

AUDITORS' REPORT TO THE BOARD MEMBERS OF OPD SUPPORT PROGRAM

We have audited the annexed balance sheet of OPD Support Program (the Company) as at June 30, 2017 and the related statement of income and expenditure, the statement of changes in funds and the cash flow statement together with the notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

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

- a) In our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and statement of income and expenditure together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, statement of income and expenditure, statement of changes in funds and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the surplus, its cash flows and changes in reserves and funds for the year then ended; and
- d) in our opinion no Zakat was deductible under the Zakat and Usher Ordinance, 1980 (XVIII).

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 1.3 to the financial statements which indicate that the Company has applied to the Securities Exchange Commission of Pakistan (SECP) for the license of Investment Finance Services under Rule 5 of Non-Banking Finance Companies (Establishment and Regulations) Rules 2003. The license has not been issued yet.



Chartered Accountants
Islamabad: September 30, 2017

Name of the audit engagement partner: Rukhsar Ahmed

OPD SUPPORT PROGRAM

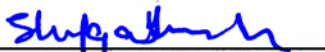
(A company incorporated Under section 42 of Companies Ordinance, 1984)

STATEMENT OF INCOME AND EXPENDITURE**FOR THE PERIOD JANUARY 1, 2017 TO JUNE 30, 2017**

| | Note | 2017 Rupees |
|--|--------------|---------------------------|
| INCOME | | |
| Service charges on advances | | 11,945,807 |
| Loan processing fee | | 1,328,500 |
| Profit on bank deposits | | 353,459 |
| Profit on investments | | 519,296 |
| Amortization of grants relating to operating assets | 14 | 113,432 |
| Other income | 18 | 121,195 |
| | | <u>14,381,689</u> |
| EXPENDITURE | | |
| Administrative, general and program expenses | 19 | (12,777,012) |
| Financial charges | 15 | (3,174,917) |
| Branchless bank charges | | (260,377) |
| Provision against non- performing loans | 9.2 & 11.3.1 | 244,554 |
| | | <u>(15,967,752)</u> |
| Deficit of income over expenditure for the period before taxation | | <u>(1,586,063)</u> |
| Taxation | 20 | (141,471) |
| Deficit of income over expenditure for the period after taxation | | <u><u>(1,727,534)</u></u> |

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

JSA


CHAIRMAN


CHIEF EXECUTIVE OFFICER

OPD SUPPORT PROGRAM

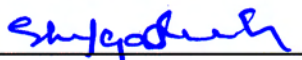
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BALANCE SHEET**AS AT JUNE 30, 2017**

| | Note | 2017 Rupees |
|---|------|-------------------|
| NON-CURRENT ASSETS | | |
| Property and equipment | 7 | 3,027,424 |
| Intangible assets | 8 | 625,308 |
| Long term security deposits | | 228,000 |
| Total non-current assets | | 3,880,732 |
| CURRENT ASSETS | | |
| Inventory | | 32,062 |
| Loans and advances - net | 9 | 55,813,984 |
| Short term investment | 10 | 17,600,000 |
| Advances, deposits and other receivables | 11 | 4,903,698 |
| Cash and cash equivalents | 12 | 13,956,349 |
| Total current assets | | 92,306,093 |
| TOTAL ASSETS | | 96,186,825 |
| FUNDS AND LIABILITIES | | |
| FUNDS | | |
| General funds | | (1,015,932) |
| Members contribution | | 300,000 |
| Endowment fund | 13 | 17,600,000 |
| Total funds | | 16,884,068 |
| NON-CURRENT LIABILITIES | | |
| Deferred credit - related to operating assets | 14 | 1,047,092 |
| CURRENT LIABILITIES | | |
| Accrued and other liabilities | 15 | 3,522,332 |
| Current portion of long term loans | 16 | 74,733,333 |
| Total current liabilities | | 78,255,665 |
| TOTAL FUNDS AND LIABILITIES | | 96,186,825 |
| CONTINGENCIES AND COMMITMENTS | 17 | - |

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3/30


CHAIRMAN


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OPD SUPPORT PROGRAM

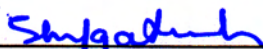
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STATEMENT OF CHANGES IN FUNDS**AS AT JUNE 30, 2017**


| PARTICULARS | Endowment fund | Members contribution | General funds | Total |
|---|--------------------------|-------------------------|---------------------------|--------------------------|
| | -----Rupees----- | | | |
| Balance transferred from OPD (the Society) as at January 1, 2017 | 17,600,000 | - | 711,602 | 18,311,602 |
| Members contribution | - | 300,000 | - | 300,000 |
| Deficit of income over expenditure for the period | - | - | (1,727,534) | (1,727,534) |
| Balance as at June 30, 2017 | <u><u>17,600,000</u></u> | <u><u>300,000</u></u> | <u><u>(1,015,932)</u></u> | <u><u>16,884,068</u></u> |

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OPD SUPPORT PROGRAM


(A company incorporated Under section 42 of Companies Ordinance, 1984)

CASH FLOW STATEMENT**FOR THE PERIOD ENDED JUNE 30, 2017**

| | Note | 2017 Rupees |
|--|------|---------------------|
| Operating activities | | |
| Deficit of income over expenditure for the period before taxation | | (1,586,063) |
| Adjustments to reconcile deficit to cash flows: | | |
| Depreciation and amortization | | 375,835 |
| Provision against non-performing loans | | (244,554) |
| Financial charges | | 3,174,917 |
| Loss on disposal of operating fixed assets | | 205,689 |
| Amortization of grants | | (113,432) |
| Cash flows from operating activities before working capital changes | | 3,398,455 |
| Working capital adjustments: | | |
| Decrease in loans and advances - net | | 19,364,313 |
| Increase in advances, deposits and other receivables | | (136,083) |
| Decrease in accrued and other liabilities | | (1,151,473) |
| | | 18,076,757 |
| Service charges paid | | (2,141,967) |
| Tax paid | | (244,760) |
| Net cash flows from operating activities | | 17,502,422 |
| Investing activities | | |
| Purchase of operating fixed assets | | (346,845) |
| Sales proceeds of operating fixed assets | | 29,290 |
| Long term security deposits | | 227,467 |
| Net cash flows used in investing activities | | (90,088) |
| Financing activities | | |
| Repayment of Commercial loan- net | | (15,800,000) |
| Repayment of Microcredit loans - PPAF - net | | (9,166,667) |
| Net proceeds from members contribution - Directors | | 300,000 |
| Net cash flows used in financing activities | | (24,666,667) |
| Net decrease in cash and cash equivalents | | (7,254,333) |
| Cash and cash equivalents at the beginning of the period | | 21,210,682 |
| Cash and cash equivalents at the end of the period | 12 | 13,956,349 |

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JSA


CHAIRMAN


CHIEF EXECUTIVE OFFICER