

Independent Auditor's Report to the Board Members

Opinion

We have audited the financial statements of Sustainable Social Development Organization (“SSDO”), which comprises the statement of financial position as at June 30, 2023, the statement of income and expenditure and statement of cash flows 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 Sustainable Social Development Organization (“SSDO”) as at June 30, 2023 and 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 the 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 Board Members 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 Board Members are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board Members determine 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, Board Members are responsible for assessing the Organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's 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.

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:

W. Usman Akram

M. Usman Akram
Partner



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M. Usman Akram & Co.
Chartered Accountants

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- 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 organization'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 organization'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 organization 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been maintained by the organization;
- b) the statement of financial position, the statement of income and expenditure and the statement of cash flows together with the notes thereon are in agreement with the books of accounts;
- c) expenditure incurred during the year were for the purpose of organization's operations; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

M. Usman Akram & Co.
Chartered Accountants
Islamabad.

UDIN: AR202310748oSJdRpOiC

Date: October 09, 2023

Engagement Partner: Muhammad Usman Akram

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SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
Audited Financial Statements
For the year ended 30 June 2023

SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	NOTE	<u>2023</u> Rupees	<u>2022</u> Rupees
ASSETS			
Non - Current Assets			
Property and equipment	7	<u>4,462,013</u>	<u>3,748,829</u>
Current Assets			
Advances, deposits and receivables	8	<u>3,549,748</u>	<u>4,136,074</u>
Cash and bank	9	<u>13,094</u>	<u>11,253,395</u>
		<u>3,562,842</u>	<u>15,389,469</u>
TOTAL ASSETS		<u><u>8,024,855</u></u>	<u><u>19,138,298</u></u>
FUNDS AND LIABILITIES			
FUNDS			
Restricted fund	10	<u>(2,787,141)</u>	<u>17,449,259</u>
General Fund	11	<u>(6,399,127)</u>	<u>(3,057,656)</u>
		<u>(9,186,269)</u>	<u>14,391,603</u>
Non - Current Liabilities			
Employee Contributory Fund	12	<u>2,346,000</u>	<u>1,136,000</u>
		<u>2,346,000</u>	<u>1,136,000</u>
Current Liabilities			
Accrued and other liabilities	13	<u>14,865,124</u>	<u>3,610,695</u>
		<u>14,865,124</u>	<u>3,610,695</u>
TOTAL FUNDS AND LIABILITIES		<u><u>8,024,855</u></u>	<u><u>19,138,298</u></u> mlls
CONTINGENCIES AND COMMITMENTS	14	-	-

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


Executive Director


Finance Secretary

**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023**

	NOTE	2023 Rupees	2022 Rupees
INCOME			
Grants - Restricted	15	95,397,163	68,582,280
Grants - Unrestricted	16	4,297,213	12,696,266
Other income	17	82,000	5,000
		99,776,376	81,283,546
EXPENDITURE			
Project expenses	18	(95,397,163)	(68,582,280)
General and administrative expenses	19	(7,720,685)	(12,253,430)
		(103,117,848)	(80,835,710)
SUPLUS / (DEFICIT) FOR THE YEAR		(3,341,472)	447,836

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

Kavon
Executive Director

W. P. S. S.
Finance Secretary

SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (Deficit) for the year	(3,341,472)	447,836
Adjustment for:		
Depreciation	1,252,952	1,161,369
Employee Contributory fund	1,210,000	1,136,000
	2,462,952	2,297,369
	(878,520)	2,745,205
Changes in Working Capital		
(Increase) / Decrease in Current Assets		
Program receivable	-	5,847,454
Advances, deposits and receivables	586,326	(2,690,523)
Increase / (Decrease) in Current Liabilities		
Accrued and other liabilities	(8,981,971)	6,954,015
	(8,395,645)	10,110,946
Net cash (outflow) / inflow from operating activities	(9,274,165)	12,856,151
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Property and equipment		
Additions in property and equipment	(1,966,136)	(1,965,674)
Net cash (outflow) / inflow from investing activities	(1,966,136)	(1,965,674)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (outflow) / inflow from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(11,240,301)	10,890,477
Cash and cash equivalent at the beginning of the year	11,253,395	362,918
Cash and cash equivalent at the end of the year	13,094	11,253,395

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

Kousen
Executive Director

W. Prasad
Finance Secretary

**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 LEGAL STATUS AND OBJECTS

Sustainable Social Development Organization (SSDO) was registered on March 13, 2015 as non-profit organization under "Societies Registration Act 1860". The registered office of the organization is situated in Rawalpindi.

The main objects of the organization are to ensure citizens rights by fostering purposeful and responsive legislation, law enactment, stakeholders empowerment, good governance and service delivery.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of the Accounting Standards for Not for Profit Organizations issued by Institute of Chartered Accountants of Pakistan (ICAP).

3 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention.

4 PRINCIPAL ACCOUNTING POLICIES.

4.1 Fixed capital expenditure

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on all fixed assets is charged on reducing balance method at the rate specified in note 5.1. Depreciation on additions is to be charged from the month in which an asset is available for use while no depreciation is to be charged for the month in which an asset is disposed off.

Maintenance and normal repair are charged to statement of income & expenditure as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on deletion of assets are included in current year's income or expense.

4.2 Receivables

Receivables are recognized at nominal amount, which is the fair value of the consideration to be received in future. Balances considered bad and irrecoverable are written off when identified.

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**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4.3 Payables

These are initially carried at their fair value, subsequent to initial recognition, these are stated at their amortized cost.

4.4 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

4.5 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the organization's functional and presentation currency.

5 FUNDS

6.1 Restricted grants

Restricted grant received for specific purpose are deferred when received and charged to income to the extent of actual expenditure occurred. Unspent portion of such grants are reflected as restricted fund in the statement of financial position.

6.2 Unrestricted grants

Grants transferred to SSDO for general purpose are treated as unrestricted grants. This fund is used for meeting the operational expenses of the organization.

6 EXPENDITURE

Expenses that are incurred in the normal operations of the organization are classified as general and administrative expenses. All expenses that relate to a specific project are charged to programme expenses.

	Note	2023 Rupees	2022 Rupees
7	Property and equipment	4,462,013	3,748,829

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**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

7.1 Schedule of Property and equipment

2023

Description	COST			Rate	DEPRECIATION			WDV as at June 30, 2023
	As at July 01, 2022	Additions	(Deletions)		As at June 30, 2023	For the year	Deletion / Adjustment	
Furniture and fixtures	1,746,842	301,636	-	2,048,478	20%	211,123	-	1,130,631
Office equipment	1,198,160	1,664,500	-	2,862,660	20%	321,887	-	780,193
Computer & IT equipment	3,331,516	-	-	3,331,516	33%	719,942	-	1,869,817
2022	6,276,518	1,966,136	-	8,242,654		1,252,952	-	3,780,641

2022

Description	COST			Rate	DEPRECIATION			WDV as at June 30, 2022
	As at July 01, 2021	Additions	(Deletions)		As at June 30, 2022	For the year	Deletion / Adjustment	
Furniture and fixtures	1,351,842	395,000	-	1,746,842	20%	206,833	-	919,508
Office equipment	1,119,910	78,250	-	1,198,160	20%	184,964	-	458,306
Computer & IT equipment	1,839,093	1,492,423	-	3,331,516	33%	769,572	-	1,149,875
2021	4,310,845	1,965,674	-	6,276,518		1,161,369	-	2,527,689

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**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
8 Advances, deposits and receivables			
Advances to Staff		33,510	15,842
Prepaid Expenses		2,316,409	2,568,929
Security Deposit		286,500	286,500
Advance to executive director		394,232	745,706
Advance tax		519,097	519,097
		<u>3,549,748</u>	<u>4,136,074</u>
9 Cash and bank			
Cash at bank		9,738	11,236,715
Cash in hand		3,357	16,680
		<u>13,095</u>	<u>11,253,395</u>
11 General fund			
Opening balance		(3,057,656)	(3,505,492)
Surplus/(Deficit) for the year		(3,341,472)	447,836
Closing balance		<u>(6,399,127)</u>	<u>(3,057,656)</u>

12 Employee Contributory Fund

Employee contributory fund is a retirement benefit created by SSDO for its employees. It comprises of contribution by SSDO equivalent to the deduction made from employees' salary for the same.

	Note	2023 Rupees	2022 Rupees
13 Accrued and other liabilities			
Project accrued expenses		12,936,795	2,259,228
Program salaries payable		997,375	251,064
Audit fee payable		250,000	225,000
Withholding tax payable		580,694	775,142
Accrued expenses		61,260	61,260
EOBI Payable		39,000	39,000
		<u>14,865,124</u>	<u>3,610,695</u>

14 Contingencies and commitments

There are no contingencies and commitments as at the date of statement of financial position.

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**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

10 Restricted Funds

Project	Balance as at July 01, 2022	Donation for the year	Institutional Support transferred to SSDO	Balance after Institutional Support transferred to SSDO	Expenses for the year	Balance after Expenses	Balance of completed projects transferred to SSDO	Balance as at June 30, 2023
USG- Trafficking in Person - (USG-TIP)	12,134,081	46,248,196	1,819,059	44,429,137	53,133,906	(8,704,769)	-	3,429,312
USG- Community Peace Initiative - (USG-CPI)	7,226,031	10,029,469	1,986,646	8,042,823	21,710,381	(13,667,558)	-	(6,441,526)
Women's Enjoyment of Rights , Empowerment and Leadership - (TDEA - We are Leaders - WRL)	(635,964)	1,673,868	-	1,673,868	2,185,724	(511,856)	-	(1,147,820)
Enhancing Women Access to Market - (EWAM)	(825,410)	202,670	-	202,670	91,600	111,070	-	(714,340)
Electoral Quality and Inclusiveness in Pakistan - (EQUIP)	(391,755)	4,528,354	-	4,528,354	4,211,408	316,946	-	(74,809)
Strengthening Media Freedom and Civic Space in Pakistan - (SMFCSP)	(57,724)	56,918	-	56,918	-	56,918	(806)	-
Youth for civic action and reporting on climate change through citizen journalism in Pakistan (CWF)	-	8,106,000	-	8,106,000	6,560,661	1,545,339	-	1,545,339
Advocacy initiative to strengthen parliamentary oversight and legal framework for tobacco control in Pakistan(CTFK)	-	8,612,500	492,314	8,120,186	7,503,483	616,703	-	616,703
Total	17,449,259	79,457,975	4,298,019	75,159,956	95,397,163	(20,237,206)	(806)	(2,787,141)

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**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
15 Grants - Restricted			
USG- Trafficking in Person (USG-TIP)		53,133,906	26,398,290
USG- Community Peace Initiative (USG-CPI)		21,710,381	14,810,045
Youth for civic action and reporting on climate change through citizen journalism in Pakistan (CWF)		6,560,661	-
Advocacy initiative to strengthen parliamentary oversight and legal framework for tobacco control in Pakistan(CTFK)		7,503,483	-
Strengthening Community Linkages in Legislative Oversight for Peace Building (Punjab) (PCD-120)		-	11,568,741
Strengthening Community Linkages in Legislative Oversight for Peace Building (Sindh) (KCD-109 DAI)		-	5,765,410
Women's Enjoyment of Rights , Empowerment and Leadership (TDEA-WRL)		2,185,724	2,455,106
Enhancing Women Access to Market (EWAM)		91,600	2,362,888
Electoral Quality and Inclusiveness in Pakistan (EQUIP)		4,211,408	2,066,046
Strengthening Media Freedom and Civic Space in Pakistan (SMFCSP)		-	1,956,894
CVE Course in Quaid e Azam University (KCD-130)		-	1,186,400
Strengthening Local Government's Role for Building Peace and Sustainable Development in Sindh (KCD-103 - DAI)		-	12,460
		<u>95,397,163</u>	<u>68,582,280</u>
16 Grants unrestricted			
Institutional support transferred to SSDO	10	4,298,019	4,708,642
Balance of completed projects transferred to SSDO	10	(806)	7,987,624
		<u>4,297,213</u>	<u>12,696,266</u>
17 Other income			
Consultancy fee		80,000	-
Membership fee		2,000	5,000
		<u>82,000</u>	<u>5,000</u>

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**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

18 Project expenses

Account Heads	USG-TIP	USG-CPI	YCARCC	TFK	EQUIP	We Are Leaders	EWAM	Total
Salaries and employee benefits	16,589,768	8,584,232	3,749,225	3,651,386	3,449,956	1,625,250	65,000	37,714,817
Training arrangements	13,809,995	8,298,412	579,190	1,478,981	29,000	250,018		24,445,596
Travelling	11,592,960	2,238,254	531,039	1,330,658	98,559	139,707	19,000	15,950,177
Consultancy and professional fees	2,253,122	885,302	710,000	49,318	-	-	-	3,897,742
Training material	5,881,823	187,455	97,681	146,490	4,200	18,930	-	6,336,579
Event & training coverage	865,000	69,643	5,000					939,643
Office rent	309,000	543,600	370,800	113,300	268,260	30,900	6,600	1,642,460
Stipend	285,000	60,000	-	155,000	-	-	-	500,000
Utilities expenses	85,252	250,023	138,047	83,597	96,633	86,532	-	740,084
Volunteer cost	-	-	-	-	120,000	-	-	120,000
Office supplies	477,426	298,670	750	265,212	101,883	13,896	-	1,157,837
Communication costs	70,733	74,613	1,400	15,439	42,567	17,360	1,000	223,112
Meals and entertainment	123,672	176,881	18,479	121,640	-	2,571	-	443,243
Repair and maintenance	8,154	5,436	160,000	-	-	-	-	173,590
Honourarium	160,667	-	-	-	-	-	-	160,667
Venue rentals	500,000	-	120,000					620,000
Postage & carriage	97,270	23,623	640	3,072	350	560	-	125,515
Meeting & conference	19,320	-	-	-	-	-	-	19,320
Fee & subscriptions	-	11,179	78,410	-	-	-	-	89,589
Bank charges	4,744	3,058		89,390				97,192
Total	53,133,906	21,710,381	6,560,661	7,503,483	4,211,408	2,185,724	91,600	95,397,163

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**SUSTAINABLE SOCIAL DEVELOPMENT ORGANIZATION (SSDO)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

19 General and administrative expenses

Salaries, wages and benefits		2,270,715	5,840,057
Depreciation	7.1	1,252,952	1,161,369
Repair and maintenance		1,185,410	916,866
Travelling & fuel		747,120	663,295
Printing and stationary		94,047	489,619
Office supplies		323,979	464,611
Legal and professional		35,321	389,717
Office rent		203,840	292,546
Training arrangements		254,877	640,297
Website and software		255,107	237,973
Audit fee		250,000	225,000
Boarding and lodging		124,670	181,740
Consultancy		83,500	175,000
Fee and subscriptions		88,480	173,217
Utilities		118,472	119,668
Communication		148,860	93,314
Stipends		127,500	85,000
Meals and entertainment		116,047	60,060
Postage and courier		27,553	20,784
Bank charges		12,235	13,297
Miscellaneous		-	10,000
		7,720,685	12,253,430

20 Taxation

Commissioner Inland Revenue had granted an approval to SSDO under rule 212 of Income Tax Rules 2002 in terms of section 2 (36) of Income Tax Ordinance 2001 on August 31, 2018. This approval has been expired during the year ended June 30, 2021, however, the entity is in the process of renewal and it is expected that the same approval will be granted to the Organization consequently no provision for current taxation has been provided for in these financial statements.

21 Date of Authorization for issue

These financial statements were authorized for issue on 09 October, 2023 by the Board Members of Sustainable Social Development Organization (SSDO).

Executive Director

Finance Secretary