

CENTER FOR COMMUNICATION PROGRAMS

Audited Financial Statements

For the year ended December 31, 2015



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, 2015 and the related 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, 2015 and of its' surplus in accordance with Approved Accounting Standards as applicable in Pakistan.

ISLAMABAD: 24/06/2016


KHURRAM AZIZ & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Khurram Aziz

CENTER FOR COMMUNICATION PROGRAMS
BALANCE SHEET
AS AT DECEMBER 31, 2015

	NOTE	2015 RUPEES	2014 RUPEES
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed assets	4	2,246,603	1,504,560
CURRENT ASSETS			
Account receivables	5	6,519,354	7,885,692
Advances, deposits and prepayments	6	2,011,271	1,370,567
Cash and bank balances	7	82,135,527	3,174,353
		90,666,152	12,430,612
		<u>92,912,755</u>	<u>13,935,172</u>
<u>FUNDS AND LIABILITIES</u>			
FUNDS			
Accumulated surplus	8	15,254,229	11,619,341
Deferred grants	9	58,192,137	-
CURRENT LIABILITIES			
Creditors, accrued and other payables	10	19,466,389	2,315,831
CONTINGENCIES AND COMMITMENTS			
	11	-	-
		<u>92,912,755</u>	<u>13,935,172</u>

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

For. Dr. G. M.

PRESIDENT

SECRETARY GENERAL

CENTER FOR COMMUNICATION PROGRAMS
 INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2015

	NOTE	2015 RUPEES	2014 RUPEES
INCOME	12	108,902,556	34,173,361
EXPENSES			
Project personnel cost	13	(52,432,571)	(14,469,863)
Program cost	14	(30,277,380)	(4,888,442)
Administrative cost	15	(22,903,308)	(5,963,950)
		(105,613,259)	(25,322,255)
Other income	16	345,591	77,200
SURPLUS FOR THE YEAR		<u>3,634,888</u>	<u>8,928,306</u>
NET SURPLUS FOR THE YEAR		<u><u>3,634,888</u></u>	<u><u>8,928,306</u></u>

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

For. N. G. Ahluwalia

 PRESIDENT

[Signature]

 SECRETARY GENERAL

CENTER FOR COMMUNICATION PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u> <u>RUPEES</u>	<u>2014</u> <u>RUPEES</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the year	3,634,888	8,928,306
Adjustment for:		
Grant amortized during the year	(48,762,563)	(57,015)
Depreciation	1,014,417	661,425
Operating profit before working capital changes	<u>(44,113,258)</u>	<u>9,532,716</u>
Changes in working capital:		
(Increase) / decrease in current assets		
Account receivables	1,366,338	(6,617,790)
Advances, deposits and prepayments	(640,704)	(1,347,566)
Increase / (decrease) in current liabilities		
Accrued and other liabilities	17,150,558	2,000,360
Cash generated (used) in / from operating activities	<u>(26,237,066)</u>	<u>3,567,720</u>
Taxes paid	-	-
Net cash generated (used) in / from operating activities	<u>(26,237,066)</u>	<u>3,567,720</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(1,756,460)</u>	<u>(2,007,725)</u>
Net cash used in investing activities	<u>(1,756,460)</u>	<u>(2,007,725)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from donors	<u>106,954,700</u>	<u>-</u>
Net cash generated from financing activities	<u>106,954,700</u>	<u>-</u>
Net increase in cash and cash equivalents	78,961,174	1,559,995
Cash and cash equivalents at the beginning of the year	<u>3,174,353</u>	<u>1,614,358</u>
Cash and cash equivalents at the end of the year	<u><u>82,135,527</u></u>	<u><u>3,174,353</u></u>

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

Dr. L. G. Akh.

PRESIDENT

[Signature]

SECRETARY GENERAL

CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 Office No. 12 & 13, 3rd Floor, Fazal Arcade, F-11/1, 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 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.

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 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.

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CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 2015 has not required any adjustment.

The management continually assesses 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 income and expenditure account for the year.

The recoverable amount is the higher of an asset's fair value less costs to sell and value is use. Where an impairment loss 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.

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CENTER FOR COMMUNICATION PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

3.5 Foreign currency transaction

Transaction 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.

3.6 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 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 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, upto the year end is recognized as grant receivable.

Revenue from consultancy services and related program activated 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.

3.7 Provisions

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

3.8 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.

3.9 Functional and presentation currency

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

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COMMUNICATION PROGRAMS
 E FINANCIAL STATEMENTS
 R ENDED DECEMBER 31, 2015

SETS

	Donated Assets			Owned Assets			Total
	Furniture and fixtures	Office equipment	Computers and ancillaries	Office equipment	Furniture and fixtures	Computers and ancillaries	
	(----- Rupees -----)						
as on Jan 01, 2014	49,075	32,424	169,886	12,500	-	264,007	527,892
during the year	-	-	-	367,315	59,600	1,580,810	2,007,725
as on December 31, 2014	49,075	32,424	169,886	379,815	59,600	1,844,817	2,535,617
during the year	-	-	-	932,273	50,757	773,430	1,756,460
as on December 31, 2015	49,075	32,424	169,886.00	1,312,088	110,357	2,618,247	4,292,077
ATION							
as on Jan 01, 2014	14,724	9,726	169,342	2,500	-	173,340	369,632
r the year	4,908	3,242	544	37,982	5,960	608,790	661,425
as on December 31, 2014	19,631	12,969	169,886	40,482	5,960	782,129	1,031,057
r the year	4,908	3,242	-	131,209	11,036	864,022	1,014,417
as on December 31, 2015	24,539	16,211	169,886	171,691	16,996	1,646,151	2,045,474
amount 2014	29,444	19,455	-	339,334	53,640	1,062,688	1,504,560
amount 2015	24,536	16,213	-	1,140,398	93,361	972,096	2,246,603
ion rate (%)	10%	10%	33%	10%	10%	33%	

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CENTER FOR COMMUNICATION PROGRAMS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	NOTE	2015 RUPEES	2014 RUPEES	
5 ACCOUNT RECEIVABLES				
Receivable from GRM Int.		6,519,354	7,058,648	
Receivable from JHU - CCP		-	827,044	
		<u>6,519,354</u>	<u>7,885,692</u>	
6 ADVANCES, DEPOSITS AND PREPAYMENTS				
Prepaid rent		187,000	170,000	
Advance tax		889,170	700,567	
Advance to employees		17,250	-	
Advance against project expenses		717,851	300,000	
Security deposit		200,000	200,000	
		<u>2,011,271</u>	<u>1,370,567</u>	
7 CASH AND BANK BALANCES				
Cash in hand		54,189	3,582	
Cash at bank - current account		32,694,320	3,130,352	
Cash at bank - saving account		49,387,018	40,419	
		<u>82,135,527</u>	<u>3,174,353</u>	
7.1 These carry mark up at the rate ranging from 5% to 7% per annum.				
8 ACCUMULATED SURPLUS				
Opening balance		11,619,341	2,691,035	
Transfer on closure of projects		-	-	
Surplus for the year		3,634,888	8,928,306	
Closing balance		<u>15,254,229</u>	<u>11,619,341</u>	
9 DEFERRED GRANTS				
Projects	RMNCH-UNICEF	HCC	EVA-BHN	Total
Opening balance	-	-	-	-
Grant received during the year	7,535,150	106,954,700	52,244,843	166,734,693
Expenses incurred	3,205,625	48,762,563	36,417,591	88,385,779
Income	4,329,525	-	15,827,252	20,156,777
Amortized during the year		48,762,563	-	48,762,563
Closing balance	<u>-</u>	<u>58,192,137</u>	<u>-</u>	<u>58,192,137</u>
10 CREDITORS, ACCRUED AND OTHER PAYABLES				
Audit fee payable		90,000	75,000	
Account payable - consultancy		12,213,000	1,785,656	
Account payable - JHU - CCP		7,154,413	-	
GST payable		8,608	-	
Withholding tax payable		368	455,175	
		<u>19,466,389</u>	<u>2,315,831</u>	
11 CONTINGENCIES AND COMMITMENTS				
There are no significant contingencies and commitments as at balance sheet date.				

	Project consultancy-EVAC	-	7,885,500
	RMNCH-UNICEF	7,535,150	-
		<u>59,779,993</u>	<u>34,116,346</u>
	Donations	360,000	-
	Amortization of deferred grants	9 48,762,563	57,015
		<u>108,902,556</u>	<u>34,173,361</u>
13	PROJECT PERSONNEL COSTS		
	Support Voter Education Plan - IFES	-	-
	Consultancy fee:		
	EVA-BHN	14,020,413	9,595,000
	EVAC	588,821	256,785
	HCC	2,558,500	560,000
	OXFAM-NOVA	-	386,500
	RMNCH-UNICEF	3,006,745	-
	EVA-BHN	7,289,800	-
	EVAC	-	30,435
	HCC	24,968,292	3,641,143
		<u>52,432,571</u>	<u>14,469,863</u>
14	PROGRAM COST		
	Accommodation	3,972,586	698,619
	Advertisement	12,173,168	470,900
	Boarding & lodging	-	276,416
	Travelling and conveyance	5,209,981	1,824,995
	Overhead expenses	-	55,680
	Per-diem	2,711,258	1,411,096
	Meeting and conference	3,398,518	-
	Postage & courier	-	8,667
	Photography and media	349,000	-
	Printing & stationery	882,964	142,069
	Vehicle rental	1,454,071	-
	Supplies	4,150	-
	Miscellaneous	121,684	-
		<u>30,277,380</u>	<u>4,888,442</u>
15	ADMINISTRATIVE COST		
	Staff salaries	3,842,800	2,096,909
	Consultancy and program activities expenses	350,000	375,000
	Office supplies	124,944	629,268
	Utilities	181,761	15,625
	Administration expenses	25,000	-
	Repairs and maintenance	196,472	167,100
	Printing and stationery	1,163,362	171,224
	Rent expense	2,091,000	952,748
	Entertainment	164,056	311,076
	POL	9,520	112,615
	Postage and delivery	8,235	4,768
	Internet and communication	157,719	107,725

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CENTER FOR COMMUNICATION PROGRAMS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	NOTE	2015 RUPEES	2014 RUPEES
Overhead expenses		6,980,561	-
Auditor's remuneration	15.1	75,000	75,000
Professional charges		4,921,827	191,000
Depreciation	4	1,014,417	661,425
Miscellaneous expenses		321,229	70,832
Exchange loss on foreign currency translation		857,603	-
News paper & periodicals		19,162	-
Donation		308,129	-
Bank service charges		90,511	21,635
		<u>22,903,308</u>	<u>5,963,950</u>
15.1 Auditor's remuneration			
Audit fee		<u>75,000</u>	<u>75,000</u>
		<u>75,000</u>	<u>75,000</u>
16 OTHER INCOME			
Bank profit		<u>345,591</u>	<u>77,200</u>
		<u>345,591</u>	<u>77,200</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 financial statements are rounded-off to the nearest Rupees.
 - Figures have been re-arranged / re-classified for the purpose of better comparison. However, no material re-classification / re-arrangement has been done in these financial statements.

Jan L. G. Khan

 PRESIDENT

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 SECRETARY GENERAL