

SOCIAL POLICY AND DEVELOPMENT CENTRE (SPDC)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

**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, 2024**

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, 2024**, 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 material 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, 2024**, 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.

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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.

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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).

OTHER MATTER PARAGRAPH

The financial statements of **Social Policy and Development Centre** for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on October 06, 2023.

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

Ilyas Saeed & Co.

ILYAS SAEED & CO.
CHARTERED ACCOUNTANTS

KARACHI

UDIN: AR202410505PLkZb5hqR

DATE: 04 NOV 2024

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

As at June 30, 2024

	Notes	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	5,003,082	561,914
Long-term deposits -unsecured		185,000	185,000
		5,188,082	746,914
CURRENT ASSETS			
Advances, deposits and prepayments	5	303,850	549,360
Accrued income and other receivables	6	43,111,448	7,328,150
Short-term investments	7	52,400,000	32,900,000
Cash and bank balances	8	6,159,341	30,389,752
		101,974,639	71,167,262
TOTAL ASSETS		107,162,721	71,914,176
FUNDS AND LIABILITIES			
FUND			
Accumulated fund		78,884,406	61,573,685
NON-CURRENT LIABILITIES			
Deferred capital grant	9	-	299,574
CURRENT LIABILITIES			
Deferred income	10	-	4,566,250
Creditors, accrued and other liabilities	11	28,278,315	5,474,667
		28,278,315	10,040,917
CONTINGENCIES AND COMMITMENTS	12		
TOTAL FUNDS AND LIABILITIES		107,162,721	71,914,176

The annexed notes 1 to 22 form an integral part of these financial statements. 1800/



MANAGING DIRECTOR



DIRECTOR



DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE
INCOME AND EXPENDITURE STATEMENT

For the year ended June 30, 2024

	<i>Notes</i>	2024 <i>Rupees</i>	2023 <i>Rupees</i>
INCOME			
Deferred capital grant utilised	9	1,515,749	28,726
Grants utilised	10	141,515,278	49,817,314
Other project income		-	3,500,000
Other income	13	25,681,964	24,033,575
		<u>168,712,991</u>	<u>77,379,615</u>
EXPENDITURE			
Research and advocacy costs	14	(146,011,562)	(52,624,538)
Administrative expenses	15	(5,390,708)	(4,436,777)
		<u>(151,402,270)</u>	<u>(57,061,315)</u>
SURPLUS FOR THE YEAR		<u>17,310,721</u>	<u>20,318,301</u>

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

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MANAGING DIRECTOR

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DIRECTOR

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DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE
STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2024

	<u>2024</u>	<u>2023</u>
	<i>Rupees</i>	<i>Rupees</i>
Surplus for the year	17,310,721	20,318,301
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>17,310,721</u></u>	<u><u>20,318,301</u></u>

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

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MANAGING DIRECTOR

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DIRECTOR

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DIRECTOR

SOCIAL POLICY AND DEVELOPMENT CENTRE
STATEMENT OF CHANGES IN FUND

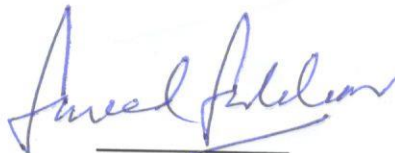
For the year ended June 30, 2024

	2024 <i>Rupees</i>	2023 <i>Rupees</i>
	Accumulated fund (Revenue reserve)	
Balance at the beginning of the year	61,573,685	41,255,384
Surplus for the year	17,310,721	20,318,301
Other comprehensive income for the year	-	-
	17,310,721	20,318,301
Balance as at the end of the year	<u>78,884,406</u>	<u>61,573,685</u>

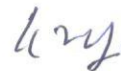
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MANAGING DIRECTOR



DIRECTOR



DIRECTOR

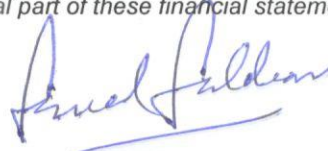
SOCIAL POLICY AND DEVELOPMENT CENTRE
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Notes	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		17,310,721	20,318,301
ADJUSTMENTS FOR NON-CASH ITEMS			
Depreciation	4	1,551,407	171,325
Deferred capital grant utilised	9	(1,515,749)	(28,726)
Deferred income transferred to unrestricted funds		(80,243)	-
Gain on disposal of property and equipment		(2,055,000)	(4,794)
Interest on short-term investment		(7,332,422)	(3,981,547)
Return on bank deposits		(39,076)	(61,634)
Exchange gain		(16,175,224)	(19,985,600)
		(25,646,306)	(23,890,976)
Loss before working capital changes		(8,335,585)	(3,572,675)
WORKING CAPITAL CHANGES			
Decrease / (Increase) in advances, deposits and prepayments		245,511	(354,278)
Increase / (Decrease) in trade and other payables		22,803,648	119,476
Net cash utilised in operating activities		14,713,574	(3,807,477)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(5,992,575)	(463,700)
Sale proceeds from disposal of property and equipment		2,055,000	6,497
Investments made during the year - net		(19,500,000)	(3,900,000)
Income received on bank deposits		39,076	61,634
Income received on term deposit receipts		6,565,023	3,731,831
Net cash (utilised in) investing activities		(16,833,477)	(563,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants received		119,404,771	81,721,456
Grants utilised		(141,515,279)	(49,817,314)
Net cash generated from financing activities		(22,110,508)	31,904,142
Net increase / (decrease) in cash and cash equivalents		(24,230,411)	27,532,927
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		33,389,752	5,856,825
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	19	9,159,341	33,389,752

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, 2024

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. 36.6 million (2023: Rs. 49.16 million). The major business activities of the Company were funded through grants received from University of Illinois (UIC) and Johns Hopkins University, for research pertaining to taxation on tobacco and dissemination. The project is sponsored by Bloomberg Philanthropies under the Bloomberg Initiative to Reduce Tobacco Use through its project entitled "Accelerating Progress on Tobacco Taxes in Low-and-Middle-Income Countries". The funding from Bloomberg Philanthropies has been channeled through UIC till December 31, 2023. However, from January 1, 2024 onward, the project funding is directed through JHU. The existing contract is expiring on December 31, 2024 and is expected to be extended for another two years. 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:

'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 are certain amendments to the accounting and reporting standards that became effective during the year ended June 30, 2024. However, these amendments are considered not to have a significant impact on the company's financial reporting and operations and therefore, they have not been presented in these financial statements except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies

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SOCIAL POLICY AND DEVELOPMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2024

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 are not yet effective and are also not expected to have a significant impact on the company's financial reporting and therefore, they have not been presented in these financial statements.

3. 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.

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

For the year ended June 30, 2024

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.

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.

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SOCIAL POLICY AND DEVELOPMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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

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.



NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2024

4. PROPERTY AND EQUIPMENT

	Furniture and fixture	Motor vehicles	Office equipment	Computer (Note 4.1)	Books and Publications	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	-	596,251	-	-	-	596,251
- Accumulated depreciation	-	(596,251)	-	-	-	(596,251)
	-	-	-	-	-	-
Depreciation for the year	(4,004)	(875,000)	(15,247)	(657,156)	-	(1,551,407)
Net book value	43,750	3,500,000	45,860	1,413,472	-	5,003,082
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	43,750	3,500,000	45,860	1,413,472	-	5,003,082
Annual rate of depreciation (%) for 2024	10	20	10	35	25	
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	7,754	-	61,107	493,053	-	561,914
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	7,756	-	61,107	493,051	-	561,914
Annual rate of depreciation (%) for 2023	10	20	10	35	25	

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NOTES TO THE FINANCIAL STATEMENTS		2024	2023
For the year ended June 30, 2024		Rupees	Rupees
5. ADVANCES, DEPOSITS AND PREPAYMENTS			
Advances to employees		202,406	423,317
Security deposits		6,598	6,598
Prepayments		94,846	119,445
		303,850	549,360
6. ACCRUED INCOME AND OTHER RECEIVABLES			
Accrued interest on short-term investments		1,324,337	556,938
Other receivables	6.1	41,787,111	6,771,212
		43,111,448	7,328,150
6.1	This represents foreign grant receivable from JHU & GIZ converted in Pak rupee at the Balance Sheet date, amounting to PKR:		
	UIC	-	6,771,212
	JHU	36,602,704	-
	GIZ	5,184,407	-
		41,787,111	6,771,212
7. SHORT-TERM INVESTMENTS			
Term deposit receipts	7.1	52,400,000	32,900,000
		52,400,000	32,900,000
7.1	Investments in 'Term Deposit Receipts' (TDRs), maturing at various dates latest by December 2024; carry interest at the rate of 19.5% to 22.5% per annum (2023: 19.5% to 22.5% per annum).		
8. CASH AND BANK BALANCES			
Cash in hand		8,575	7,370
Cash at bank in:			
Current accounts			
Foreign Currency [US\$ 100,164.25]		5,027,888	28,610,427
(2023: US\$ 100,164.25)			
Local Currency		1,097,343	1,691,711
PLS Saving accounts	8.1	25,534	80,245
		6,159,341	30,389,752
8.1	These carry profit at an average rate ranging from 12% to 15% per annum (2023: 9% to 11% per annum).		
9. DEFERRED CAPITAL GRANT			
Balance at the beginning of the year		299,574	-
Capital expenditure on operating assets transferred		1,216,175	328,300
Transferred to unrestricted assets		(1,062,537)	-
Depreciation for the year credited to income	9.1	(453,212)	(28,726)
		(1,515,749)	(28,726)
Balance at the end of the year		-	299,574
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.		

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NOTES TO THE FINANCIAL STATEMENTS		2024	2023
For the year ended June 30, 2024		Rupees	Rupees
	Notes		
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	49,159,045
-JHU		36,602,704	-
-GIZ		4,415,431	5,552,819
		138,245,446	54,711,864
Less: Grants utilised:			
-UIC		95,930,893	48,830,745
-JHU		36,602,704	-
-GIZ		8,981,681	986,569
		141,515,278	49,817,314
Less: -Transferred to unrestricted fund	9	1,216,175	328,300
-Transferred to other income	13	80,243	
Balance at the end of the year		-	4,566,250
10.1 Balance at the end of the year comprise of:			
- UIC			
- JHU			
- 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		61,943	204,021
Accrued liabilities		2,233,416	1,972,846
Consultancy fee & reimbursable expenses		22,256,477	1,631,483
Honorarium payable		3,664,355	1,604,193
Withholding tax payable		62,124	62,124
		28,278,315	5,474,667
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		7,332,422	3,981,547
Exchange gains		16,175,224	19,985,600
Return on bank deposits		39,076	61,634
Transferred from UIC project		80,243	-
		23,626,964	24,028,781
From other than financial assets			
Gain on disposal of property and equipment		2,055,000	4,794
		25,681,964	24,033,575

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2024

14. RESEARCH AND ADVOCACY COST

Amount in Rupees	2024					2023				
	* Unrestricted		Restricted			* Unrestricted		Restricted		
	Other Projects	UIC	JHU	GIZ	Total	Other Projects	UIC	GIZ	Total	Total
Salaries and benefits (note 14.1)	-	11,028,676	8,922,102	3,307,038	23,257,816	-	14,159,973	332,340	14,492,313	14,492,313
Contracts and consultants	1,621,840	47,909,857	22,342,462	1,752,180	73,626,339	987,023	21,137,779	-	21,137,779	22,124,802
Travel and workshops	364,961	16,811,212	2,895,954	900,713	20,972,840	520,697	6,734,781	-	6,734,781	7,255,478
Printing and publications	35,010	27,202	1,780	-	28,992	16,309	144,200	-	144,200	160,509
Communication	350,122	5,450	259,723	-	615,295	105,285	213,238	-	213,238	318,523
Indirect costs	-	-	-	-	-	-	6,412,049	-	6,412,049	6,412,049
Accounting software	-	-	163,422	-	163,422	-	-	-	-	-
Data collection and survey cost	-	19,650,262	263,712	3,011,200	22,925,174	333,788	-	654,229	654,229	988,017
Vehicle running	-	-	338,805	-	338,805	-	-	-	-	-
Insurance	189,403	-	-	-	189,403	70,520	-	-	-	70,520
Utility	450,091	-	377,115	-	827,206	-	-	-	-	-
Computer maintenance	47,164	25,929	110,877	10,550	194,520	140,740	-	-	-	140,740
Legal and professional fee	1,437,692	-	411,753	-	1,849,445	582,951	-	-	-	582,951
Depreciation (note 4 / 8)	-	453,212	-	-	453,212	49,910	28,726	-	28,726	78,636
Bank charges	-	19,093	-	-	19,093	-	-	-	-	-
Auditor's remuneration (14.3)	-	-	515,000	-	515,000	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	4,496,283	95,930,893	36,602,705	8,981,681	141,515,279	2,807,223	48,830,745	986,569	49,817,314	52,824,538

*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. 1,030,884 (2023: Rs. 813,132/-) in respect of staff provident fund.

NOTES TO THE FINANCIAL STATEMENTS		2024	2023
For the year ended June 30, 2024		Rupees	Rupees
15. ADMINISTRATIVE EXPENSES			
Salaries and benefits (note 15.1)		3,243,027	2,595,216
Fuel, repair and maintenance		965,655	1,103,728
Depreciation (note 4)		1,098,195	92,689
Auditor's remuneration (note 15.2)		-	606,500
Miscellaneous expense		83,831	38,643
		5,390,708	4,436,777

15.1 Salaries and benefits include Rs.47,136 (2023: Rs.37,698) in respect of staff provident fund.

15.2 Auditor's remuneration

Audit fee (15.2.1)	515,000	515,000
Reimbursable expenses	51,500	46,574
Sindh Sales tax 8% (2023: 8%)	45,320	44,926
	611,820	606,500

15.2.1 During the year audit fee is allocated under John Hopkins University grant as per agreement.

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:

	2024		2023	
	Managing Director	Executives	Managing Director	Executives
Managerial remuneration	4,458,708	4,380,012	3,521,964	3,414,012
Medical, housing and utilities	1,161,742	1,416,000	974,396	1,222,800
Reimbursable expenses	257,327	-	137,144	-
Retirement benefits	468,372	310,500	374,700	248,400
Honorarium	1,821,960	1,217,163	2,079,567	943,920
Leave encashment	353,622	-	291,188	167,151
	8,521,731	7,323,675	7,378,959	5,996,283
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 (2023: 8) Directors of the Company during the year.

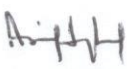


17. TRANSACTIONS WITH RELATED PARTIES

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	2024 Rupees	2023 Rupees
Muhammad Asif Iqbal	Remuneration	Key management personnel	8,521,731	7,378,959
Provident Fund	Contribution	Post Employment Benefit	1,078,020	850,830
Strengthening Participatory Organisation (SPO)	Cost reimbursement for enumerators and surveyors	Common Directorship	9,159,429	7,948,892
	Consultancy/Facilitation charges	Common Directorship	1,000,000	600,000

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.

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NOTES TO THE FINANCIAL STATEMENTS		2024	2023
For the year ended June 30, 2024		Rupees	Rupees
Notes			
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	6,159,341
	Term Deposit Receipts		30,389,752
			3,000,000
			3,000,000
			9,159,341
			33,389,752
20.	FINANCIAL INSTRUMENTS BY CATEGORY		
20.1	Financial assets - at amortised cost		
	Short-term investment		52,400,000
	Accrued interest on short-term investments		32,900,000
	Advances and other receivables		1,324,337
	Cash and bank balances		556,938
	Deposits		41,989,516
			7,194,528
			6,159,341
			30,389,752
			191,598
			191,598
			102,064,792
			71,232,816
20.2	Financial liabilities - at amortised cost		
	Trade and other payables		28,216,191
			5,412,543
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
	Average number of employees during the year		6
22.	DATE OF AUTHORISATION		
	These financial statements were authorised for issue on 04 NOV 2024 by the Board of Directors of the Company.		
			
	MANAGING DIRECTOR	DIRECTOR	DIRECTOR