



Grant Thornton

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OPD SUPPORT PROGRAM (THE COMPANY)

**Grant Thornton Anjum
Rahman**

1 - Inter Floor, Eden
Centre, 43-Jail Road,
Lahore, Pakistan.

**T +92 42 37423621-23
F +92 42 37425485**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **OPD Support Program (The Company)**, which comprise the statement of financial position as at June 30, 2021, the statement of income and expenditure and other comprehensive income, the statement of changes in funds, the statement of cash flows for the period 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 purpose 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 and other comprehensive income, the statement of changes in funds and 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 deficit and the changes in funds and its cash flows for the period 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 Auditor's 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 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.

GTR

Emphasis of Matter

We draw attention to Note 1.3 of the financial statements, which describes that the minimum requirement of funds and reserves as per NBFC Regulations for non-deposit taking non-banking micro finance companies is Rs. 50 million. The company's total fund is Rs. 39.843 million. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in director's report but does not include the financial statements and our auditor's report.

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 the 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 are responsible for overseeing the Company'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.

CTK

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 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 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

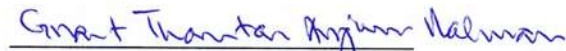
Based on our audit, we further report that in our opinion:

- 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 and other comprehensive income, the statement of changes in funds and 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;

GTM

- c) Investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) No zakat was deductible under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) The financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shoaib Ahmad Waseem.


Grant Thornton Anjum Rahman
Chartered Accountant

Lahore

Dated: 03 OCT 2021

OPD SUPPORT PROGRAM

(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Statement Of Financial Position

As at June 30, 2021

		2021	2020 (Restated)
	Note	Rupees	Rupees
ASSETS			
<u>Non-current assets</u>			
Property and equipment	5	3,424,293	3,888,854
Intangible assets	6	256,126	320,158
Long term receivables	7	2,688,291	-
		6,368,710	4,209,012
<u>Current assets</u>			
Loan and advances - net of provisions	8	78,145,991	68,925,966
Accrued Service Charges	9	666,631	4,870,419
Advances, deposits and other receivables - net of provisions	10	1,506,365	6,088,126
Advance Income Tax	11	1,336,400	1,010,642
Cash and Bank Balances	12	17,449,397	27,948,408
		99,104,783	108,843,560
		105,473,494	113,052,572
FUNDS AND LIABILITIES			
<u>Funds</u>			
General funds		(15,790,186)	(2,855,479)
Members contribution		300,000	300,000
Endowment fund - unsecured	13	17,600,000	17,600,000
Sub-Ordinate Loan - unsecured	14	37,733,333	37,733,333
		39,843,147	52,777,854
<u>Non current liabilities</u>			
Deferred grant - related to operating assets	15	363,747	481,625
Deferred Liability	16	6,074,025	4,659,447
Long term loan	17	21,000,000	8,000,000
Accrued mark-up on PPAF loan	18	-	7,510,745
		27,437,772	20,651,817
<u>Current liabilities</u>			
Accrued mark-up on PPAF loan	18	8,466,863	-
Accrued and other liabilities	19	19,685,861	15,622,901
Current portion of long-term loans	17	6,000,000	19,000,000
Short term loans	20	4,039,850	5,000,000
		38,192,575	39,622,901
		105,473,494	113,052,572
Contingencies and commitments	21		

The annexed notes, from 1 to 33, form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

OPD SUPPORT PROGRAM

(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Statement Of Income And Expenditure And Other Comprehensive Income

For The Year Ended June 30, 2021

	Note	2021 Rupees	2020 (Restated) Rupees
Financial Income			
Service Charges on microfinance loan portfolio		26,337,544	34,121,416
Loan processing fee		4,739,450	4,049,300
Profit on bank deposits		1,530,142	1,100,167
Amortization of grants relating to operating assets		117,878	117,926
Other income	22	154,102	61,005
		<u>32,879,115</u>	<u>39,449,814</u>
Expenses			
Program expenses	23	(30,065,388)	(30,223,156)
Administrative expenses	24	(3,425,999)	(3,085,602)
Finance cost	25	(8,610,362)	(10,735,175)
Loan write off	11	(612,949)	(174,166)
Services charges write off	9	(694,936)	-
Employee loan written off		-	(256,971)
Provision against non- performing loans	8.2, 9 & 10.4	(2,854,643)	192,719
		<u>(46,264,277)</u>	<u>(44,282,350)</u>
Deficit for the year		<u><u>(13,385,162)</u></u>	<u><u>(4,832,537)</u></u>
Other Comprehensive Income			
Experience adjustments of re-measurement of plan obligation		450,455	(58,875)
Total comprehensive loss for the year		<u><u>(12,934,707)</u></u>	<u><u>(4,891,412)</u></u>

The annexed notes, from 1 to 33, form an integral part of these financial statements.



 DIRECTOR



 CHIEF EXECUTIVE OFFICER

GSM



OPD SUPPORT PROGRAM

(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Statement Of Changes In Funds

For The Year Ended June 30, 2021

PARTICULARS	General	Members	Endowment	Sub-Ordinate	Total
	Fund (Restated)	contribution	fund	Loan	(Restated)
	-----Rupees-----				
Balance as at July 1, 2019	2,035,932	300,000	17,600,000	37,733,333	57,669,265
Total comprehensive loss for the year 2020	(4,891,412)	-	-	-	(4,891,412)
Balance as at July 1, 2020	(2,855,479)	300,000	17,600,000	37,733,333	52,777,854
Total comprehensive loss for the year 2021	(12,934,707)	-	-	-	(12,934,707)
Balance as at June 30, 2021	(15,790,186)	300,000	17,600,000	37,733,333	39,843,147

The annexed notes, from 1 to 33, form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

Crkn

OPD SUPPORT PROGRAM

(A Company set up under section 42 of repealed Companies Ordinance, 1984 - Now Companies Act, 2017)

Statement Of Cash Flows

For The Year Ended June 30, 2021

	Note	2021 Rupees	2020 (Restated) Rupees
Cash flows from operating activities			
Deficit for the year before tax		(13,385,162)	(4,832,537)
Adjustments for non-cash items:			
Depreciation and amortization		790,473	913,537
Loans written off		612,949	431,137
Markup written off		694,936	-
Provision against non-performing loans		2,854,643	(192,719)
Provision of gratuity		1,865,033	1,971,360
Finance cost		8,610,362	10,735,175
Loss on disposal of operating fixed assets		-	21,086
Amortization of grants		(117,878)	(117,926)
		<u>15,310,518</u>	<u>13,761,650</u>
Net cash flows before working capital changes		<u>1,925,356</u>	<u>8,929,113</u>
Changes in working capital			
Decrease/(Increase) in loans and advances		(11,099,222)	26,101,042
Decrease/(Increase) in accrued service charges		1,466,153	(5,146,002)
Decrease/(Increase) in advances, deposits and other receivables		173,227	87,253
(Decrease)/Increase and other liabilities		(1,221,742)	635,246
Cash generated from/(used in) operations		<u>(10,681,584)</u>	<u>21,677,539</u>
Finance cost paid		(194,994)	(1,059,440)
Tax paid		(325,758)	(201,925)
Net cash generated from/(used in) operations		<u>(9,276,980)</u>	<u>29,345,287</u>
Cash flows from investing activities:			
Purchase of operating fixed assets		(261,880)	(392,790)
Sales proceeds of operating fixed assets		-	25,450
Net cash used in investing activities		<u>(261,880)</u>	<u>(367,340)</u>
Cash flows from financing activities:			
Borrowings repaid during the year		(960,150)	(10,500,000)
Borrowings obtained during the year		-	5,000,000
Net cash (outflow) from financing activities		<u>(960,150)</u>	<u>(5,500,000)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(10,499,010)</u>	<u>23,477,947</u>
Cash and cash equivalents at beginning of the year		<u>27,948,408</u>	<u>4,470,460</u>
Cash and cash equivalents at the end of the year	12	<u>17,449,397</u>	<u>27,948,407</u>

The annexed notes, from 1 to 33, form an integral part of these financial statements.



 DIRECTOR



 CHIEF EXECUTIVE OFFICER