



Grant Thornton

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Grant Thornton Anjum Rahman

1-Inter Floor, Eden Centre,
43-Jail Road, Lahore 54000,
Pakistan.

T +92 42 37423 621-23, 37422 987

F +92 42 37425 485

www.gtpak.com

INDEPENDENT AUDITOR'S REPORT

To the members of OPD Support Program

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of OPD Support Program (the Company), which comprise the statement of financial position as at June 30, 2019, and the income and expenditure statement, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, income and expenditure statement, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the deficit, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with 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 Company 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Board of Directors are responsible for the other information. Other information comprises directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

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Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad

our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 the board of directors 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income & expenditure statement, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Asad Froze.

Grant Thornton Anjum Rahman
CHARTERED ACCOUNTANTS
Lahore.

Dated: *September 28, 2015*

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OPD SUPPORT PROGRAM

(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Statement of Financial Position

As at June 30, 2019

	Note	June 2019 Rupees	June 2018 Rupees
Assets			
Non-current assets			
Property, plant and equipment	6	4,376,098	4,601,628
Intangible assets	7	400,197	500,246
Deferred taxation	8	-	2,196,423
Long term security deposits	9	98,000	253,000
Total non-current assets		4,874,295	7,551,297
Current assets			
Loan and Advances - net of provisions	10	95,154,261	88,892,481
Advances, deposits and other receivables - net of provisions	11	6,740,291	6,553,589
Cash and cash equivalents	12	4,470,460	22,595,465
Total current assets		106,365,012	98,041,535
Total assets		111,239,307	105,592,832
Funds			
General funds		(291,111)	854,259
Members contribution		300,000	300,000
Endowment fund	13	17,600,000	17,600,000
Sub-Ordinate Loan	14	37,733,333	-
Total funds		55,342,222	18,754,259
Liabilities			
Non current liabilities			
Deferred grant - related to operating assets	15	599,551	843,026
Deferred liabilities	16	2,629,212	1,526,741
Long term loans	17	21,000,000	63,733,333
Accrued mark-up	18	8,989,640	-
Total non current liabilities		33,218,403	66,103,100
Current liabilities			
Accrued and other liabilities	19	6,178,682	9,735,473
Current portion of long-term loans		11,500,000	11,000,000
Short term loans	20	5,000,000	-
Total current liabilities		22,678,682	20,735,473
Total funds and liabilities		111,239,307	105,592,832
Contingencies and commitments	21		

The annexed notes from 1 to 32 form an integral part of these financial statements.

Shiqadud

DIRECTOR

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CHIEF EXECUTIVE OFFICER

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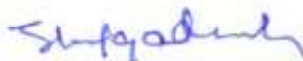
OPD SUPPORT PROGRAM

(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Income and Expenditure Account For the Year Ended June 30, 2019

	Note	June 2019 Rupees	June 2018 Rupees
Financial Income			
Markup on microfinance loan portfolio		30,452,667	24,724,168
Loan processing fee		6,009,400	4,705,400
Profit on bank deposits		656,612	959,648
Profit on investments		-	43,036
Amortization of grants relating to operating assets		243,475	204,066
Other income	22	121,085	190,188
Total Income		37,483,239	30,626,505
Expenses			
Administrative, general and program expenses	23	32,146,053	26,450,664
Finance cost	24	3,675,022	6,155,654
Provision against non- performing loans		657,186	(2,178,344)
		(36,478,261)	(30,427,975)
Surplus before taxation		1,004,978	398,530
Taxation			
Current tax		-	370,247
Deferred tax		2,196,423	642,743
		(2,196,423)	(1,012,990)
Deficit for the year		(1,191,445)	(614,460)

The annexed notes from 1 to 32 form an integral part of these financial statements.



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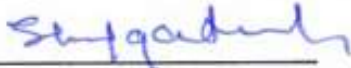
(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Statement of Comprehensive Income

For the Year Ended June 30, 2019

	Note	June 2019 Rupees	June 2018 Rupees
Net deficit for the year		(1,191,445)	(614,460)
Other comprehensive income			
Items that will not be reclassified to income & expenditure			
Re-measurement of plan obligation			
Experience adjustments		46,075	1,540
Deferred tax		-	(462)
		46,075	1,078
Total comprehensive loss for the year		(1,145,370)	(613,382)

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(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Statement of Changes in Funds

For the Year Ended June 30, 2019

PARTICULARS	General Fund	Members contribution	Endowment fund	Sub-Ordinate Loan	Total
Balance as on July 01, 2017	1,467,641	300,000	17,600,000	-	19,367,641
Deficit for the Year 2018	(613,382)	-	-	-	(613,382)
Balance as at June 30, 2018	854,259	300,000	17,600,000	-	18,754,259
Deficit for the Year 2019	(1,145,370)	-	-	37,733,333	36,587,963
Balance as at June 30, 2019	(291,111)	300,000	17,600,000	37,733,333	55,342,222

The annexed notes from 1 to 32 form an integral part of these financial statements.



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(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Statement of Cash Flows

For the Year Ended June 30, 2019

	Note	June 2019 Rupees	June 2018 Rupees
Cash flows from operating activities			
Surplus for the year		1,004,978	398,530
Adjustments for non-cash items:			
Depreciation and amortization		1,024,200	966,578
Provision against non-performing loans		657,186	(2,178,344)
Provision of gratuity		1,148,546	1,117,633
Finance cost		3,455,150	5,978,940
Loss on disposal of operating fixed assets		15,852	43,534
Amortization of grants		(243,475)	(204,066)
		6,057,458	5,724,275
Net cash flows before working capital changes		7,062,436	6,122,805
(Increase) / decrease in current assets and liabilities			
Decrease in loans and advances - net		(26,996,636)	(8,718,144)
Decrease in advances, deposits and other receivables		327,646	(3,508,557)
Decrease in accrued and other liabilities		2,340,715	234,475
		(24,328,275)	(11,992,226)
Finance cost paid		(363,015)	(274)
Tax paid		(436,678)	(638,997)
Net cash used in operating activities		(18,065,532)	(6,508,693)
Cash flows from investing activities			
Purchase of operating fixed assets		(727,273)	(2,488,451)
Sales proceeds of operating fixed assets		12,800	29,197
Books		-	32,062
Long term security deposits		155,000	(25,000)
Short term investment		-	17,600,000
Net cash used in investing activities		(559,473)	15,147,808
Cash flows from financing activities			
Borrowings repaid during the year		(4,500,000)	-
Borrowings obtained during the year		5,000,000	-
Net cash flows from financing activities		500,000	-
Net (decrease) / increase in cash and cash equivalents		(18,125,005)	8,639,116
Cash and cash equivalents at beginning of the year		22,595,465	13,956,349
Cash and cash equivalents at the end of the year		4,470,460	22,595,465

The annexed notes from 1 to 32 form an integral part of these financial statements.



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