises neighborhood 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.



Sonia comes from a large family of 9 members. She is 8 years old and attends DAMEN's home school along with her younger brother. Her father is a carpenter and can not afford to send his children to the more expensive private schools in their area.



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

WSO Meetings with Social Organizers		
Area1 (District Lahore)		
Social Organizer	Participants	No of Meetings
Sakina Amir	1,564	165
Robina Begum	1,379	168
Sub Total	2,943	333
Area 2 (District Lahore)		
Nargis Rehman	1 757	178
Sub Total	1,757	178
Area 3 (District Sheikhpura)		
Shabnam Batool	1,627	164
Sub Total	1,627	164
Area 4 (District Kasur)		
Nasreen		
Jamshaed	1,497	123
Sadia Saeed	1,478	123
Sub Total	2,975	246
Area 5 (District Nankana)		
Saher Mustafa	1,280	125
Akbaray Ali	1 293	126
Sub Total	2,573	251
Grand Total	11,875	1,172

WSO Meetings with Training Coordinator			
Sr.#	Dates	Area	Participants
1	25 th Jan	Haidary Colony – I	16
2	26 th Jan	Manowal – I	12
3	16 th March	Shah Pur – I	20
4	17 th March	Jamal Colony – I	19
5	20 th March	Ahbab Colony – I	18
6	31 st March	Shah Pur – I	17
7	11 th April	Shamke Bhattian – II	12
8	12 th April	Qilla Tararay – II	17
9	13 th April	Tariday Wali – III	22
10	18 th April	Bilal Park – III	25
11	19 th April	Dhamke – III	27
12	20 th April	Dhamke – III	23
13	10 th July	Pattoki – IV	22
14	09 th Aug	Jumber – IV	21
15	29 th Aug	Choonian – IV	25
16	30 th Aug	Rinala – IV	32
17	07 th Sep	Ghosia Colony – V	27
18	08 th Sep	Warburton – V	23
19	24 th Oct	Mangtanwala – V	28
20	25 th Oct	Nankana Sb. – V	27
21	02 nd Nov	Yangsan Abad – V	19
22	28 th Nov	Chung – I	20
23	29 th Nov	Panj Garan – I	24
24	08 th Dec	Manowal – I	25
Total			521

Networking & Linkages

The following collaboration events took place during 2017:

- ✓ A team of graduate students from Harvard Kennedy School visited on 11th March 2017 and were given a tour by staff members
- ✓ DAMEN organized a fundraising play, Love Letters in Ali Auditorium on 24th March 2017, with the support of Ms. Rehana Saigol, Mr. Imran Aslam and Mr. Hameed Haroon
- ✓ DAMEN in collaboration with DAMEN Support Program (DSP) celebrated the International Women's Day on 8th March, 2017. This function was dedicated to the late Ms. Nigar Ahmad for her contribution to women's empowerment in Pakistan. 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 performed a milli nagma
 - A theatrical performance was staged by the children of DAMEN's Home School
 - A theatrical performance was staged by DAMEN and DSP's staff
 - DAMEN's home school teachers and staff members were given performance prizes
 - Cash prizes and flower bouquets were awarded to performers
 - DSP's female entrepreneurs were given the opportunity to showcase and sell their handicrafts at the venue
-
- ✓ DAMEN together with a number of Civil Society Organizations protested the killing of Mashal Khan on 14th April 2017 outside Press Club, Lahore
 - ✓ Consequent to Mr. Anis Ahmad's visit to DAMEN's Home Schools, the Packages Foundation awarded DAMEN a 1.2 million rupee grant for the purchase of textbooks for home school students





✓ Ms. Nabila Roohi networked with members from various NGO's across Pakistan such as SPO Pakistan and Bedari Foundation, during her 3 day residential training at Mehargarh, Islamabad

✓ Professor Ehsan-ul-Haque from LUMS facilitated a strategic retreat for DAMEN at Faletti's Hotel on 7th July 2017



✓ PCP's Certification Team visited DAMEN's Head Office and Field Areas on 13th and 14th September 2017 and consequently renewed DAMEN's PCP Certification for the next 3 years

✓ Mr. Zeeshan Naseem and Ms. Tania Rashid attended a networking meeting organized by PCP at AFAQ Office, Lahore on 19th September 2017



✓ DAMEN and Laal Band collaborated to arrange a concert for the home school students of Sheikhpura on 23rd November 2017

INDEPENDENT AUDITORS' REPORT TO THE GENERAL BODY

Opinion

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 2017, and the income and expenditure account, the statement of changes in funds and the statement of cash flows 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 **Development Action for Mobilization and Emancipation** (the Society) as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the 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 Society 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 Executive committee is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Executive committee determine 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, the Executive committee is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 misstatements, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

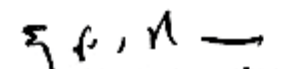
As part of our audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements 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.

Contd... P/2

- Obtain an understanding on internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Society'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 disclosure 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 Society 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.


Chartered Accountants

Engagement Partner: Naseem Akbar

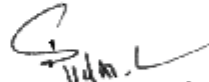
Lahore: 03 July 2018

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
BALANCE SHEET
AS AT 31 DECEMBER 2017**

ASSETS	Notes	2017 Rupees	2016 Rupees
Non-current assets			
Property and equipment	5	6,740,472	20,309,970
Loan to Damen Support Programme	6	<u>69,000,000</u>	<u>69,000,000</u>
		75,740,472	89,309,970
Current assets			
Markup / service charges	7	<u>2,381,025</u>	<u>2,976,933</u>
Tax refunds due from Government	8	<u>7,678,535</u>	<u>7,155,008</u>
Short term investments	9	<u>59,492,190</u>	<u>56,000,000</u>
Short term deposits and prepayments	10	<u>322,307</u>	<u>211,131</u>
Cash and bank balances	11	<u>2,390,113</u>	<u>1,646,771</u>
		72,264,170	67,989,843
TOTAL ASSETS		<u>148,004,642</u>	<u>157,299,813</u>
FUND AND LIABILITIES			
FUND			
General fund	12	2,539,081	11,463,331
Reserves	13	<u>139,766,521</u>	<u>139,766,521</u>
		142,305,602	151,229,852
LIABILITIES			
Non Current liabilities			
Security Deposits		-	450,000
Current liabilities			
Trade and other payables	14	<u>5,699,040</u>	<u>5,619,961</u>
TOTAL FUND AND LIABILITIES		<u>148,004,642</u>	<u>157,299,813</u>
CONTINGENCIES AND COMMITMENTS	15	-	-

The annexed notes from 1 to 28 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

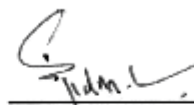

TREASURER

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 Rupees	2016 Rupees
INCOME:			
Profit on investments and bank deposits	16	11,355,988	9,804,451
Livestock extension services		2,440,750	2,869,500
Donation		2,856,951	-
Other income	17	738,118	2,899,000
		<u>17,391,807</u>	<u>15,572,951</u>
EXPENDITURES:			
General and administrative expenses	18	2,960,275	2,850,086
Donation to Damen Support Programme		7,816,415	-
Training expenses	19	3,230,129	3,444,259
Subsidy to home schools	20	4,383,542	3,740,642
Subsidy to health centres	21	3,470,172	3,661,775
Bio-Char project expenses		-	5,328,249
Livestock extension services	22	3,704,807	4,257,425
		<u>25,565,340</u>	<u>23,282,436</u>
Deficit for the year		<u>(8,173,533)</u>	<u>(7,709,485)</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

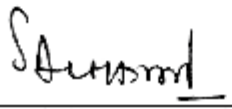

TREASURER

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 Rupees	2016 Rupees
Deficit for the year	(8,173,533)	(7,709,485)
Other comprehensive income:		
Unrealized loss on available for sale investments	(750,717)	-
Total comprehensive loss for the year	<u>(8,924,250)</u>	<u>(7,709,485)</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

21.


CHIEF EXECUTIVE OFFICER


TREASURER

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31 DECEMBER 2017

	Endowment Fund	General Fund	Reserves	Total
	-----Rupees-----			
Balance as at 01 January 2016	106,000,000	19,172,816	139,766,521	264,939,337
Deficit for the year	-	(7,709,485)	-	(7,709,485)
Sustainability reserves - social sector program	(106,000,000)	-	-	(106,000,000)
Payable to Damen Support Programme	-	-	-	-
Balance as at 31 December 2016	-	11,463,331	139,766,521	151,229,852
Unrealized loss on available for sale investments	-	(750,717)	-	(750,717)
Deficit for the year	-	(8,173,533)	-	(8,173,533)
Balance as at 31 December 2017	-	2,539,081	139,766,521	142,305,602

The annexed notes from 1 to 28 form an integral part of these financial statements.

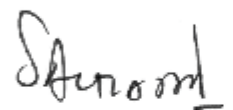

 CHIEF EXECUTIVE OFFICER


 TREASURER

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit for the year		(8,173,533)	(7,709,485)
Adjustments for non cash and other related items			
Depreciation	5.1	1,045,949	1,335,579
Unrealized loss on available for sale investments		(750,717)	-
Donation		7,816,415	(482,000)
		<u>8,111,647</u>	<u>853,579</u>
Deficit before working capital changes		(61,886)	(6,855,906)
Effect of (Increase) /decrease in current assets:			
Loans and advances		-	812,500
Short term deposits & prepayments		(111,176)	(211,131)
Markup / service charges		595,908	(2,311,090)
Short term investments		(3,492,190)	11,000,000
Security deposits		(450,000)	-
Tax refunds due from Government		(523,527)	(635,125)
Increase/(Decrease) in trade and other payables		79,079	(578,398)
		<u>(3,901,906)</u>	<u>8,076,756</u>
Net cash flow (used in) from operating activities		(3,963,792)	1,220,850
CASH FLOWS FROM INVESTING ACTIVITIES			
Operating fixed assets expenditure	5.1	(831,912)	(415,686)
Proceeds from Assets		5,539,046	482,000
Net cash from investing activities		4,707,134	66,314
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		743,342	1,287,164
Cash and cash equivalents at the beginning of year		1,646,771	359,607
		<u>2,390,113</u>	<u>1,646,771</u>

The annexed notes from 1 to 28 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 2017

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, Sheikhpura & 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 Sheikhpura 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.

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:

Notes

Residual values and useful lives of property and equipment	(4.1)
Impairment	(4.3)
Provisions	(4.7)

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.

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

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.

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

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.

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 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.



5. PROPERTY AND EQUIPMENT

Operating fixed assets

Notes	2017 Rupees	2016 Rupees
(5.1)	6,740,472	20,309,970

5.1 Operating fixed assets

2017										
DESCRIPTION	COST				DEPRECIATION				Rate %	
	As at 01 January 2017	Additions during the period	Transfers / deletions during the year	As at 31 December 2017	As at 01 January 2017	Transfers / Adjustments	Charge for the year	As at 31 December 2017		
Land	10,753,700	-	6,887,500	3,866,200	-	-	-	-	3,866,200	-
Building	9,223,112	676,539	8,742,072	1,157,579	2,690,230	(2,571,409)	158,697	277,518	880,061	5
Vehicles	2,935,355	66,900	378,055	2,624,200	1,883,345	(100,357)	371,301	2,154,289	469,911	20
Computer equipment	485,342	50,960	-	536,302	361,274	-	82,628	443,902	92,400	33
Furniture and fixture	686,823	-	-	686,823	147,351	-	65,674	213,025	473,798	10
Office equipment	2,587,862	37,513	21,000	2,604,375	1,280,024	(1,400)	367,649	1,646,273	958,102	20
Total	26,672,194	831,912	16,028,627	11,475,479	6,362,224	(2,673,166)	1,045,949	4,735,007	6,740,472	

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DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

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. The contract has been revised on 01 April 2017 accordingly to which markup rate is (6 months Kibor i.e. 6.15% + 3.25%) from 01 April 2017.

		2017 Rupees	2016 Rupees
7. MARK UP/SERVICE CHARGES ACCRUED-Considered good	Note		
Term deposit receipts		744,867	291,578
Markup accrued		<u>1,636,158</u>	<u>2,685,355</u>
		<u>2,381,025</u>	<u>2,976,933</u>

8. TAX REFUNDS DUE FROM GOVERNMENT

Advance tax		<u>7,678,535</u>	<u>7,155,008</u>
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9. SHORT TERM INVESTMENT

Investments held to maturity:

Term Deposit Receipts (TDRs)	(9.1)	<u>59,492,190</u>	<u>56,000,000</u>
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9.1 These represent investments in Term Deposit Receipts having a term of 1 year. These investments carry mark up rate ranging from 6.15 % to 10.10% (2016: from 6.03 % to 10.10%).

10. SHORT TERM DEPOSITS AND PREPAYMENTS

Securities deposits		185,000	185,000
Prepaid insurance		<u>137,307</u>	<u>26,131</u>
		<u>322,307</u>	<u>211,131</u>

11. CASH AND BANK BALANCES

Cash in hand		6,135	12,012
Cash with banks:			
current accounts - local currency		2,024	12,167
deposit accounts:			
- local currency		<u>2,369,989</u>	<u>1,610,627</u>
- foreign currency		<u>11,965</u>	<u>11,965</u>
		<u>2,381,954</u>	<u>1,622,592</u>
		<u>2,390,113</u>	<u>1,648,771</u>

11.1 The deposit account carry mark up rate ranging from 3.7% to 7% (2016: from 3% to 6%).

12. GENERAL FUND

General Fund - Social Sector programme	12.1	<u>2,539,081</u>	<u>11,463,331</u>
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DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

		2017	2016
	Note	Rupees	Rupees
12.1 Movement during the year:			
Opening balance		11,463,331	19,172,816
Unrealized loss on available for sale investments		(750,717)	-
Deficit for the year		<u>(8,173,533)</u>	<u>(7,709,485)</u>
		<u>2,539,081</u>	<u>11,463,331</u>
13. RESERVES			
Social sector programme	13.1	<u>139,766,521</u>	<u>139,766,521</u>
13.1 Social sector programme			
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		<u>139,444,175</u>	<u>139,444,175</u>
		<u>139,766,521</u>	<u>139,766,521</u>
14. TRADE AND OTHER PAYABLES			
Accrued expenses		372,729	493,650
Damen Support Programme	14.1	<u>5,326,311</u>	<u>5,126,311</u>
		<u>5,699,040</u>	<u>5,619,961</u>
14.1	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.		
15. CONTINGENCIES AND COMMITMENTS			
Contingencies and Commitments as of balance sheet date were Rs. Nil (2016: Rs. Nil).			
16. PROFIT ON INVESTMENTS AND BANK DEPOSITS			
Profit on Investments - TDRs		4,859,209	4,159,356
Profit on bank deposits		248,971	250,246
Service charge on loan to Damen Support Programme		<u>6,247,808</u>	<u>5,394,849</u>
		<u>11,355,988</u>	<u>9,804,451</u>
17. OTHER INCOME			
Building and equipment rental income		660,000	2,400,000
Gain on sale of fixed assets		-	482,000
Membership fee		2,000	16,000
Miscellaneous Income		<u>76,118</u>	<u>1,000</u>
		<u>738,118</u>	<u>2,899,000</u>

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DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

		2017	2016
18. GENERAL AND ADMINISTRATIVE EXPENSES	Note	Rupees	Rupees
Salaries, wages, stipends and other benefits		988,137	1,212,240
Depreciation		209,190	222,597
Strategic retreat		61,193	-
Vehicles running expense		31,937	24,591
Communications		12,939	10,781
Utilities		14,192	7,132
Repair and maintenance		51,790	82,491
Printing and stationary		133,138	141,437
Office supplies		104,886	145,941
Travelling expenses		5,145	8,400
Bank charges		69,261	15,851
Commercialization of building and property tax		-	158,637
Networking and linkages		81,604	28,156
Auditors' remuneration		200,000	250,000
Legal and professional charges		956,200	521,000
Insurance costs		27,218	20,832
Miscellaneous		13,445	-
		<u>2,960,275</u>	<u>2,850,086</u>
19. TRAINING EXPENSES			
Salaries, wages, stipends and other benefits		2,635,033	2,844,892
Workshop and training		91,907	72,867
Travel Expenses (POL)		61,643	50,932
Depreciation		209,190	222,597
Communications		34,504	25,606
Utilities		37,846	16,939
Vehicles running expense		35,930	146,585
Insurance costs		27,218	20,832
Meeting expense		76,191	41,815
Misc. Expenses		20,667	1,194
		<u>3,230,129</u>	<u>3,444,259</u>
20. SUBSIDY TO HOME SCHOOLS			
Salaries, wages, stipends and other benefits		2,195,861	2,427,086
Subsidy to home schools		691,800	714,600
Travel expenses (POL)		61,643	50,932
Fund raising event expense		842,510	-
Miscellaneous expenses		20,667	1,194
Field staff travelling allowance		219,350	187,500
Communications		28,753	22,910
Utilities		31,538	15,156
Vehicles running expense		55,012	77,835
Insurance costs		27,218	20,832
Depreciation		209,190	222,597
		<u>4,383,542</u>	<u>3,740,642</u>

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

		2017	2016
	Note	Rupees	Rupees
21. SUBSIDY TO HEALTH CENTRES			
Salaries, wages, stipends and other benefits		2,195,861	2,427,086
Subsidy to health centers		890,000	865,000
Travel expenses (POL)		61,643	50,932
Depreciation		209,190	222,597
Communications		28,753	21,563
Utilities		31,538	14,265
Vehicles running expense		5,302	38,306
Insurance costs		27,218	20,832
Miscellaneous expenses		20,667	1,194
		<u>3,470,172</u>	<u>3,661,775</u>

22. LIVESTOCK EXTENSION SERVICES			
Salaries, wages, stipends and other benefits		2,964,412	3,435,974
Development and research costs / medicines		259,945	361,466
Travel expenses (POL)		131,143	94,200
Communications		38,817	30,996
Utilities		42,576	20,506
Vehicles running expense		31,506	70,854
Insurance costs		27,218	20,832
Depreciation		209,190	222,597
		<u>3,704,807</u>	<u>4,257,425</u>

23. 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:

	2017	2016
	Rupees	Rupees
Managerial remuneration	<u>2,400,000</u>	<u>2,200,000</u>
	No.	No.
No. of persons	<u>1</u>	<u>1</u>

24. 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:

Relation	Nature of transaction	2017	2016
		Rupees	Rupees
Associated entity	Rent received	660,000	2,400,000
	Livestock extension service	2,440,750	2,869,500
	Service charge on loan to DSP	6,347,808	5,394,849
	Land transferred	6,887,500	-
	Building transferred (NBV)	11,313,481	-
Staff provident fund	Contribution paid	1,076,310	1,076,589

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

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION

25. NUMBER OF EMPLOYEES

	2017	2016
Number of employees at the end of the year	16	26
Average number of employees	21	24

26. DATE OF AUTHORIZATION

These financial statements have been approved by the Board of Directors and authorized for issuance on
30 APR 2018

27. CORRESPONDING FIGURES

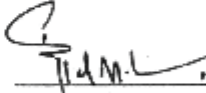
Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison, however no significant classification has been made during the year.

Reclassified from:	Reclassified to:	Amount
Account Head	Account Head	Rupees
Other receiveables	Short term deposits and prepayments	211,131
Other receiveables	Tax refunds due from Government	7,155,008
Other receiveables	Markup / service charges	2,976,933
Salaries	General and administrative expenses	1,212,240
Salaries	Training expenses	2,844,892
Salaries	Subsidy to home schools	2,427,086
Salaries	Subsidy to health centres	2,427,086
Salaries	Bio-Char project expenses	2,518,094
Salaries	Livestock extension services	3,435,974
General & administrative expenses	Training expenses	382,424
General & administrative expenses	Subsidy to home schools	564,424
General & administrative expenses	Subsidy to health centres	353,685
General & administrative expenses	Bio-Char project expenses	317,772
General & administrative expenses	Livestock extension services	513,252

28. GENERAL

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


 CHIEF EXECUTIVE OFFICER


 TREASURER