

CENTER FOR COMMUNICATION PROGRAMS

Financial Statements

For the year ended December 31, 2014



Tax. Corporate. Advisory. Audit



Khurram Aziz & Co. Chartered Accountants

AUDITORS' REPORT TO THE GOVERNING BODY

Report on the Financial Statements

We have audited the annexed balance sheet of M/s Center for Communication Programs as at December 31, 2014 and the income and expenditure statement, statement of cash flows together with the notes forming part thereof (hereinafter referred to as "the financial statements"), for the year then ended.

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 the circumstances.

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 International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 management, as well as evaluating the overall presentation of 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 give a true and fair view of the financial position of M/s Center for Communication Programs as of December 31, 2014 and of its' surplus in accordance with Approved Accounting Standards as applicable in Pakistan.

ISLAMABAD:

Khurram Aziz & Co.

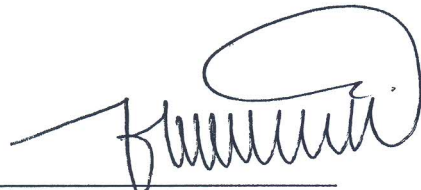
Khurram Aziz & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Khurram Aziz



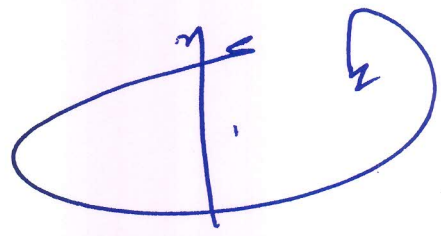
**CENTER FOR COMMUNICATION PROGRAMS
BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	2014 (Rupees)	2013 (Rupees)
ASSETS			
Non-Current Assets			
Fixed assets	4	1,504,560	158,260
Current Assets			
Account receivables	5	7,885,692	1,267,902
Advances, deposits and prepayments	6	1,370,567	23,001
Cash and bank balances	7	3,174,353	1,614,358
		<u>12,430,612</u>	<u>2,905,261</u>
		<u>13,935,172</u>	<u>3,063,521</u>
FUNDS AND LIABILITIES			
Accumulated Surplus	8	11,619,341	2,691,035
Deferred Grants	9	-	57,015
Current Liabilities			
Accrued and other liabilities	10	2,315,831	315,471
Contingencies and Commitments	11	-	-
		<u>13,935,172</u>	<u>3,063,521</u>

The annexed notes 1 to 18 form an integral part of these financial statements.



President




Secretary General


**CENTER FOR COMMUNICATION PROGRAMS
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 (Rupees)	2013 (Rupees)
Income	12	34,173,361	16,555,545
Expenses			
Project personnel cost	13	(14,469,863)	(3,517,273)
Project cost	14	(4,888,442)	(7,059,122)
Administrative cost	15	(5,963,950)	(7,945,753)
		<u>(25,322,255)</u>	<u>(18,522,148)</u>
Other income	16	<u>77,200</u>	<u>46,550</u>
Surplus /(deficit) for the year		8,928,306	(1,920,053)
Transferred from restricted funds		-	1,828,895
Net surplus /(deficit) for the year		<u><u>8,928,306</u></u>	<u><u>(91,158)</u></u>

The annexed notes 1 to 18 form an integral part of these financial statements.



President




Secretary General


**CENTER FOR COMMUNICATION PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<u>2014</u> (Rupees)	<u>2013</u> (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus / (deficit) before taxation	8,928,306	(1,920,053)
Adjustment for:		
Amortization of grants	(57,015)	(64,790)
Depreciation	661,425	152,585
Operating profit before working capital changes	<u>9,532,716</u>	<u>(1,832,258)</u>
Changes in working capital:		
(Increase) / decrease in current assets		
Advances, deposits, prepayments & other receivables	(7,965,356)	49,149
Increase / (decrease) in current liabilities		
Accrued and other liabilities	2,000,360	235,131
Cash generated from / (used) in operating activities	<u>3,567,720</u>	<u>(1,547,978)</u>
Net cash generated from / (used) in operating activities	<u>3,567,720</u>	<u>(1,547,978)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,007,725)	(129,007)
Net cash used in investing activities	<u>(2,007,725)</u>	<u>(129,007)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	1,559,995	(1,676,985)
Cash and cash equivalents at the beginning of the year	1,614,358	3,291,343
Cash and cash equivalents at the end of the year	<u>3,174,353</u>	<u>1,614,358</u>

The annexed notes 1 to 18 form an integral part of these financial statements.



President



Secretary General

**CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

1. THE ORGANIZATION AND ITS OPERATIONS

Center for Communication Programs was incorporated on 22nd February 2011 as a non-profit professional body and registered under Societies Registration Act 1860. Registered office of the Center is situated at 89 B, Street No. 59, F-10/3, Islamabad.

The Principal object 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 the accounting and financial reporting by the 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 historical cost convention. Assets referred in note 4.1 of the financial statements were included at carrying values during the year ended 31 December 2013.

3.2 Significant accounting estimates and judgement

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 area where various assumptions and estimates are significant to the Center's financial Statements or where Judgments were exercised in application of accounting policies are as follows:

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

Significance 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 years' 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 Fixture	10%
Office Equipment	10%
Computer and ancillaries	33%

The Assets residual values and useful lives are continuously reviewed by the management and adjusted if impact on depreciation is significant. The management's estimates of the residual values of its property, Plant and equipment as at 31 December 2014 has not required any adjustment.

**CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The management continually assessed 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

The recoverable amount is the higher of an asset's 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 a straight line basis over the period of lease.

3.6 Foreign currency transaction

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 a systematic and rational basis over the period necessary to match these with related expenditures.

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 a receipt basis.

Upon conclusion of agreement with a donor, where receipts are in excess of related expenditures, the excess receipts accrue to the donor. In respect of grants for which agreement is signed by the donor, excess of expenditure over receipts, up to 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.

**CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 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. *kw*

**CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4 Fixed assets

The statement of fixed assets is as follows;

	Donated Assets			Owned Assets			Total
	Furniture and fixtures	Office equipment	Computers and ancillaries	Office equipment	Furniture and fixtures	Computers and ancillaries	
	(----- Rupees -----)						
COST							
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 1st Jan 2014	49,075	32,424	169,886	12,500	-	264,007	527,892
Additions during the year	-	-	-	367,315	59,600	1,580,810	2,007,725
Balance as on 31 December 2014	<u>49,075</u>	<u>32,424</u>	<u>169,886</u>	<u>379,815</u>	<u>59,600</u>	<u>1,844,817</u>	<u>2,535,617</u>
DEPRECIATION							
Balance as on 01 Jan 2013	9,816	6,484	113,280	1,250	-	86,218	217,047
Charge for the year	4,907.50	3,242.40	56,062.38	1,250.00	-	87,122.31	152,585
Balance as on 1st Jan 2014	14,724	9,726	169,342	2,500	-	173,340	369,632
Charge for the year	4,907.50	3,242.40	544.00	37,981.50	5,960.00	608,789.61	661,425
Balance as on 31 December 2014	<u>19,631</u>	<u>12,969</u>	<u>169,886</u>	<u>40,482</u>	<u>5,960</u>	<u>782,129</u>	<u>1,031,057</u>
Carrying amounts 2013	34,351	22,698	544	10,000	-	90,667	158,260
Carrying amounts 2014	<u>29,444</u>	<u>19,455</u>	<u>(0)</u>	<u>339,334</u>	<u>53,640</u>	<u>1,062,688</u>	<u>1,504,560</u>
Depreciation rate (%)	<u>10%</u>	<u>10%</u>	<u>33%</u>	<u>10%</u>	<u>10%</u>	<u>33%</u>	

CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	<u>2014</u>	<u>2013</u>
		(Rupees)	(Rupees)
5 Account receivables			
Receivable from GRM Int		7,058,648	-
Receivable from JHUCCP		827,044	-
Receivable from IFES		-	1,267,902
		<u>7,885,692</u>	<u>1,267,902</u>
6 Advances, deposits and prepayments			
Prepaid rent		170,000	-
Advance tax		700,567	23,001
Advance Against Project Expense		300,000	-
Security Deposit		200,000	-
		<u>1,370,567</u>	<u>23,001</u>
7 Cash and bank balances			
Cash in hand		3,582	9,061
Cash at bank - current account		3,130,352	1,277,438
Cash at bank - project account		40,419	327,859
		<u>3,174,353</u>	<u>1,614,358</u>
8 Accumulated surplus			
Opening balance		2,691,035	1,263,850
Transfer on closure of projects		-	1,518,343
Surplus /(deficit) for the year		8,928,306	(91,158)
Balance at the end of the period		<u>11,619,341</u>	<u>2,691,035</u>
9 Deferred grants			
Balance at the beginning of the period		57,015	121,805
Additions in assets		-	-
Amortization for the period		(57,015)	(64,790)
Balance at the end of the period		<u>-</u>	<u>57,015</u>
10 Accrued and other payables			
Audit fee payable		75,000	100,000
Accounts payable-consultancy		1,785,656	-
Withholding tax payable		455,175	215,471
		<u>2,315,831</u>	<u>315,471</u>

11 Contingencies and commitments

There are no significant commitments as at balance sheet date.

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CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 (Rupees)	2013 (Rupees)
12 Income			
Grants			
Support Voter Education Plan - IFES		-	8,747,500
		<u>-</u>	<u>8,747,500</u>
Consultancy and program activities			
Cost Reimbursement Income-EVA BHN		14,959,443	-
Cost Reimbursement Income-HCC		10,751,403	-
Project Consultancy-OXFAMS		520,000	-
Project Consultancy-EVAC		7,885,500	-
Family Planning Communication Campaign		-	6,881,240
		<u>34,116,346</u>	<u>6,881,240</u>
Donations		-	862,015
Amortization of deferred grants		57,015	64,790
		<u>34,173,361</u>	<u>16,555,545</u>
13 Project personnel costs			
Consultancy Fee			
EVA-BHN		9,595,000	-
EVAC		256,785	-
HCC		560,000	-
OXFAM-NOVA		386,500	-
Support Voter Education Plan - IFES		-	2,049,148
Salaries			
EVA-BHN		-	-
EVAC		30,435	-
HCC		3,641,143	-
Support Voter Education Plan - IFES		-	1,468,125
		<u>14,469,863</u>	<u>3,517,273</u>
14 Program cost			
Accomodation		698,619	118,170
Advertisement		470,900	1,375,290
Boarding & lodging		276,416	-
Travelling and conveyance		1,824,995	720,475
Overhead Expenses		55,680	-
Per-Diem		1,411,096	-
Postages & courier		8,667	41,511
Printing & stationery.		142,069	1,283,152
Support voter education plan - IFES-others		-	3,520,524
		<u>4,888,442</u>	<u>7,059,122</u>

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**CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

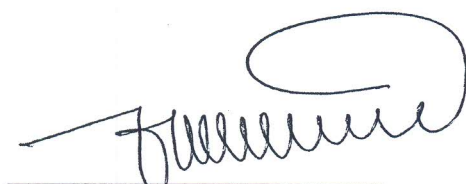
	Note	2014 (Rupees)	2013 (Rupees)
15 Administrative costs			
Staff salaries		2,096,909	777,246
Consultancy and program activities expenses		375,000	5,252,901
Office supplies		629,268	117,698
Utilities		15,625	100,800
Repairs and maintenance		167,100	-
Printing and stationery		171,224	295,069
Rent expense		952,748	788,621
Travel and entertainment		311,076	257,075
POL		112,615	-
Postage and delivery		4,768	-
Internet and communication		107,725	71,439
Audit fee		75,000	75,000
Professional charges		191,000	52,720
Depreciation	4	661,425	152,585
Misc. expenses		70,832	-
Bank service charges		21,635	4,599
		<u>5,963,950</u>	<u>7,945,753</u>
16 Other income			
Bank profit		77,200	46,550
		<u>77,200</u>	<u>46,550</u>

17 Date of authorization

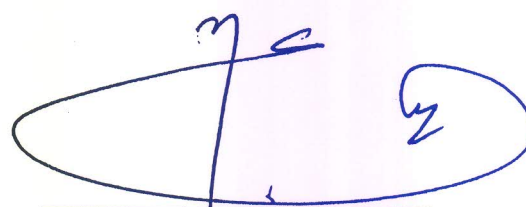
These financial statements were authorized for issue on _____ by the Members of the Governing Body.

18 General

- Figures in the account are rounded-off to the nearest Rupees.
- Comparative figures are reclassified where necessary.



President



Secretary General