# CENTER FOR COMMUNICATION PROGRAMS

## AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

Zia Masood Kiani & Co.
CHARTERED ACCOUNTANTS

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## AUDITORS REPORT TO THE GOVERNING BODY

We have audited the accompanying financial statements of **Center for Communication Programs** (The Center), which comprise the balance sheet as at 31 December 2013, and the related income and expenditure account for the year then ended, and a summary of significant accounting policies and other explanatorynotes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in-accordance with the approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on ouraudit. We conducted our audit in accordance with approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and planand perform the audit to obtain reasonable assurancewhether the financial statements are free frommaterial misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts anddisclosures in the financial statements. The procedures selected depend on the auditor'sjudgment, including the assessment of the risks ofmaterial 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 inorder 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 the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate toprovide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the **Center for Communication Programs**as of 31 December 2013, and of its Deficit for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Ziamasood Kiani & Co.

**ISLAMABAD :** 30 – 4 – 2014
**Engagement partner:** Zia Ullah, FCA

**ZIA MASOOD KIANI AND COMPANY**
**Chartered Accountants**

**CENTER FOR COMMUNICATION PROGRAMS**
**BALANCE SHEET**
**AS AT 31 DECEMBER 2013**

| | Note | 2013 (Rupees) | 2012 (Rupees) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Fixed assets | 4 | 158,260 | 181,838 |
| **Current Assets** | | | |
| Account receivables | 5 | 1,267,902 | - |
| Advances, deposits and prepayments | 6 | 23,001 | 72,150 |
| Cash and bank balances | 7 | 1,614,358 | 3,291,343 |
| | | 2,905,261 | 3,363,493 |
| | | 3,063,521 | 3,545,331 |
| **FUNDS AND LIABILITIES** | | | |
| **Accumulated surplus** | 8 | 2,691,035 | 1,263,850 |
| **Restricted fund** | 9 | - | 2,079,336 |
| | | 2,691,035 | 3,343,186 |
| **Deferred grants** | 10 | 57,015 | 121,805 |
| **Current Liabilities** | | | |
| Accrued and other liabilities | 11 | 315,471 | 80,340 |
| **Contingencies and commitments** | 12 | - | - |
| | | 3,063,521 | 3,545,331 |

*The annexed notes 1 to 19 form an integral part of these financial statements.*

L. J. Abram

**President**

**Secretary General**

**CENTER FOR COMMUNICATION PROGRAMS**
**INCOME AND EXPENDITURE STATEMENT**
**FOR THE YEAR ENDED 31 DECEMBER 2013**

| | Note | 2013 (Rupees) | 2012 (Rupees) |
|---|---|---|---|
| **Income** | 13 | 16,555,545 | 5,323,674 |
| **Expenses** | | | |
| Project personnel cost | 14 | (3,517,273) | (857,435) |
| Project cost | 15 | (7,059,122) | (112,950) |
| Administrative cost | 16 | (7,945,753) | (1,489,846) |
| | | (18,522,148) | (2,460,231) |
| Other income | 17 | 46,550 | - |
| **Surplus /(deficit) for the year** | 18 | (1,920,053) | 2,863,443 |
| **Transferred from restricted funds** | 8 | 1,828,895 | (1,755,239) |
| **Net surplus /(deficit) for the year** | | (91,158) | 1,108,204 |

*The annexed notes 1 to 19 form an integral part of these financial statements.*

**President** **Secretary General**

## 1. Legal status and principal activities

Center for Communication Programs (the 'Center') was incorporated on 22 February 2011 as a non-profit professional body and registered under Societies Registration Act 1860. Registered office of the Center is situated at Office No. 12, 3 Floor, Fazal Arcade, Sector F-11/4, Islamabad.

The principal objects of the Center are to conduct communication research, evaluations and impact assessments through data collection and analysis techniques.

## 2. Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and guidelines for accounting and financial reporting by Non-Profit Organizations' issued by the Institute of Chartered Accountants of Pakistan. Approved accounting standards comprise of such Accounting and Financial Reporting Standards for Small Size Entities issued by the Institute of Chartered Accountants of Pakistan.

## 3. Summary of significant accounting policies

### 3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention. Assets referred in note 4.1 of the financial statements were included at carrying values during the year ended 31 December 2012.

### 3.2 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying Center's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where various assumptions and estimates are significant to the Center's financial statements or where judgments was exercised in application of accounting policies are as follows;

I. Useful life of operating fixed assets
II. Income taxes

*Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.*

## 3.3 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any identified impairment loss.

Depreciation on all items of fixed assets is charged to income applying the straight line method so as to write off the depreciable amount of an asset over its useful life. Full year's depreciation is charged on additions during the year and no depreciation is charged on assets disposed off or retired during the year.
Depreciation is being charged at the rates given below.

| Assets Class | Rate |
|---|---|
| Furniture and fixtures | 10% |
| Office equipment | 10% |
| Motor vehicles | 15% |
| Electrical equipment | 10% |
| Computers and ancillaries | 33% |

The assets' residual values and useful lives are continually reviewed by the management and adjusted if impact on depreciation is significant. The management's estimate of the residual value of its property, plant and equipment as at 31 December 2013 has not required any adjustment.

The management continually assesses at each balance sheet date whether there is any indication that fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.

Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account for the year.

The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Center and the cost of the item can be measured reliably.

All other repair and maintenance costs are charged to income during the period in which they are incurred.

The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

### 3.4 Taxation

**Current**

Provision for current year tax has not been accounted for in these financial statements as the income of the Center being the non-profit organization is exempt under clause 58 of the second schedule of the Income Tax Ordinance 2001, no provision for taxation is required in the financial statements. Approval of the Commissioner for grant of status of the Center as a non-profit organization is in process.

### 3.5 Leases

Payments made during the period operating or finance lease, shall be recognized as an expense i.e on an accrual basis and are charged to the income and expenditure account on straight line basis over the period of lease.

### 3.6 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees (functional currency) at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Pak Rupees at a foreign exchange rate ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income and expenditure account.

### 3.7 Revenue Recognition

Grants and donation-in-kind are recognized as income on systematic and rational basis over the period necessary to match these with related expenditure.

Grants related to assets, including non-monetary grants are reflected in the balance sheet as deferred grant, which is recognized as income over the useful life of the depreciable asset equivalent to related depreciation charge.

Grants other than those related to assets are recognized over the periods necessary to match these grants with related costs. However if no basis exists for allocating a grant/donation for more than one accounting period then such grants/donations are recognized on receipt basis.

Upon conclusion of agreement with a donor, where receipts are in excess of related expenditure, the excess receipts accrue to the donor. In respect of grants for which agreement is signed by the donor, excess of expenditure over receipts, upto the year end is recognized as grant receivable.

Revenue from consultancy services and related program activities is recognized as and when invoice is raised to the client to the extent of services provided.

Profit on bank deposits is recognized on receipt basis.

Voluntary donations are recognized on receipt basis.

### 3.8 Provisions

The Center reviews the carrying amount of liabilities on a regular basis and appropriate amount of provision is made as and when necessary.

### 3.9 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liabilities simultaneously.

### 3.10 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Center's functional and presentation currency.

### 3.11 Trade debts and other receivables

Trade and other receivables are measured at original invoice amount less an estimate made for doubtful receivable balances based on the review of all outstanding amounts at the balance sheet date. Bad debts are written off when identified.

### 3.12 Trade and other payables

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

### 3.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits with banks.

CENTER FOR COMMUNICATION PROGRAMS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

## 4 Fixed assets

The statement of fixed assets is as follows;

| | Furniture and Fixtures | Office Equipment | Computers and Ancillaries | Office Equipment | Computers and Ancillaries | Total |
|---|---|---|---|---|---|---|
| | Rupees | | | | | |
| | Donated Assets | | | Owned Assets | | |
| **COST** | | | | | | |
| **Balance as on 01 Jan 2012** | 49,075 | 32,424 | 169,886 | - | 125,000 | 376,385 |
| Additions during the year | - | - | - | 12,500 | 10,000 | 22,500 |
| **Balance as on 01 Jan 2013** | 49,075 | 32,424 | 169,886 | 12,500 | 135,000 | 398,885 |
| Additions during the year | - | - | - | - | 129,007 | 129,007 |
| **Balance as on 31 December 2013** | 49,075 | 32,424 | 169,886 | 12,500 | 264,007 | 527,892 |
| **DEPRECIATION** | | | | | | |
| **Balance as on 01 Jan 2012** | 4,908 | 3,242 | 56,640 | - | 41,668 | 106,457 |
| Charge for the year | 4,908 | 3,242 | 56,640 | 1,250 | 44,550 | 110,590 |
| **Balance as on 01 Jan 2013** | 9,816 | 6,484 | 113,280 | 1,250 | 86,218 | 217,047 |
| Charge for the year | 4,908 | 3,242 | 56,062 | 1,250 | 87,122 | 152,585 |
| **Balance as on 31 December 2013** | 14,724 | 9,726 | 169,342 | 2,500 | 173,340 | 369,632 |
| Carrying amounts 2012 | 39,260 | 25,940 | 56,606 | 11,250 | 48,783 | 181,838 |
| **Carrying amounts 2013** | 34,351 | 22,698 | 544 | 10,000 | 90,667 | 158,260 |
| Depreciation rate (%) | 10% | 10% | 33% | 10% | 33% | |

| | Note | 2013 (Rupees) | 2012 (Rupees) |
|---|---|---|---|
| **5 Account receivables** | | | |
| Receivable from IFES | | 1,267,902 | - |
| | | 1,267,902 | - |
| **6 Advances, deposits and prepayments** | | | |
| Advance tax | | 23,001 | 22,150 |
| Others | | - | 50,000 |
| | | 23,001 | 72,150 |
| **7 Cash and bank balances** | | | |
| Cash in hand | | 9,061 | 473 |
| Cash at bank - current account | | 1,277,438 | 3,290,870 |
| Cash at bank - project account | | 327,859 | - |
| | | 1,614,358 | 3,291,343 |
| **8 Accumulated surplus** | | | |
| Opening balance | | 1,263,850 | 155,646 |
| Transfer on closure of projects | 9 | 1,518,343 | - |
| Surplus /(deficit) for the year | | (91,158) | 1,108,204 |
| Balance at the end of the period | | 2,691,035 | 1,263,850 |

## 9 Restricted fund

| Project | Balance as on 01 Jan 2013 | Grant received | Expenditure incurred | Transferred to / (from) income and expenditure account | Over spent balance transferred to other receivables | Transferred to accumulated surplus on account of closure of project | Net movement during the period | Amount returned to donor | Balance as on 31 Dec 2013 |
|---|---|---|---|---|---|---|---|---|---|
| | ----- | ----- | ----- | ----- | Rupees | ----- | ----- | ----- | ----- |
| MCI-UNICEF | 647,680 | - | - | - | - | (647,680) | (647,680) | - | - |
| JHSPH-GTS | 1,431,656 | - | - | - | - | (1,431,656) | (1,431,656) | - | - |
| SVEP-IFES | - | 8,747,500 | 10,576,395 | (1,828,895) | (1,267,902) | 560,993 | - | - | - |
| **2013** | **2,079,336** | **8,747,500** | **10,576,395** | **(1,828,895)** | **(1,267,902)** | **(1,518,343)** | **(2,079,336)** | **-** | **-** |
| 2012 | 324,097 | 2,725,624 | 970,385 | 1,755,239 | - | - | 2,079,336 | - | 2,079,336 |

| | Note | 2013 (Rupees) | 2012 (Rupees) |
|---|---|---|---|
| **10 Deferred grants** | | | |
| Balance at the beginning of the period | | 121,805 | 186,595 |
| Additions in assets | | - | - |
| Amortization for the period | | (64,790) | (64,790) |
| Balance at the end of the period | | 57,015 | 121,805 |
| **11 Accrued and other payables** | | | |
| Audit fee payable | | 100,000 | 75,000 |
| Withholding tax payable | | 215,471 | 5,340 |
| | | 315,471 | 80,340 |

**12 Contingencies and commitments**

There are no significant commitments as at balance sheet date.

**13 Income**

| | 2013 | 2012 |
|---|---|---|
| **Grants** | | |
| Meena Communication Initiative - UNICEF | - | 658,900 |
| Johns Hopkins University School of Public Health - Global Tobacco Survey | - | 2,066,724 |
| Support Voter Education Plan - IFES | 8,747,500 | - |
| | 8,747,500 | 2,725,624 |
| **Consultancy and program activities** | | |
| Family Planning Communication Campaign | 6,881,240 | 2,270,760 |
| Others | - | 262,500 |
| | 6,881,240 | 2,533,260 |
| **Donations** | 862,015 | - |
| **Amortization of deferred grants** | 64,790 | 64,790 |
| | 16,555,545 | 5,323,674 |

| | Note | 2013 (Rupees) | 2012 (Rupees) |
|---|---|---|---|
| **14 Project personnel costs** | | | |
| Meena Communication Initiative - UNICEF | | - | 359,000 |
| Johns Hopkins University School of Public Health Global Tobacco Survey | | - | 498,435 |
| Support Voter Education Plan - IFES | | 3,517,273 | - |
| | | 3,517,273 | 857,435 |
| **15 Project cost** | | | |
| Meena Communication Initiative - UNICEF | | - | 2,170 |
| Johns Hopkins University School of Public Health Global Tobacco Survey | | - | 110,780 |
| Support Voter Education Plan - IFES | | 7,059,122 | - |
| | | 7,059,122 | 112,950 |
| **16 Administrative costs** | | | |
| Staff salary | | 777,246 | 487,625 |
| Consultancy and program activities expenses | | 5,252,901 | 531,730 |
| Office supplies | | 117,698 | 27,300 |
| Utilities | | 100,800 | 11,665 |
| Repairs and maintenance | | - | 1,500 |
| Printing and stationery | | 295,069 | 30,464 |
| Rent expense | | 788,621 | 170,800 |
| Travel and entertainment | | 257,075 | 4,800 |
| Postage and delivery | | - | 11,564 |
| Internet and communication | | 71,439 | 18,230 |
| Audit fee | | 75,000 | 75,000 |
| Professional charges | | 52,720 | - |
| Depreciation | 4 | 152,585 | 110,590 |
| Misc. expenses | | - | 7,778 |
| Bank service charges | | 4,599 | 800 |
| | | 7,945,753 | 1,489,846 |

**CENTER FOR COMMUNICATION PROGRAMS**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2013**

| | Note | 2013 (Rupees) | 2012 (Rupees) |
|---|---|---|---|
| **17 Other Income** | | | |
| Bank profit | | 46,550 | - |
| | | 46,550 | - |

## 18 Date of authorization

These financial statements were authorized for issue on ____________________ by the Members of the Governing Body.

## 19 General

- Figures in the account are rounded-off to the nearest Rupees.

President

Secretary General