

FINANCIAL STATEMENTS OF

**CIVIL SOCIETY HUMAN AND
INSTITUTIONAL DEVELOPMENT
PROGRAMME**

**FOR THE YEAR ENDED
JUNE 30, 2021**

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME** (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of income and expenditure, the statement of comprehensive income, 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, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, 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, 2021 and of the surplus and other comprehensive income, 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 Auditors 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.

Emphasis of Matter

We draw attention to the matter discussed in note 1.2 to the accompanying financial statements regarding pending application of renewal of license under section 42 of the Companies Act, 2017. The ultimate outcome of which cannot presently be determined. Our opinion is not modified in respect of this finding.

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Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors 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 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 is responsible for overseeing the Company's financial reporting process.

Auditors 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 auditors 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 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 auditors 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 auditors 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 statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, 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). *Bakaw.*



Other Matter

The financial statements of the Company for the year ended June 30, 2020 were audited by another firm of Chartered Accountants, who had expressed an unmodified opinion vide their report dated December 28, 2020.

The engagement partner on the audit resulting in this independent auditors' report is Iffat Hussain.

ISLAMABAD

DATED: 25 OCT 2021

Bdo ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	30,829,395	28,204,123
Long term security deposits	6	147,900	99,900
		<u>30,977,295</u>	<u>28,304,023</u>
CURRENT ASSETS			
Advances	7	580,239	159,452
Security deposits and short term prepayments	8	84,191	101,785
Short term investment	9	-	14,234,000
Due from related parties	10	80,000	100,000
Receivable from partners		1,194,577	-
Receivable from donor agencies	11	3,263,167	13,091,762
Other receivables	12	580,589	64,629,549
Taxation - net	13	-	336,818
Cash and bank balances	14	99,741,282	15,593,548
		<u>105,524,045</u>	<u>108,246,914</u>
TOTAL ASSETS		<u><u>136,501,340</u></u>	<u><u>136,550,937</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		73,262,850	72,170,574
Endowment fund	15	34,956,235	34,956,235
Total funds		<u>108,219,085</u>	<u>107,126,809</u>
NON-CURRENT LIABILITIES			
Deferred liability - gratuity	16	10,412,549	8,933,217
Deferred capital grant	17	1,785,609	1,940,565
Restricted grants related to projects	11	2,260,209	2,000,000
		14,458,367	12,873,782
CURRENT LIABILITIES			
Taxation - net	13	60,024	-
Accrued and other liabilities	18	13,763,864	16,550,346
		13,823,888	16,550,346
Total Liabilities		<u>28,282,255</u>	<u>29,424,128</u>
Contingencies and Commitments	19	-	-
TOTAL FUNDS AND LIABILITIES		<u><u>136,501,340</u></u>	<u><u>136,550,937</u></u>

The annexed notes from 1 to 36 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
INCOME			
Amortization of restricted grants related to projects	11	95,152,732	129,545,603
Amortization of deferred capital grant	17	907,967	788,123
Other income	20	15,923,432	74,269,841
		<u>111,984,131</u>	<u>204,603,567</u>
EXPENDITURE			
Programme cost	21	(95,152,732)	(129,545,603)
Depreciation on restricted assets		(907,967)	(788,123)
Administrative cost	22	(14,261,030)	(19,688,978)
Finance cost	23	(38,201)	(71,983)
		<u>(110,359,930)</u>	<u>(150,094,687)</u>
SURPLUS BEFORE TAX		1,624,201	54,508,880
Taxation	24	(1,249,538)	(2,434,838)
SURPLUS AFTER TAX		<u>374,663</u>	<u>52,074,042</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

Review.



CHIEF EXECUTIVE OFFICER



DIRECTOR

5 PROPERTY AND EQUIPMENT

	Note	2021 Rupees	2020 Rupees
Operating fixed assets	5.1	30,829,395	13,337,343
Capital work in progress	5.2	-	14,866,780
		<u>30,829,395</u>	<u>28,204,123</u>

5.1 OPERATING FIXED ASSETS

Description	Free hold Land	Buildings	Electricity and gas equipment	Furniture And Fixtures	Computer and accessories	Vehicles	Office Equipment	Transformers	Sub Total	Leased Vehicles	Total	Rupees	
Net carrying value basis													
Year ended June 30, 2021													
Opening book value	7,000,000	18,616,371	127,870	1,086,911	1,248,683	2,163,727	159,151	1,551,000	13,337,343	-	13,337,343		
Additions (at cost)	-	-	-	2,155,596	565,250	111,900	1,552,410	-	23,001,527	-	23,001,527		
Disposals	-	-	-	-	-	(2,969,000)	-	-	(2,969,000)	-	(2,969,000)		
Cost	-	-	-	-	-	2,401,000	-	-	2,401,000	-	2,401,000		
Accumulated Depreciation	-	-	-	-	-	(568,000)	-	-	(568,000)	-	(568,000)		
Depreciation charge	-	(1,861,637)	(33,190)	(458,492)	(872,971)	(1,049,482)	(441,462)	(224,241)	(4,941,475)	-	(4,941,475)		
Closing net book value	7,000,000	16,754,735	94,680	2,784,015	940,962	658,145	1,270,099	1,326,759	30,829,395	-	30,829,395		
Gross carrying value basis													
Year ended June 30, 2021													
Cost/revalue	7,000,000	33,968,002	2,748,763	6,344,668	7,310,356	8,060,736	3,117,619	2,242,410	70,792,554	-	70,792,554		
Accumulated depreciation	-	(17,213,267)	(2,654,083)	(3,500,653)	(6,369,394)	(7,402,591)	(1,847,520)	(915,651)	(39,963,159)	-	(39,963,159)		
Net book value	7,000,000	16,754,735	94,680	2,784,015	940,962	658,145	1,270,099	1,326,759	30,829,395	-	30,829,395		
Net carrying value basis													
Year ended June 30, 2020													
Opening book value	24,000,000	11,967,999	137,350	1,378,330	901,775	1,502,435	205,949	1,775,241	41,869,079	2,058,000	43,927,079		
Additions (at cost)	-	-	13,200	-	1,098,378	73,900	33,000	-	1,158,478	-	1,158,478		
Transfer from right of use asset	-	-	-	-	-	-	-	-	-	-	-		
Cost	-	-	-	-	-	-	-	-	-	-	-		
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	(2,940,000)	(2,940,000)		
Disposals:										(882,000)	(882,000)		
Cost	(17,000,000)	(20,813,912)	(185,850)	(302,532)	(331,086)	-	(129,455)	-	(38,762,835)	-	(38,762,835)		
Accumulated Depreciation	(17,000,000)	10,233,507	185,850	256,148	331,086	-	129,455	-	11,136,046	-	11,136,046		
Transfer from right of use asset	-	(10,580,405)	-	(46,384)	-	-	-	-	(27,626,789)	-	(27,626,789)		
Cost	-	-	-	-	-	-	-	-	-	-	-		
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-		
Depreciation charge	-	(1,387,593)	(22,680)	(245,035)	(691,470)	(1,764,000)	(79,798)	(224,241)	(3,827,425)	-	(3,827,425)		
Closing net book value	7,000,000	15,351,631	127,870	1,086,911	1,248,683	2,163,727	159,151	1,551,000	13,337,343	-	13,337,343		
Gross carrying value basis													
Year ended June 30, 2021													
Cost/revalue	7,000,000	15,351,631	2,748,763	4,189,072	6,745,106	10,917,836	1,565,209	2,242,410	50,760,027	-	50,760,027		
Accumulated depreciation	-	(15,351,630)	(2,620,893)	(3,102,161)	(5,496,423)	(8,754,109)	(1,406,058)	(691,410)	(37,422,684)	-	(37,422,684)		
Net book value	7,000,000	-	127,870	1,086,911	1,248,683	2,163,727	159,151	1,551,000	13,337,343	-	13,337,343		
Annual rate of depreciation (%)	-	10%	10%	10%	30%	20%	20%	10%	10%	-	10%		

5.2 It represents renovation expenditure incurred on office building by CHIP Training and Consulting (Private) Limited on behalf of the Company and adjusted against receivable balance.

5.3 It includes assets purchased from deferred capital grant amounting to Rs. 753,011 (2020: Rupees, 567,250)

5.4 Depreciation charged during the year has been allocated as follows:

	2021 Rupees	2020 Rupees
Administrative expenses	4,033,508	3,039,302
Depreciation on restricted assets	907,967	788,123
	<u>4,941,475</u>	<u>3,827,425</u>