

**SOCIAL POLICY AND DEVELOPMENT
CENTRE (SPDC)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023



Usmani & Co. Chartered Accountants

301, Techno City Office Towers, Hasrat Mohani Road, Karachi-74000.
Ph: 009221-32277011 -15, Fax :00921 -32277016, Email usmanico@gmail.com



**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, 2023**

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, 2023**, and the income and expenditure statement, the statement of other comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2023**, and of the surplus and other comprehensive income, the changes in fund and its cash flows for the year then ended.

BASIS FOR OPINION

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



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:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the 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;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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.

Usmani & Co.

**USMANI & CO.
CHARTERED ACCOUNTANTS**

KARACHI

UDIN: AR202310505yredUiQ4p

DATE: 06 OCT 2023

**SOCIAL POLICY AND DEVELOPMENT CENTRE
STATEMENT OF FINANCIAL POSITION**

As at June 30, 2023

	<i>Notes</i>	2023 <i>Rupees</i>	2022 <i>Rupees</i>
ASSETS			
Non-Current Assets			
Property and equipment	4	561,914	271,243
Long-term deposits - <i>unsecured</i>		185,000	185,000
		746,914	456,243
Current Assets			
Advances, deposits and prepayments	5	549,360	195,082
Accrued income and other receivables	6	7,328,150	14,102,425
Short-term investments	7	32,900,000	29,000,000
Cash and bank balances	8	30,389,752	2,856,825
		71,167,262	46,154,332
TOTAL ASSETS		71,914,176	46,610,575
FUND			
Accumulated fund		61,573,685	41,255,384
LIABILITIES			
Non-Current Liabilities			
Deferred capital grant	9	299,574	-
Current Liabilities			
Deferred income	10	4,566,250	-
Creditors, accrued and other liabilities	11	5,474,667	5,355,191
		10,040,917	5,355,191
Contingencies and Commitments	12		
		71,914,176	46,610,575

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


MANAGING DIRECTOR


DIRECTOR


DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE
INCOME AND EXPENDITURE STATEMENT
For the year ended June 30, 2023

	<i>Notes</i>	2023 <i>Rupees</i>	2022 <i>Rupees</i>
Income			
Deferred capital grant utilised	9	28,726	19,023
Grants utilised	10	49,817,314	36,536,763
Other project income		3,500,000	-
Other income	13	<u>24,033,575</u>	<u>28,774,265</u>
		77,379,615	65,330,051
Expenditure			
Research and advocacy costs	14	<u>(52,624,538)</u>	<u>(38,831,981)</u>
Administrative expenses	15	<u>(4,436,776)</u>	<u>(3,441,076)</u>
		(57,061,314)	(42,273,057)
Surplus for the year		<u><u>20,318,301</u></u>	<u><u>23,056,994</u></u>

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

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MANAGING DIRECTOR

Richard W. Di

DIRECTOR

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DIRECTOR

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

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
	<i>Rupees</i>	<i>Rupees</i>
Surplus for the year	20,318,301	23,056,994
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>20,318,301</u></u>	<u><u>23,056,994</u></u>

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



MANAGING DIRECTOR



DIRECTOR



DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE

STATEMENT OF CHANGES IN FUND

For the year ended June 30, 2023

	2023 Rupees	2022 Rupees
	Accumulated fund (Revenue reserve)	
Balance at the beginning of the year	41,255,384	18,198,390
Surplus for the year	20,318,301	23,056,994
Other comprehensive income for the year	-	-
	20,318,301	23,056,994
Balance as at the end of the year	61,573,685	41,255,384


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



MANAGING DIRECTOR



DIRECTOR



DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE
STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

	<i>Notes</i>	2023 <i>Rupees</i>	2022 <i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		20,318,301	23,056,994
Adjustment for non-cash and other items:			
Depreciation	4	171,325	161,578
Deferred capital grant utilised	9	(28,726)	(19,023)
Gain on disposal of property and equipment		(4,794)	(10,000)
Interest on short-term investment		(3,981,547)	(1,050,043)
Return on bank deposits		(61,634)	(67,246)
Exchange gain		(19,985,600)	(27,646,976)
		<u>(3,572,675)</u>	<u>(5,574,716)</u>
Working capital changes			
Decrease / (Increase) in advances, deposits and prepayments		(354,278)	191,416
Decrease / (Increase) in other receivables		-	162,999
		<u>(354,278)</u>	<u>354,415</u>
Increase / (Decrease) in trade and other payables		119,476	2,509,958
Net cash utilised in operating activities		<u>(3,807,477)</u>	<u>(2,710,343)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(463,700)	(222,000)
Sale proceeds from disposal of property and equipment		6,497	10,000
Investments made during the year - net		(3,900,000)	(16,000,000)
Income received on bank deposits		61,634	67,246
Income received on term deposit receipts		3,731,831	780,800
Net cash (utilised in) investing activities		<u>(563,739)</u>	<u>(15,363,954)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants received		81,721,456	55,194,428
Grants utilised		(49,817,314)	(36,536,763)
Net cash generated from financing activities		<u>31,904,141</u>	<u>18,657,665</u>
Net increase / (decrease) in cash and cash equivalents		27,532,926	583,368
Cash and cash equivalents at beginning of the year		5,856,825	5,273,457
Cash and cash equivalents at end of the year	19	<u><u>33,389,752</u></u>	<u><u>5,856,825</u></u>

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



MANAGING DIRECTOR



DIRECTOR



DIRECTOR

**SOCIAL POLICY AND DEVELOPMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2023

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 05, 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. 49.16 million (2022: Rs. 64.1 million). The major business activities of the Company were funded through grants received from 'University of Illinois' (UIC), for research pertaining to taxation on tobacco and dissemination of the findings to the public and the policy makers in Pakistan. UIC is one of the oldest donors of the Company with established relationship since 2018 and with a practice of yearly contract extensions. Accordingly the existing contract which is expiring in December 2023 is also in the process of extension until December 2025. The Board of Directors is confident that 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:

- 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, 2022. 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.



**SOCIAL POLICY AND DEVELOPMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

Non-current assets classified as property and equipment are stated at cost less accumulated depreciation and impairment, if any.

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 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.

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SOCIAL POLICY AND DEVELOPMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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.
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**SOCIAL POLICY AND DEVELOPMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2023

3.11 Taxation

In accordance with section 100C of the Income Tax Ordinance, 2001 (the Ordinance), the Company is allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final tax payable, under any of the provisions of the ordinance, subject to conditions as outlined in section 100C. Accordingly, no provision for tax, has been recognised in the financial statement of the Company.

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.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

4. PROPERTY AND EQUIPMENT

	Furniture and fixture	Motor vehicles	Office equipment	Computer (Note 4.1)	Books and Publications	Total
	Rupees					
Year ended June 30, 2023						
Opening net book value	11,804	-	78,165	181,274	-	271,243
Additions	-	-	-	463,700	-	463,700
Disposals						
- Cost	-	-	-	(336,500)	-	(336,500)
- Accumulated depreciation	-	-	-	334,796	-	334,796
	-	-	-	(1,704)	-	(1,704)
Depreciation for the year	(4,050)	-	(17,058)	(150,217)	-	(171,325)
Net book value	<u>7,754</u>	<u>-</u>	<u>61,107</u>	<u>493,053</u>	<u>-</u>	<u>561,914</u>
As at June 30, 2023						
Cost	57,720	596,250	474,978	1,815,388	13,208,018	16,152,354
Accumulated depreciation	(49,964)	(596,250)	(413,871)	(1,322,337)	(13,208,018)	(15,590,440)
Net book value	<u>7,756</u>	<u>-</u>	<u>61,107</u>	<u>493,051</u>	<u>-</u>	<u>561,914</u>
Annual rate of depreciation (%) for 2023	10	20	10	35	25	
Year ended June 30, 2022						
Opening net book value	9,304	-	102,345	97,873	1,299	210,821
Additions	6,000	-	-	216,000	-	222,000
Disposals						
- Cost	-	-	-	(153,000)	-	(153,000)
- Accumulated depreciation	-	-	-	153,000	-	153,000
	-	-	-	-	-	-
Depreciation for the year	(3,500)	-	(24,180)	(132,599)	(1,299)	(161,578)
Net book value	<u>11,804</u>	<u>-</u>	<u>78,165</u>	<u>181,274</u>	<u>-</u>	<u>271,243</u>
As at June 30, 2022						
Cost	57,720	596,251	474,978	1,688,188	13,208,018	16,025,155
Accumulated depreciation	(45,916)	(596,251)	(396,813)	(1,506,914)	(13,208,018)	(15,753,912)
Net book value	<u>11,804</u>	<u>-</u>	<u>78,165</u>	<u>181,274</u>	<u>-</u>	<u>271,243</u>
Annual rate of depreciation (%) for 2022	10	20	10	35	25	

4.1 Property and equipment includes assets costing Rs. 328,300/- (2022: Rs. 356,600) having net book value of Rs.299,574/- (2022: Rs.Nil) purchased under the grant agreements.

4.2 Depreciation expense charged for the year was allocated to 'Research and Advocacy cost' and 'Administrative expenses' by 35% and 65% respectively.

NOTES TO THE FINANCIAL STATEMENTS			2023	2022
<i>For the year ended June 30, 2023</i>		<i>Notes</i>	<i>Rupees</i>	<i>Rupees</i>
5.	ADVANCES, DEPOSITS AND PREPAYMENTS			
	Advances to employees		423,317	74,893
	Security deposits		6,598	6,598
	Prepayments		119,445	113,591
			<u>549,360</u>	<u>195,082</u>
6.	ACCRUED INCOME AND OTHER RECEIVABLES			
	Accrued interest on short-term investments		556,938	307,222
	Other receivables	6.1	6,771,212	13,795,203
			<u>7,328,150</u>	<u>14,102,425</u>
6.1	This represents foreign grant receivable from UIC, converted in Pak rupee at the Balance Sheet date, amounting to Rs.6,771,212/- (2022: Rs.13,795,203/-).			
7.	SHORT-TERM INVESTMENTS			
	Term deposit receipts	7.1	32,900,000	29,000,000
			<u>32,900,000</u>	<u>29,000,000</u>
7.1	Investments in 'Term Deposit Receipts' (TDRs), maturing at various dates latest by November 2023; carry interest at the rate of 19.5% to 22.5% per annum (2022: 15% to 15.5% per annum).			
8.	CASH AND BANK BALANCES			
	Cash in hand		7,370	3,079
	Cash at bank in:			
	Current accounts			
	Foreign Currency [US\$ 100,164.25]		28,610,427	-
	(2022: US\$ Nil)			
	Local Currency		1,691,711	916,505
	PLS Saving accounts	8.1	80,245	1,937,241
			<u>30,389,752</u>	<u>2,856,825</u>
8.1	These carry profit at an average rate ranging from 9% to 11% per annum (2022: 5.94% to 6.79% per annum).			
9.	DEFERRED CAPITAL GRANT			
	Balance at the beginning of the year		-	19,023
	Capital expenditure on operating assets transferred		328,300	-
	Transferred to unrestricted assets			-
			<u>328,300</u>	<u>19,023</u>
	Depreciation for the year credited to income	9.1	(28,726)	(19,023)
	Balance at the end of the year		<u>299,574</u>	<u>-</u>
9.1	The Company utilises grant received from various donor agencies for purchase of capital assets in pursuance of the grant agreement with respective donors. Depreciation of which is charged to expense while equivalent amount being credited to income simultaneously.			

NOTES TO THE FINANCIAL STATEMENTS		2023	2022
<i>For the year ended June 30, 2023</i>		<i>Rupees</i>	<i>Rupees</i>
	<i>Notes</i>		
10. DEFERRED INCOME			
Movement in deferred income balance is as follows:			
Balance at the beginning of the year		-	-
Add: Grant received / receivable during the year:			
-UIC		49,159,045	36,536,763
-GIZ		5,552,819	-
		54,711,864	36,536,763
Less: Grants utilised:			
-UIC		48,830,745	36,536,763
-GIZ		986,569	-
		49,817,314	36,536,763
Less: -Capital expenditure transferred to unrestricted fund		328,300	-
Balance at the end of the year		4,566,250	-
10.1 Balance at the end of the year comprise of:			
- GIZ		4,566,250	-
		4,566,250	-
10.2 Contributions received from UIC are restricted for the purpose of expenditures as per respective grant agreement.			
11. CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		204,021	55,610
Accrued liabilities	11.1	1,972,846	1,546,995
Consultancy fee & reimbursable expenses	11.2	1,631,483	2,679,396
Honorarium payable		1,604,193	1,011,066
Withholding tax payable		62,124	62,124
		5,474,667	5,355,191
11.1 This includes payables to the Chief Executive Officer, being a related party, in respect of provision of leaves amounting to Nil (2022: Rs. 291,188/-).			
11.2 This represents actual cost reimbursable under an agreement with 'Strengthening Participatory Organisation' (SPO), being a related party, in respect of primary data collection. This also includes consulting fee payable to SPO of Rs.600,000/- (2022: Rs. 800,000/-).			
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		3,981,547	1,050,043
Exchange gains		19,985,600	27,646,976
Return on bank deposits		61,634	67,246
		24,028,781	28,764,265
From other than financial assets			
Gain on disposal of property and equipment		4,794	10,000
		24,033,575	28,774,265

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

14. RESEARCH AND ADVOCACY COST

Amount in Rupees	2023			2022			
	* Unrestricted Other Projects	UIC	Restricted GIZ	Total	* Unrestricted Other Projects	Restricted UIC	Total
Salaries and benefits (note 14.1)	-	14,159,973	332,340	14,492,313	245,048	12,625,295	12,870,343
Contracts and consultants(note 14.2)	987,023	21,137,779	-	22,124,802	863,808	9,324,133	10,187,941
Travel and workshops	520,697	6,734,781	-	7,255,478	-	9,335,686	9,335,686
Printing and publications	16,309	144,200	-	160,509	268,050	349,770	617,820
Communication	105,285	213,238	-	318,523	297,481	136,215	433,696
Indirect costs	-	6,412,049	-	6,412,049	-	4,765,664	4,765,664
Data collection and survey cost	333,788	-	654,229	988,017	-	-	-
Insurance	70,520	-	-	70,520	12,944	-	12,944
Computer maintenance	140,740	-	-	140,740	12,643	-	12,643
Legal and professional fee	582,951	-	-	582,951	342,680	-	342,680
Depreciation (note 4 / 8)	49,910	28,726	-	78,636	56,552	-	56,552
Bank charges	-	-	-	-	28,699	-	28,699
Others (note 14.3)	-	-	-	-	167,313	-	167,313
Total	2,807,223	48,830,745	986,569	52,624,538	2,295,218	36,536,763	38,831,981

*These includes expenses not proportionately allocated to specific UIC project, undertaken during the year, on the basis of project input ratio.

14.1 Salaries and benefits include Rs.813,132/- (2022: Rs. 495,373) in respect of staff provident fund.

14.2 This includes an amount of Rs. 712,800/- consultancy services relating to the University of Illinois, paid to the auditor, during the year.

NOTES TO THE FINANCIAL STATEMENTS		2023	2022
For the year ended June 30, 2023		Rupees	Rupees
	Notes		
15. ADMINISTRATIVE EXPENSES			
Salaries and benefits (note 15.1)		2,595,216	2,143,757
Fuel, repair and maintenance		1,103,728	674,122
Depreciation (note 4)		92,689	105,026
Auditor's remuneration (note 15.2)		606,500	445,500
Miscellaneous expense		38,643	72,671
Total		<u>4,436,776</u>	<u>3,441,076</u>

15.1 Salaries and benefits include Rs.37,698/- (2022: Rs. 221,317) in respect of staff provident fund.

15.2 Auditor's remuneration

Audit fee	515,000	375,000
Reimbursable expenses	46,574	37,500
Sales tax 8% (2022: 8%)	44,926	33,000
	<u>606,500</u>	<u>445,500</u>

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:

	2023		2022	
	Managing Director	Executives	Managing Director	Executives
Managerial remuneration	3,521,964	4,192,164	2,897,472	2,770,008
Medical, housing and utilities	974,400	1,648,428	849,499	1,093,992
Reimbursable expenses	137,144	-	152,848	-
Retirement benefits	374,400	348,714	312,252	207,000
Honorarium	2,107,665	1,870,136	1,449,918	837,000
Leave encashment	154,563	137,605	-	-
	<u>7,270,136</u>	<u>8,197,047</u>	<u>5,661,989</u>	<u>4,908,000</u>
Number, including those who worked part of the year	<u>1</u>	<u>3</u>	<u>1</u>	<u>2</u>

16.1 No remuneration has been paid to any of the 8 (2022: 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	2023	2022
			Rupees	Rupees
Muhammad Asif Iqbal	Remuneration	Key management personnel	7,270,136	5,661,989
Provident Fund	Contribution	Key management personnel	850,830	716,690
Strengthening Participatory Organisation (SPO)	Cost reimbursement for enumerators and surveyors	Common Directorship	-	7,948,892
	Consultancy/Facilitation charges	Common Directorship	600,000	800,000

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Notes**2023**

Rupees

2022

Rupees

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	8	30,389,752	2,856,825
Term Deposit Receipts		3,000,000	3,000,000
		<u>33,389,752</u>	<u>5,856,825</u>

20. FINANCIAL INSTRUMENTS BY CATEGORY**20.1 Financial assets - at amortised cost**

Short-term investment		32,900,000	29,000,000
Accrued interest on short-term investments		556,938	307,222
Advances and other receivables		7,194,528	13,870,096
Cash and bank balances		30,389,752	2,856,825
Deposits		191,598	191,598
		<u>71,232,816</u>	<u>46,225,741</u>

20.2 Financial liabilities - at amortised cost

Trade and other payables		<u>5,412,543</u>	<u>5,293,067</u>
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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

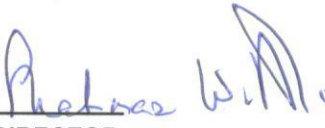
Number of employees as at June 30		<u>6</u>	<u>6</u>
Average number of employees during the year		<u>6</u>	<u>6</u>

22. DATE OF AUTHORISATION

These financial statements were authorised for issue on 06 OCT 2023 by the Board of Directors of the Company.



 MANAGING DIRECTOR



 DIRECTOR



 DIRECTOR