



**RURAL COMMUNITY
DEVELOPMENT SOCIETY**



Rural Community Development Society

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ANNUAL **REPORT** 2021

www.rcdspk.org

**Unleashing potentials
for empowered and
resilient communities**



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DEVELOPMENT SOCIETY**

2021
ANNUAL
REPORT

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ST N E N T S C O N T E N T S

Message from Chairperson	04
Message from Managing Director	07
Mission	09
Purpose	09
Goals	09
Values	09
Envisioned	09
Governance Structure	11
Board of Directors (2020 - 22)	12
Organogram RCDS	13
Core Values	15
RCDS at a Glance	16
Thematic Areas	17
Geographical Outreach	18
Beneficiaries Outreach	20
Community Engagement Strategy	21
Pakistan Context	23
ToGETHER Project	26
Skills Development Program	35
Sehat Sahulat Program (National Health Program)	43
COVID-19 Response Program	51
RUMI Grammar School (Education Program)	57
Nadeem Welfare Hospital (Health Program)	65
Institutions Integration & Linkages Development	71
Community Livelihood Fund	72
Digital Hub	74
MoU among RCDS & CERP	78
MoU among RCDS & Rozan	79
Networks & Partnership	81
Case Studies / Success Stories	85
Next Year Plan	90
Audit Report	93

Message from **CHAIRPERSON**

The past year will be remembered as a traumatic and tragic year for humanity. On behalf of RCDS, I would like to pay tribute to the people who lost their lives due to COVID-19 pandemic. I owe a tremendous debt of gratitude to the health workers, who are the heroes of the pandemic. From doctors, nurses and midwives to sanitary workers, technicians and administrators, frontline workers put themselves in harm's way every day to save lives. COVID-19 has fundamentally changed the world, but we helped the people through different social and development interventions in a way that leaves no one behind. I would also like to recognize the valued and consistent cooperation from stakeholders, partners, communal institutions, volunteers, staff and above all communities who remained persistent to serve the underserved for creating positive impact.

During this year we transformed our organizational strategy and critically analyzed the previous work done by RCDS for socio-economic empowerment of the disadvantaged groups of the society. We revisited the thematic and geographic areas of the organization along with the formulation of a strategic plan for the next five years. The strategic plan focuses on thematic priorities aligned with the national policies, plans and development goals defined by the Government of Pakistan. The agenda of localization has been adopted along with the newly developed partnership with Welthungerhilfe and local community institutions will be strengthened through joint efforts of the multi stakeholder innovative pilot initiatives for further replication and scale up.

Being Chairperson of the Board of Directors and on behalf of all directors, I acknowledge the efforts, hard work, commitment and passion shown by the senior management and field teams of RCDS in providing improved services to the non-affording and excluded groups through integrated participatory processes. They remained flexible and adaptable to the changing working environments and explored the opportunities despite the shrinking funding in Pakistan.

Making a difference is what drives everyone working in the social and development sector. But making a difference is hard, and knowing you've made a difference and maximizing that impact is harder still. I aspire to continue the valuable work of empowering the communities and communal institutions for creating a lasting impact in the lives of the poorest of the poor. Collectively we would struggle for inclusive, empowered and resilient communities with equitable rights and opportunities for all to make Pakistan a prosperous country.

Muhammad Murtaza



Message from **MANAGING DIRECTOR**

It's been another tough year for the people and social development organizations. But amidst the COVID-19 catastrophe there has also been great change, and not all those changes are bad. RCDS adapted the available technological resources and alternate options for delivering the programs at the grassroots level through an inclusive development approach. I am happy to present the annual progress including the financial report of RCDS for financial year 2020-21.

We believe in working with communities through community institutions over several years through integrated development approach for delivering sustained impact and to improve their lives. Further we strengthen the capacity building and work for the linkages development of community institutions with the service providers for improved service delivery mechanisms by the duty bearers. During the year we have linked community institutions for tapping the financial support and resources from different social protection initiatives of the Government of Pakistan for uplifting their economic conditions.

We have established partnership with Welthungerhilfe for institutional capacity building on humanitarian emergency response following the global agenda of localization. This partnership has broadened the scope of organizational thinking on humanitarian assistance and emergency response. Through global south-south learning, we are adopting innovative approaches for participatory planning, inclusive development and knowledge management. RCDS became the part of various global and national forums for deliberating the local to global and global to local learnings' following the humanitarian principles and codes of conduct. We have completed the strategic review of RCDS and will be implementing the programs focusing on the next five years strategic plan in coming years.

I am thankful to the Chairperson and board of directors of RCDS for providing the technical backstopping, strategic direction and facilitation for improved service delivery of programs during the reporting period. Senior management remained vigilant and operationalized the programs through a changed working environment including showing flexibility to the staff for field operations. Regular incentives and salary increments were given to the staff despite the financial constraints of the organization to boost their morale and pay off for the long term working commitment with RCDS.

At the end I would like to thank our board of directors, development partners, donors, staff, community institutions, beneficiaries, with whose help we continue to innovate, deliver, improve and influence for achieving the organizational objectives and contribution to sustainable development goals.

Qaisar Iqbal

optimism is the faith that
leads to achievement.
Nothing can be done
without hope and
confidence

- Helen Keller



Mission

"A struggle for a just and democratic society through making marginalized communities' socio-economically empowered"



Purpose

"Empowerment of disadvantage groups of society through integrated development and improved resilience"



Goals

RCDS contributes to sustainable development goals (SDG 1 to 8, 13, 17)



Values

Transparency
Accountability
Adaptability
Partnership



Envisioned

"Socio-economic empowerment of society where all citizens avail their potential for the social benefits on equal basis"

GOVERNANCE STRUCTURE

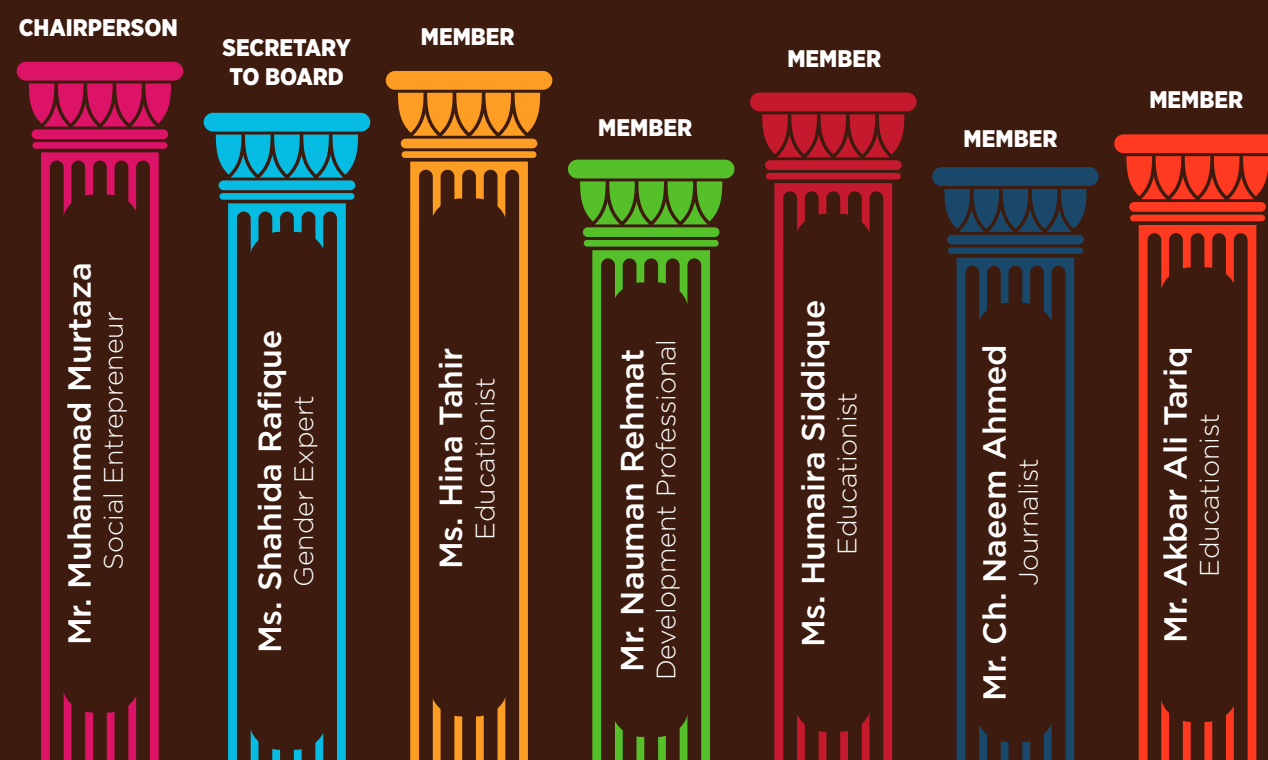
RCDS governance structure is based on characteristics of Responsiveness, Effectiveness, Participation, Equity & Equality, Accountability and Transparency. We assure that these characteristics followed at all tiers of the management



Governance of RCDS managed through 7 members of Board of Directors comprising of 4 men and 3 women. While overall management is being administered by Managing Director for day to day operations. Regular meetings of Board of Directors and Senior Management Team conducted to ensure the good governance practices.

BOARD OF DIRECTORS

(2020-22)

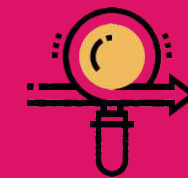


ORGANOGRAM RCDS



CORE TEAM

CORE VALUES



Transparency



Accountability

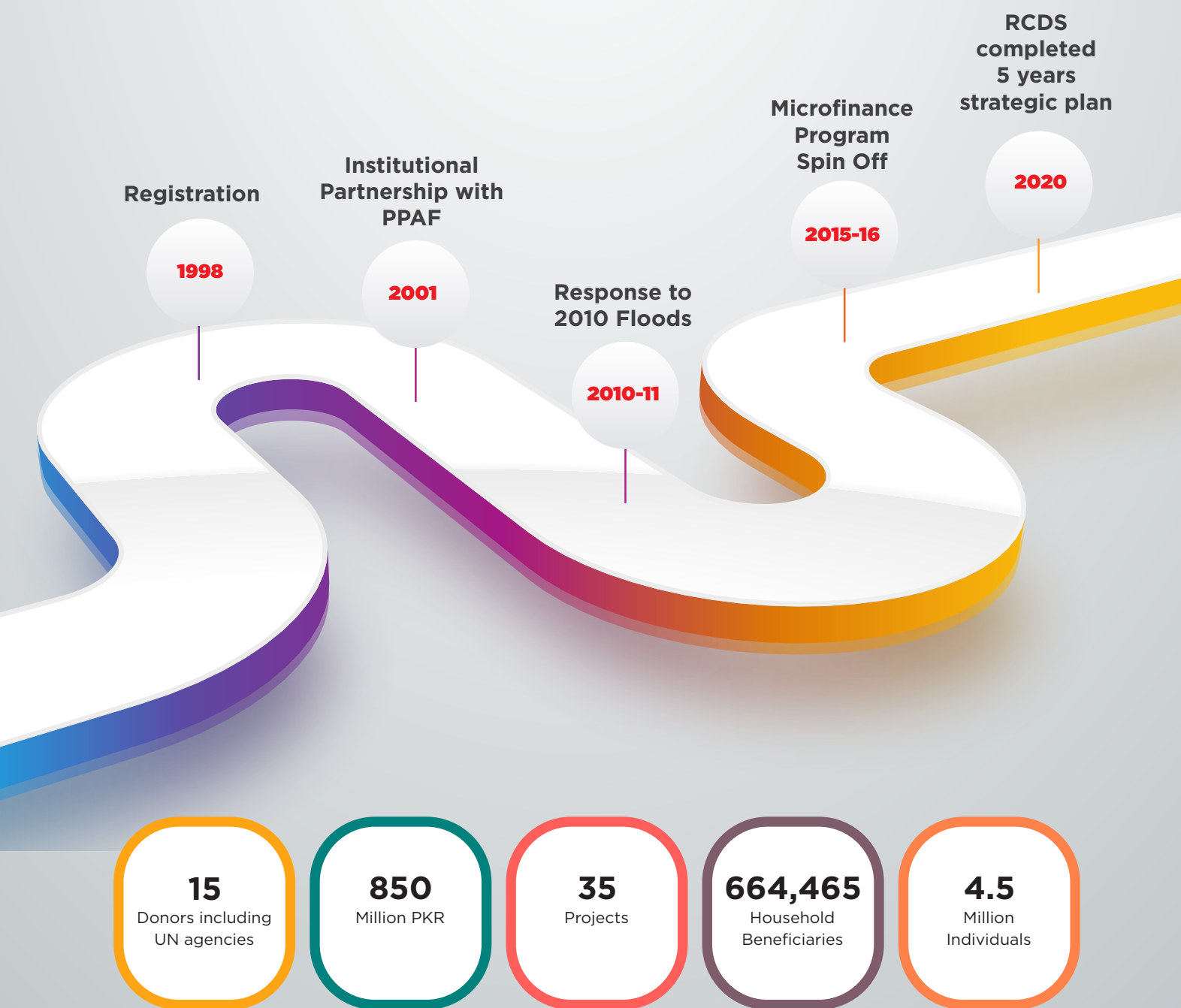


Adaptability

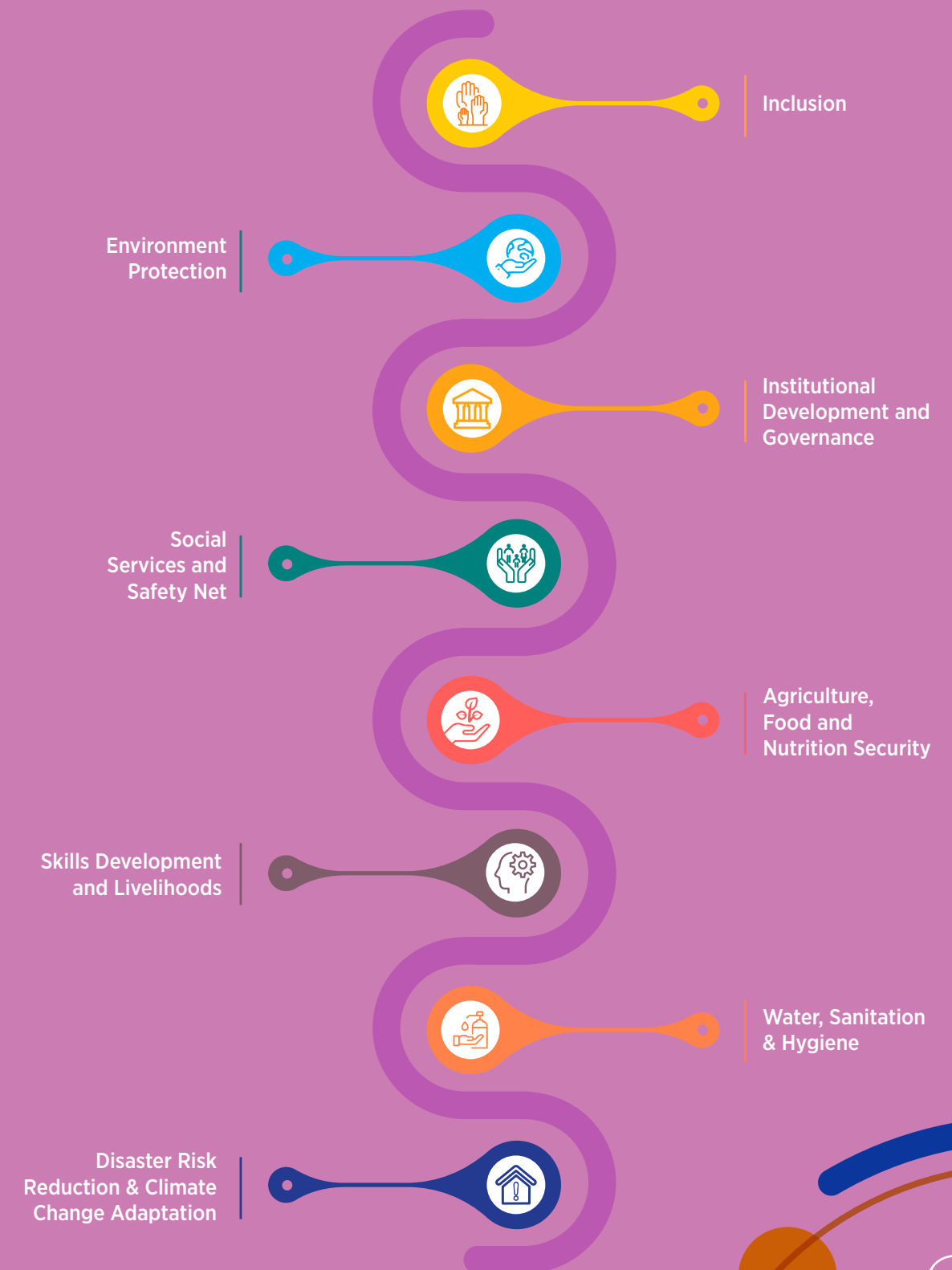


Partnership

RCDS AT A GLANCE

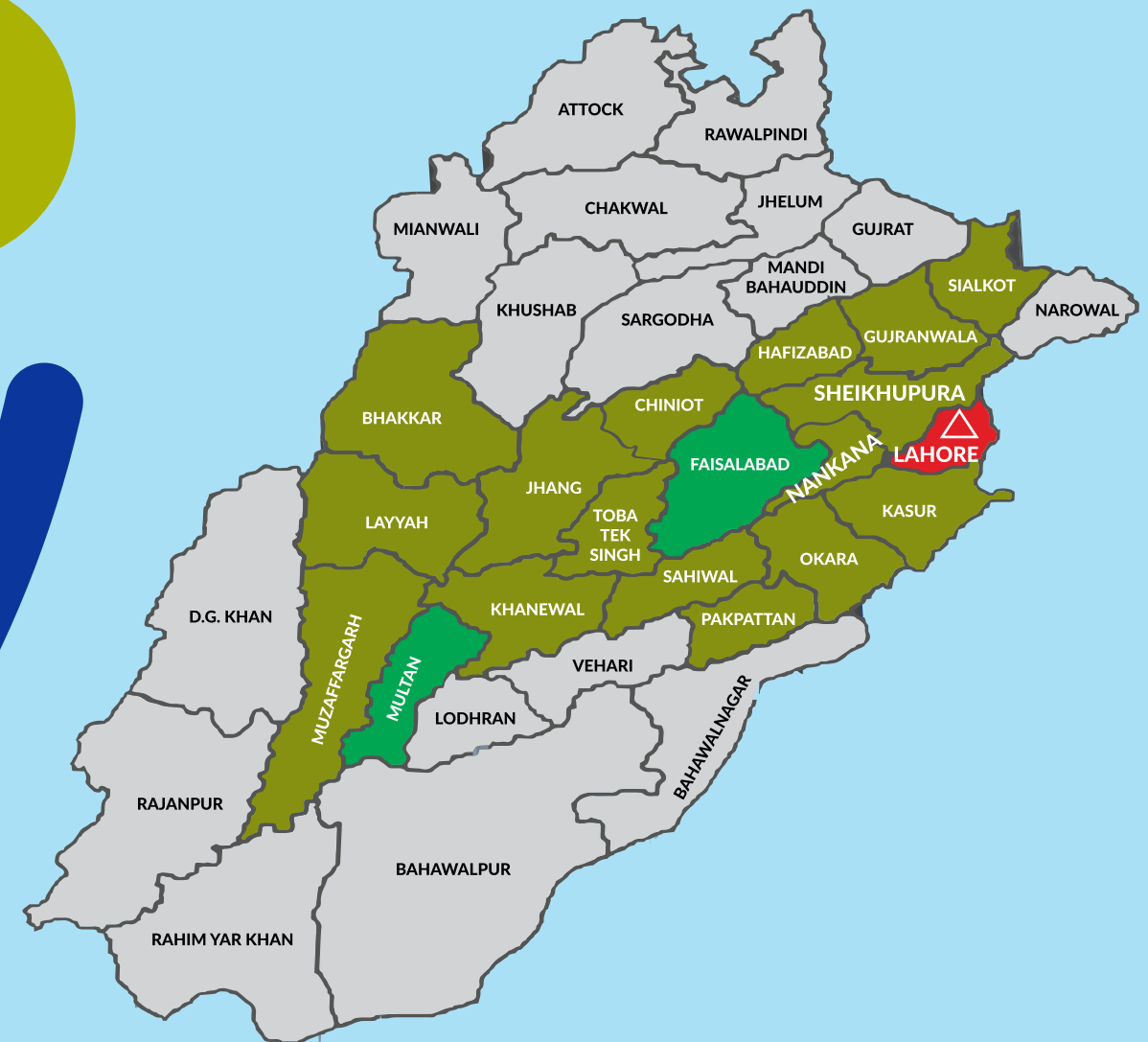


THEMATIC AREAS



GEOGRAPHICAL OUTREACH

RCDS has geographical footprints in 19 districts of central and south Punjab of Pakistan. Head office based at Lahore while having district office in each working district.



Registered Office: Mandi Faizabad, District Nankana Sahib
 Head Office: Lahore
 Regional Office: Faisalabad & Multan

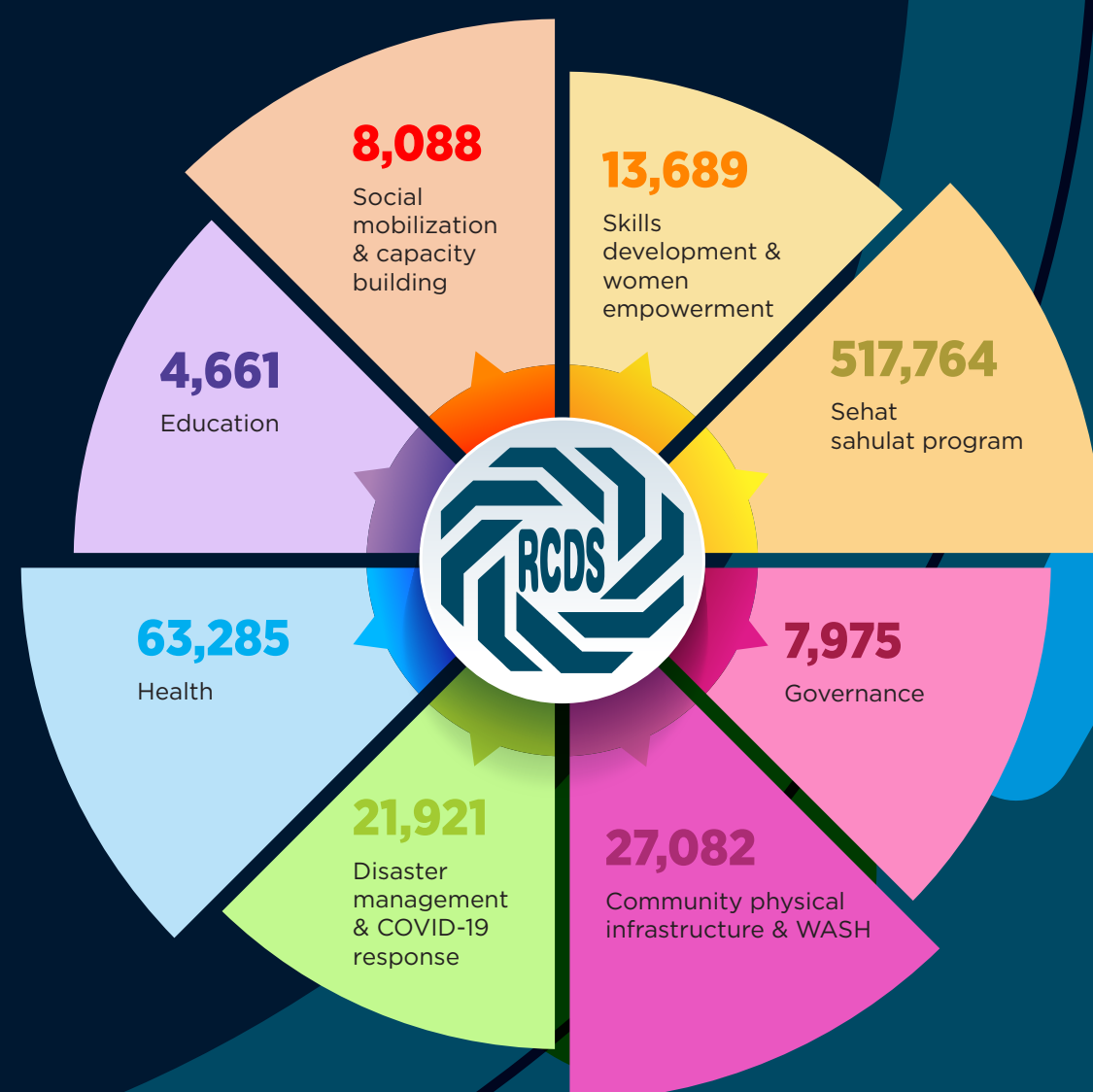
Current projects are being implemented in district

- Presence
- ▲ Head Office
- Regional Office

- Sheikhupura
- Nankana Sahib
- Chiniot
- Jhang
- Toba Tek Singh
- Layyah
- Bhakkar

BENEFICIARIES OUTREACH

(HOUSEHOLDS)



COMMUNITY ENGAGEMENT STRATEGY

1

Area Selection Mapping

Steps involved area selection, rapport building, mapping and village profiling, documentation

2

CO, VO, LSO Formation

Community based three tier organizations formed through participatory election processes

3

Capacity Building

Capacity building trainings and sessions on skills and issue based trainings (CMST, LMST, DPs etc.)

4

Project Implementation

Implementation of community led development projects according to the Development Plans

5

Linkages Development

Linkage development, handholding and backup support for implementation of DPs and future sustainability

PAKISTAN **CONTEXT**

Pakistan Context

Home to 220.9 million people, Pakistan is the fifth most populous country in the world. It is also one of the youngest – 61.4% of Pakistanis are of working age (15-64 years old) and 51% are under 19. Despite recent development gains, challenges persist. Pakistan ranked 154th of 189 countries on the Human Development Index 2020 (HDI), falling four places since 2018. One in four Pakistanis lives in poverty – income-based poverty stands at 24.3% and multidimensional poverty at 38.8%. Malnutrition affects nearly half of Pakistan's children. Women's labour force participation rate (22.5%) is among the lowest in South Asia. Pakistan also has among the highest rates of maternal and child mortality, and among the lowest rates of gender parity in education in the region. It is home to the second highest number of out-of-school children in the world (22.8 million), 53% of whom are girls. Inequality is pervasive between regions and geographic (urban-rural) locations.

Discrimination and violence affect women, girls, people with disabilities and minorities; as a result, it ranks 151st of 153 countries on the World Economic Forum's Global Gender Gap Index 2020 (GII). Pakistan hosts 1.4 million Afghan refugees, the largest protracted refugee population in the world. German watch's Global Climate Risk Index 2020 considers it the fifth most vulnerable country in the world to the impact of climate change and natural disasters, including floods, drought and earthquake.

¹ Pakistan Economic Survey 2019-20

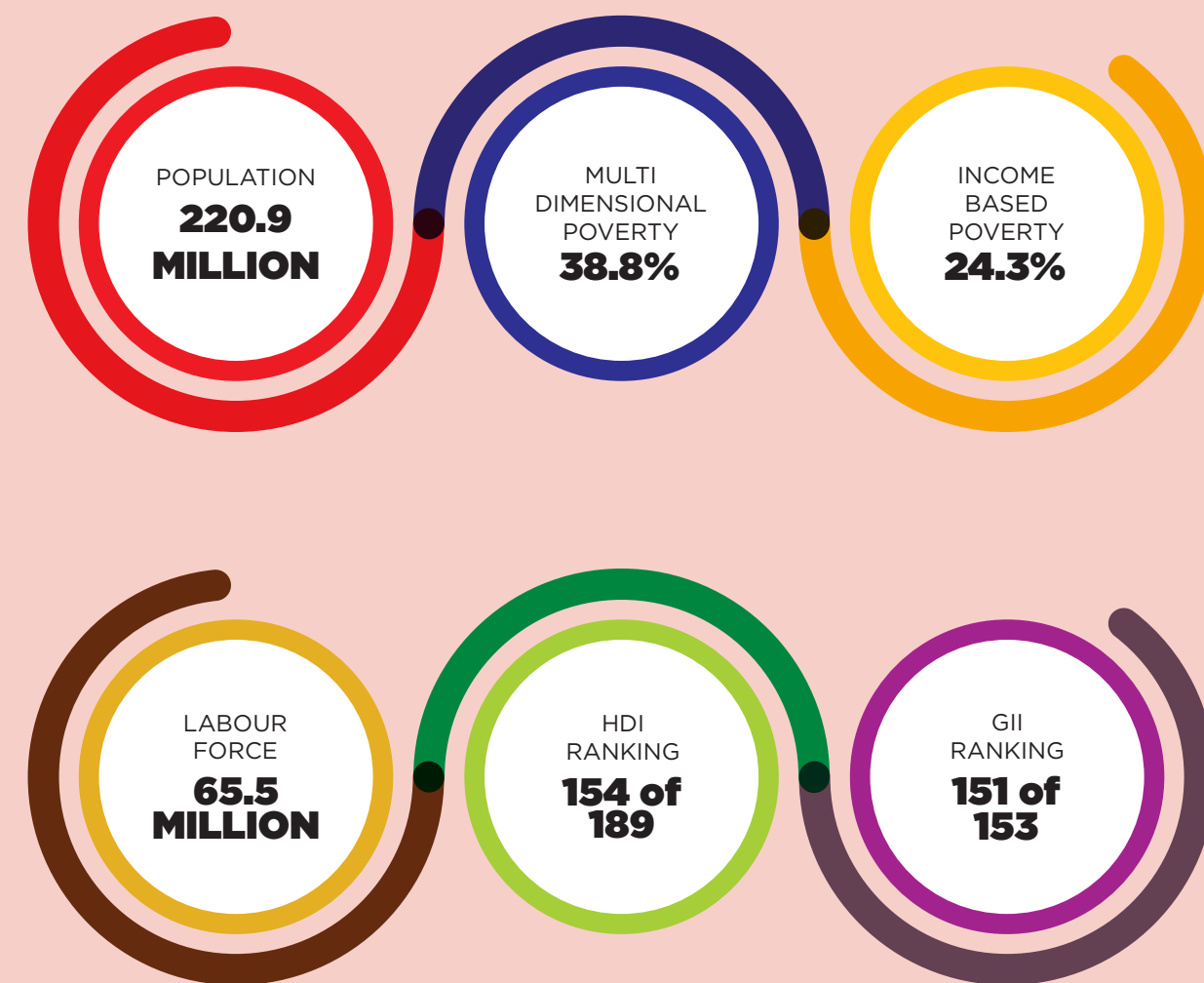
² UNDP: National Human Development Report 2017

³ Pakistan Bureau of Statistics: Labour Force Survey 2017-18

⁴ Pakistan Bureau of Statistics: Pakistan Social and Living Standards Measurement Survey 2018-19

⁵ United Nations Children's Fund: "Education: Pakistan" (2021)

⁶ German Watch: Global Climate Risk Index 2020



TOGETHER PROJECT



Towards Greater Effectiveness & Timeliness in Humanitarian Emergency Response (ToGETHER) in Pakistan

Rural Community Development Society signed a project agreement with Deutsche Welthungerhilfe after a thorough and competitive process of due diligence as implementing partner in Punjab province. It's a global Programme being implemented in 8 countries of global south and 5 implementation partners (called as Local Humanitarian Partners) have been selected from Punjab, Sindh and Khyber Pakhtunkhwa.

Existing Capacity of RCDS to respond any humanitarian situation

1. On ground working experience during Floods of 2010, 2013 and COVID-19 pandemic
2. Bottom-up approach (consultation and engagement of communities and relevant stakeholders throughout project cycle)
3. Trained human resource at organizational level on humanitarian principles, standards & frameworks
4. Emergency response team in 5 districts having experience and exposure to manage the disaster
5. Effective Programme implementation strategy and financial systems for managing the grants on short notice
6. Hands on experience of distributions of dry food, cooked food and non-food items by mobilizing the local community institutions and team of volunteers

Key Strengths of RCDS at Local Level



BRIEF PROJECT DESCRIPTION AND THE GENERAL STRATEGIC OBJECTIVES TO BE ACHIEVED

The project will be contributing to institutional strengthening and operational capacities of local partners of WHH on Disaster Risk Resilience including preparedness and response capacity in their respective target and working areas in case of any humanitarian crisis. The project will be contributing to response the humanitarian emergency through dedicated amount budgeted under HOIFA (Humanitarian Operation and Innovation Facility) after the endorsement from Country Steering Committee. The project partners will be able to demonstrate effective coordination and liaison with relevant Government departments at district and provincial level for emergency preparedness and response. It will also contribute directly to Sustainable Development Goal 13 and 17 by addressing the core issues of localization in country and through cross country learning opportunities in other implementing countries.

Project objective:

The programme's Local Humanitarian Partners (LHPs) are a visible part of the local humanitarian system and actively promote principled humanitarian assistance in their countries. As part of the localization programme, the organizations and their partners also contribute to the international policy debate on strengthening the role of local and national humanitarian organizations.

Project Outcome:

Local Humanitarian Partners (LHPs) of the Programme take responsibilities and actions in the humanitarian system of their countries for an effective and timely, accountable and principled humanitarian action

Following outputs will be achieved through project interventions:

OUTPUT 01

Local Humanitarian Partners (LHPs) assume a leading role in strategic decision making and the efficient and accountable implementation of the programme

OUTPUT 02

Institutional and operational Emergency Preparedness, Response and Coordination Capacities of LHPs are strengthened

OUTPUT 03

LHPs apply acquired capacities using the Humanitarian Operation & Innovation Facility (HOIFA)

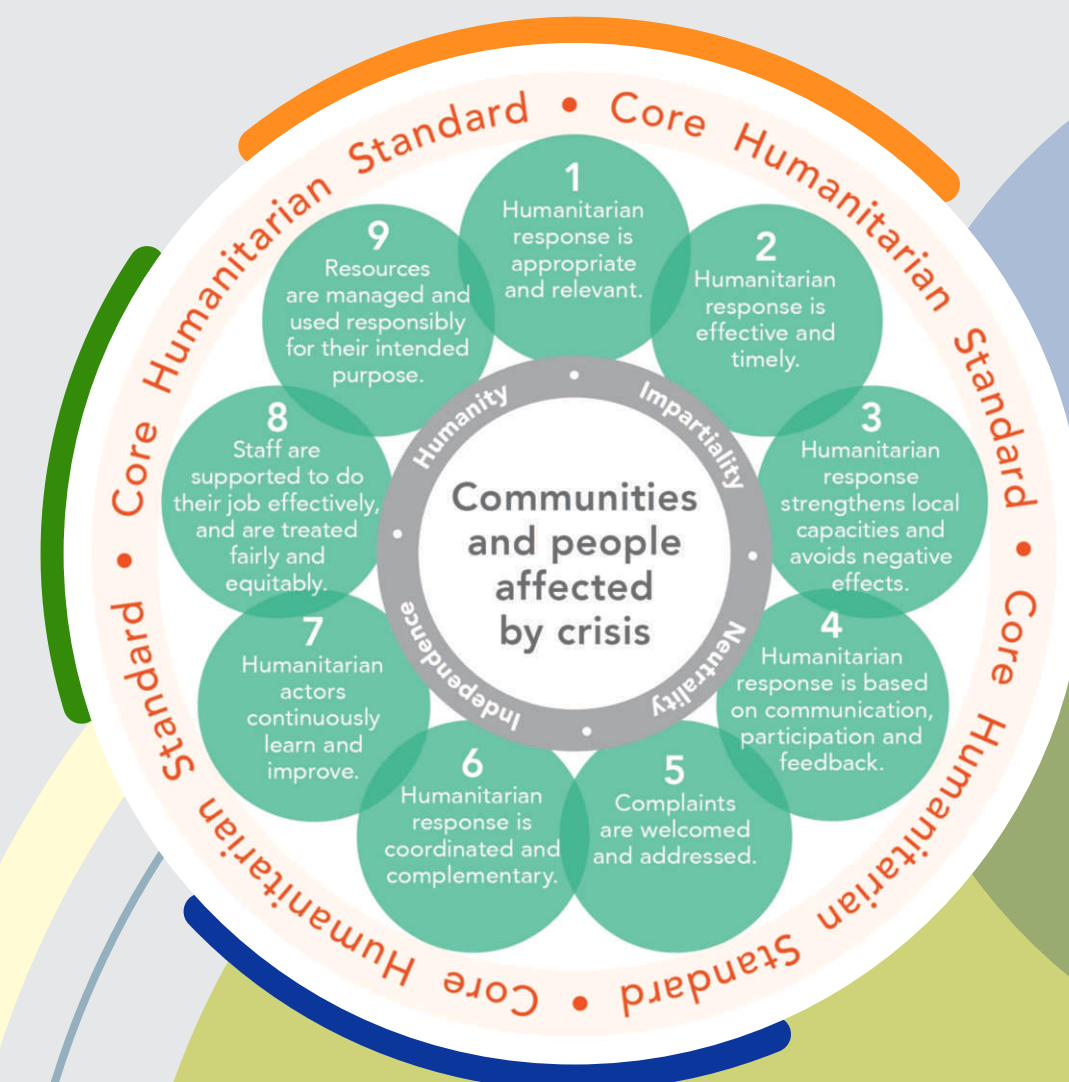
OUTPUT 04

Knowledge exchange, learning and advocacy enhance quality humanitarian aid programming of LHPs and their role in the humanitarian system

Progress Update

Following activities have been completed under the project during the reporting period:

1. Online participation in the working group meetings on HOIFA (Humanitarian Operation and Innovation Facility) and PAC (Program Advisory Committee) at global level
2. P-FIM (People First Impact Method) application workshop completed and follow up discussion on the application of this tool in the communities and/or integration at the organizational development
3. Planning workshop of ToGETHER completed with the partners and consortium partners
 - Stakeholders Mapping
 - Detailed Implementation Plan
 - Monitoring & Evaluation Plan
 - Journey of Localization in Pakistan and Role of National Humanitarian Network (NHN)
 - Plan of Action for ToGETHER Program Implementation
4. Meeting of Country Steering Committee (Discussion on ToRs, Process and Feedback on ToRs)



RCDS has been active with following networks, alliances and forums in respect to the project objectives



Federal SDGs
Support Unit



THE SENDAI FRAMEWORK OUTLINES SEVEN GLOBAL TARGETS TO BE ACHIEVED BY 2030:

SUBSTANTIAL REDUCTIONS

- A. Reduce global disaster mortality
- B. Reduce the number of affected people globally
- C. Reduce direct economic loss in relation to GDP
- D. Reduce disaster damage to critical infrastructure and disruption of basic services

- E. Increase the number of countries with national and local disaster risk reduction strategies

- F. Substantially enhance international cooperation to developing countries

- G. Increase the availability of and access to multi-hazard early warning systems

SUBSTANTIAL INCREASES



SKILLS **DEVELOPMENT PROGRAM**

Skills Development Program

Pakistan has been ranked at 154th out of 183 countries on Global Youth Development Index which is published by the Commonwealth. The index covers the domains like employment, education, civic participation, well-being and health, and political participation. The development of skills can contribute to structural transformation and economic growth by enhancing employability and labor productivity and helping countries to become more competitive. Investment in a high-quality workforce can create a virtuous cycle, where relevant and quality skills enable productivity growth which result in more and better jobs for the current workforce and more public and private investment in the education and training system. This, in turn, increases the employability and productivity for both the current and future workforce.

The key issues need to tackle for skills development are:



Access and Completion

Provision of equitable access is a challenge in many low-income and middle-income countries. Furthermore, many students who manage to enroll in education or training programs do not complete their studies and miss out on obtaining formal qualifications, which can dramatically reduce the return on the educational investments in terms of lifetime earning potential.



Quality

Many young people attend schools without acquiring basic literacy skills, leaving them unable to compete in the job market. For those who access technical and vocational training at secondary and post-secondary levels, returns can vary substantially by specialization and institution. In particular, technical and vocational training (TVET) systems face challenges related to quality assurance, resulting in perceptions of the vocational track being a second-best option compared to general secondary or tertiary education.



Relevance

Technical and vocational education and training—which can last anywhere from six months to three years—can give young people, especially women, the skills to compete for better paying jobs. Nevertheless, more needs to be done in terms of engaging local employers to ensure that the curriculum and delivery of these programs responds to labor market needs.

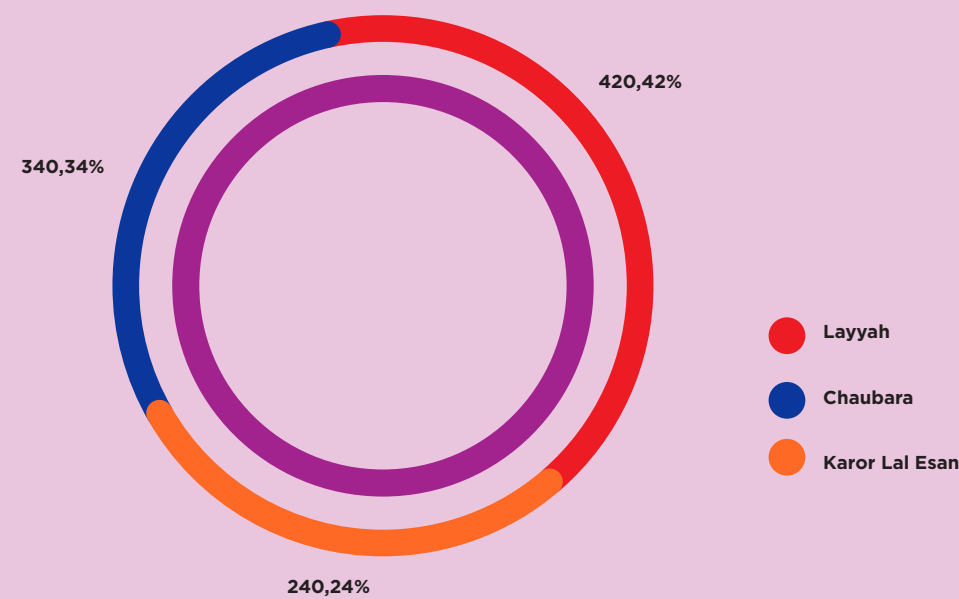


Efficiency

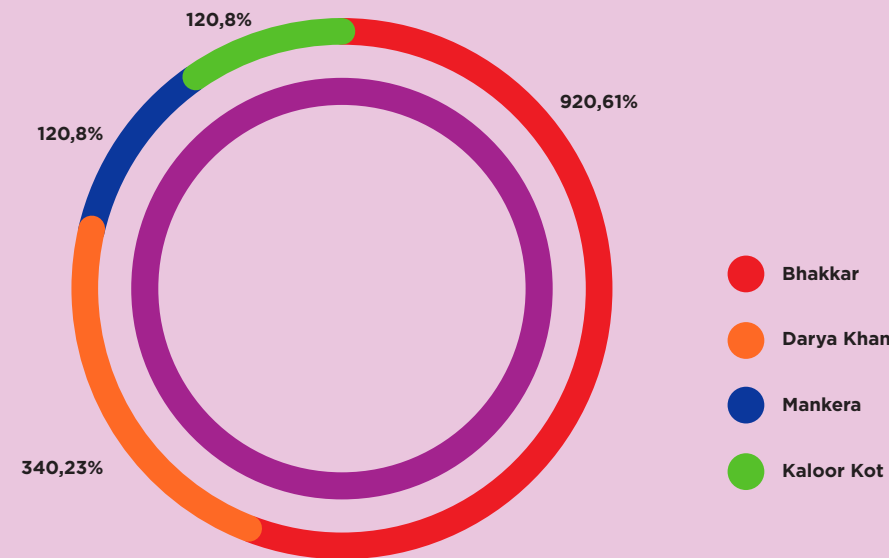
Challenges related to governance, financing, and quality assurance also impact the efficiency of skills development programs. The resulting unnecessarily high costs can limit opportunities for disadvantaged youth and adults to access these programs.

Punjab Growth Strategy clearly defines the pathway for the human and social capital through strong commitments and targets. Punjab Skills Development Fund (PSDF) started Women Training in Livestock Management (WTLM) Program for enhancing the capacity of rural women engaged in livestock management. RCDS joined hands with PSDF for WTLM Program and trained 4,500 women in 4 districts (Layyah, Bhakkar, Nankana Sahib and Hafizabad) of Southern and Central Punjab.

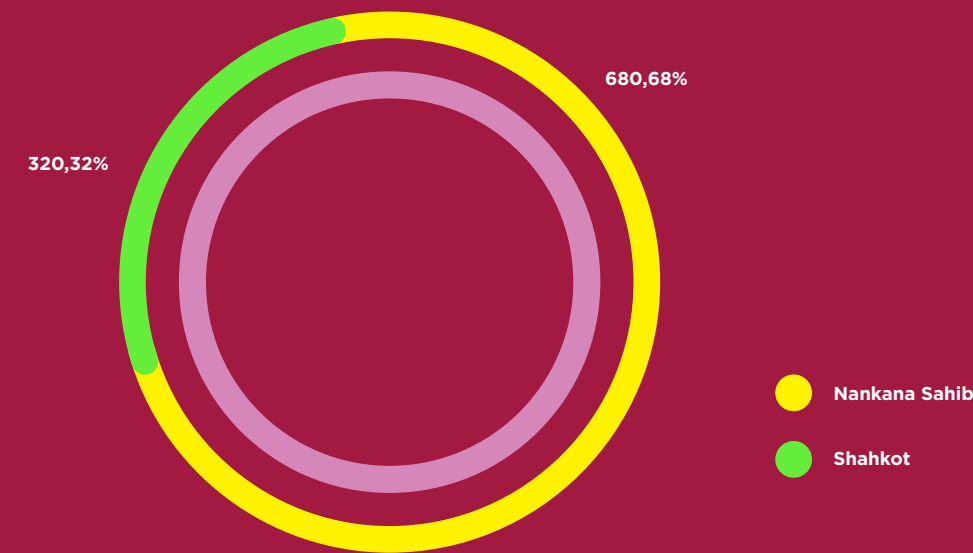
Tehsil-wise Beneficiaries of District Layyah



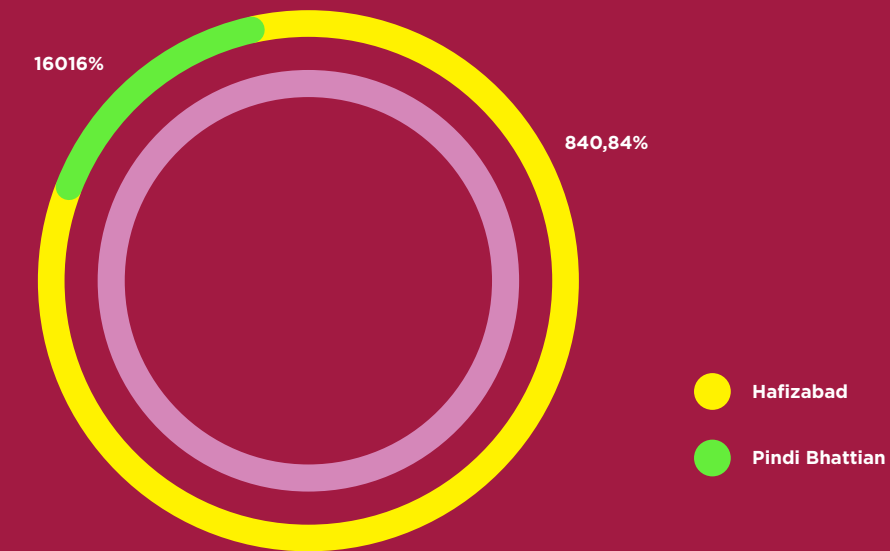
Tehsil-wise Beneficiaries of District Bhakkar



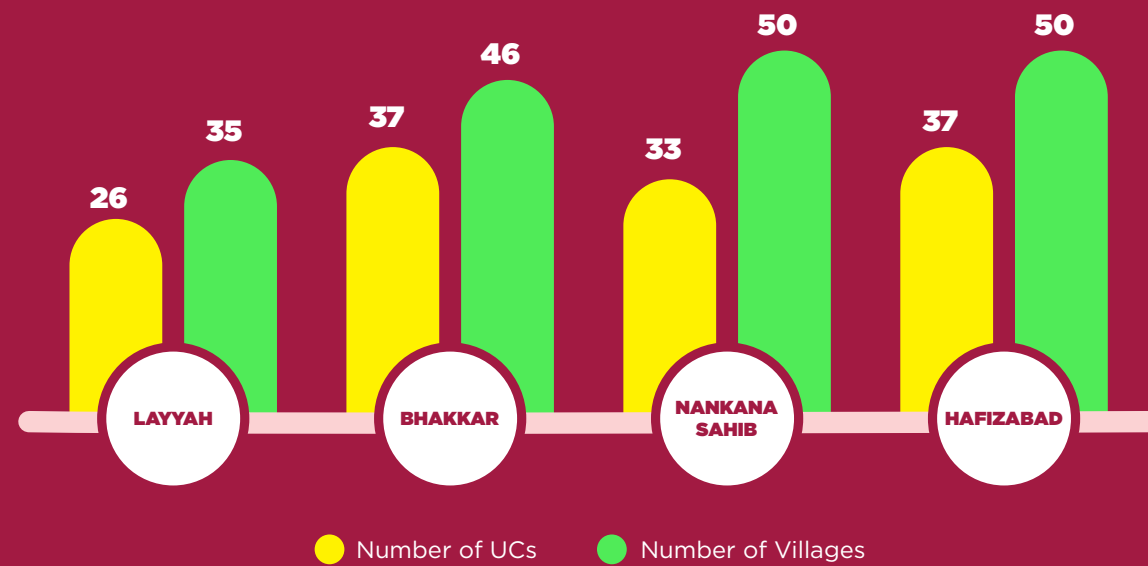
Tehsil-wise Beneficiaries of District Nankana Sahib



Tehsil-wise Beneficiaries of District Hafizabad

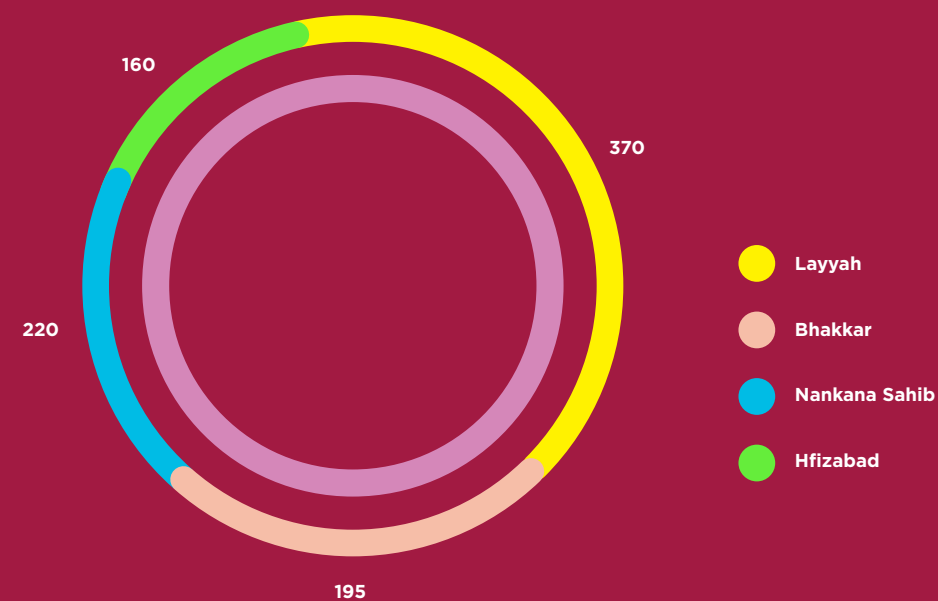


Geographical Coverage of WTLM Program



RCDS team developed linkages of the trained women with financial institutions to access Islamic and Conventional Microfinance services. For this purpose 945 trained women (21% of the total) accessed the financial services from different institutions. Following is the district-wise detail of trained women who benefited from the financial services to increase their existing livestock:

Number of Beneficiaries Linked with Financial Institutions





SEHAT
**SAHULAT
PROGRAM**
(National Health Program)



Sehat Sahulat Program (National Health Program)

Pakistan was among the first countries to commit to the 2030 Agenda and its 17 Sustainable Development Goals. The country adopted the SDGs as part of its own national agenda through National Assembly Resolution No. 113, on the 19th of February, 2016. The four global goals directly related to social protection – SDG 1 (no poverty), SDG 3 (good health), SDG 5 (gender equality) and SDG 10 (reducing inequalities) – are extremely important in the context of Pakistan.

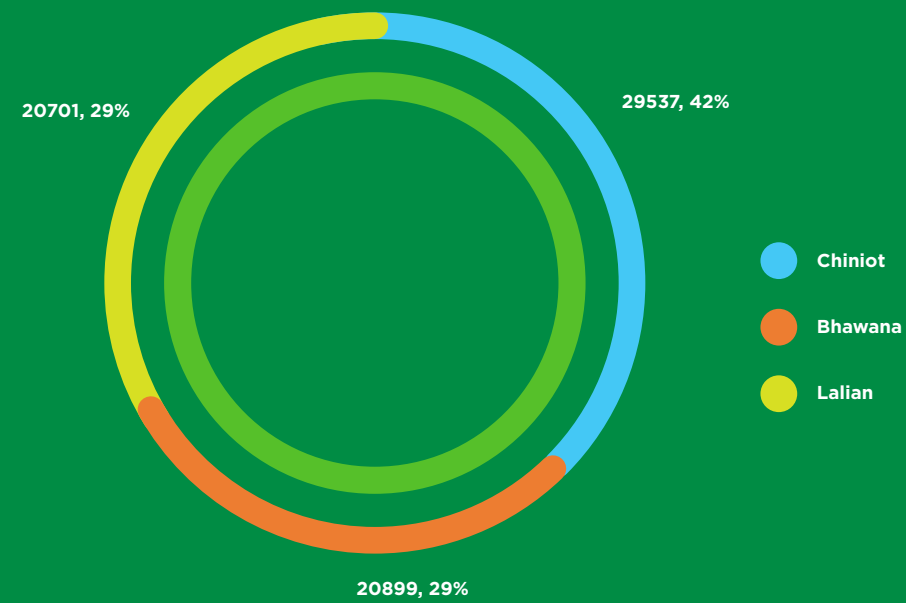
To achieve the target of Universal Health Coverage under SDG 3, Government of Pakistan started the Sehat Sahulat Program. The objective of Sehat Sahulat Program is to improve access of the poor population to good quality medical services, through a micro health insurance scheme. Population under approx. 32.5 of the Proxy Means Test (2 USD) is being covered under the program. 7.2 Million Deserving families in 36 districts of the Punjab are to get best healthcare facilities for free, through empaneled hospitals across the country.

- Beneficiaries are provided with a health insurance card
- The program provides two distinct packages:
 - Secondary care coverage for hospitalization up to Rs. 720,000 per family per year
 - Coverage for 8 priority diseases up to 320,000 per family per year
- After enrolment in the scheme, the beneficiary will be eligible to go to any empaneled hospital across the country.
- No capping on family size.
- Pre-existing diseases are covered.
- Coverage on yearly basis to all age groups.
- Inter-district portability is also available.
- One day pre and Five days post hospitalization expenses including the medicine are covered.
- Transportation cost equal to Rs. 1,000/- per trip for 3 trips/ year is also provided.

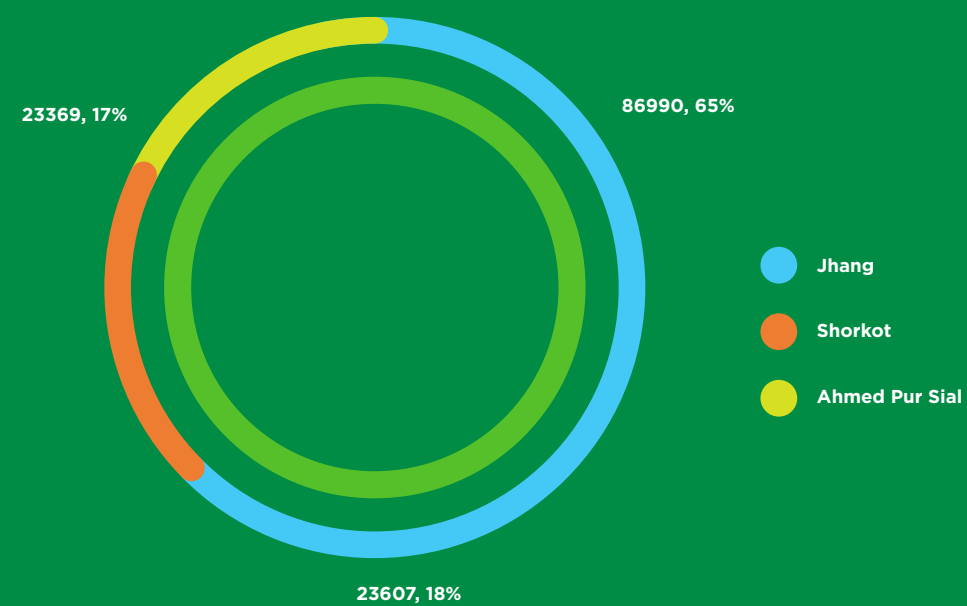
RCDS signed the implementation of program in 6 districts of Punjab province as lead implementation partner while in 3 districts as consortium partner with AGAHE (another NGO). During the current year, RCDS completed the awareness raising campaign, enrolment and distribution of health cards to beneficiaries in target districts Layyah, Chiniot, Jhang, Toba Tek Singh and Sheikhpura directly while in district Pakpattan, Kasur and Lahore as a consortium partner.



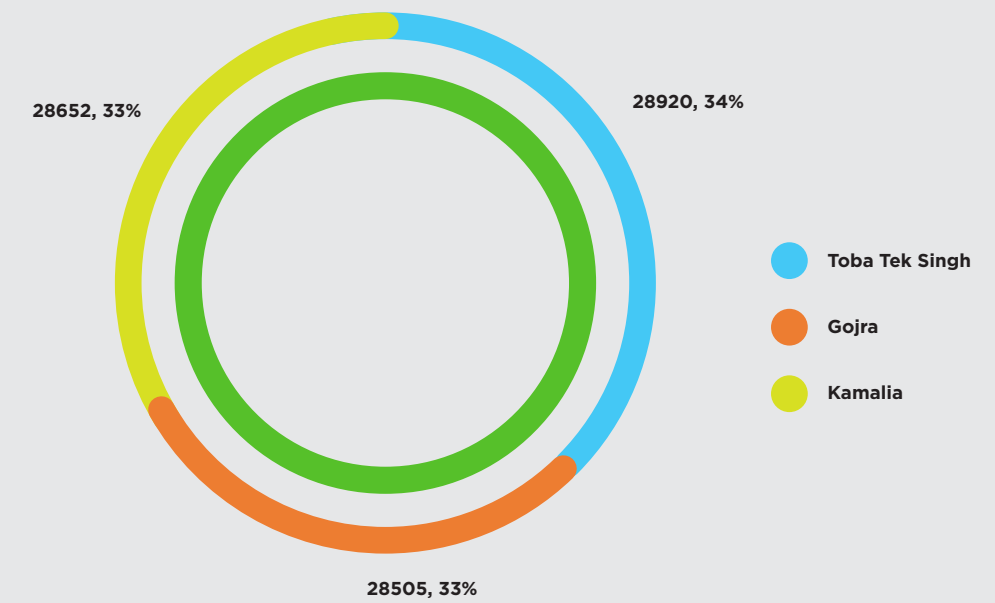
Tehsil-wise Beneficiaries of District Chiniot



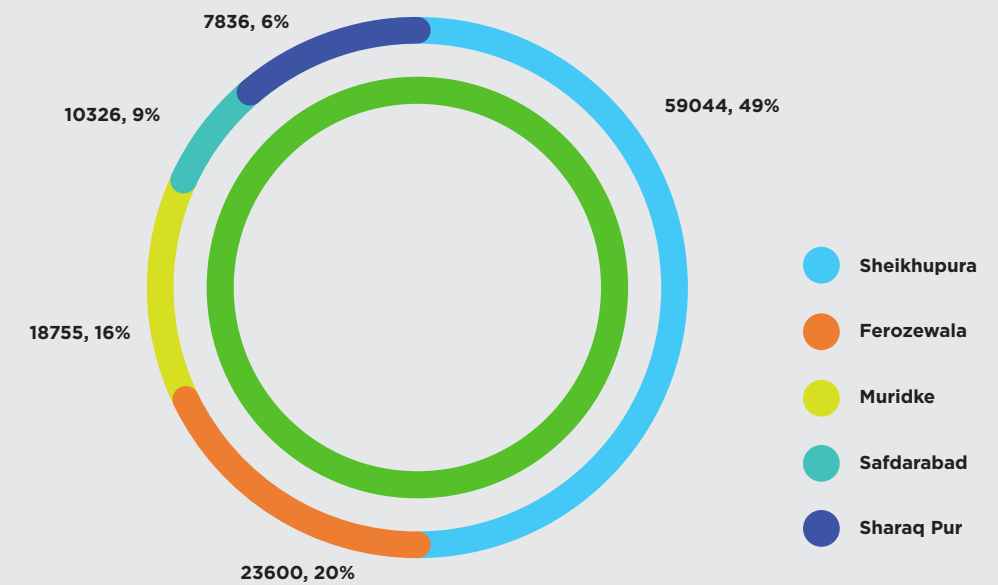
Tehsil-wise Beneficiaries of District Jhang



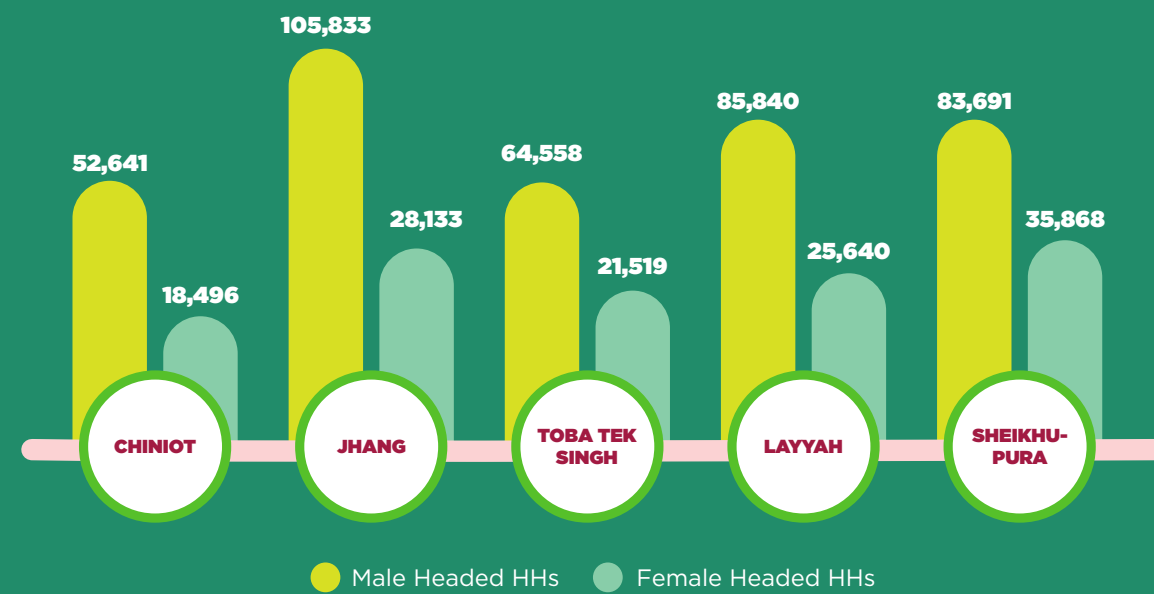
Tehsil-wise Beneficiaries of District Toba Tek Singh



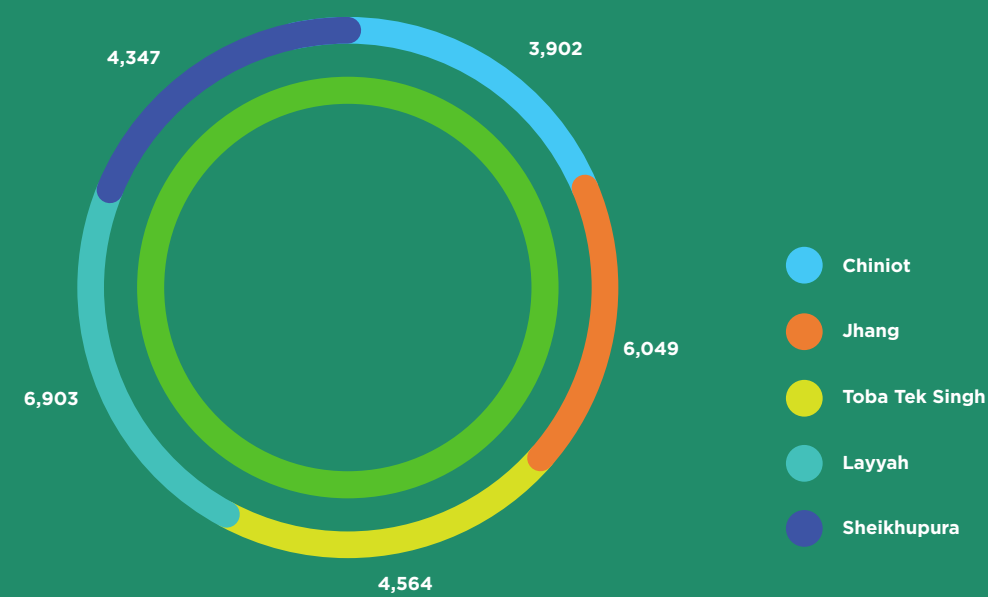
Tehsil-wise Beneficiaries of District Sheikhupura

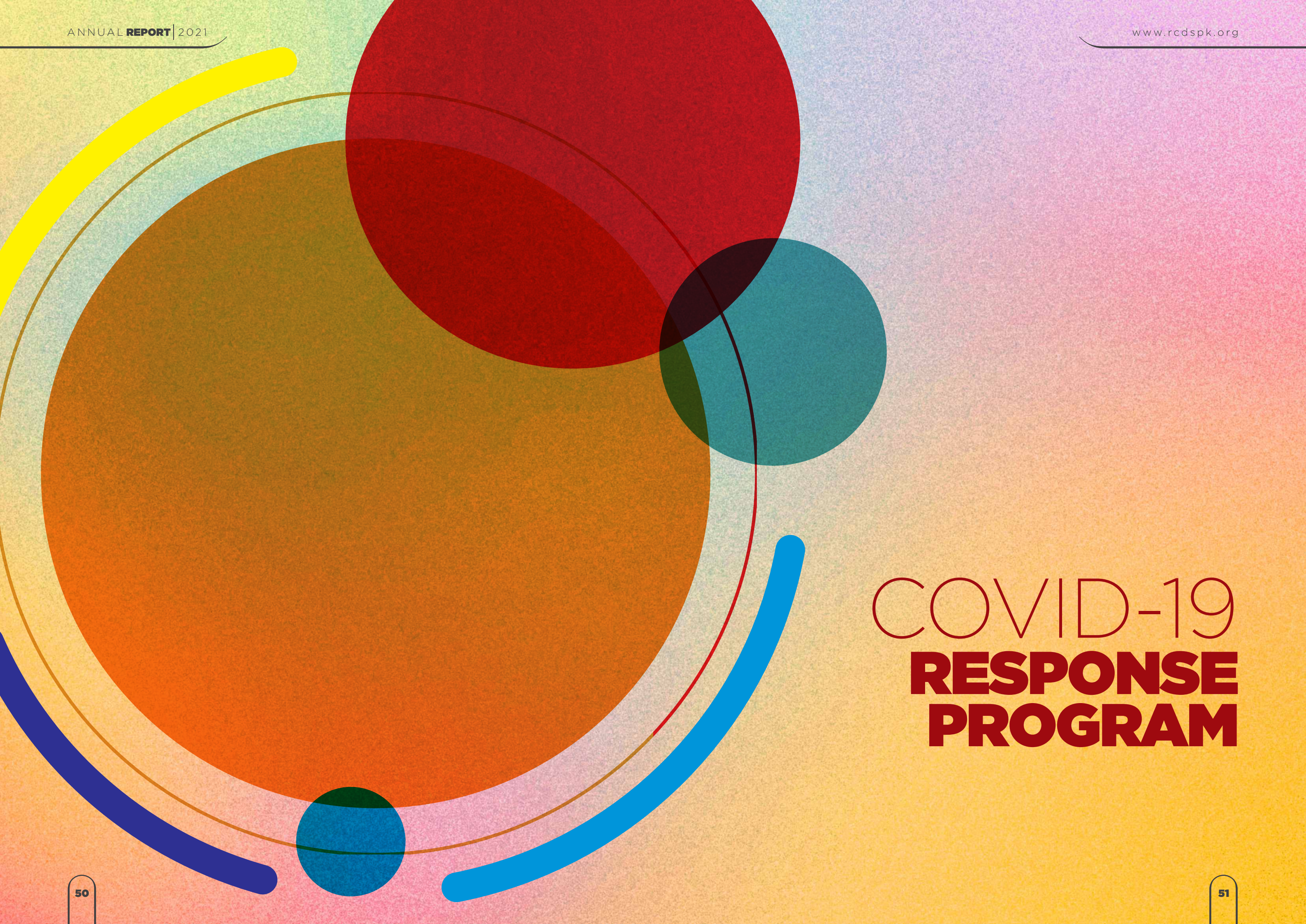


Gender Distribution of Beneficiaries

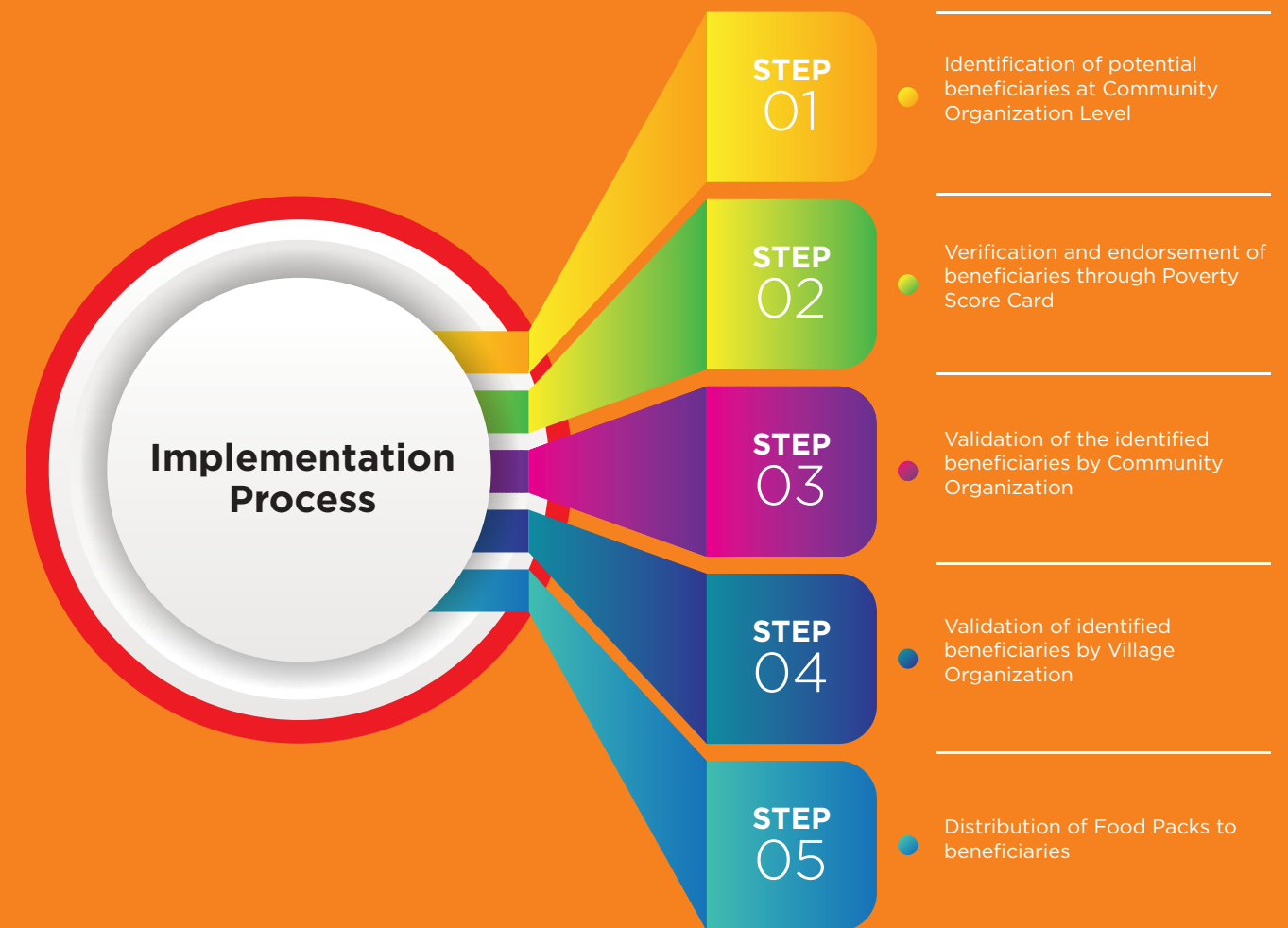


District-wise Number of Admissions in Hospitals





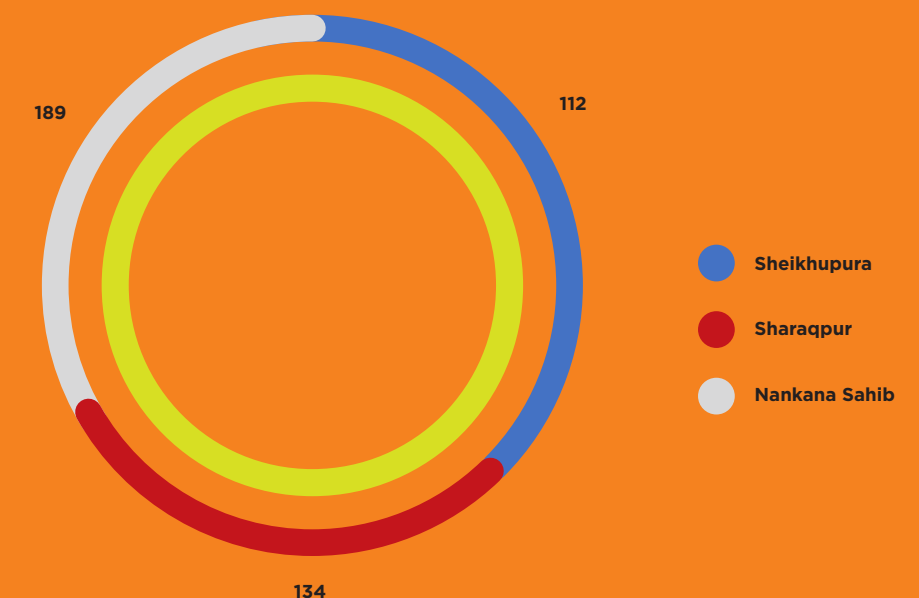
COVID-19 **RESPONSE PROGRAM**



COVID-19 Response Program

The recurring smart lock downs and reduced income generation opportunities badly affected the livelihoods especially people living below the poverty line. Considering the food security needs following the aftershocks of COVID-19 pandemic; Rural Community Development Society distributed food packs to 435 families through reserved funds of the organization in district Nankana Sahib and Sheikhupura. The food packs contain quality food products including fortified floor and oil, hygiene items according to the nutrition intake values of people of various age groups. RCDS has already established community and village organizations in the targeted areas and utilized them for identification and distribution of food packs among the most vulnerable households. The food and hygiene items given to the families were enough in quantity to be used for 2 months for the household members.

Tehsil-wise Breakup of Beneficiary Families



Quick Facts

43%

Women Headed
Households (widows)

Households having more
than 6 family members

65%

92%

Households with single
bread earner





RUMI **GRAMMAR SCHOOL** (Education Program)

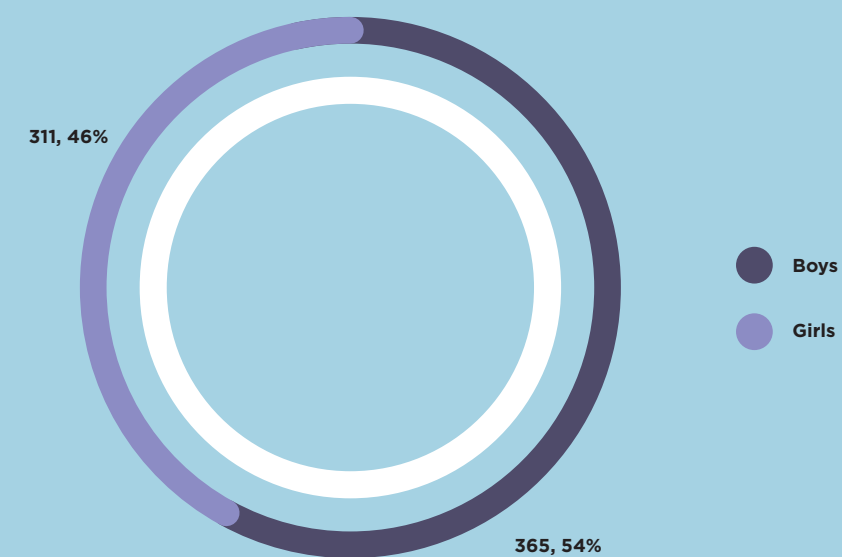


Education Program (Rumi Grammar School)

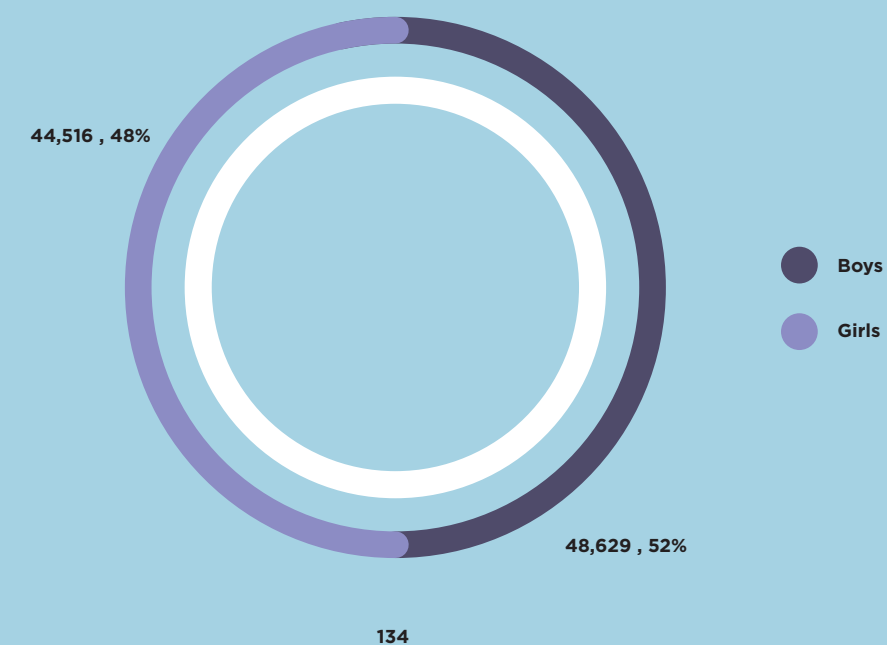
Pakistan has one of the highest number of out of school children in the world. 9.30% children are out from the schools at primary level in district Nankana Sahib while MPI ratio of poor people is 24.80% in the district. 82% population of the district is living in rural areas and gender based literacy rate gap is prevalent and high with drop outs at the elementary and higher level due to non availability of education infrastructure both in public and private sector.

According to the data of District Education Department; there are 676 primary schools (Boys 365 & Girls 311) and 93,145 children (Boys 48,629 & Girls 44,516) enrolled in primary schools in district Nankana Sahib. Per school student ratio for Boys schools is 133 while for Girls schools is 143 in the district.

Number of Primary Schools



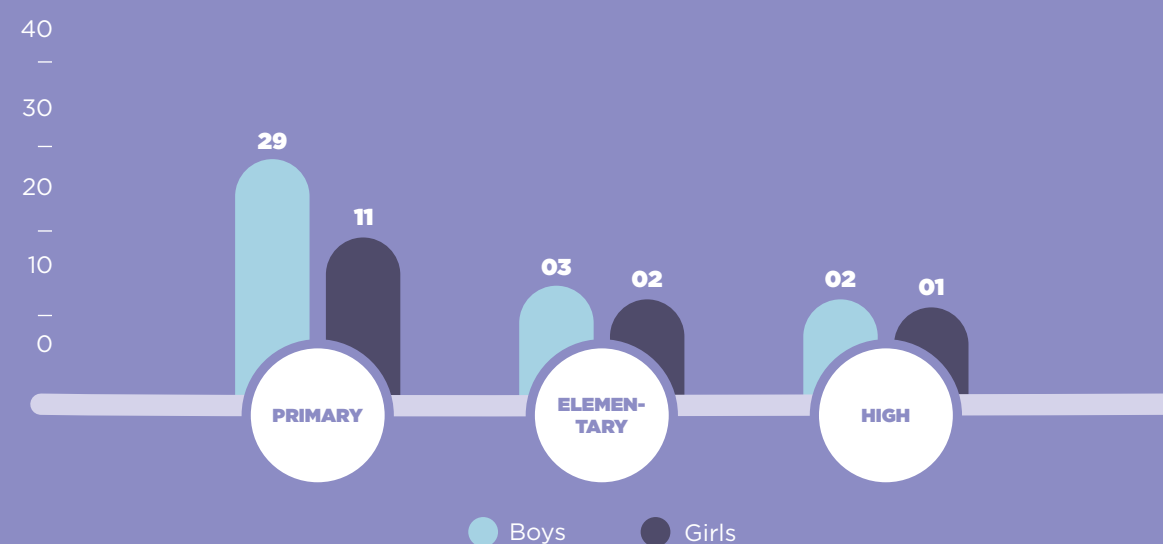
Number of Children enrolled in Primary Schools



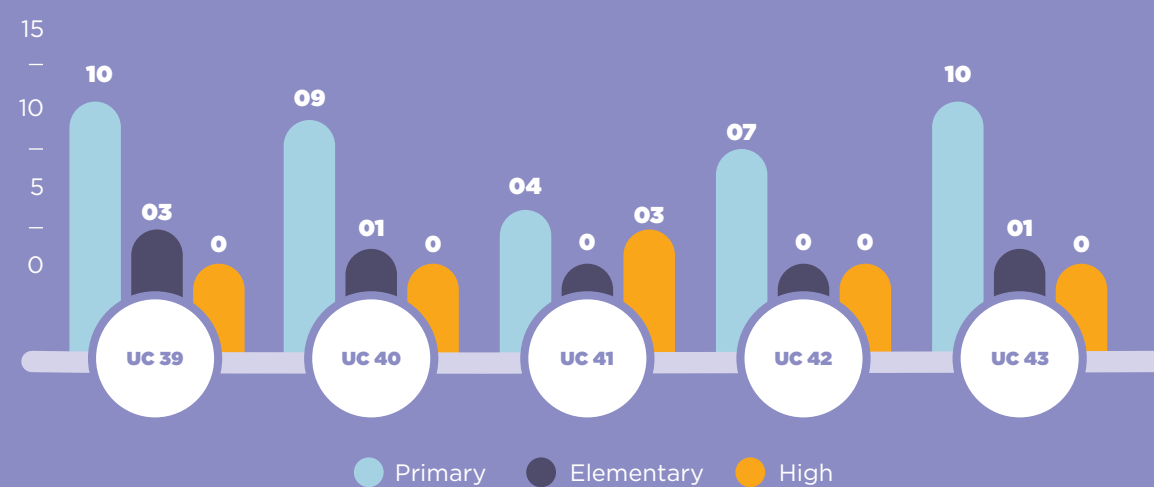
134

The situation even worsen in adjacent 5 union councils of Mandi Faizabad (a small town in district Nankana Sahib), and following graphs show the need for quality educational institutes especially for the girls in the area:

Number of Government Schools



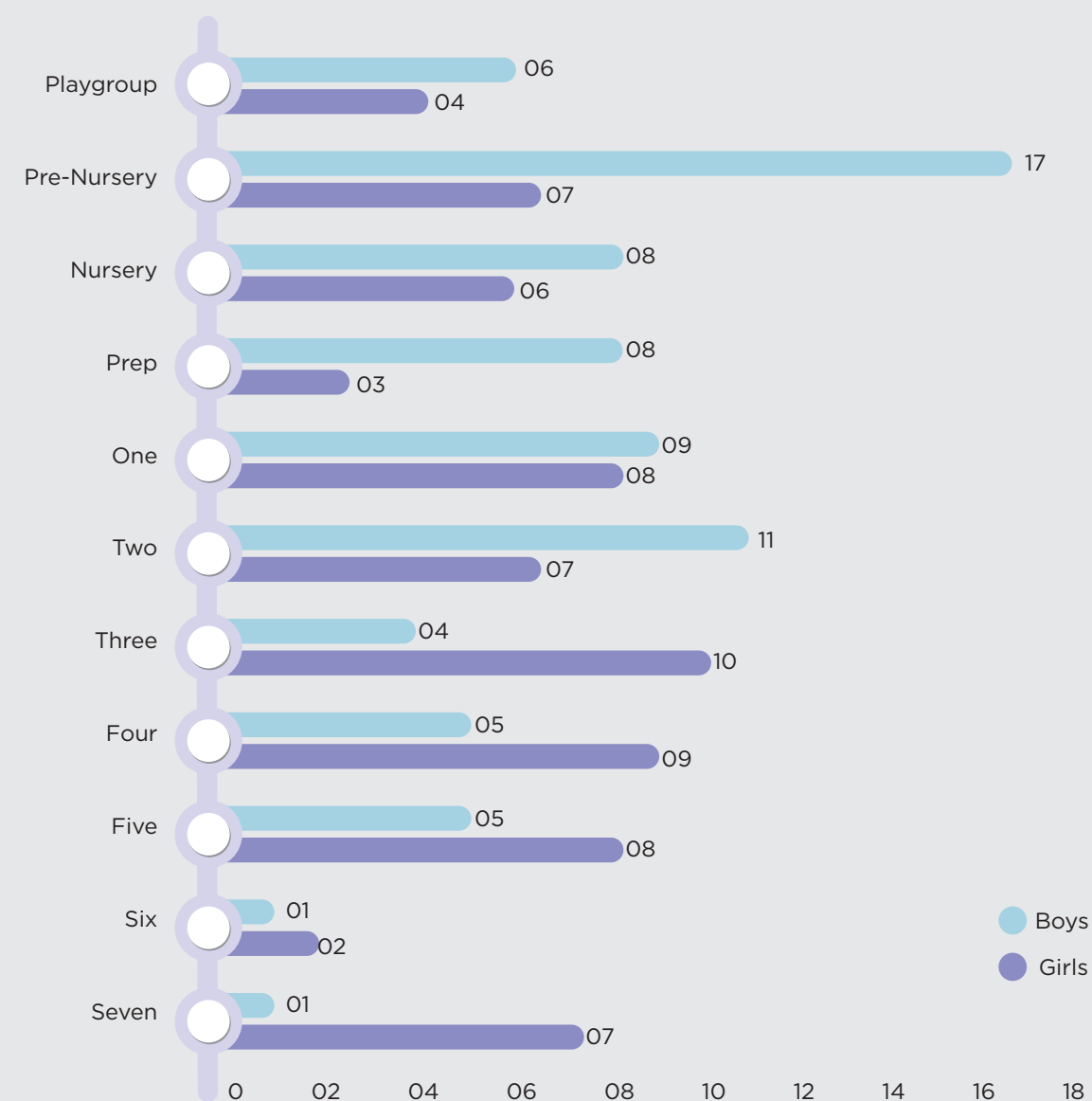
UC-wise Number of Schools



Due to the high demand and need for quality educational institutes and supporting the girls' education at primary level in area of Mandi Faizabad of district Nankana Sahib; Rural Community Development Society (RCDS) conceptualized the establishment of state of the art school to promote girls' education and to serve as knowledge management center for the area. RCDS donated 10 Kanal area land as organizational contribution and requested Embassy of Japan for infrastructural support to construct the building of school. Embassy of Japan appreciated this idea and generously supported funds for construction of primary school. RCDS envisioned the school to be upgraded to high/ higher secondary level in phases to serve the masses in the vicinity for continued education, enhancing learning skills and girls' empowerment.

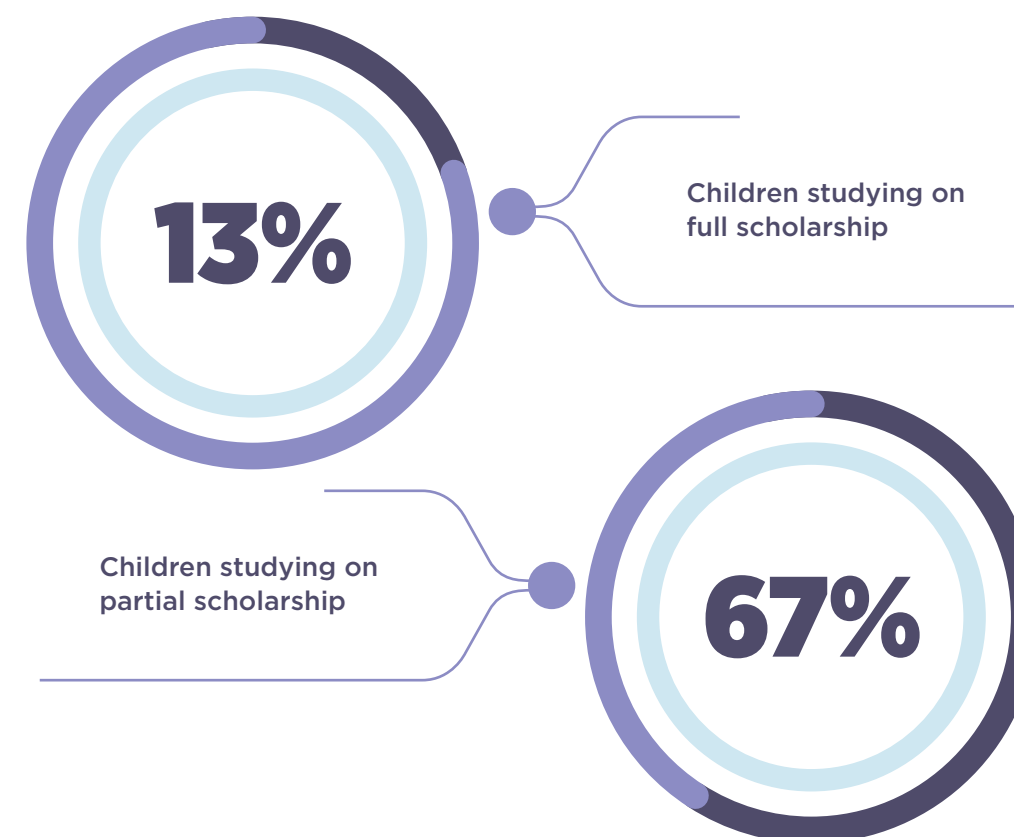
Rumi Grammar School has enrolled 146 students till June 30, 2021 and following is the class-wise and gender-wise breakup of the students:

School Enrollment



“We have learned to manage the events at school along with the quality education. Our school management is investing in improving the life skills of students other than the course work. School Environmental Club (students from different classes and two teachers as members) has been established at our school and during the previous year we organized events on the eve of Earth Day and World Environment Day with the theme of Restore Our Earth and Ecosystem Restoration respectively to sensitize the students about the global challenges we are facing

- Imaan Abubakar
Member School Environmental Club

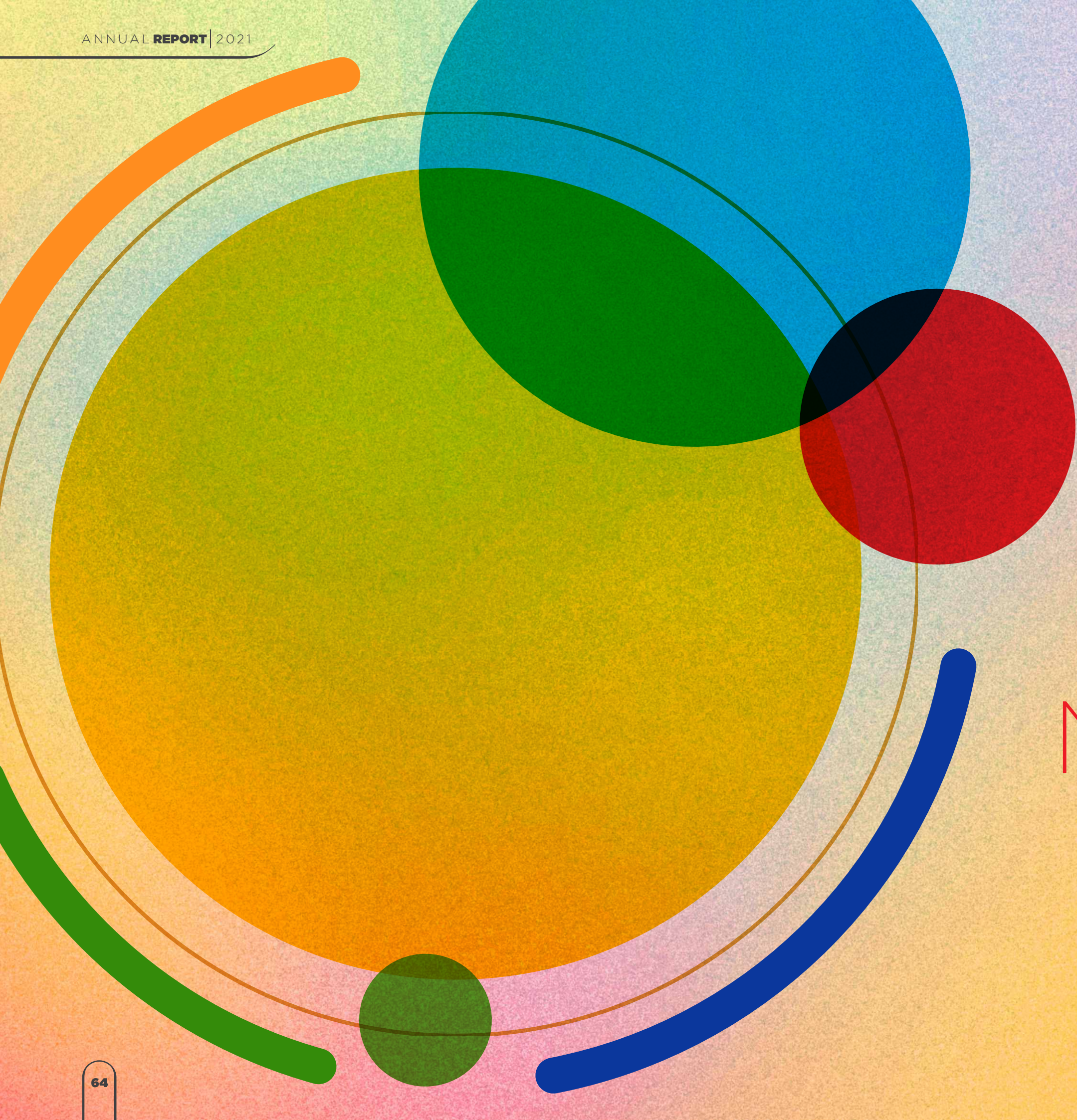


Up gradation of school is planned to facilitate the students to continue the education especially for girls after completing the primary education. The school has target to increase the enrollment up to 250-300 students in next 2 years to gain the financial self-sufficiency following the enrolment in elementary and secondary classes as well. The registration of school with Education Department, Government of the Punjab has been processed to ensure the regulation compliance.

Business development plan including the capacity development plan of teachers and marketing & advertisement strategy of Rumi Grammar School has been under progress. Emotional well-being and mental health has been emerged as key area to be considered due to the COVID-19 pandemic. Therefore, a comprehensive plan has been devised by management for both teachers and students. Different international and recreational days were also celebrated as extracurricular activities to engage the students for improved learning. School management celebrated following days and events during the year:

- Education Day
- Teacher's Day
- Environment Day
- Girl Child Day
- Different Color Days
- Birthday Celebrations

Parent-Teachers Meetings conducted regularly to interact with parents and to provide a platform to discuss the issues and their resolution. This activity also triangulated the information & feedback mechanism among the partners to enhance the level of quality education



NADEEM **WELFARE HOSPITAL** (Health Program)

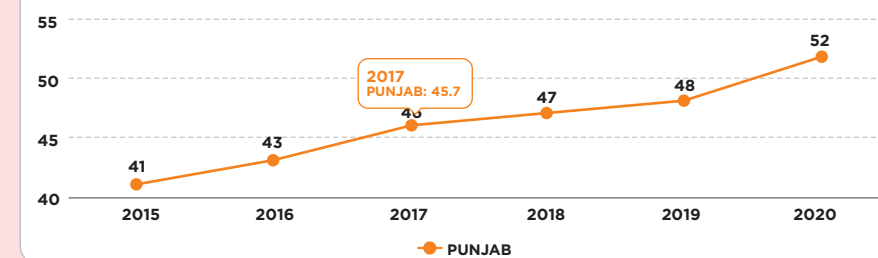


Health Program (Nadeem Welfare Hospital)

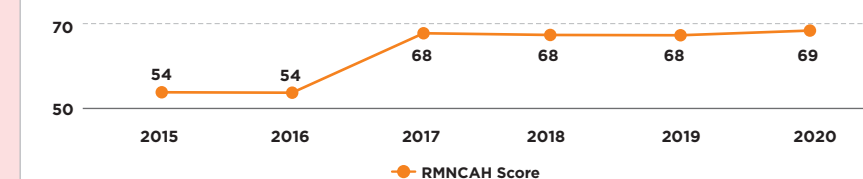
In Pakistan, the Health sector viewed as an integral part of the Government's poverty alleviation endeavours. An improvement in the overall health sector indicators of a country has important ramifications not just for the quality of life of the citizens, but for economic development generally. 2019 was a landmark year for scaling up the implementation of SDG 3 (Good Health and Well-being). Pakistan become the first country in the region to localize SDG 3 targets and indicators, while integrating these into the National Health Plan and provincial health strategies. With WHO's support, a National Strategic Framework for Action on Health in All Policies was developed. This framework has been aligned with SDG 3 and Essential Health Service and Universal Health Coverage Benefit Package.

Punjab has improved Universal Health Coverage Index over the past years from 40.7 in 2015 to 52.1 to 2020. Following graphs are showing the level of improvement against the indicators:

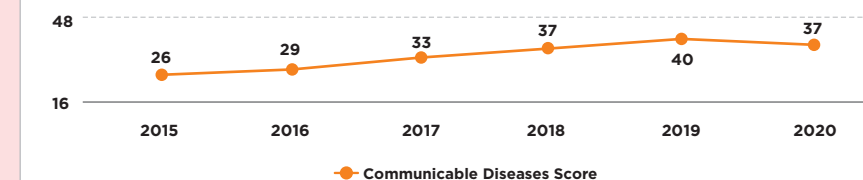
Yearly Trend - National/Pakistan



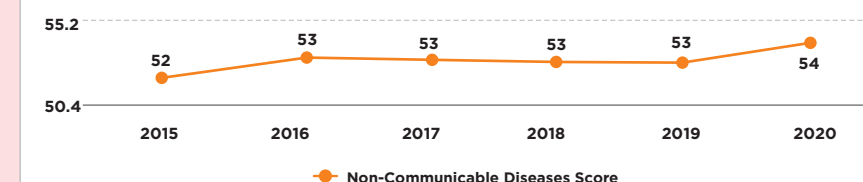
Reproductive, Maternal, New-born, Child and Adolescent Health and Nutrition



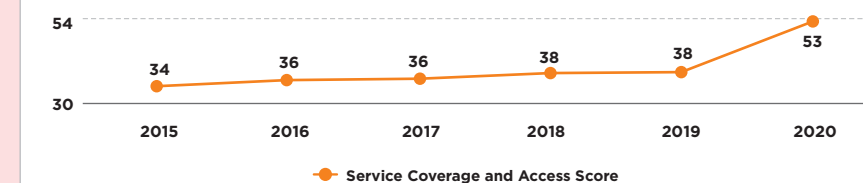
Communicable Diseases



Non-Communicable Diseases



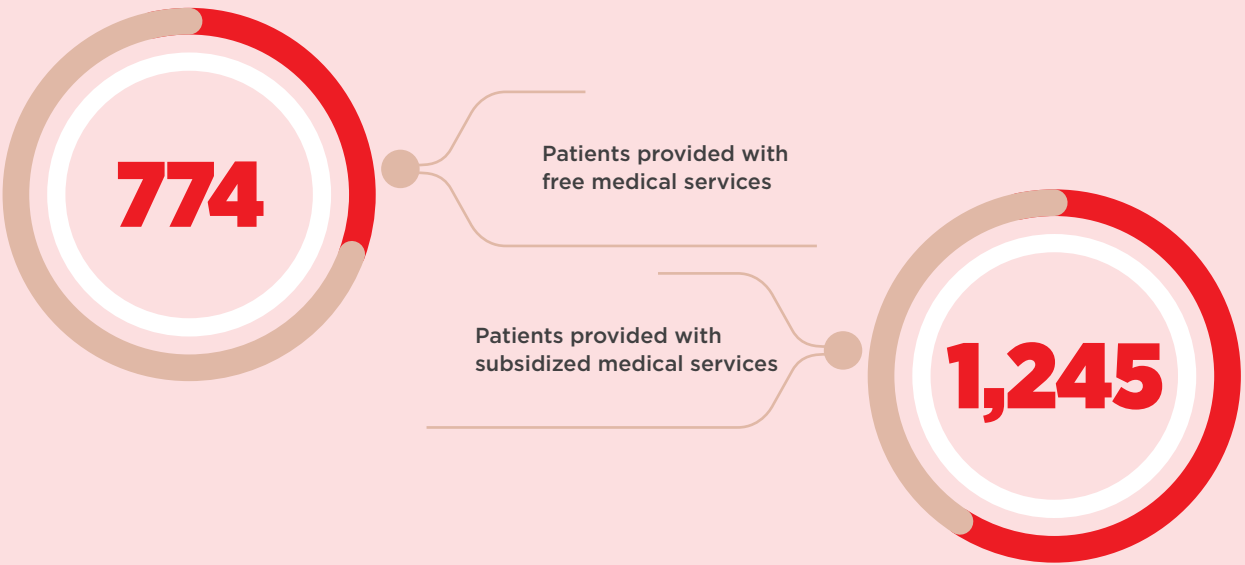
Service Coverage and Access



RCDS is contributing to the good health and well-being of the disadvantaged people through outdoor patient service, medical camps for outreach in communities and indoor primary healthcare services. All the medical services provided are free and subsidized according to the Poverty Score Card at Nadeem Welfare Hospital based at Mandi Faizabad, district Nankana Sahib.

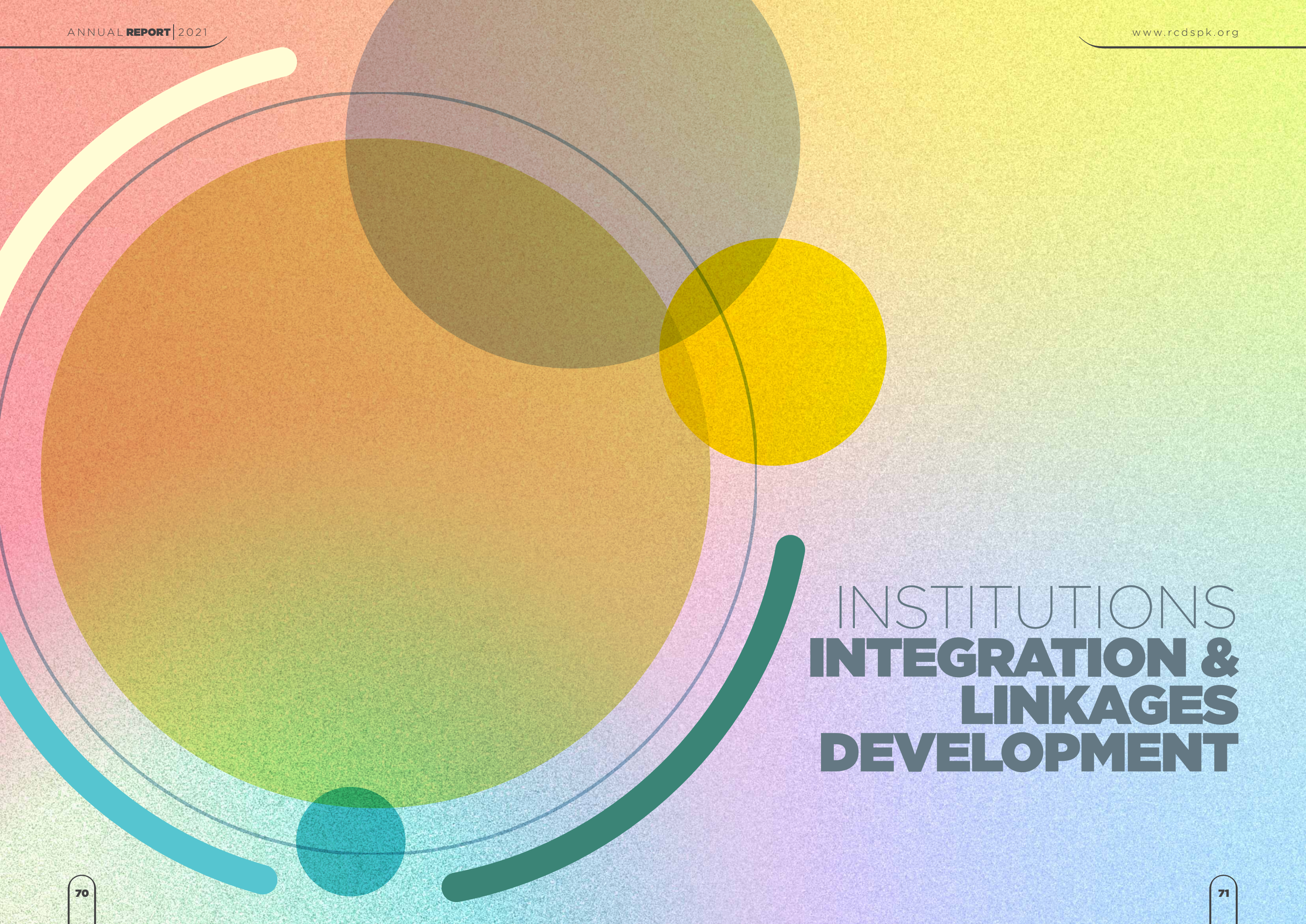
Number and type of patients got treatment at Nadeem Welfare Hospital during 2020-21

Month	General Patient	Gynae Patients	Ultrasound Patient	Lab	PCR Tests	C/Section	Normal Delivery	Free Patients	Total Patients
Jul 2020	415	90	75	38	-	2	8	50	678
Aug 2020	375	83	68	40	1	1	6	65	639
Sep 2020	400	65	50	35	5	4	5	60	624
Oct 2020	340	70	53	45	2	1	7	62	580
Nov 2020	278	75	55	44	3	3	2	70	530
Dec 2020	310	113	83	53	2	9	5	35	610
Jan 2021	274	94	74	58	4	3	2	55	564
Feb 2021	357	90	58	105	5	10	5	45	675
Mar 2021	304	155	88	107	8	5	5	80	752
Apr 2021	349	189	101	89	6	8	7	88	837
May 2021	398	178	129	111	7	9	6	92	930
Jun 2021	418	192	98	95	6	10	8	72	899
Total	4,218	1,394	932	820	49	65	66	774	8,318



The long term objective of RCDS is to construct a purpose built hospital to serve the people from adjoining areas for provision of improved healthcare services. Further the business model will be prepared and rolled out for making the hospital as a social enterprise.





INSTITUTIONS **INTEGRATION & LINKAGES DEVELOPMENT**



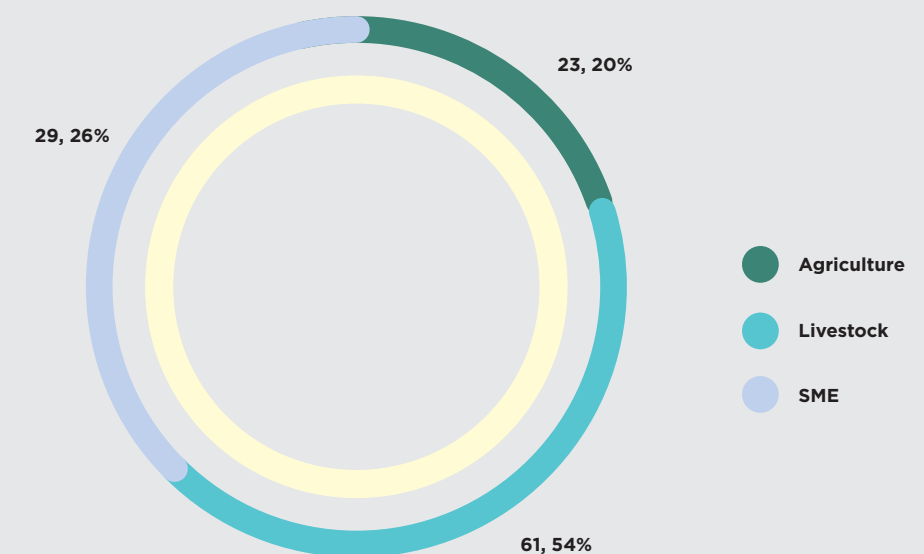
Community Livelihood Fund

Pakistan Poverty Alleviation Fund (PPAF) works with the objective to increase the institutional capacity of civil society organizations and thus implemented three-tier model of community organization and management at the grass root level with the engagement of partner organizations. RCDS followed the same social mobilization approach and formed Local Support Organizations (LSOs) in district Layyah. LSOs are volunteer organizations for community driven development; thus do not typically generate revenues and require funds for sustainability. Community Livelihood Fund (CLF) was one of the initiative to provide them a revolving fund to be managed at the local level for dual purpose; to generate revenue and hand on experience to manage the grants at institutional level. The other objective of CLF was to enable poor people to gain access to the financial services at their doorsteps with easy but community based systematic lending process.

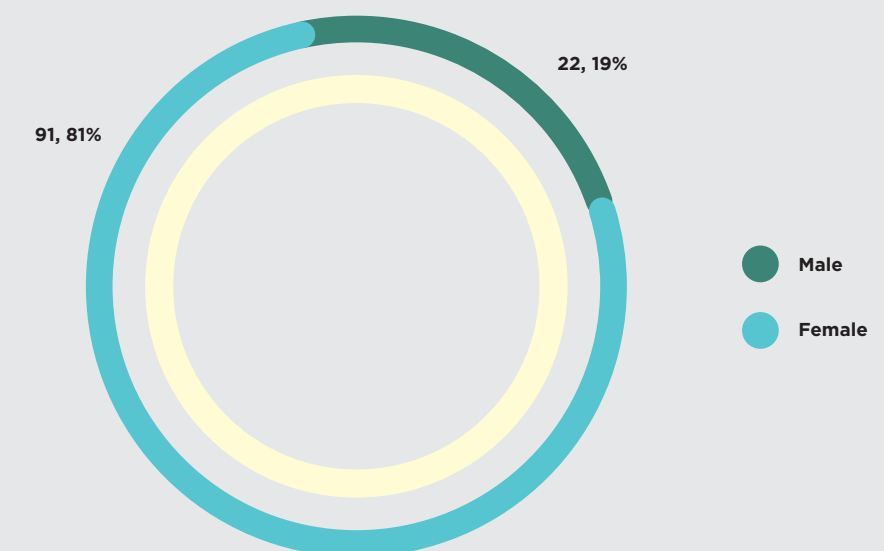
Thal Ittehad Development Organization (TIDO) is a registered Local Support Organization Societies Registration Act, 1860 and authorized to work at Tehsil level in Tehsil Chaubara of District Layyah. RCDS provided CLF amount of 1 million PKR to TIDO back in 2015 under Institutional Strengthening Program and provided them technical backstopping for managing and running the small scale lending project. TIDO is successfully managing the program with zero percent delinquency from last 5 year and has increased the revolving fund up to 2.3 million within this timespan.

Despite the difficult time due to COVID-19 pandemic, Loan Center of TIDO successfully managed the recoveries from the borrowers and provided the services to the targeted beneficiaries. In the last year, TIDO has disbursed 113 loans amounting 2,260,000 following the policy procedures. Further to this TIDO extended the support to Digital Hub for registering the beneficiaries for different social protection schemes of the Government.

Sector-wise Disbursement of Loans



Gender-wise Detail of Loans





Digital Hub

Digital Hub has been established in the rural settings as a social enterprise model and to provide the digital services to the people at their doorsteps. Digital hub was established under the innovation grants of Pakistan Poverty Alleviation Fund in Union Council Aulakh Thal Kalan of District Layyah.

The digital hub is a platform to earn for the Local Support Organization at the local level by providing services to the people. Further to this, livelihood opportunity was provided by a youth member of Thal Ittehad Development Organization (a registered local support organization under Societies Registration Act 1860 and registered with Punjab Charity Commission). Thal Ittehad Development Organization not only providing the services on charges to the local people but also linking the deserving people with different programs of Government of Punjab and Government of Pakistan.

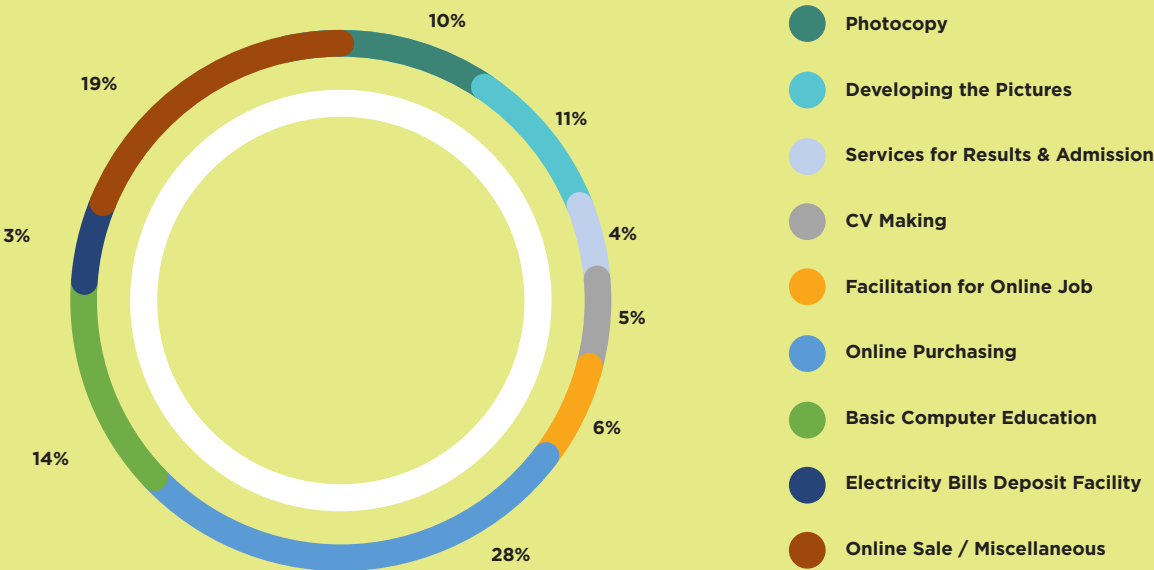
Details of charges based services provided during the reporting year

Description of Service	Male Beneficiaries	Female Beneficiaries	Total Beneficiaries	Income from Service
Photocopy	1,129	1,846	2,975	29,363
Developing the pictures	321	567	888	32,647
Services for result and admission	215	152	367	10,121
CV Making	141	84	225	15,750
Facilitation for online job	237	116	353	17,650
Online purchasing	74	43	117	84,825
Basic Computer Education	36	41	77	42,350
Electricity Bills Deposit Facility	216	304	520	9,360
Online sale/ Miscellaneous	47	21	68	56,780
Total	2,416	3,174	5,590	298,666

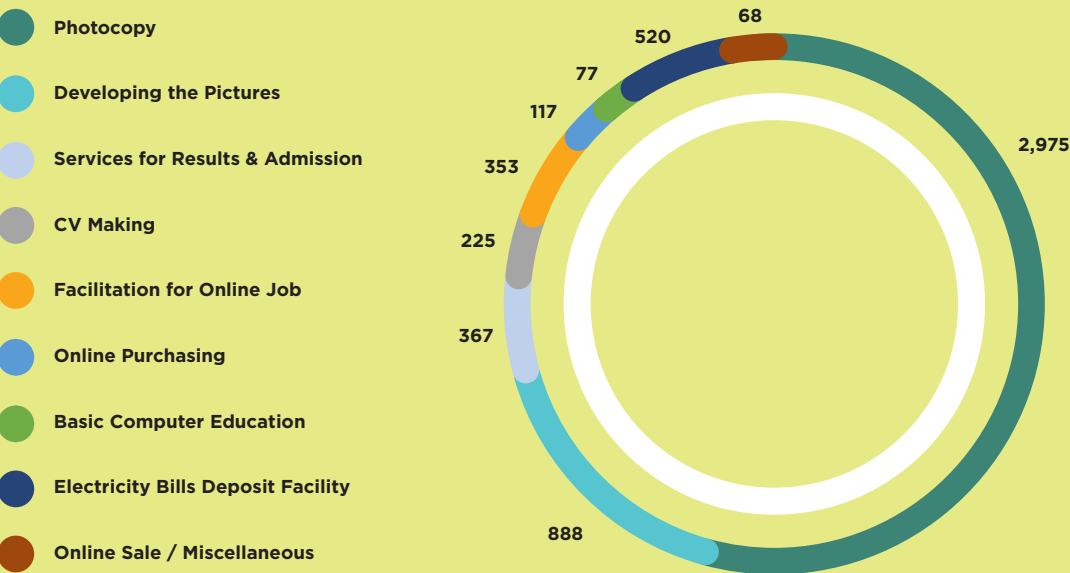
Besides this Digital hub also provided free of cost services to register the families especially the female headed families under Ehsaas Program of Government of Punjab during the COVID-19 pandemic and worked as a platform to provide the Cash Transfer to 237 newly registered families from 3 adjacent rural union councils of Tehsil Chaubara of district Layyah.



Details of Income Sources



Number of people provided facilities



MoU

among RCDS & CERP



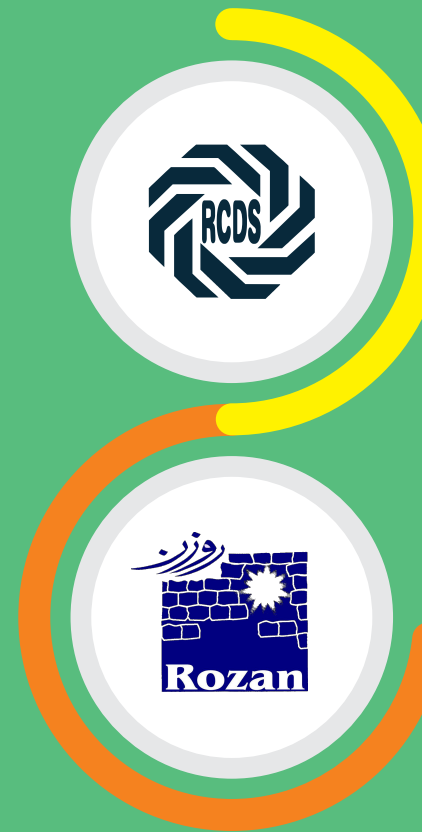
Rural Community Development Society (RCDS) and Center for Economic Research in Pakistan (CERP) signed Memorandum of Understanding for 2 years till November 2022 to work in collaboration as partners to achieve the following objectives:

- Promoting rural economic growth through initiatives utilizing existing low-cost ICT tools
- Innovating to achieve sustainable benefits for poor at scale to achieve lasting, systematic changes
- Connecting rural people to markets and services to help them grow and earn more
- Endeavoring to increase productivity and access markets in rural areas

In partnership with Precision Agriculture for Development (PAD), and with the support of International Fund for Agricultural Development (IFAD), CERP and RCDS are providing the knowledge dissemination and advisory services to 5,500 trained women under Women Training in Livestock Management Program regarding livestock management and to 6,750 members of Farmer Enterprise Groups on climate smart agricultural practices, improved practices for water productivity, weather patterns, multiple cropping, use of certified seed and value chain development to transform rural economy in Pakistan. All the advisory services are free of cost and these services are being extended to progressive farmers and trained women across 8 districts of Punjab province.

MoU

among RCDS & Rozan



Rural Community Development Society (RCDS) and Rozan signed Memorandum of Understanding for 2 years till November 2022 to work in collaboration as partners with desire to strengthen relations by promoting cooperation and collaboration between both, having common interest pertaining to expanding the outreach services of psychosocial counselling through dedicated helpline established by Rozan. Further technical resources, capacity, skills and knowledge of parties will be enhanced and strengthened for serving the communities, creating improved understanding on Gender Based Violence and Child Protection support mechanisms of adolescents and caregivers for better care and life.

Under the partnership, 50 awareness raising sessions conducted at the community level on "promotion and protection of fundamental rights of youth especially women for enabling environment to mental health and psychosocial support services" in district Layyah, Bhakkar, Chinot, Jhang, Toba Tek Singh, Nankana Sahib, Sheikhpura and Hafizabad. The free of cost counselling services available through the dedicated helpline by Rozan were shared among the 1,130 participants.



NETWORKS & **PARTNERSHIP**

PARTNERSHIP

NETWORK/ ALLIANCES/FORUMS





CASE STUDIES/ **SUCCESS STORIES**



ASIF HUSSAIN

"We were used to dealing with disasters on our own, which was not very helpful", recalls Asif Hussain. He was one of the first teachers trained by RCDS with the collaboration of Rescue 1122 and District Disaster Management Authority under disaster risk reduction initiatives. Implemented with the Punjab Education Foundation, the project strengthened preparedness across schools and communities in district Layyah, Punjab.

"The information and new techniques shared were very useful. It was particularly interesting to learn that sometimes a timely action is enough to prevent a bigger loss", Asif says. "We have become more aware of

the surroundings following this exercise", Asif explains. For instance, community members came together to fix electrical wires hanging in the local school. His acquired knowledge turned out to be a blessing at home as well. "After attending the training, I trained my daughter how to perform first aid", he says. "A few months ago, my 67 years old father, Hussain, had a severe heart attack. The nearest healthcare facility is 12km away from our village. My daughter kept the nerves strong and assisted my wife to take my father to the hospital without wasting time". In this way we were able to save the life of my father, who is now recovering speedily.

AMNA BIBI

The household income was stopped due to the COVID-19 pandemic. We were not able to meet the financial needs of our house, says "Amna Bibi from the village of Thabal in Nankana Sahib, Punjab. She is one of the women headed household, for whom Ration Package was distributed by RCDS through its own resources under Social Services and Safety Net Program. "I am a widow and heading my household consisting of 7 members, 5 are women and girls. It was a very difficult time and the team of RCDS has provided us with food and hygiene items that last for 2 months".

"The work done by RCDS team is need of the hour and they engaged our village organization during the assessment and enrollment of beneficiaries for the program for making it participatory and need based", said Haji Amjad Ali, President of Roshni Village Development Organization. "He further shared that RCDS has been working in our area since 2002 for the social and economic development of the people".



JAMSHED NAWAZ

"Due to poor health, I had to quit my job. My unemployment worsened the financial situation of my family. It was then when I thought of doing business. I decided to give it a chance and that chance changed my entire life", explains 53-year-old Jamshed. For 25 years, he worked in a private company and spends his golden years for providing the services. In 2017, he turned the guest room of his house into a grocery shop in the village of Chak 309/TDA in district Layyah, Punjab.

"Initially the income from the shop was very low, I just had enough to bear the minimal kitchen expenses and pay my children's school fees" Jamshed recalls. Access to finance was a major hurdle. It might have been insurmountable without the Community Livelihood Fund Program of RCDS. Through

this program, RCDS has provided capital amount as revolving fund for community based microfinance program to Thal Ittehad Development Organization. I was able to get the loan under this program and business development training was also provided along with the loan by organization to polish my business skills.

"Now after three years, I am able to earn PKR 20,000 to 25,000 per month" Jamshed reports. "With this loan, I expanded my shop and stocked it with new items including high demand grocery items and purchased a refrigerator for cold drinks and juices", he explains. "I am looking forward to expand my small business that will ultimately sustain my livelihood", Jamshed aspired.



Lessons Learnt

The lessons learned from this year are compiled from the various projects we have engaged in 2020-21. These were gathered from both realized and unrealized risks in the process of the projects' implementation. RCDS believes and values the effectiveness of programs, partnerships with communities, accountability to stakeholders and reflects on the lessons learned each year to use as references for existing and future programs/projects:

Institutional Strengthening

RCDS always believes and worked for the institutional strengthening of the organizations as well as local community institutions. This is one of the core areas of expertise and mandate of the organization to mobilize, organize and build the capacity of community institutions. The strategy of the organization elaborates the empowerment of community institutions and leverage them through integrated programming along with the linkages development with Government departments for improved service delivery and effective governance. Likewise, organizational strategic focus has been reviewed and programmatic areas along with the diversification has been planned for sustainable development

Localization

Humanitarian action(s) should be led by local actors as they hold specific capacities such as knowledge of local context, existing resources and

institutional framework at communities which carry the potential to enhance the effectiveness of humanitarian responses. Local organizations which adhere to humanitarian principles and have the required capacities not only save lives but can sustain the recovery and risk reduction efforts longer. RCDS defines localization as a structured process where local organizations have a stronger role and greater leadership across the project management cycle in humanitarian assistance.

The equitable partnerships between local and international humanitarian organizations are essential to enhance the effectiveness and timeliness of humanitarian response and actions, address power imbalances in the humanitarian system and promote sustainability.

Therefore, RCDS has strategically focusing shifting the power and minds through collective working towards a stronger position for local actors in disaster risk reduction and humanitarian assistance

Collaboration

Through horizontal and vertical collaboration(s) with Government departments, donors, partners and community institutions ensured that the services provided through programs last for long and ensures the sustainability of interventions. RCDS collaborated with different organizations at provincial and district level for leveraging the local community institutions especially related to social protection, agriculture, health and local systems.

Likewise collaborations processed with different national and international networks, alliances and forums for networking, learning from best practices and knowledge management



NEXT YEAR PLAN



Institutional Development & Governance

- Support to Thal Ittehad Development Organization for Institutional Strengthening on continuing Socio-Economic Development Initiatives in Tehsil Chaubara, District Layyah
- Women CNIC/Voter registration to reduce the gender gap and awareness raising campaigning for increased women political participation in Local Government Elections 2022



Skills Development and Livelihoods

- Increased capacity building of 1,000 women on home-based livestock management through skills based trainings
- Support to TIDO Loan Center for provision of 125 livelihood loans under Agriculture, Livestock and Small Enterprise sector through effective management of Community Livelihood Fund

Social Services and Safety

- Provision of basic healthcare and maternity services to 15,000 non-affording persons through Nadeem Welfare Hospital
- Provision of quality education, mental health and psycho-social support services to 200 children (including girls) through Rumi Grammar School



Water, Sanitation and Hygiene

- Provision of clean drinking water to 5,000 individuals through operationalization of non-functional water facilities in Lahore division
- Implementation of low cost integrated project model for improved WASH services including provision of clean drinking water, improved sanitation and hygiene practices among the people in communities and students in schools



Agriculture, Food and Nutrition Security

- Provision of food packs to 500 vulnerable and non-affording households for ensuring the improved food security among the targeted households
- Provision of knowledge dissemination and advisory services on livestock and agriculture to 12,250 households across 8 districts in Punjab



Disaster Risk Reduction and Climate Change Adaptation

- Implementation of regular activities for capacity strengthening, utilization of HOIFA funds for innovative project under ToGETHER Programme
- Plantation drive for planting 10,000 saplings of fruit trees to support Clean Green Pakistan Program in 3 districts of Punjab

AUDIT **REPORT**



**RAFAQAT MANSHA
MOHSIN DOSSANI
MASOOM & CO.**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Management Committee
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **RURAL COMMUNITY DEVELOPMENT SOCIETY** ("the Society"), which comprise the statement of financial position as at June 30, 2021 and the statement of income and expenditure, the statement of changes in fund 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 presents fairly in all material respects, the statement of financial position of Society as at June 30, 2021, and of its Deficit, changes in funds and cash flows for the year then ended in accordance with approved accounting and reporting 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 Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

The board of directors 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 of directors 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, the board of directors are 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.

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**RAFAQAT MANSHA
MOHSIN DOSSANI
MASOOM & CO.**
Chartered Accountants

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

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A member firm of



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MOHSIN DOSSANI
MASOOM & CO.**
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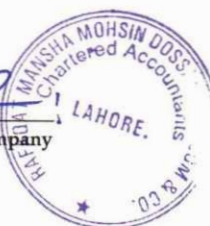
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The Engagement Partner: Mohsin Nadeem, FCA

Lahore
Date: September 30, 2021

Rafaqat Mansha Mohsin Dossani Masoom & Co.
Rafaqat Mansha Mohsin Dossani Masoom & Company
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3/2

**RURAL COMMUNITY DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
FUNDS AND LIABILITIES			
General Funds		122,423,355	142,188,444
		<u>122,423,355</u>	<u>142,188,444</u>
NON CURRENT LIABILITIES			
Deffered Income	4	3,191,439	3,500,311
CURRENT LIABILITIES			
Trade and other payables	5	3,898,482	12,377,271
		<u>129,513,276</u>	<u>158,066,026</u>
ASSETS			
Property, plant and equipment	6	60,553,508	76,671,346
Capital work in progress		3,286,545	-
Long Term Investment	7	22,378	22,378
CURRENT ASSETS			
Advances, prepayments and other receivab	8	6,149,980	6,302,910
Grant Receivable	9	12,865,928	17,211,913
Current Portion of Long Term Investment	10	-	30,000,000
Advance income tax		24,523,390	24,018,549
Cash and bank balances	11	22,111,548	3,838,930
		<u>129,513,276</u>	<u>158,066,026</u>

The annexed notes (1-20) form an integral part of these financial statements.

[Signature]
CHAIRMAN

[Signature]
MANAGING DIRECTOR

RURAL COMMUNITY DEVELOPMENT SOCIETY
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Revenue			
Profit on bank deposits		660,017	427,106
Other Income	12	8,889,289	6,203,564
Deferred grants amortized	13	18,216,872	57,866,779
		<u>27,766,178</u>	<u>64,497,449</u>
 Operating expenses	14	47,531,267	84,648,954
 Net (deficit) / Surplus for the year		<u>(19,765,089)</u>	<u>(20,151,506)</u>

RMDM

The annexed notes (1-20) form an integral part of these financial statements.


CHAIRMAN


MANAGING DIRECTOR

RURAL COMMUNITY DEVELOPMENT SOCIETY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Funds	Total Funds
	Rupees	Rupees
Total as at June 30, 2019	<u>162,339,950</u>	<u>162,339,950</u>
Net Surplus for the year ended	(20,151,506)	(20,151,506)
Total as at June 30, 2020	<u>142,188,444</u>	<u>142,188,444</u>
Net Deficit for the year ended	(19,765,089)	(19,765,089)
Total as at June 30, 2021	<u>122,423,355</u>	<u>122,423,355</u>

RMDM

The annexed notes (1-20) form an integral part of these financial statements.


CHAIRMAN


MANAGING DIRECTOR

**RURAL COMMUNITY DEVELOPMENT SOCIETY
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 2021**

	2021 Rupees	2020 Rupees
CASH GENERATED FROM OPERATIONS		
Excess / (Shortfall) of income over expenditure	(19,765,089)	(20,151,506)
Surplus from discontinued operations		
Adjustment for non cash items and other charges		
Depreciation on property, plant and equipment	3,492,835	4,377,122
Deferred Income Ammortize	(18,216,872)	(57,866,779)
Gain on sale of fixed assets	-	-
	(14,724,037)	(53,489,657)
Net cash flows before working capital changes	(34,489,126)	(73,641,163)
Profit before working capital changes	(34,489,126)	(73,641,163)
Working capital changes		
Increase / (decrease) in current liabilities		
Trade and other payables	(8,478,789)	8,921,178
Decrease in finance cost payable		
Advances, prepayments and other receivables	3,994,074	1,004,695
	(4,484,715)	9,925,873
Net cash (used in) operating activities	(38,973,842)	(63,715,290)
Cash flow from investing activities		
Additions in fixed assets	(134,031)	(10,025,943)
Sale proceed of fixed assets	12,759,035	903,453
Capital work in progress	(3,286,545)	-
Long term loan extended to RCDP	30,000,000	35,000,000
Sale proceeds through transfer of assets to RCDP		
Net cash generated from investing activities	39,338,459	25,877,510
Cash flow from financing activities		
Deferred income	17,908,000	39,857,017
Net cash generated from financing activities	17,908,000	39,857,017
Net increase in cash and cash equivalents	18,272,617	2,019,238
Cash and cash equivalents at the beginning of the year	3,838,930	1,819,691
Cash and cash equivalents at the end of the year	22,111,548	3,838,929

The annexed notes (1-20) form an integral part of these financial statements.


CHAIRMAN


MANAGING DIRECTOR

**RURAL COMMUNITY DEVELOPMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. LEGAL STATUS AND NATURE OF BUSINESS

RURAL COMMUNITY DEVELOPMENT SOCIETY was registered under the Societies Registration Act, 1860. It is a non-religious, non political and non-governmental organization working for the empowerment and capacity building of the youth by promoting peace, tolerance, mutual understanding and non-violence amongst nations and religious. The registered office of the Trust is situated at D-4, Phase 2, Al-Rehman Garden, Sharaqpur Sharif Road, Lahore, Pakistan.

2. 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).
- Provisions of and directives issued under ICAP.

Where provisions of and directives issued under ICAP differ from the *IFRS for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.

3.2 Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with the Financial reporting guidelines for NGOs/ NPOs engaged in microfinance issued by the Institute Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provisions for doubtful receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amount of assets and liabilities in the next year.

3.3 Revenue

Revenue is recognized to the extent that the economic benefits will flow to the entity and revenue can be reliably measured. Revenue from different sources is recognized on the following basis:

3.4 Borrowings

Loans and borrowings are recorded on the cash basis. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Financial charges are accounted for on accrual basis and are included in current liabilities to the extent of amount remaining unpaid, if any.

The income of the organization is exempt from the levy of tax under clause (c) of sub-section 36 of section 2 of the

Income Tax Ordinance, 2001. Accordingly, no provisions for taxation has been made in the financial statements.

3.6 Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequently, property, plant and equipment are stated at cost less accumulated depreciation and any identifiable impairment loss. Subsequent costs are included in the asset's carrying amount or recognized as a separate cost, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organization and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income statement during the year in which they are incurred.

Depreciation is charged to the Income and Expenditure account on reducing balance method by applying the depreciation rates as disclosed in **Note 6** so as to write off the depreciable amount of assets over their estimated useful lives. Depreciation on additions is charged from the month the asset is available for use, while no depreciation is charged in the month in which the asset is disposed off.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of assets (calculated as the difference between the net disposal proceed and carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

The assets' residual values and estimated useful lives are reviewed at least at each balance sheet date and impact on depreciation is adjusted, if significant.

3.7 Recognition of grants

Grants received for capital expenditure are presented in the balance sheet as "Deferred Income" that is recognized as

income in line with depreciation charged on respective assets over the useful life of the assets.

Grants received for revenue expenditure are recognized as grant income as per terms of agreement with donors.

3.8 Trade and other payables

Trade and other payables are stated at cost which is the fair value of consideration to be paid in the future for goods and services.

3.9 Advances, prepayments and other receivables

These are stated at their nominal values net of any allowance for uncollectable amounts. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

3.10 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For purpose of cash flow statement, cash and cash equivalents include cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

3.11 Provisions

Provisions are recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflected the current best estimate.

3.12 Use of Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are below:

- Operating fixed assets - Tangible and intangible
- Micro credit loan portfolio
- Advances, prepayments and other receivables
- Creditors, accrued and other liabilities

4. DEFERRED INCOME

	2021 RUPEES	2020 RUPEES
Opening Balance	3,500,311	4,298,160
Add: Cash received from donors	17,908,000	39,857,017
Less: Amortization of grants	(18,216,872)	(57,866,779)
Add: Grant Receivable	12,865,928	17,211,913
	<u>3,191,439</u>	<u>3,500,311</u>

5. TRADE AND OTHER PAYABLES

Withholding tax payable	244,100	8,727
Staff payables	118,058	1,863,587
Staff saving fund	1,804,483	-
Accrued expenses	550,000	8,728,467
Payable to RCDP	949,839	1,345,696
Others	232,002	310,794
	<u>3,898,482</u>	<u>12,257,271</u>

7. LONG TERM INVESTMENT

	2021 RUPEES	2020 RUPEES
Loan to RCDP-related party	-	30,000,000
Less: current Portion of Loan to RCDP	-	(30,000,000)
	<u>-</u>	<u>-</u>
Investment in EFU saving plans	22,378	22,378

8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Advance to staff against salaries	213,000	215,000
Advance to staff against expenses	200,000	-
Advance against the purchase of Agri Machinery	2,000,000	2,000,000
Unadjustable advance	257,000	257,000
Security to Statelife against health card program	1,835,231	2,432,277
Receivable from Rural Community Development Programmes	1,064,266	1,104,196
Receivable against School fees & Books collection	313,416	-
Receivable From Sanda Printing Press	27,610	-
Receivable From Al Khair Motors	28,800	-
Receivable From PSDF	12,760	-
Other Receivables	197,897	294,437
	<u>6,149,980</u>	<u>6,302,910</u>

9. GRANT RECEIVABLE

PSDF	6,096,350	11,282,994
Statelife	5,478,595	5,928,919
WHH	1,290,983	-
	<u>12,865,928</u>	<u>17,211,913</u>

10. CURRENT PORTION OF LONG TERM INVESTMENT

Current Portion of Loan Term Investment	-	30,000,000
	<u>-</u>	<u>30,000,000</u>

11. CASH AND BANK BALANCES

Cash in hand	12,833	158,766
Cash at bank		
-Current account	220,609	231,247
-Saving Account	21,878,106	3,448,917
	<u>22,111,548</u>	<u>3,838,930</u>

12. OPERATING INCOME

Profit on sale of vehicle	1,387,828	-
Rental Income	6,126,840	5,963,130
School Fee income	1,374,621	240,410
Exchange Gain	-	-
Other Income	-	24
	<u>8,889,289</u>	<u>6,203,564</u>

RMDM

13. DEFERRED GRANTS AMORTIZED

Less: Amortization of grants	4	18,216,872	57,866,779
		<u>18,216,872</u>	<u>57,866,779</u>

14. OPERATING EXPENSES

Managing director's salary and benefits		2,790,000	2,814,960
Salaries and other benefits		17,619,545	33,487,066
Project and Allied Expenses		60,000	623,857
Training Expenses		17,020	3,097,176
Office Rent		4,993,872	14,332,874
Printing and stationary		8,575,290	15,253,523
Petrol and Maintenance		1,481,343	1,791,107
Utilities		314,945	87,579
Communication and Courier		392,230	1,104,051
Depreciation	6	3,492,835	4,377,122
Office Supplies		1,012,931	4,230,232
Audit Fee		216,250	120,000
Travelling Expenses		138,300	65,730
Registration Expenses		120,554	43,448
Bank Charges		90,803	374,942
Consultancy		4,903,911	1,891,200
Donation		599,975	10,000
Loss on sale of assets		706,863	839,864
Others		4,600	104,223
		<u>47,531,267</u>	<u>84,648,954</u>

RMDM

15. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

15.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the full time working directors and executives/managing director (appointed by the directors) of the Company is as follows:

	2021		
	Chairman	Chief Executive	Managing Director (Employee)
Managerial remuneration	-	-	2,408,727
Allowances and other benefits	-	-	381,273
	-	-	2,790,000
Number of persons	-	-	1
	2020		
	Chairman	Chief Executive	Managing Director (Employee)
Managerial remuneration	-	-	2,428,800.00
Allowances and other benefits	-	-	386,160.00
	-	-	2,814,960.00
Number of persons	-	-	1

16. NUMBER OF EMPLOYEES

The number of employees of the company including permanent and contractual as of June 30, 2021, were 21 (2020: 38).

17. RELATED PARTY TRANSACTIONS

The related parties comprise subsidiaries, associated under takings, post employment benefit plans, other related companies, and key management personnel. The company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under receivables and payable respectively. Other significant transactions with related parties are as follows:-

Name of related party	Nature of transaction	2021	2020
		-----RUPEES-----	-----RUPEES-----
Rural Community Development Programmes	Loan Outstanding	-	30,000,000
	Rental Income Recd	6,126,840	5,963,130

18. DATE OF AUTHORIZATION FOR ISSUE

These Financial Statements have been authorised for issue by Board of Trustees' on September 29, 2021

19. EVENTS AFTER THE BALANCE SHEET DATE

There are no reportable subsequent events occurring after the balance sheet date.

20. GENERAL

- Corresponding figures have been reclassified wherever necessary for the purpose of better comparison, however no material reclassification has been done. *RMDM*
- Figures in these financial statements have been rounded off to the nearest rupee.

CHAIRMAN

MANAGING DIRECTOR

5. RURAL COMMUNITY DEVELOPMENT SOCIETY
Operating fixed assets

P A R T I C U L A R S	C O S T			Rate %	D E P R E C I A T I O N			Written down value as at 30.06.2021
	As at 01.07.2020	Addition	Disposal		As at 01.07.2020	For the period	Disposal	
	A	B	C	F	G	M	H	(E-N=O)
Land - freehold	26,837,919	-	-	-	-	-	-	26,837,919
Buildings on freehold land	28,854,566	-	(5,652,172)	5	2,807,493	1,019,745	-	19,375,156
Furniture and fixture	5,281,500	-	(248,783)	10	363,116	473,702	(67,420)	4,263,319
Vehicles	17,556,930	-	-	20	10,902,940	1,330,798	-	5,323,192
Office Equipments	919,664	134,031	-	30	442,877	179,895	-	430,923
Agri Equipments	16,048,783	-	(9,500,000)	-	4,349,220	477,406	(2,574,500)	4,296,657
Health equipments	2,239,000	-	-	30	2,201,369	11,289	-	26,341
	97,738,362	134,031	(15,400,955)		21,067,015	3,492,835	(2,641,920)	60,553,508
Rupees 2021								

P A R T I C U L A R S	C O S T			Rate %	D E P R E C I A T I O N			Written down value as at 30.06.2020
	As at 01.07.2019	Addition	Disposal		As at 01.07.2019	For the period	Disposal	
	A	B	C	F	G	M	H	(E-N=O)
Land - freehold	26,837,919	-	-	-	-	-	-	26,837,919
Buildings on freehold land	10,643,411	18,211,155	-	5	1,819,682	987,811	-	26,047,073
Furniture and fixture	1,312,327	4,704,471	(735,298)	10	504,369	291,696	(432,949)	4,918,384
Other Equipments	278,975	-	(278,975)	10	159,978	-	(159,978)	-
Vehicles	17,957,929	-	(400,999)	20	9,574,540	1,663,497	(335,097)	6,653,990
Office Equipments	2,241,652	466,723	(1,788,711)	30	1,945,296	118,039	(1,620,458)	476,787
Agri Equipments	16,048,783	-	(540,600)	-	3,049,268	1,299,951	-	11,699,563
Health equipments	2,779,600	-	(232,900)	30	2,541,385	16,128	(356,143)	37,631
Water testing equipments	232,900	-	(232,900)	10	169,405	-	(169,405)	-
Rupees 2020	78,333,496	23,382,349	(3,977,483)		19,763,923	4,377,122	(3,074,030)	76,671,346