

LODHRAN PILOT PROJECT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2021

INDEPENDENT AUDITORS' REPORT TO THE GENERAL BODY

Opinion

We have audited the financial statements of **Lodhran Pilot Project** (herein after referred as the Society), which comprises the statement of financial position as at June 30, 2021, and the statement of income and expenditure, statement of comprehensive income, statement of cash flows and statement of changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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.

Responsibilities of management and Those Charged with Governance for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Committee 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 Committee is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 auditor's 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.



RIAZ AHMAD, SAQIB, GOHAR & CO.

Chartered Accountants

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Corporate Office at Karachi & Regional Office at Islamabad.

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 Society'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 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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Society 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 those charged with governance 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.


(Chartered Accountants)

Lahore: 07 DEC 2021

Name of engagement partner: Muhammad Ali Rafique 

**LODHRAN PILOT PROJECT
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021**

| | Note | 2021 Rupees | 2020 Rupees |
|--|------|----------------|----------------|
| <u>ASSETS</u> | | | |
| Non-current assets | | | |
| Property and equipment | 5 | 16,396,594 | 7,093,736 |
| Intangible assets | 6 | 92,358 | 338,390 |
| Long term security deposits | 7 | 120,000 | 120,000 |
| | | 16,608,952 | 7,552,126 |
| Current assets | | | |
| Advances, prepayments and other receivables | 8 | 30,247,832 | 8,568,800 |
| Income tax refunds due from Government | | 40,830 | 40,830 |
| Cash and Bank | 9 | 14,389,786 | 17,692,848 |
| | | 44,678,448 | 26,302,478 |
| Total assets | | 61,287,400 | 33,854,604 |
| <u>LIABILITIES</u> | | | |
| Non-current liabilities | | | |
| Deferred contributions related to capital assets | 10 | 1,453,105 | 940,210 |
| Deferred contributions related to expenses of future periods | 11 | 2,175,254 | 871,835 |
| | | 3,628,359 | 1,812,045 |
| Current liabilities | | | |
| Payable to suppliers | 12 | 2,901,506 | 5,301,383 |
| Accrued and other liabilities | 13 | 9,383,399 | 5,063,418 |
| | | 12,284,905 | 10,364,801 |
| Total liabilities | | 15,913,264 | 12,176,846 |
| <u>NET ASSETS</u> | | 45,374,136 | 21,677,758 |
| REPRESENTED BY: | | | |
| Un-restricted fund | | 45,374,136 | 21,677,758 |

CONTINGENCIES & COMMITMENTS

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The annexed notes from 1 to 21 form an integral part of these financial statements.


PRESIDENT

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FINANCE SECRETARY

LODHRAN PILOT PROJECT
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 Rupees | 2020 Rupees |
|---|------|----------------|----------------|
| INCOME | | | |
| Amortization of deferred contributions: | | | |
| -related to capital contributions | 10 | 348,044 | 421,401 |
| -related to revenue contributions | 11 | 72,486,055 | 116,220,219 |
| Other income | 15 | 34,262,741 | 8,433,694 |
| Donations | 16 | 66,250,000 | 89,800,000 |
| | | 173,346,840 | 214,875,314 |
| EXPENDITURE | | | |
| Project expense: | | | |
| Project cost | 17.1 | (85,646,124) | (120,330,261) |
| Operational cost | 17.2 | (6,671,921) | (3,426,453) |
| | | (92,318,045) | (123,756,714) |
| Program expense: | | | |
| Program cost | 18 | (48,575,610) | (87,191,211) |
| General and administrative expenses | 18 | (7,872,317) | (9,135,151) |
| | | (56,447,927) | (96,326,362) |
| Total expenditure | | (148,765,972) | (220,083,076) |
| Excess of income / (expenditure) over (expenditure) / income before taxation | | 24,580,868 | (5,207,762) |
| Income tax expense | | - | - |
| Excess of income / (expenditure) over (expenditure) / income for the year | | 24,580,868 | (5,207,762) |

The annexed notes from 1 to 21 form an integral part of these financial statements.

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PRESIDENT

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FINANCE SECRETARY

**LODHRAN PILOT PROJECT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021**

| | 2021 Rupees | 2020 Rupees |
|---|-------------------|--------------------|
| Excess of income / (expenditure) over (expenditure) / income for the year | 24,580,868 | (5,207,762) |
| Other comprehensive income: | | |
| Other comprehensive income for the year | - | - |
| Other comprehensive income for the year | - | - |
| Total comprehensive income / (deficit) for the year | <u>24,580,868</u> | <u>(5,207,762)</u> |

The annexed notes from 1 to 21 form an integral part of these financial statements.



PRESIDENT



FINANCE SECRETARY

**LODHRAN PILOT PROJECT
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021**

| | Note | Un-restricted fund Rupees |
|---|------|---------------------------------|
| Balance as at July 01, 2019 | | 25,981,985 |
| Movement during the year: | | |
| Adjustment of closed projects | 11.2 | 1,982,782 |
| Inter fund transfers | 11.2 | (1,655,521) |
| Transferred from deferred contributions related to capital assets | 10.2 | 576,274 |
| | | 26,885,520 |
| Excess of expenditure over income for the year | | (5,207,762) |
| Other comprehensive income for the year | | - |
| Total comprehensive deficit for the year | | (5,207,762) |
| Balance as at 30 June 2020 | | 21,677,758 |
| Movement during the year: | | |
| Adjustment of closed projects | 11.1 | 3,073,521 |
| Inter fund transfers | 11.1 | (4,266,491) |
| Transferred from deferred contributions related to capital assets | 10.1 | 308,479 |
| | | (884,491) |
| Excess of income over expenditure for the year | | 24,580,868 |
| Other comprehensive income for the year | | - |
| Total comprehensive income for the year | | 24,580,868 |
| Balance as at June 30, 2021 | | 45,374,136 |

The annexed notes from 1 to 21 form an integral part of these financial statements.




PRESIDENT

Waniqul Tareeq

FINANCE SECRETARY

**LODHRAN PILOT PROJECT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

| | Note | 2021 Rupees | 2020 Rupees |
|--|------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Excess of income / (expenditure) over (expenditure) / income before taxation | | 24,580,868 | (5,207,762) |
| Adjustments for non-cash income and expenses: | | | |
| Amortization of deferred contributions | 11 | (72,834,099) | (116,220,219) |
| Donation recognized during the year | 16 | (66,250,000) | (89,800,000) |
| Loss on disposal of property and equipment | 15 | 128,803 | 747,861 |
| Depreciation of property and equipment | 5 | 2,151,130 | 1,765,060 |
| Amortization of intangible assets | 6 | 127,916 | 84,597 |
| | | (112,095,382) | (208,630,463) |
| Changes in working capital: | | | |
| Advances, prepayments and other receivables | | (21,679,032) | 7,083,762 |
| Payable to suppliers | | (2,399,877) | 1,076,371 |
| Accrued and other liabilities | | 4,319,981 | (1,558,214) |
| Cash (used in) operations | | (131,854,310) | (202,028,544) |
| Taxes paid | | - | (446,552) |
| Grant /donations received during the year | | 140,015,922 | 193,927,126 |
| Net cash generated from / (used in) operating activities | | 8,161,612 | (8,547,970) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for acquisition of property and equipment | | (11,503,139) | (574,567) |
| Proceed from disposal of property and equipment | | 38,464 | 1,569,632 |
| Refund of security deposits | | - | 100,000 |
| Net cash (used in) / generated from investing activities | | (11,464,675) | 1,095,065 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net (decrease) in cash and cash equivalents | | (3,303,063) | (7,452,905) |
| Cash and cash equivalents at the beginning of the year | | 17,692,848 | 25,145,753 |
| Cash and cash equivalents at the end of the year | 9 | 14,389,786 | 17,692,848 |

The annexed notes from 1 to 21 form an integral part of these financial statements.


PRESIDENT


FINANCE SECRETARY

**LODHRAN PILOT PROJECT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. GENERAL INFORMATION

1.1 Legal status and operations

Lodhran Pilot Project (herein after referred as the Society) is a Non-Profit Organization and has been established in Pakistan under the Societies Registration Act 1860 on February 1999. The registered office of the Society is situated at Multan Road, near WAPDA Colony, Lodhran. The Society principally engaged to carry on the following objectives:

- To build the managerial and technical capacities of civil society institution that are rooted in the communities;
- To pick up the issues from the field and turn them into subjects of meaningful action research, workshops, seminars and policy dialogues;
- To promote agriculture and horticultural related activities;
- To engaged in charitable purpose and social welfare activities strictly on non-profit basis; and
- To cooperate, assist joint programs with organization and agencies seeking the goal of development in Pakistan.

The Society is certified by Pakistan Centre for Philanthropy (PCP) on Nov 11, 2021 for the period of three year to meet International Non-Profit Organization Standards in the areas of Internal Governance, Financial Management and Program Delivery.

The Society is a Not-For-Profit Organization under section 2(36) of the Income Tax Ordinance, 2001 and its surplus/(deficit), if any, is carried forward to the subsequent years, and is not available for appropriation.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan (SECP); and
- Accounting Standard for Not-for-Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

Where the concept contained in Accounting Standard for NPOs, conflict with IFRS for SMEs, the requirements of the IFRS for SMEs have been followed.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Society's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

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2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management committee to exercise judgment in the process of applying the Society accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property and equipment – Note 3.1
- Useful lives, residual values and amortization method of intangible assets – Note 3.2
- Impairment loss of non-financial assets and financial assets – Note 3.3
- Provision for doubtful receivables – Note 3.4
- Assumptions and estimates used in disclosure and assessment of provision for contingencies - Note 3.11
- Estimation of contingent liabilities and assets - Note 3.12 & 3.13
- Current income tax expense, provision for current tax and recognition of deferred tax asset - Note 3.14

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment loss (if any). The cost of an item of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

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 Society and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to current year's income as and when incurred, while major renewals and improvements are capitalized if it is probable that the respective future economic benefits will flow to the Society and the cost of the item can be measured reliably, and asset so replaced, if any, are retired.

Depreciation is charged using the reducing balance method on all property and equipment at rates specified in note 5 to the financial statements. Depreciation is charged from the date the asset is available for use up to the date of disposal / deletion of the assets.

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized in the statement of income and expenditure.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

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3.2 Intangible

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the reducing balance method at the rates specified in note 6 to the financial statements. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.3 Impairment

3.3.1 Impairment in financial assets

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. The impairment loss is recognized immediately in the statement of income and expenditure and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.3.1 Impairment in non-financial assets

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Society recognizes the reversal immediately in the statement of income and expenditure, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.4 Advances, prepayments and other receivables

Advances, prepayments and other receivable are recognized at transaction price less an allowance for impairment. A provision for impairment of account receivables is established when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in the statement of income and expenditure. Bad debts are written-off in the statement of income and expenditure on identification.

The allowance for doubtful debts of the Society is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the statement of financial position. For the purpose of cash flow statement, cash and cash equivalents comprise of bank balances only.

3.6 Deferred contribution

Restricted contributions for expenses of one or more future periods deferred and recognized as revenue in the same period or periods as the related expenses are recognized. While the contributions restricted for the purchase of capital assets amortized to match such contributions with the benefits provided by the capital assets acquired. Such contributions recognized as revenue over the useful life of the acquired capital asset to reflect the fact that the contribution provides benefits in all the periods in which the organization has the use of the capital asset.

3.7 Creditors, accrued and other liabilities

Creditors, accrued and other liabilities are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

3.8 Foreign currency translation

The foreign currency transactions are translated into functional currency using the exchange rates prevailing on the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of transaction and monetary items are translated using the exchange rate prevailing on the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of comprehensive income.

3.9 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Society and revenue can be reliably measured. Revenue is recognized at fair value of consideration received or receivable. Revenue from different sources is recognized on the following basis: Revenue from donation/grant is classified as, either un-restricted or restricted contribution.

a) Unrestricted contribution

Unrestricted contribution is a contribution that is neither a restricted contribution nor an endowment contribution and un-restricted contribution is recognized on the following basis.

- o Un-restricted contribution is recognized in the statement of income and expenditure on receipt basis; and
- o Profit on savings accounts is recognized on accrual basis.

b) Restricted contribution

The Society has adopted the deferral fund method for recognition of revenue as disclosed note 11 to the financial statements as prescribed by the ICAP in "Accounting Standard for Not-for-Profit Organization". A restricted contribution is a contribution subject to externally imposed stipulations that specify the purpose for which the contributed asset is to be used. A contribution restricted for the purchase of a capital asset or a contribution of the capital asset itself is a type of restricted contribution. Grant from funding bodies for which the related restrictions remain unfulfilled is accumulated as deferred contributions and recognized as revenue in the same period or periods as the related expenses are recognized.

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3.10 Expenditure

Expenses that are incurred in the normal operations of the Society are classified as "Program expense". All expenditures that relate to a project funded by the donors are charged to "Project Expenditure".

3.11 Provisions

Provisions are recognized when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as finance cost in the statement of income and expenditure.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision are recognized in the statement of income and expenditure unless the provision was originally recognized as part of cost of an asset.

3.12 Contingent liabilities

A contingent liability is disclosed when the Society has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Society; or the Society has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.13 Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Society. Contingent assets are not recognized until their realization become virtually certain.

3.14 Taxation

The Society falls under the definition of "Non-profit Organization" under section 2 (36) of Income Tax Ordinance, 2001 ("the Ordinance") and tax payable is subject to 100% tax credit under section 100C of the Ordinance. Therefore, no provision has been recognized in these financial statements.

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3.15 Staff retirement benefits

Defined contribution Plan

The Society operates a recognized provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Society and the employees at the rate of 10 percent of the basic salary. Obligation for contributions to defined contribution plan is recognized as an expense in the statement of income and expenditure as and when incurred. Employees are eligible under the Fund on completion of prescribed qualifying period of service.

3.16 Accumulated fund

Fund that is not subject to donor-imposed restrictions, normally used to meet the working capital requirements of/or for welfare of the Society. Surplus, if any, for the year in the statement of income and expenditure and surplus, if any, remaining in the restricted funds on completion of specific donor funded project may be transferred to restricted and un-restricted fund at the discretion of the management of the Society and donor of funding projects respectively.

3.17 Related party transactions

Transactions with related parties are based on arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

3.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.19.1 Financial assets

The Society classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The Society's loans and receivables comprise "Long term security deposits", "Advances, prepayments and other receivables" and "Bank balances" in the statement of financial position.

Recognition and measurement

All financial assets are recognized at the time when the Society becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date; the date on which the Society commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the right to receive cash flows from the assets have expired or have been transferred and the Society has transferred substantially all the risks and rewards of ownership. Loans and receivables are carried at amortized cost using the effective interest rate method.

3.19.2 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include "Creditors, accrued and other liabilities".

Recognition and measurement

Financial liabilities are initially recognized at fair value less any directly attributable transaction costs and subsequently stated at amortized cost using effective interest rate method. All financial liabilities are recognized at the time when the Society becomes a party to the contractual provisions of the

instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of income and expenditure.

3.19.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Society intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4. DETAIL OF THE PROJECTS

The major projects of the Society falling under the definition of restricted funds are as follows:

4.1 UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND (UNICEF)

Accelerated Sanitation & Water for All- II (ASWA-II) Ahmadpur Sial and Athara Hazari District Jhang, Punjab – May 01, 2018 to April 30, 2020

The main objective of this project is to improve health, nutrition, and well-being of poor and vulnerable people in the target district, especially women and girls. Key expected results in Tehsil Ahmad Pur Sial, District Jhang under this project are as follows:

Sanitation: 161,844 (additional) people gain sustained access to basic sanitation.

Hygiene: 351,834 people (men, women, boys & girls) including the most vulnerable in Tehsil, live in Open Defecation Free (ODF) environment and practice hand washing with soap.

Accelerated Sanitation & Water for All- II (ASWA-II) Sustainability -March 15, 2021 to December 31, 2022

The main objective of the project is to make sure the ease of access of basic sanitation for people, improved health, nutrition and well-being of the poor and vulnerable people in the targeted districts. The project shall be carried out in Ahmadpur Sial and Athara Hazari district Jhang Punjab.

WASH Response in communities affected by COVID-19 - July 15, 2020, to November 14, 2020.

The main objective of the project is to make people engaged and reached with accessible information on COVID-19 and targeted message on prevention and on access to services, supplying hygiene items and services. The project shall be carried out in Multan and Jhang districts of Punjab.

4.2 DEVELOPMENT ALTERNATIVES INCORPORATED - (DAI Pakistan Pvt Ltd)

Let Peace Prevail (LPP-I) –December 16, 2019, to July 15, 2020.

The main objective of this project is to seek capacitate peace club at Bahauddin Zakariya University (BZU) and the formation of new peace at Islamia University of Bahawalpur (IUB) for enhanced tolerance, peace, inclusiveness, and diversity. Total 560 students and 80 faculty members from 16 departments were involved in the grant activity. LPP conducted 40 Social Action Projects in two selected universities with Peace Clubs where more than 2,500 students from both universities participated in SAPs.

Let Peace Prevail (LPP-II) - January 20, 2021, to November 5, 2021.

In partnership with DAI, Azm-e-Pakistan, Let Peace Prevail-II, an eight-month project which is promoting peaceful communities by engaging university students and faculties through peace building sessions, critical thinking trainings, dialogues, mentorship and life-skills programs.

The main objective of the project is to engage 400 students (200 Per university) through 20 peace clubs (10 per university) and 50 faculty members. Training of students and faculty members on CVE themes of social cohesion, critical thinking, leadership, and implementation of social action project the activity aims to capacitate involved stakeholders with skills.

Capacity Building Intervention in Local Union Councils (GO 006)

-March 20, 2021 to July 20, 2021.

The main objective of the project is on gender mainstream and women empowerment and capacity building workshops for youth-UPG members on leadership and social skills. The project shall be carried out in Lahore and Faisalabad.

4.3 CONCERN WORLDWIDE (CWW)

Community Based Disaster Risk Management component of the Building Disaster Resilience in Pakistan (CBDRM/BDRP) – November 1, 2018, to April 30, 2020.

The main objective of this project was to strengthen community and household resilience to emergencies and disasters in district Jhang, Punjab province.

CSOs - Building Resilience Through Improved Delivery, Governance and Empowerment Program (The CSO's BRIDGE Program)- May 1, 2021, to April 30, 2024.

The BRIDGE will primarily focus to strengthen mobilization and technical capacities of local CSOs, women, persons with disabilities, transgender, and other minority groups in target areas. Overall objective of the project is to minimize socio economic vulnerabilities of communities, especially youth in Multan, Bahawalpur, and Hyderabad.

4.4 PUNJAB SKILL DEVELOPMENT FUND (PSDF)

Skills for Market Linkages Round – II –Effective from September 28, 2020, to 30 June 2021.

The main objective of this project was to increase the access of low income, poor and vulnerable members of society to vocational training and skills acquisition programs in Punjab.

4.5 BRITISH COUNCIL

AWAZ-II – March 2020 to December 2021.

The project works with civil society partners in communities, particularly with vulnerable populations to reduce exploitation, improve social cohesion and reduce conflict, social exclusion, and exploitation.

The main objective of this project is to create a more protective and enabling environment for girls, boys, women, youth, minorities, the differently abled and those at risk of exclusion and exploitation. The program will work with civil society organizations to implement the community-based interventions in 45 selected districts of two provinces (Punjab and KP).

Active citizen Digital Model (ACDM) – December 18, 2020 to April 30, 2021.

The main objective of the project is to deepen the trust and understanding within and among the communities through establishing a local network of active citizens comprising of young people.

The Project Shall be carried out in Multan, Lodhran and Bahawalpur or such other locations as may be agreed between the parties in writing.

5. Property and equipment

Un restricted
Restricted

| | 2021 | 2020 |
|------|-------------------|------------------|
| None | Rupees | Rupees |
| 5.1 | 6,463,117 | 6,153,526 |
| 5.2 | 9,933,477 | 9,402,210 |
| | <u>16,396,594</u> | <u>7,093,736</u> |

5.1.1 Un-restricted
Reconciliation of ending balances by classes of assets is as follows:

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying amount as at 30-06-2021 | |
|-----------------------|---------------------|---------------------------------|------------------|------------------|--------------------------|---------------------------------|---------------------|------------------|----------------------------------|------------------|
| | As at July 01, 2020 | Transfer to restricted fund-net | Addition | (Deletion) | As at July 01, 2020 | Transfer to restricted fund-net | Charge for the year | (Deletion) | | |
| Cameras | 332,276 | 36,232 | - | - | 284,469 | 20,682 | 35,024 | - | 340,175 | 28,333 |
| Computers | 3,993,232 | 448,602 | 97,805 | (64,190) | 2,173,694 | 256,068 | 798,958 | (28,960) | 3,200,760 | 1,274,689 |
| Electric equipment | 1,809,641 | 1,200 | 564,625 | - | 842,013 | 1,643 | 197,581 | - | 1,041,237 | 1,337,229 |
| Furniture and fixture | 3,702,604 | 126,000 | 820,755 | - | 1,607,060 | 28,163 | 261,749 | - | 1,896,972 | 2,752,387 |
| Office equipment | 2,106,688 | - | - | (190,900) | 1,171,129 | - | 93,493 | (176,979) | 1,087,643 | 828,145 |
| Sign boards | 46,850 | - | - | - | 42,963 | - | 778 | - | 43,741 | 3,109 |
| Survey instruments | 309,813 | - | - | - | 290,168 | - | 3,929 | - | 294,097 | 15,716 |
| Vehicles | 371,768 | - | - | - | 233,587 | - | 27,636 | - | 261,223 | 110,545 |
| Motor Block Pump | 14,863 | - | - | - | 11,088 | - | 755 | - | 11,843 | 3,020 |
| Dredging instrument | 131,322 | - | - | - | 124,103 | - | 1,444 | - | 125,547 | 5,775 |
| Sports equipment | 166,000 | - | - | - | 50,257 | - | 11,574 | - | 61,831 | 104,169 |
| | <u>12,985,057</u> | <u>615,034</u> | <u>1,483,185</u> | <u>(255,090)</u> | <u>6,831,531</u> | <u>306,556</u> | <u>1,432,921</u> | <u>(205,939)</u> | <u>8,365,069</u> | <u>6,463,117</u> |

5.1.2 Depreciation for the year has been charged to general and administrative expense.

5.2 Restricted

5.2.1 Reconciliation of ending balances by classes of assets is as follows:

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying amount as at 30-06-2021 | |
|-----------------------|---------------------|-------------------------------------|-------------------|------------|--------------------------|-------------------------------------|---------------------|------------|----------------------------------|------------------|
| | As at July 01, 2020 | Transfer from unrestricted fund-net | Addition | (Deletion) | As at July 01, 2020 | Transfer from unrestricted fund-net | Charge for the year | (Deletion) | | |
| Cameras | 114,232 | (36,232) | - | - | 42,444 | (20,682) | 854 | - | 22,616 | 55,384 |
| Computers | 702,852 | (448,602) | 1,883,819 | - | 349,986 | (256,068) | 168,526 | - | 262,444 | 1,875,625 |
| Electric equipment | 253,871 | (4,200) | 219,500 | - | 149,556 | (1,643) | 39,864 | - | 187,777 | 281,394 |
| Furniture and fixture | 691,376 | (126,000) | 236,635 | - | 308,799 | (28,163) | 24,082 | - | 304,718 | 497,293 |
| Office equipment | 32,400 | - | - | - | 3,736 | - | 2,866 | - | 6,602 | 25,798 |
| Sewing machine | - | - | 7,680,000 | - | - | - | 482,017 | - | 482,017 | 7,197,983 |
| | <u>1,794,731</u> | <u>(615,034)</u> | <u>10,019,954</u> | <u>-</u> | <u>854,521</u> | <u>(306,556)</u> | <u>718,209</u> | <u>-</u> | <u>1,266,174</u> | <u>9,933,477</u> |

5.2.2 Depreciation for the year has been charged to relevant project expense.

Per

5.3 Unrestricted

5.3.1 Reconciliation of beginning balances by classes of assets as follows:

| Particulars | Cost | | | | Accumulated depreciation | | | | Carrying amount as at 30/06/2020 |
|-----------------------|---------------------|-------------------------------|-----------|-------------|--------------------------|-------------------------------|----------------------|-------------|----------------------------------|
| | As at July 01, 2019 | Transfer from restricted fund | Additions | Deletion | As at 01, 2019 | Transfer from restricted fund | Charged for the year | Adjustment | |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Cameras | 306,276 | 26,000 | - | - | 260,927 | 10,567 | 13,875 | - | 284,469 |
| Computers | 3,258,770 | 470,430 | 314,532 | (50,500) | 1,416,569 | 169,744 | 600,080 | (11,699) | 2,174,694 |
| Electric equipment | 1,579,541 | 191,150 | 38,950 | - | 595,877 | 43,816 | 202,320 | - | 842,013 |
| Furniture and fixture | 3,552,649 | 52,770 | 97,185 | - | 1,370,168 | 9,591 | 227,301 | - | 1,607,060 |
| Office equipment | 2,025,538 | 81,150 | - | - | 1,963,408 | 11,508 | 96,213 | - | 1,171,129 |
| Sewing machine | 3,659,189 | - | - | (3,659,189) | 1,257,815 | - | 147,833 | (1,405,648) | - |
| Sign boards | 46,850 | - | - | - | 41,991 | - | 972 | - | 42,963 |
| Survey instruments | 309,813 | - | - | - | 285,257 | - | 4,911 | - | 290,168 |
| Vehicles | 371,768 | - | - | - | 199,042 | - | 34,545 | - | 233,587 |
| Motor Block Pump | 14,863 | - | - | - | 10,144 | - | 944 | - | 11,088 |
| Desktop instrument | 131,322 | - | - | - | 122,208 | - | 1,805 | - | 124,103 |
| Sports equipment | 166,000 | - | - | - | 37,397 | - | 12,860 | - | 50,257 |
| | 15,422,579 | 821,500 | 450,667 | (3,709,689) | 6,659,993 | 245,226 | 1,343,659 | (1,417,347) | 6,831,531 |

5.4 Restricted

5.4.1 Reconciliation of beginning balances by classes of assets as follows:

| Particulars | Cost | | | | Accumulated Depreciation | | | | Carrying amount as at 30/06/2020 |
|-----------------------|---------------------|-------------------------------|----------|----------|--------------------------|-------------------------------|---------------------|------------|----------------------------------|
| | As at July 01, 2019 | Transfer to unrestricted fund | Addition | Deletion | As at 01, 2019 | Transfer to unrestricted fund | Charge for the year | Adjustment | |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Cameras | 140,232 | (26,000) | - | - | 15,630 | (10,567) | 37,381 | - | 42,444 |
| Computers | 1,088,282 | (470,430) | 85,000 | - | 252,752 | (169,744) | 266,978 | - | 349,986 |
| Electric equipment | 406,121 | (191,150) | 38,900 | - | 134,538 | (43,816) | 58,834 | - | 149,556 |
| Furniture and fixture | 744,146 | (52,770) | - | - | 271,079 | (9,591) | 47,311 | - | 308,799 |
| Office equipment | 113,550 | (81,150) | - | - | 4,347 | (11,508) | 10,897 | - | 3,736 |
| | 2,492,331 | (821,500) | 123,900 | - | 678,346 | (245,226) | 421,401 | - | 854,521 |

| | Note | 2021 Rupees | 2020 Rupees |
|--|------|-------------------|------------------|
| 6. Intangible assets | | | |
| Net carrying value basis: | | | |
| As at 01 July | | 338,390 | 422,987 |
| Deletion during the year | | (118,116) | - |
| Amortization for the year | 6.1 | (127,916) | (84,597) |
| Carrying amount as at 30 June | | <u>92,358</u> | <u>338,390</u> |
| Gross carrying value basis: | | | |
| Cost | | 587,550 | 754,135 |
| Accumulated amortization | | (495,192) | (415,745) |
| Carrying amount as at 30 June | | <u>92,358</u> | <u>338,390</u> |
| Useful life (Percentage) | | <u>20%</u> | <u>20%</u> |
| 6.1 Amortization for the year has been charged to general and administrative expenses. | | | |
| 7. Long term security deposits | | | |
| against supplier | | 20,000 | 20,000 |
| against building | | 100,000 | 100,000 |
| | 7.1 | <u>120,000</u> | <u>120,000</u> |
| Less: Current maturity of securities deposit classified under current assets | | - | - |
| | | <u>120,000</u> | <u>120,000</u> |
| 7.1 These deposits are non interest bearing. | | | |
| 8. Advances, prepayments and other receivables | | | |
| Advances to employees-secured | | | |
| against expenses | | 501,810 | 311,849 |
| against salaries | | 260,536 | 160,463 |
| | 8.1 | <u>762,346</u> | <u>472,312</u> |
| Income tax refundable | | 1,675,887 | 1,598,929 |
| Service charges receivable | 8.2 | 26,349,890 | 4,537,590 |
| Due from associated companies | 8.3 | 383,499 | 419,891 |
| Security deposits | 8.4 | 484,944 | 375,501 |
| Prepayments | | 213,740 | 539,381 |
| Other receivables | | 377,526 | 625,196 |
| | | <u>30,247,832</u> | <u>8,568,800</u> |
| 8.1 This represents advances provided to employees of the Society to meet projects expenses and are settled as and when the expenses are incurred. | | | |
| 8.2 This represents services rendered by the Society to Punjab Skills Development Fund against completion of vocational training during the year. | | | |

Ran

| | Note | 2021 Rupees | 2020 Rupees |
|---|------|-------------------|-------------------|
| 8.3 Due from associated companies | | | |
| Grassroots Pakistan | | 155,319 | 146,800 |
| ATF Mango Farms (Pvt.) Limited | | 228,180 | 273,091 |
| | | <u>383,499</u> | <u>419,891</u> |
| 8.4 These presents security deposits paid to the property owners and various suppliers. | | | |
| 9. Cash and Bank | | | |
| At banks: | | | |
| Current account | | | |
| Deposits with conventional banks | 9.1 | 14,389,786 | 17,692,848 |
| | | <u>14,389,786</u> | <u>17,692,848</u> |
| 9.1 Deposits with conventional banks - Current Account | | | |
| Un-Restricted | | 8,745,518 | 17,360,982 |
| Restricted | | 5,644,268 | 331,866 |
| | | <u>14,389,786</u> | <u>17,692,848</u> |
| 10. Deferred contributions related to capital assets | | | |
| Balance as at 01 July | | 940,210 | 1,813,985 |
| Addition on purchase of property and equipment | 10.1 | 1,169,418 | 123,900 |
| Transferred to unrestricted fund | | (308,479) | (576,274) |
| Released to income to the extent of depreciation | 10.1 | (348,044) | (421,401) |
| Balance as at 30 June | | <u>1,453,105</u> | <u>940,210</u> |
| 10.1 Reconciliation of the deferred capital contribution at the end of the year is as follows: | | | |

| Projects' name | Balance as at 01 July, 2020 | Capital grant received | Capital grant amortized | Transferred to unrestricted fund | Balance as at 30 June, 2021 |
|----------------|--------------------------------|---------------------------|----------------------------|--|--------------------------------|
| | Rupees | Rupees | Rupees | Rupees | Rupees |
| LPP-II | 8,926 | - | (1,785) | - | 7,141 |
| ASWA-II-APS | 492,117 | - | (78,109) | - | 414,008 |
| CBDRM | 409,167 | - | (100,688) | (308,479) | - |
| AAWAZ-II | 30,000 | 1,169,418 | (167,462) | - | 1,031,956 |
| | <u>940,210</u> | <u>1,169,418</u> | <u>(348,044)</u> | <u>(308,479)</u> | <u>1,453,105</u> |

10.2 Reconciliation of the deferred capital contribution at the beginning of the year is as follows:

| Projects' name | Balance as at 01 July, 2019 | Capital grant received | Capital grant amortized | Transferred to unrestricted fund | Balance as at 30 June, 2020 |
|----------------|--------------------------------|---------------------------|----------------------------|--|--------------------------------|
| | Rupees | Rupees | Rupees | Rupees | Rupees |
| WPI | 309,102 | 84,900 | (105,312) | (288,690) | - |
| TeA | 364,610 | - | (77,026) | (287,584) | - |
| CBDRM | 549,444 | - | (140,277) | - | 409,167 |
| ASWA-II | 590,829 | - | (98,712) | - | 492,117 |
| LPP-II | - | 9,000 | (74) | - | 8,926 |
| AAWAZ-II | - | 30,000 | - | - | 30,000 |
| | <u>1,813,985</u> | <u>123,900</u> | <u>(421,401)</u> | <u>(576,274)</u> | <u>940,210</u> |

Signature

| | Note | 2021 Rupees | 2020 Rupees |
|--|------|----------------|----------------|
| 11. Deferred contributions related to expenses of future periods | 11.1 | 2,175,254 | 871,835 |

11.1 Reconciliation of the deferred revenue contribution at the end of the year is as follows:

| Projects' name | Balance as at 01 July, 2020 | Inters fund transfer | Fund received-net | Release to revenue | Fund utilized for capital expenditure | Adjustment of closed projects | Balance as at 30 June, 2021 |
|----------------|-----------------------------|----------------------|-------------------|--------------------|---------------------------------------|-------------------------------|-----------------------------|
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| LPP-I | - | - | 6,479,292 | (4,867,434) | - | (1,611,858) | - |
| LPP-II | (593,582) | 2,306,656 | 2,500,000 | (4,882,054) | - | - | (668,980) |
| GOOD06-LUC | - | 192,747 | 1,266,835 | (1,641,622) | - | - | (182,040) |
| HPII | - | - | 14,147,778 | (14,147,778) | - | - | - |
| ASWA-II-APS | 1,232,527 | - | 286,699 | (157,643) | - | (1,361,583) | - |
| ASWA-II-Sust. | - | 719,730 | 7,456,195 | (5,920,988) | - | - | 2,254,937 |
| CBDRM | 686,404 | - | 25,153,079 | (25,739,403) | - | (100,080) | - |
| BRIDGE | - | 442,327 | - | (450,617) | - | - | (8,290) |
| AAWAZ-II | (453,514) | 534,559 | 14,036,444 | (12,716,692) | (1,169,418) | - | 231,379 |
| ACDM | - | 70,472 | 2,439,600 | (1,961,824) | - | - | 548,248 |
| | 871,835 | 4,266,491 | 73,765,922 | (72,486,055) | (1,169,418) | (3,073,521) | 2,175,254 |

11.2 Reconciliation of the deferred revenue contribution at the beginning of the year is as follows:

| Projects' name | Balance as at 01 July, 2019 | Inters fund transfer | Fund received-net | Release to revenue | Fund utilized for capital expenditure | Adjustment of closed projects | Balance as at 30 June, 2020 |
|----------------|-----------------------------|----------------------|-------------------|--------------------|---------------------------------------|-------------------------------|-----------------------------|
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| WPI | 2,765,376 | - | 5,748,020 | (8,393,923) | (84,900) | (34,573) | - |
| Tea | 1,948,209 | - | - | - | - | (1,948,209) | - |
| CBDRM | 78,084 | - | 59,775,374 | (59,167,054) | - | - | 686,404 |
| ASWA-II | 8,624,420 | 28,173 | 33,948,385 | (41,368,451) | - | - | 1,232,527 |
| LPP-II | - | 1,828,322 | 4,655,347 | (7,068,251) | (9,000) | - | (593,582) |
| AAWAZ-II | - | (200,974) | - | (222,540) | (30,000) | - | (453,514) |
| | 13,416,089 | 1,655,521 | 104,127,126 | (116,220,219) | (123,900) | (1,982,782) | 871,835 |

12. Payable to suppliers

| | | |
|------------------------|-----------|-----------|
| Goods | 1,106,501 | 307,250 |
| Services / contractors | 1,795,005 | 4,994,133 |
| | 2,901,506 | 5,301,383 |

13. Accrued and other liabilities

| | | |
|-------------------------------|-----------|-----------|
| Salaries payable | 5,286,613 | 3,686,843 |
| Income tax payable | 171,834 | 74,533 |
| Provident fund payable | 593,488 | 322,170 |
| Payable to employees | 110,512 | 454,160 |
| Provisional sales tax payable | 1,321,844 | 44,452 |
| Other payable | 2,423,032 | 481,260 |
| | 9,907,323 | 5,063,418 |

14. Contingencies and commitments

The Society is not exposed to any contingencies and commitments as on reporting date (2020: Nil).

15. Other income

| | | |
|--|------------|-----------|
| (Loss) on disposal of property and equipment | (128,803) | (747,861) |
| Service charges | 33,468,542 | 8,990,501 |
| Miscellaneous income | 923,002 | 191,054 |
| | 34,262,741 | 8,433,694 |

16. Donations

| | | | |
|-------------------|----|------------|------------|
| Related parties | 20 | 63,250,000 | 50,800,000 |
| Corporate sectors | | 3,000,000 | 18,000,000 |
| Others | | - | 21,000,000 |
| | | 66,250,000 | 89,800,000 |

Am

17
571 Project expense

Revenue contributions released to income

| | ASWA-1-DAI | | GIC-DAI | | FSDP-SFML-21 | | PHIED | | CHDRM-CW | | ASWA-1-ARS-LINICEF | | LEFT PEACE-1-DAI | | Total | |
|--|------------|------|-----------|------|--------------|------|-------|----------|------------|------------|--------------------|---------|------------------|-----------|------------|------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Expenditure of community research projects | - | - | - | - | 4,031,032 | - | - | - | 584,230 | 6,132,800 | - | - | 4,308,136 | - | 4,817,262 | 10,606,924 |
| Response to COVID-19 | - | - | 115,000 | - | 110,684 | - | - | - | 18,831,454 | 117,180 | - | - | 1,363,090 | - | 18,942,118 | 187,180 |
| Activities under WASH | - | - | - | - | - | - | - | - | 83,348 | 7,592,433 | - | - | 1,363,090 | - | 83,348 | 8,955,329 |
| Education and training | - | - | 2,090,061 | - | 20,925 | - | - | - | 16,659,181 | 16,844,386 | - | - | 1,681,290 | - | 2,622,819 | 15,593,470 |
| Open defecation free communities | - | - | - | - | 20,925 | - | - | - | - | - | - | - | 4,734,100 | - | 1,334,100 | 1,334,100 |
| Activities under livelihood | - | - | - | - | 2,312,284 | - | - | - | 102,990 | 18,165,585 | - | - | 501,000 | - | 2,415,274 | 19,369,935 |
| Rent, rate and taxes | - | - | 210,000 | - | 1,167,527 | - | - | - | 82,800 | 317,980 | - | - | 9,704,620 | - | 1,357,023 | 3,078,054 |
| Vehicle running and maintenance | - | - | 782,703 | - | 4,368,480 | - | - | - | 5,425,190 | 5,425,190 | - | - | 1,876,087 | - | 6,291,705 | 17,497,419 |
| Project management cost | - | - | 2,852,167 | - | 5,084,393 | - | - | - | 1,994,901 | 9,435,304 | - | - | 19,935,852 | - | 9,247,431 | 18,002,168 |
| Activities under Peace Building | - | - | 1,875,211 | - | - | - | - | - | 254,666 | - | - | - | 227,577 | - | 227,577 | 2,109,242 |
| Community development works | - | - | - | - | 75,335 | - | - | - | - | - | - | - | 1,720 | - | 254,666 | 77,065 |
| Miscellaneous expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | 7,925,142 | - | 17,144,660 | - | - | 6,26,851 | 25,107,037 | 58,091,578 | - | 156,483 | 40,715,960 | 4,366,128 | 6,657,497 | 46,774,308 |

| | IIPD-LINICEF | | ASWA-1-Sum-LINICEF | | LPP-41-DAI | | GOM6-LIC-DAI | | AAWAZ-1-BC | | ACDM-BC | | BRIDGE-CW | | Total | |
|--|--------------|------|--------------------|------|------------|------|--------------|-----------|------------|------------|---------|-----------|------------|------------|------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Expenditure of community research projects | - | - | - | - | 5,357 | - | - | - | - | 214,440 | - | - | - | - | 5,357 | 214,440 |
| Response to COVID-19 | 5,97,850 | - | 34,020 | - | - | - | - | - | 121,553 | 10,350 | - | - | - | 55,700 | 653,550 | 5,501,656 |
| Activities under WASH | 5,315,233 | - | 398,298 | - | 659,823 | - | - | - | 3,645,282 | 876,953 | - | - | - | 5,611,843 | - | 5,611,843 |
| Education and training | 11,491 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Open defecation free communities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Activities under livelihood | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent, rate and taxes | 299,244 | - | 123,000 | - | 216,694 | - | - | - | 669,000 | 18,000 | - | - | - | 40,000 | 1,347,938 | 18,400 |
| Vehicle running and maintenance | 2,331,510 | - | 1,322,664 | - | 415,270 | - | - | - | 416,713 | 16,500 | - | - | - | 4,566,924 | 4,566,924 | 16,500 |
| Project management cost | 4,894,473 | - | 3,890,448 | - | 2,972,319 | - | - | - | 6,656,202 | 1,400,000 | - | - | - | 52,460 | 20,995,040 | 140,000 |
| Activities under Peace Building | - | - | - | - | 52,460 | - | - | - | 48,456 | - | - | - | - | 48,456 | - | 48,456 |
| Community development works | 84,635 | - | 4,559 | - | 7,890 | - | - | - | 4,508 | - | - | - | - | 98,592 | 98,592 | - |
| Miscellaneous expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 13,551,836 | - | 5,682,885 | - | 4,399,813 | - | - | 1,584,553 | 11,577,226 | 196,140 | - | - | 408,850 | 38,871,816 | 196,140 | - |
| | 7,925,142 | - | 5,682,885 | - | 21,474,473 | - | - | 6,118,003 | 1,584,553 | 58,286,718 | - | 1,893,136 | 40,715,960 | 4,774,978 | 6,657,497 | 85,646,128 |
| | 13,551,836 | - | 11,551,836 | - | 21,474,473 | - | - | 6,26,853 | 36,684,263 | 58,286,718 | - | 1,893,136 | 40,715,960 | 4,774,978 | 6,657,497 | 1,20,330,261 |

Expenditure of community research projects
Response to COVID-19
Activities under WASH
Education and training
Open defecation free communities
Activities under livelihood
Rent, rate and taxes
Vehicle running and maintenance
Project management cost
Activities under Peace Building
Community development works
Miscellaneous expenses

Total program cost

for

Revenue contributions released to income

| | WRPL-D&M | | TRN-D&M | | P&S-F&M-I | | PHED | | GRD&M-C&W | | ASWA-II-R&S-UNICEF | | LET PEACE-I-D&M | | Total |
|--------------------------------------|----------|---------|---------|---------|-----------|---------|---------|---------|-----------|-----------|--------------------|---------|-----------------|---------|-----------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah |
| IT 2 Operational cost | | | | | | | | | | | | | | | |
| Staff welfare & capairt building | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Traveling and conveyance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rest, fare and taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Utilities | - | 227,085 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Printing, stationary and periodicals | - | - | - | - | 63,662 | 372,960 | 20,661 | 4,373 | 99,313 | 112,065 | - | - | - | - | - |
| Depreciation of property & equipment | - | 105,312 | - | 200,026 | 676,721 | 464,890 | 259,633 | 100,688 | 189,926 | 66,384 | 350 | 98,112 | 45,834 | 3,621 | 293,502 |
| Office expense | - | 12,711 | - | - | 89,987 | 89,987 | 31,836 | 222,107 | 4,370 | 820,396 | 291,667 | 9,161 | 74 | 61,864 | 857,303 |
| Communication | - | 74,892 | - | - | 5,775 | 232,107 | 33,645 | - | 3,160 | 9,161 | 64,073 | 14,215 | 62,996 | 86,216 | 161,413 |
| Repair and maintenance | - | 91,911 | - | - | - | - | - | - | 3,160 | 60,829 | 18,260 | 19,461 | 189,712 | 103,192 | 384,979 |
| Advertisement expense | - | - | - | - | - | - | - | - | 31,271 | 19,461 | 19,461 | 18,676 | 609 | 103,192 | 5,775 |
| Bank charges | - | 580 | - | - | 84,745 | 84,745 | - | - | - | - | - | - | - | - | 117,785 |
| | - | 574,093 | - | 77,026 | 2,339,286 | 370,150 | - | - | 733,054 | 1,216,753 | 79,269 | 751,203 | 503,091 | 410,754 | 3,654,700 |
| | | | | | | | | | | | | | | | 3,399,979 |

| | HPD-UNICEF | | (ASWA-II-Share)-UNICEF | | LPP-II-D&M | | G0006-LINC-D&M | | AAWAZ-II-BC | | ACDM-NC | | HRRIDGE-C&W | | Total |
|--------------------------------------|------------|---------|------------------------|---------|------------|--------|----------------|--------|-------------|--------|---------|--------|-------------|---------|---------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah | Rupiah |
| Staff welfare & capairt building | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Traveling and conveyance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rest, fare and taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Utilities | - | 143,541 | - | 16,666 | 124,234 | 4,200 | - | - | 163,676 | 4,500 | - | - | 25,000 | 473,317 | 450 |
| Printing, stationary and periodicals | - | 200 | - | 18,207 | - | - | - | - | 338,413 | 87,262 | - | - | - | 167,462 | 448,282 |
| Depreciation of property & equipment | - | 66,520 | - | - | 209,035 | 55,562 | - | - | 167,462 | 5,095 | - | - | 5,910 | 421,295 | 167,462 |
| Office expense | - | 73,610 | - | 51,074 | 59,757 | 51,074 | - | - | 84,268 | 11,228 | - | - | 4,035 | 691,583 | 421,295 |
| Communication | - | 37,842 | - | 17,335 | 114,886 | 17,335 | - | - | 39,628 | 5,651 | - | - | 6,822 | 308,193 | 421,295 |
| Repair and maintenance | - | 101,549 | - | 29,950 | 6,354 | - | - | - | 1,250 | - | - | - | 6,822 | 308,193 | 421,295 |
| Advertisement expense | - | 1,346 | - | 279 | - | - | - | - | 16,480 | - | - | - | - | 24,459 | 332,749 |
| Bank charges | - | 995,942 | - | 238,103 | 552,241 | 6,354 | - | - | 16,480 | 36,474 | - | - | - | 24,459 | 24,459 |
| | | | | | | | | | | | | | | | 26,474 |

Total operational cost

595,942 574,093 238,103 77,026 2,891,527 370,150 57,069 2,039,982 1,243,227 304,440 751,203 544,858 410,754 65,719,921 3,426,453

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| Note | 2021 | 2020 | 2021 | 2020 | |
|---|--------------|-------------------|------------------------------------|------------------|------------------|
| | Rupees | Rupees | Rupees | Rupees | |
| | Program cost | | General and administrative expense | | |
| 18. Program expense | | | | | |
| Community Development Works | 304,588 | 4,609,726 | - | - | |
| Response to COVID-19 | 67,610 | 30,584,185 | - | - | |
| Staff Welfare & Capacity Building | 216,152 | 311,799 | - | - | |
| Green and Clean Lodhran campaign | 1,888,529 | 4,983,817 | - | - | |
| Salaries, allowances and other benefits | - | - | 6,292,787 | 6,560,750 | |
| Program management cost | 29,752,942 | 29,545,018 | - | - | |
| Stipend and honorarium | 1,572,829 | 324,000 | - | - | |
| Security services | 540,930 | 539,400 | - | - | |
| Vehicle running and maintenance | 4,402,752 | 5,261,877 | 242,563 | 293,558 | |
| Rent, rate and taxes | 764,460 | 910,460 | - | - | |
| Utilities | 809,424 | 741,381 | - | - | |
| Printing, stationary and periodicals | 258,790 | 457,278 | - | 69,263 | |
| Registration & Professional fee | 1,566,130 | 2,516,270 | - | - | |
| Depreciation of property & equipment | 5 | - | 1,126,366 | 1,343,659 | |
| Amortization of intangible assets | 6 | - | 127,916 | 84,597 | |
| Office & Entertainment expenses | 669,464 | 537,109 | - | - | |
| Travelling and conveyance | 654,854 | 731,330 | - | 6,754 | |
| Repair and maintenance | 993,135 | 897,326 | - | 54,680 | |
| Audit fee and related expense | - | - | 26,584 | 498,924 | |
| Miscellaneous expenses | 75,247 | 205,033 | - | - | |
| Bank charges | - | - | 21,457 | 51,969 | |
| Postage, stamps and courier charges | - | - | 34,644 | 31,752 | |
| Insurance | 1,152,502 | 593,215 | - | 35,018 | |
| Communication | 767,474 | 917,000 | - | 104,227 | |
| Social media support service | 889,667 | 747,348 | - | - | |
| Donation to Projects | 18.1 | 1,228,131 | 1,777,639 | - | |
| | | <u>48,575,610</u> | <u>87,191,211</u> | <u>7,872,317</u> | <u>9,135,151</u> |

18.1 This represents the Society's share cost contributed during the year to ASWA-II , CBDRM, AWAZ-II & HPD as per Programme Completion Agreement (PCA) in the form of salaries, fix assets and supplies.

19. Financial instruments

| | | Financial assets | | Financial liabilities | |
|---|----|-------------------|-------------------|-----------------------|-------------------|
| | | Amortized cost | | Amortized cost | |
| | | 2021 | 2020 | 2021 | 2020 |
| | | Rupees | Rupees | Rupees | Rupees |
| Long term security deposits | 7 | 120,000 | 120,000 | - | - |
| Advances, prepayments and other receivables | 8 | 30,247,832 | 5,958,178 | - | - |
| Bank balances | 9 | 14,389,786 | 17,692,848 | - | - |
| Payable to suppliers | 12 | - | - | 2,901,506 | 5,301,383 |
| Accrued and other liabilities | 13 | - | - | 9,383,399 | 5,063,776 |
| | | <u>44,757,618</u> | <u>23,771,026</u> | <u>12,284,905</u> | <u>10,365,159</u> |

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20. Transactions with related parties

Related Parties comprise of the members of the Society, management and the companies and/or entities where members hold directorship. Balances and transactions between the Society and projects managed and undertaken by Society are related parties and have been eliminated on combination and are not disclose in this note. Amounts due from and to related parties are shown under respective notes of these financials statement. Other significant transactions between the Society and other related parties are disclosed below:

| Nature of relationship | Nature of transactions | 2021 | 2020 |
|-------------------------------|---|------------|------------|
| | | Rupees | Rupees |
| I. Associates | Expenses incurred / payments by the Society on behalf of associated undertaking | 650,363 | - |
| | Amount received / adjusted by the Society on behalf of associated undertaking | 686,655 | - |
| | Donation received from: | | |
| | ATF Mango Farms (Pvt.) Ltd | 15,250,000 | 16,300,000 |
| | JK Dairies (Pvt.) Limited | 12,250,000 | - |
| | JK Sugar Mills (Pvt.) Limited | 26,250,000 | 29,000,000 |
| | Indus Mining (Pvt.) Ltd. | 3,000,000 | - |
| II. Key management personnel | Salaries and other benefits | 9,564,175 | 15,131,386 |
| | Provident fund contribution | 624,014 | 536,292 |
| III. Other related parties | Donation received | 6,500,000 | 5,500,000 |
| IV. Staff retirement benefits | Society contribution charged | 2,452,962 | 2,008,807 |
| | Society contribution paid | 2,317,303 | 1,853,826 |

20.1 All transactions with related parties have been carried out on mutually agreed terms and conditions.


20.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society directly or indirectly. The Society considers all members of the Managing Committee, Secretary, Finance Secretary, Officers and other person fulfilling the senior management functions as its key management personnel. The President and members of the Managing Committee are not given any remuneration or benefits.

21. Date of authorization for issue

These financial statements were authorized for issue on 07 DEC 2021 by the Management Committee of the Society.



PRESIDENT



FINANCE SECRETARY