

*SOCIAL POLICY AND DEVELOPMENT CENTRE
FINANCIAL STATEMENTS*

FOR THE YEAR ENDED JUNE 30, 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOCIAL POLICY AND DEVELOPMENT CENTRE
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

OPINION

We have audited the annexed financial statements of 'Social Policy and Development Centre' (the 'Company'), which comprise the statement of financial position as at **June 30, 2025**, and the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in fund and the statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the annexed financial statements present fairly, in all material respects, the financial position of **Social Policy and Development Centre** as at **30 June 2025**, and its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report but does not include the financial statements of the Company and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



A member of

mgiworldwide

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statement of financial position, the income and expenditure statement, the statement of other comprehensive income, the statement of changes in fund 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;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- In our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The Engagement Partner on the audit resulting in this independent auditor's report is Hina Usmani.

ILYAS SAEED & CO.
CHARTERED ACCOUNTANTS

KARACHI

UDIN: AR202510505OXHdISoij

DATE: 24 SEP 2025

SOCIAL POLICY AND DEVELOPMENT CENTRE

STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	<i>Notes</i>	2025 <i>Rupees</i>	2024 <i>Rupees</i>
ASSETS			
Non-Current Assets			
Property and equipment	4	3,971,446	5,003,082
Long-term deposits -unsecured		135,000	185,000
		4,106,446	5,188,082
Current Assets			
Advances, deposits and prepayments	5	263,291	303,850
Accrued income and other receivables	6	33,958,299	43,111,448
Short-term investments	7	57,380,000	52,400,000
Cash and bank balances	8	13,792,891	6,159,341
		105,394,481	101,974,639
TOTAL ASSETS		109,500,927	107,162,721
FUNDS AND LIABILITIES			
FUND			
Accumulated fund		81,364,883	78,884,406
LIABILITIES			
Non-Current Liabilities			
Deferred capital grant	9	578,769	-
Current Liabilities			
Deferred income	10	285,833	-
Creditors, accrued and other liabilities	11	27,271,442	28,278,315
		27,557,275	28,278,315
Contingencies and Commitments	12		
TOTAL FUNDS AND LIABILITIES		109,500,927	107,162,721

The annexed notes 1 to 22 form an integral part of these financial statements.

Vas /

ASIF
MANAGING DIRECTOR

ASIF
DIRECTOR

ASIF
DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE

INCOME AND EXPENDITURE STATEMENT

For the year ended June 30, 2025

	Notes	2025 Rupees	2024 Rupees
Income			
Deferred capital grant utilised	9	149,231	1,515,749
Grants utilised	10	134,151,316	141,515,278
Other income	13	9,336,621	25,681,964
		<u>143,637,168</u>	<u>168,712,991</u>
Expenditure			
Research and advocacy costs	14	(134,151,316)	(146,011,562)
Administrative expenses	15	(7,005,375)	(5,390,708)
		<u>(141,156,691)</u>	<u>(151,402,270)</u>
Surplus for the year		<u>2,480,477</u>	<u>17,310,721</u>

The annexed notes 1 to 22 form an integral part of these financial statements.

VWS/

Arif Ali

MANAGING DIRECTOR

kry

DIRECTOR

Fauad Faridwar

DIRECTOR

**SOCIAL POLICY AND DEVELOPMENT CENTRE
STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
Surplus for the year	2,480,477	17,310,721
Other comprehensive income		
Total comprehensive income for the year	2,480,477	17,310,721

The annexed notes 1 to 22 form an integral part of these financial statements.

✓/s/o/

Asif Ali

MANAGING DIRECTOR

hzy

DIRECTOR

Fauzul Firdaus

DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE

STATEMENT OF CHANGES IN FUND

For the year ended June 30, 2025

	2025	2024
	Rupees	Rupees
Accumulated fund		
(Revenue reserve)		
Balance at the beginning of the year	78,884,406	61,573,685
Surplus for the year	2,480,477	17,310,721
Other comprehensive income for the year	-	-
Balance as at the end of the year	<u>81,364,883</u>	<u>78,884,406</u>

The annexed notes 1 to 22 form an integral part of these financial statements.

A. H. H.
MANAGING DIRECTOR

DIRECTOR

DIRECTOR

W. S. and Farid Farid

SOCIAL POLICY AND DEVELOPMENT CENTRE

STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

	<i>Notes</i>	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		2,480,477	17,310,721
Adjustment for non-cash and other items:			
Depreciation	4	1,759,636	1,551,407
Deferred capital grant utilised	9	(149,231)	(1,515,749)
Deferred income transferred to other income		-	(80,243)
Gain on disposal of property and equipment		-	(2,055,000)
Interest on short-term investment		(8,168,075)	(7,332,422)
Return on bank deposits		(34,375)	(39,076)
Exchange gain		(657,675)	(16,175,224)
		(7,249,719)	(25,646,306)
Loss before working capital changes		(4,769,242)	(8,335,585)
Working capital changes			
Decrease / (Increase) in advances, deposits and prepayments		40,559	245,511
Decrease / (Increase) in long term deposits		50,000	-
Increase / (Decrease) in trade and other payables		(1,006,873)	22,803,648
Net cash utilised in operating activities		(5,685,556)	14,713,574
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(728,000)	(5,992,575)
Sale proceeds from disposal of property and equipment		-	2,055,000
Investments made during the year		(7,980,000)	(19,500,000)
Income received on bank deposits		34,375	39,076
Income received on term deposit receipts		9,153,262	6,565,023
Net cash (utilised in) investing activities		479,637	(16,833,477)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants received		143,990,784	119,404,771
Grants utilised		(134,151,316)	(141,515,279)
Net cash generated from financing activities		9,839,469	(22,110,508)
Net increase / (decrease) in cash and cash equivalents		4,633,550	(24,230,411)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		9,159,341	33,389,752
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	19	13,792,891	9,159,341

The annexed notes 1 to 22 form an integral part of these financial statements.

Ariff
MANAGING DIRECTOR

W.F
DIRECTOR

Ariff
DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2025

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Social Policy and Development Centre (the 'Company') was incorporated in Pakistan in May, 1995 as a public company limited by guarantee not having share capital. The Company has been granted license under Section 42 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a not-for-profit Company. The registered office of the Company is situated at G-22, B/2, Park Lane, Clifton Block-5, Karachi.

The Company's main objective is to contribute towards national economic and social development policies and programs in order to make them more accountable, pro-poor, engendered and equitable; through research, policy advice and advocacy.

1.2 Significant events during the year

During the year, the Company has successfully secured substantial foreign funding equivalent to Rs. 134.4 million (2024: Rs. 141.5 million). The major business activities of the Company were funded through grants received from the Johns Hopkins University, USA, for research pertaining to taxation on tobacco and dissemination. The existing contract is expiring on December 31, 2025, and is expected to be extended for another year. The Board of Directors is confident that, in view of surplus and sufficient funds available to the Company, this financial condition of the business will not pose any threat on the continuity of the business operations for the foreseeable future.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The 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 Standard Board (IASB) as notified under the companies act, 2017.

- Accounting Standard for Not-for-Profit Organisations (Accounting Standard for NPOs) issued by the 'Institute of Chartered Accountants of Pakistan' (ICAP) as notified under the Companies Act 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, unless otherwise specifically stated.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a risk of causing adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

2.3.1 Property and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation of property and equipment on annual basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment annually.

2.4 Amendments to published accounting and reporting standards which became effective during the year

There were certain amendments to the accounting and reporting standards which became mandatory for the Company during the year. However, the amendments did not have any significant impact on the financial reporting of the Company, therefore; have not been disclosed in these financial statements.

2.5 Amendments to published accounting and reporting standards that are not yet effective

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company, therefore; have not been disclosed in these financial statements.

Waqas /

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

3.1 Property and equipment

Non-current assets classified as property and equipment are stated at cost less accumulated depreciation and impairment, if any. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Subsequent expenditure

Subsequent expenditure incurred is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the trust and the cost can be measured reliably. The costs relating to day-to-day servicing of property and equipment are recognised in income and expenditure account as incurred.

Depreciation

Depreciation on an asset is charged to income and expenditure statement applying the straight-line method whereby the cost of an asset is written off over its estimated useful life at the rates stated in note 4 to the financial statements. Depreciation on additions is charged from the month of addition, whereas no depreciation is charged in the month of disposal.

Gain and Loss on disposal

Gain or loss on disposal or retirement of an asset, represented by the difference between the sale proceeds and the carrying amount of the asset, is recognised in income and expenditure statement.

Repair and maintenance is charged to income and expenditure statement as and when incurred.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.1.1 Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income and expenditure statement in the year the asset is derecognised.

3.2 Financial assets and financial liabilities

3.2.1 Financial assets

Classification

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial assets and the characteristics of contractual cash flows relating to it.

a) **Amortised cost**

Financial asset is measured at amortised cost where asset is held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual term gives rise, on specified date, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **At fair value through other comprehensive income**

Financial asset is measured at fair value through other comprehensive income where assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual term of the financial asset gives rise, on specified date, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **At fair value through profit or loss**

Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as fair value through profit or loss.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in income and expenditure statement. Financial assets carried at FVTOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income / (loss). Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income and expenditure statement. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the income and expenditure statement in the period in which they arise. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received / receivable is recognised in the income and expenditure statement.

Vas /

3.2.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the income and expenditure statement.

3.3 Advances, deposits and other receivables

Advances are stated initially at cost and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. Advances and receivables are written off when considered irrecoverable.

3.4 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise of cash in hand, balances with bank and short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.5 Unrestricted contribution

Revenue generated by the organization through contract research receipts and other resources such as sale of annual review are classified as unrestricted contribution / income. These are recognised in income and expenditure statement.

3.6 Restricted contribution

Funds received directly as grants for specific purpose, are classified as restricted contribution. Funds utilised for the purpose of capital items from grants are shown in the statement of financial position as deferred capital grant and a portion of the grant is recognised as income to match the depreciation and amortisation provided during the year on the capital items. Grants utilised for operations are taken to income and expenditure statement to the extent of related expenses incurred. Committed grant is accrued in cases where it is probable that the economic benefits of such grant will flow to the Company.

3.7 Trade and other payables

These are stated initially at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company and are subsequently measured at amortised cost using the effective interest method.

3.8 Provident Fund – approved contribution fund

The Company operates an approved provident fund for all its eligible employees. Equal contribution is made by both, the Company and the employees, at the rate of 8.33% of gross salary.

3.9 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

3.10 Revenue / income recognition

- Revenue / income from contract research receipts and other resources is recognised when services are rendered and the performance obligations are fulfilled.
- Return on bank deposits is recognised on a time proportion basis on the principal amount outstanding and at the rate applicable.
- Income in respect of restricted contribution is recognised as and when the related expenses are incurred for those projects, and equivalent amount is transferred from deferred income to the income and expenditure statement.
- Deferred capital grant is recognised as income to match depreciation and amortisation provided during the year on the related capital assets.

3.11 Taxation

Under section 100(C) of the Income Tax Ordinance, 2001, the Company is allowed a tax credit equal to one hundred percent of the tax payable including minimum tax and final taxes payable under any provisions thereof subject to compliance of relevant requirements of law.

3.12 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani rupees (PKR) using exchange rates prevailing at the dates of transactions. Foreign exchange gain or loss resulting from the translation of those monetary assets and liabilities which are denominated in foreign currency, using the exchange rate prevailing at the reporting date, is recognised in the income and expenditure statement.

3.13 Functional and presentation currency

These financial statements are presented in Pakistani Rupees (PKR) which is the Company's functional currency.

180/-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

4. PROPERTY AND EQUIPMENT

	Furniture and fixture	Motor vehicles	Office equipment	Computer	Total
	Rupees				
Year ended June 30, 2025					
Opening net book value	43,750	3,500,000	45,860	1,413,472	5,003,082
Additions	-	-	-	728,000	728,000
Disposals	-	-	-	-	-
- Cost	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-
Depreciation for the year	(4,600)	(875,000)	(13,035)	(867,001)	(1,759,636)
Net book value	<u>39,150</u>	<u>2,625,000</u>	<u>32,825</u>	<u>1,274,471</u>	<u>3,971,446</u>
As at June 30, 2025					
Cost	97,720	4,375,000	474,978	4,120,965	9,068,663
Accumulated depreciation	(58,570)	(1,750,000)	(442,153)	(2,846,494)	(5,097,217)
Net book value	<u>39,150</u>	<u>2,625,000</u>	<u>32,825</u>	<u>1,274,471</u>	<u>3,971,446</u>
Annual rate of depreciation (%) for 2024	10	20	10	35	
	Furniture and fixture	Motor vehicles	Office equipment	Computer	Total
	Rupees				
Year ended June 30, 2024					
Opening net book value	7,754	-	61,107	493,053	561,914
Additions	40,000	4,375,000	-	1,577,575	5,992,575
Disposals	-	-	-	-	-
- Cost	-	-	-	-	-
- Accumulated depreciation	-	596,251 (596,251)	-	-	596,251 (596,251)
Depreciation for the year	(4,004)	(875,000)	(15,247)	(657,156)	(1,551,407)
Net book value	<u>43,750</u>	<u>3,500,000</u>	<u>45,860</u>	<u>1,413,472</u>	<u>5,003,082</u>
As at June 30, 2024					
Cost	97,718	4,375,000	474,978	3,392,965	8,340,661
Accumulated depreciation	(53,968)	(875,000)	(429,118)	(1,979,493)	(3,337,579)
Net book value	<u>43,750</u>	<u>3,500,000</u>	<u>45,860</u>	<u>1,413,472</u>	<u>5,003,082</u>
Annual rate of depreciation (%) for 2024	10	20	10	35	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

Notes

2025

Rupees

2024

Rupees

5. ADVANCES, DEPOSITS AND PREPAYMENTS

Advances to employees	135,500	202,406
Security deposits	6,598	6,598
Prepayments	121,193	94,846
	<u>263,291</u>	<u>303,850</u>

6. ACCRUED INCOME AND OTHER RECEIVABLES

Accrued interest on short-term investments	339,149	1,324,337
Grant Receivable from project	32,386,361	41,787,111
Other receivables	1,232,789	-
	<u>33,958,299</u>	<u>43,111,448</u>

6.1 This represents foreign grant receivable from projects converted in Pak rupee at the Balance Sheet date, amounting to PKR:

JHU	32,386,361	36,602,704
GIZ	-	5,184,407
	<u>32,386,361</u>	<u>41,787,111</u>

7. SHORT-TERM INVESTMENTS

Term deposit receipts:		
Maturity in less than three months		3,000,000
Maturity in more than three months	7.1	49,400,000
	<u>57,380,000</u>	<u>52,400,000</u>

7.1 Investments in 'Term Deposit Receipts' (TDRs), maturing at various dates latest by June 2026; carry interest at the rate of 9% to 12.5% per annum (2024: 19.5% to 22.5% per annum).

8. CASH AND BANK BALANCES

Cash in hand	11,790	8,575
Cash at bank in:		
Current accounts		
Foreign Currency [US\$ 40,446.8] (2024: US\$ 100,164.25)	11,475,971	5,027,888
Local Currency	2,287,631	1,097,343
PLS Saving accounts	8.1	
	17,499	25,534
	<u>13,792,891</u>	<u>6,159,341</u>

8.1 These carry profit at an average rate ranging from 8% to 9% per annum (2024: 12% to 15% per annum).

9. DEFERRED CAPITAL GRANT

Balance at the beginning of the year		299,574
Capital expenditure on operating assets transferred	728,000	1,216,175
Transferred to unrestricted assets	-	(1,062,537)
Depreciation for the year credited to income	(149,231)	(453,212)
Deferred capital grant utilised	(149,231)	(1,515,749)
Balance at the end of the year	<u>578,769</u>	-

9.1 Grant received from various donor agencies is utilised by the Company for the purchase of capital assets, with depreciation on these assets charged to expense and an equivalent amount credited to income

160

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2025

	Notes	2025 Rupees	2024 Rupees
10. DEFERRED INCOME			
Movement in deferred income balance is as follows:			
Balance at the beginning of the year			4,566,250
Add: Grant received / receivable during the year:			
-UIC		-	97,227,311
-JHU		135,165,149	36,602,704
-GIZ		-	4,415,431
		135,165,149	138,245,446
Less: Grants utilised:			
-UIC		-	95,930,893
-JHU		134,151,316	36,602,704
-GIZ		-	8,981,681
		134,151,316	141,515,278
Less: -Transferred to deferred capital grant		728,000	1,216,175
-Transferred to other income		-	80,243
Balance at the end of the year		<u>285,833</u>	<u>-</u>
11. CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		49,426	61,943
Accrued liabilities		3,199,299	2,233,416
Consultancy fee & reimbursable expenses		20,619,786	22,256,477
Honorarium payable		3,402,931	3,664,355
Withholding tax payable		-	62,124
		<u>27,271,442</u>	<u>28,278,315</u>
12. CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitments as at the reporting date.			
13. OTHER INCOME			
From financial assets			
Interest on short-term investment		8,168,075	7,332,422
Exchange gains		657,675	16,175,224
Return on bank deposits		34,375	39,076
Transferred from UIC project		-	80,243
Miscellaneous		476,497	-
		<u>9,336,621</u>	<u>23,626,964</u>
From other than financial assets			
Gain on disposal of property and equipment		-	2,055,000
		<u>9,336,621</u>	<u>25,681,964</u>

180/

14. RESEARCH AND ADVOCACY COST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2025

Amount in Rupees	2025			2024				
	* Unrestricted Other Projects	UIC	Restricted JHU	GIZ	UIC	Restricted JHU	GIZ	Total
Salaries and benefits including provident fund		24,065,416	24,065,416	Total	11,028,676	8,922,102	3,307,038	23,257,816
Contracts and consultants		72,220,454	72,220,454		47,909,857	22,342,462	1,752,180	73,626,339
Travel and workshops		26,249,603	26,249,603		16,811,212	2,895,944	900,713	20,972,840
Printing and publications		30,230	30,230		27,202	1,780	-	63,932
Communication		433,712	433,712		350,122	5,450	259,723	615,295
Accounting software		173,601	173,601		-	163,422	-	163,422
Data collection and survey cost		7,083,168	7,083,168		19,650,262	263,712	3,011,200	22,925,174
Vehicle running		-	-		-	338,805	338,805	338,805
Insurance		136,625	136,625		189,403	-	-	189,403
Utility		938,061	938,061		450,091	377,115	-	827,206
Computer maintenance		137,980	137,980		47,164	25,929	110,877	194,520
Legal and professional fee		1,669,021	1,669,021		1,437,692	-	411,753	1,849,445
Depreciation (note 4/8)		204,308	204,308		-	453,212	-	453,212
Bank charges		242,637	242,637		-	19,093	19,093	19,093
Auditor's remuneration (14.1)		566,500	566,500		-	515,000	-	515,000
Total		134,151,316	134,151,316		134,151,316	4,496,283	95,930,883	36,602,705
								8,981,681
								141,515,279
								146,011,562

✓

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2025

	Notes	2025 Rupees	2024 Rupees
14.1 Auditor's remuneration			
Audit fee		566,500	515,000
Reimbursable expenses		56,650	51,500
Sindh Sales tax 8% (2024: 8%)		49,852	45,320
		673,002	611,820

15. ADMINISTRATIVE EXPENSES

Salaries and benefits (note 15.1)	4,157,522	3,243,027
Fuel, repair and maintenance	1,167,005	965,655
Depreciation (note 4)	1,555,328	1,098,195
Miscellaneous expense	125,520	83,831
	7,005,375	5,390,708

15.1 Salaries and benefits include Rs.184,825/- (2024: Rs.47,136) in respect of staff provident fund.

16. REMUNERATION OF MANAGING DIRECTOR, OTHER DIRECTORS AND EXECUTIVES

The aggregate charge for the year in respect of remuneration and benefits to the Managing Director and Executives are as follows:

	2025		2024	
	Managing Director	Executives	Managing Director	Executives
Managerial remuneration	5,161,260	5,104,524	4,458,708	4,380,012
Medical, housing and utilities	1,302,252	1,560,905	1,161,742	1,416,000
Reimbursable expenses	114,863	-	257,327	-
Retirement benefits	538,620	357,072	468,372	310,500
Honorarium	3,143,937	2,438,472	1,821,960	1,217,163
Leave encashment	-	-	353,622	-
	10,260,932	9,460,973	8,521,731	7,323,675
Number, including those who worked part of the year	1	2	1	2

16.1 No remuneration has been paid to any of the 8 (2024: 8) Directors of the Company during the year.

17. TRANSACTIONS WITH RELATED PARTIES

17.1 Following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year.

Name of party	Nature of transactions	Relationship	2025 Rupees	2024 Rupees
Muhammad Asif Iqbal	Remuneration	Key management personnel	10,260,932	8,521,731
Provident Fund	Contribution	Post Employment Benefit	1,239,708	1,078,020
Strengthening Participatory Organisation (SPO)	Cost reimbursement for enumerators and surveyors	Common Directorship	-	9,159,429
	Consultancy/Facilitation charges	Common Directorship	1,320,000	1,000,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2025

Notes

2025

2024

Rupees

17.2	Details of transactions with the related parties during the year other than those stated above are disclosed in their respective heads of accounts in these financial statements.
18.	PROVIDENT FUND RELATED DISCLOSURES
18.1	The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.
19.	CASH AND CASH EQUIVALENTS
	Cash and bank balances
	TDRs maturing with in three months
	8
	13,792,891
	-
	3,000,000
	<u>13,792,891</u>
	<u>9,159,341</u>
20.	FINANCIAL INSTRUMENTS BY CATEGORY
20.1	Financial assets - at amortised cost
	Short-term investment
	Accrued interest on short-term investments
	Advances and other receivables
	Cash and bank balances
	Deposits
	57,380,000
	339,149
	33,754,650
	13,792,891
	141,598
	<u>105,408,288</u>
	<u>52,400,000</u>
	1,324,337
	41,989,516
	6,159,341
	<u>191,598</u>
20.2	Financial liabilities - at amortised cost
	Trade and other payables
	<u>27,271,442</u>
	<u>102,064,792</u>
20.3	Fair values of financial assets and liabilities
	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.
21.	NUMBER OF EMPLOYEES
	Number of employees as at June 30
	6
	<u>6</u>
	Average number of employees during the year
	6
	<u>6</u>
22.	DATE OF AUTHORISATION
	These financial statements were authorised for issue on <u>24 SEP 2025</u> by the Board of Directors of the Company.
	<i>Vivek</i>
	<i>Amit</i>
	<i>Uday</i>
	<i>Farukh</i>

MANAGING DIRECTOR

DIRECTOR

DIRECTOR