

**SOCIAL POLICY AND DEVELOPMENT CENTRE**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**A. F. FERGUSON & CO.**

*Chartered Accountants  
a member firm of the PwC network*



Note:

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In the case of any discrepancy on the Company's website, the auditors shall only be responsible in respect of the information contained in the hard copies of the audited financial statements available at the Company's registered office.

**SOCIAL POLICY AND DEVELOPMENT CENTRE**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2013**


	Note	2013	2012
		Rupees	
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	6,551,378	6,209,527
Intangible assets	4	222,154	346,938
Long term investments	5	8,218,740	8,118,874
Long term deposits and prepayments		67,085	97,600
		15,059,357	14,772,939
Current Assets			
Advances, deposits, prepayments and other receivables	6	2,102,351	1,862,798
Short term investments	7	1,006,837	37,499,146
Cash and bank balances	8	59,117,752	28,286,565
		62,226,940	67,648,509
		77,286,297	82,421,448
EQUITY AND LIABILITIES			
Fund balance		58,912,306	66,467,001
Deferred capital grant	9	4,333,493	4,198,992
		63,245,799	70,665,993
Non-Current Liabilities			
Liabilities against assets subject to finance lease	10	562,805	565,248
Current Liabilities			
Current portion of liabilities against assets subject to finance lease	10	540,596	392,438
Trade and other payables	11	12,937,097	10,797,769
		13,477,693	11,190,207
CONTINGENCIES AND COMMITMENTS			
		-	-
		77,286,297	82,421,448

The annexed notes 1 to 19 form an integral part of these financial statements.

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Managing Director

  
Director

  
Director

SOCIAL POLICY AND DEVELOPMENT CENTRE  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013			2012		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Rupees					
<b>Income</b>							
Deferred capital grant released	9	-	1,231,258	1,231,258	-	776,760	776,760
Grant utilized		-	62,997,160	62,997,160	-	47,704,290	47,704,290
Other project revenue		3,226,950	-	3,226,950	2,615,360	-	2,615,360
		3,226,950	64,228,418	67,455,368	2,615,360	48,481,050	51,096,410
Other income	12	4,834,745	1,113,852	5,948,597	6,973,857	1,384,629	8,358,486
<b>Total income</b>		8,061,695	65,342,270	73,403,965	9,589,217	49,865,679	59,454,896
<b>Expenditure</b>							
	13	(2,250,077)	(64,111,012)	(66,361,089)	(2,866,160)	(49,088,919)	(51,955,079)
Depreciation	3.3	(1,128,434)	(1,106,474)	(2,234,908)	(985,675)	(745,564)	(1,731,239)
Amortization	4	-	(124,784)	(124,784)	-	(31,196)	(31,196)
Other expenses		-	-	-	(168,335)	-	(168,335)
<b>Total expenditure</b>		(3,378,511)	(65,342,270)	(68,720,781)	(4,020,170)	(49,865,679)	(53,885,849)
Surplus for the year		4,683,184	-	4,683,184	5,569,047	-	5,569,047

The annexed notes 1 to 19 form an integral part of these financial statements.

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Managing Director



Director



Director

SOCIAL POLICY AND DEVELOPMENT CENTRE  
STATEMENT OF CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Restricted					Total
	Others	IDRC	CIDA	GRP	GCC	Total	
	Rupees						
Balance as at June 30, 2011	23,421,655	5,286,703	1,440,141	23,108,941	-	29,835,785	53,257,440
Grants received during the year	-	22,687,370	-	31,358,834	6,274,352	60,320,556	60,320,556
Transferred from restricted to unrestricted	1,440,141	-	(1,440,141)	-	-	(1,440,141)	-
Grants utilized	-	(21,064,448)	-	(23,523,509)	(3,116,333)	(47,704,290)	(47,704,290)
Capital expenditure transferred to deferred capital grants		(732,784)		(4,116,968)	(126,000)	(4,975,752)	(4,975,752)
Surplus for the year	5,569,047	-	-	-	-	-	5,569,047
Balance as at June 30, 2012	30,430,843	6,176,841	-	26,827,298	3,032,019	36,036,158	66,467,001
Grants received during the year	-	21,323,891	-	9,787,929	21,013,220	52,125,040	52,125,040
Grants utilized	-	(24,614,671)	-	(27,484,004)	(10,898,485)	(62,997,160)	(62,997,160)
Capital expenditure transferred to deferred capital grants	-	(261,500)	-	(862,581)	(241,678)	(1,365,759)	(1,365,759)
Surplus for the year	4,683,184	-	-	-	-	-	4,683,184
Balance as at June 30, 2013	35,114,027	2,624,561	-	8,268,642	12,905,076	23,798,279	58,912,306

The annexed notes 1 to 19 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  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013 Rupees	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		4,683,184	5,569,047
Adjustment for:			
-Depreciation		2,234,908	1,731,239
-Amortization		124,784	31,196
-Gain on disposal		(660,000)	-
-Profit on investments		(4,281,935)	(3,473,441)
Operating cash flows before working capital changes		2,100,941	3,858,041
(Increase) / Decrease in advances, deposits, prepayments and other receivables		(239,553)	672,209
Increase / (Decrease) in trade and other payables		2,139,328	(5,696,120)
		4,000,716	(1,165,870)
Gratuity paid-net		-	(1,890,689)
Long term deposits		30,515	(97,600)
<b>Net cash generated from / (utilized in) operating activities</b>		<b>4,031,231</b>	<b>(3,154,159)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(1,365,759)	(4,252,291)
Down payment against asset subject to finance lease		(605,500)	-
Proceeds from disposal of property plant and equipment		660,000	-
Investment encashed / made during the year - net		31,674,378	(12,644,822)
<b>Net cash generated from / (utilized in) investing activities</b>		<b>30,363,119</b>	<b>(16,897,113)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Deferred capital grant released		(1,231,258)	(776,760)
Grants received		52,125,040	60,320,556
Grants utilized		(62,997,160)	(47,704,290)
Lease rentals paid		(459,785)	(328,618)
<b>Net cash (utilized in) / generated from financing activities</b>		<b>(12,563,163)</b>	<b>11,510,888</b>
Net increase / (decrease) in cash and cash equivalents		21,831,187	(8,540,384)
Cash and cash equivalents at beginning of the year		38,286,565	46,826,949
Cash and cash equivalents at end of the year	14	60,117,752	38,286,565

The annexed notes 1 to 19 form an integral part of these financial statements.

Officer

  
Managing Director

  
Director

  
Director



**SOCIAL POLICY AND DEVELOPMENT CENTRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**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 Companies Ordinance, 1984 as a non-profit company. The registered office of the Company is situated at 15, Maqbool Co-operative Housing Society, Block 7 & 8, Karachi.

The main objects of the Company is to support the process of meeting basic human needs consistent with national goals of social development and to develop the capacity of public and private sector institutions and non-governmental organizations to plan, design, finance and execute social sector programme.

The core activities of the Company are currently being funded through grant received from International Development Research Centre (IDRC) as a result of Grant Agreement entered into on August 1, 2010 with a term of four years ending on August 31, 2014.

In addition to above the Company is engaged in specific projects which include the Gender Research Programme (GRP) and Global Climate Change (GCC) which have been funded through grants received from Norwegian Ministry of Foreign Affairs and IDRC.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**2.1 Basis of preparation**

2.1.1 These financial statements have been prepared under the historical cost convention.

2.1.2 These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

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- 2.1.3 The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Company makes estimates and assumptions concerning the future, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will by definition seldom equal the related actual results. The matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are related to residual values and useful lives of property, plant and equipment (note 2.3).

## 2.2 Fund accounting

The financial statements are maintained substantially in accordance with the principles of fund accounting. Under these principles, resources are classified, for accounting and reporting purposes, into funds that are in accordance with the activities specified by the donor. In the financial statements, two main groups of funds are distinguished – unrestricted and restricted funds.

### 2.2.1 Unrestricted funds

Revenue generated by the organization through contract research receipts and other sources such as sale of annual review are classified as unrestricted funds. Accordingly, any expenses incurred with respect to normal operation and which cannot be charged to restricted funds are taken to income and expenditure account.

### 2.2.2 Restricted funds

Funds received directly as grants for specific purpose, are classified as restricted funds. Funds utilized for the purchase of capital items from grants are shown in the balance sheet as deferred capital grant and a portion of the grant is recognized as income in the income and expenditure account to match the depreciation and amortisation provided during the year on the capital items. Grants utilized for operations are taken to income and expenditure account to the extent of actual operating deficit excluding expenses related to non-cash items. Committed grant is accrued in cases where it is probable that the economic benefits of such grant will flow to the Company.

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## 2.3 Property, plant and equipment

### Owned

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation on an asset is charged to income 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 3.1 and note 3.2 to the financial statements. Depreciation on additions is charged from the month of addition, whereas no depreciation is charged in month of disposal.

Maintenance and normal repairs are charged to income and expenditure account as and when incurred.

Assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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.

The 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 recognized as an income or expense.

### Leased

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are appropriated between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Depreciation is charged using the same basis and rates used for similar owned assets or over the lease periods as appropriate as mentioned in note 3.1 and note 3.2 to the financial statements.

## 2.4 Intangible assets - Computer software

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can also be measured reliably.

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Generally, costs associated with maintaining computer software programmes are recognized as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognized as an intangible asset. Direct costs include the purchase cost of software and related employee and other overhead cost.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Computer software cost treated as intangible assets are amortized from the month the software is put to use on straight-line basis over a period of 3 years. The carrying amount of the intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount in income and expenditure account. Reversal of impairment losses are also recognized in income and expenditure account.

## 2.5 **Investments**

Regular way purchases and sales of investments are accounted for at trade date, i.e., the date at which the Company commits itself to purchase or sell the investment.

Investments are classified as current assets where the intention is to hold the same for less than twelve months from the balance sheet date. Otherwise investments are classified as long term assets.

### 2.5.1 **Investments at fair value through profit or loss**

An instrument is classified as 'fair value through profit or loss' if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in the income and expenditure account. Investments at fair value through profit or loss are measured at fair value at each balance sheet date and changes therein are recognized in the income and expenditure account.

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### 2.5.2 Held to maturity investments

Held to maturity investments are non derivative financial instruments with fixed or determinable payments and fixed maturity with a positive intention and ability to hold till maturity. Held to maturity investments are measured at amortized cost using the effective interest method.

### 2.6 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistan rupees using exchange rates prevailing at the dates of transactions. Foreign exchange gains or losses resulting from settlement of transactions and from translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the income and expenditure account.

### 2.7 Advances and other receivables

Advances are stated initially at cost and subsequently measured at amortized cost using the effective interest rate method less provision for impairment, if any. Provision for impairment is based on a review of outstanding amounts at the balance sheet date. Advances are written off when considered irrecoverable.

### 2.8 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 amortized cost using the effective interest method.

### 2.9 Provident 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.

### 2.10 Provisions

Provisions are recognized 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 yearly and adjusted to reflect current best estimate.

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## 2.11 Taxation

The Company is a non-profit organization and thus exempt from tax under Clause (58) of Part 1 of the Second Schedule to the Income Tax Ordinance 2001. The Company has filed its return of income upto tax year 2012. The return so filed is deemed to be a assessment order issued by the Taxation Authorities on the date the complete return is filed.

## 2.12 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement include cash in hand, balances with banks and short-term highly liquid investments with original maturity of three months or less.

## 2.13 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional currency.

## 2.14 Offsetting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 2.15 Revenue recognition

Revenue from other projects is recognized when services are rendered.

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

	2013	2012
	(Rupees)	
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>		
Unrestricted - note 3.1	2,440,039	2,357,473
Restricted - note 3.2	4,111,339	3,852,054
	<u>6,551,378</u>	<u>6,209,527</u>

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## 3.1 Unrestricted

	Office equipment	Office furniture	Computer and EDP equipment	Books and Publications	Motor Vehicles		Total
					Owned	Leased	
	Rupees						
As at June 30, 2011							
Cost	3,559,959	1,640,268	6,488,554	11,561,513	634,001	2,714,000	26,598,295
Accumulated depreciation	(3,093,228)	(1,560,205)	(6,488,554)	(10,912,794)	(634,001)	(823,800)	(23,512,582)
Net book value	<u>466,731</u>	<u>80,063</u>	<u>-</u>	<u>648,719</u>	<u>-</u>	<u>1,890,200</u>	<u>3,085,713</u>
Year ended June 30, 2012							
Opening net book value	466,731	80,063	-	648,719	-	1,890,200	3,085,713
Additions	196,150	-	11,282	50,003	-	-	257,435
Disposals / Write-off							
Cost	-	-	-	-	634,001	-	634,001
Depreciation	-	-	-	-	(634,001)	-	(634,001)
	-	-	-	-	-	-	-
Depreciation charge	(75,949)	(14,720)	(11,282)	(340,924)	-	(542,800)	(985,675)
	<u>586,932</u>	<u>65,343</u>	<u>-</u>	<u>357,798</u>	<u>-</u>	<u>1,347,400</u>	<u>2,357,473</u>
As at June 30, 2012							
Cost	3,756,109	1,640,268	6,499,836	11,611,516	-	2,714,000	26,221,729
Accumulated depreciation	(3,169,177)	(1,574,925)	(6,499,836)	(11,253,718)	-	(1,366,600)	(23,864,256)
Net book value	<u>586,932</u>	<u>65,343</u>	<u>-</u>	<u>357,798</u>	<u>-</u>	<u>1,347,400</u>	<u>2,357,473</u>
Year ended June 30, 2013							
Opening net book value	586,932	65,343	-	357,798	-	1,347,400	2,357,473
Additions	-	-	-	-	-	1,211,000	1,211,000
Disposals / Write-off							
Cost	1,082,803	-	-	-	-	-	1,082,803
Depreciation	(1,082,803)	-	-	-	-	-	(1,082,803)
	-	-	-	-	-	-	-
Depreciation charge	(88,718)	(14,720)	-	(239,996)	-	(785,000)	(1,128,434)
	<u>498,214</u>	<u>50,623</u>	<u>-</u>	<u>117,802</u>	<u>-</u>	<u>1,773,400</u>	<u>2,440,039</u>
As at June 30, 2013							
Cost	2,673,306	1,640,268	6,499,836	11,611,516	-	3,925,000	26,349,926
Accumulated depreciation	(2,175,092)	(1,589,645)	(6,499,836)	(11,493,714)	-	(2,151,600)	(23,909,887)
Net book value	<u>498,214</u>	<u>50,623</u>	<u>-</u>	<u>117,802</u>	<u>-</u>	<u>1,773,400</u>	<u>2,440,039</u>
Annual rate of depreciation (%)	10	10	35	25	20	20	

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## 3.2 Restricted

	Office equipment	Office furniture	Computer and EDP equipment	Books and Publications	Total
	Rupees				
As at June 30, 2011					
Cost	145,000	-	812,953	331,662	1,289,615
Accumulated depreciation	(3,625)	-	(277,614)	(27,480)	(308,719)
Net book value	141,375	-	535,339	304,182	980,896
Year ended June 30, 2012					
Opening net book value	141,375	-	535,339	304,182	980,896
Additions	2,458,460	-	705,600	452,662	3,616,722
Depreciation charge	(135,369)	-	(493,620)	(116,575)	(745,564)
	2,464,466	-	747,319	640,269	3,852,054
As at June 30, 2012					
Cost	2,603,460	-	1,518,553	784,324	4,906,337
Accumulated depreciation	(138,994)	-	(771,234)	(144,055)	(1,054,283)
Net book value	2,464,466	-	747,319	640,269	3,852,054
Year ended June 30, 2013					
Opening net book value	2,464,466	-	747,319	640,269	3,852,054
Additions	244,120	118,138	540,928	462,573	1,365,759
Depreciation charge	(269,626)	(4,663)	(600,178)	(232,007)	(1,106,474)
	2,438,960	113,475	688,069	870,835	4,111,339
As at June 30, 2013					
Cost	2,847,580	118,138	2,059,481	1,246,897	6,272,096
Accumulated depreciation	(408,620)	(4,663)	(1,371,412)	(376,062)	(2,160,757)
Net book value	2,438,960	113,475	688,069	870,835	4,111,339
Annual rate of depreciation (%)	10	10	35	25	



	2013 Rupees	2012 Rupees
3.3 Depreciation charge has been allocated to Funds as follows:		
Unrestricted - Other projects	1,128,434	985,675
Restricted		
- IDRC	185,980	285,455
- GRP	812,338	449,084
- GCC	108,156	11,025
	1,106,474	745,564
	<u>2,234,908</u>	<u>1,731,239</u>
4. INTANGIBLE ASSETS – Computer software (Restricted)		
Balance at beginning of the year	346,938	-
Add: Additions	-	378,134
Less: Amortization charge for the year	124,784	31,196
Balance at end of the year	<u>222,154</u>	<u>346,938</u>
5. LONG TERM INVESTMENTS		
Held to maturity		
Pakistan Investment Bonds - note 5.1	7,895,726	7,992,839
Accrued interest	323,014	126,035
	<u>8,218,740</u>	<u>8,118,874</u>

- 5.1 This represents investment in Pakistan Investment Bonds (PIBs) having a term of three (3) years, carrying mark-up of 11.25% per annum.

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	2013 Rupees	2012 Rupees
<b>6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<b>Advances - unsecured</b>		
Considered good		
- Employees	1,172,466	934,640
- Contractors	612,885	706,158
	1,785,351	1,640,798
Considered doubtful	-	482,925
	1,785,351	2,123,723
Less: Provision for doubtful advances to employees and contractors - note 6.1	-	482,925
	1,785,351	1,640,798
<b>Deposits, prepayments and other receivables</b>		
Security deposits	190,000	190,000
Prepayments	107,000	32,000
Other receivables	20,000	-
	2,102,351	1,862,798
<b>6.1 The movement in provision during the year is as follows:</b>		
Balance at the beginning of the year	482,925	482,925
Less: Amount written off during the year	(482,925)	-
	-	482,925
<b>7. SHORT TERM INVESTMENTS</b>		
<b>Held to maturity</b>		
Treasury bills	-	12,741,300
Term deposit receipts - note 7.1	1,000,000	24,500,000
Accrued interest on:		
- Treasury bills	-	55,737
- Term deposit receipts	6,837	202,109
	6,837	257,846
	1,006,837	37,499,146

- 7.1 This represents placement with Standard Chartered Bank for 3 months carrying mark-up of 7.34% per annum (2012: 3 to 6 months carrying markup of 10.1% to 10.8% per annum).

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	2013 Rupees	2012 Rupees
<b>8. CASH AND BANK BALANCES</b>		
Cash at bank on:		
- Foreign currency saving accounts [US\$ 280,654 (2012:US\$ 229,293)]	26,970,831	21,347,204
- Local currency saving accounts - note 8.1	6,694,368	6,382,475
- Foreign currency current accounts [US\$ 1,937 (2012:US\$ 2,439)]	186,187	224,487
- Local currency current account	25,259,162	318,316
	59,110,548	28,272,482
Cash in hand	7,204	14,083
	<u>59,117,752</u>	<u>28,286,565</u>

8.1 These carry profit at the rate of 6 % (2012: 5 %) per annum.

	2013 Rupees	2012 Rupees
<b>9. DEFERRED CAPITAL GRANT</b>		
<b>Restricted</b>		
Balance at beginning of the year	4,198,992	-
Net capital expenditure on operating assets transferred from fund balance - note 3.2	1,365,759	4,597,618
Net capital expenditure on intangible assets transferred from fund balance - note 4	-	378,134
Depreciation for the year credited to income - note 3.3	(1,106,474)	(745,564)
Amortisation for the year credited to income - note 4	(124,784)	(31,196)
	<u>(1,231,258)</u>	<u>(776,760)</u>
Balance at end of the year	<u>4,333,493</u>	<u>4,198,992</u>

9.1 The Company utilizes grant received from various donor agencies for the purchase of capital assets.

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	2013 Rupees	2012 Rupees
<b>10. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
Balance at July 1	957,686	1,286,304
Recognized during the year	<u>605,500</u>	<u>-</u>
	1,563,186	1,286,304
Less: Repayments during the year	<u>459,785</u>	<u>328,618</u>
Present value of minimum lease payments	1,103,401	957,686
Less: Current portion shown under current liabilities	<u>540,596</u>	<u>392,438</u>
	<u>562,805</u>	<u>565,248</u>

- 10.1 The future minimum lease payments and their present value, to which the Company is committed under lease agreements, are as follows:

Year	As at June 30, 2013			As at June 30, 2012		
	Minimum lease payment	Financial charges	Present value of minimum lease payment	Minimum lease payment	Financial charges	Present value of minimum lease payment
	Rupees					
2012-13	-	-	-	681,768	289,330	392,438
2013-14	886,271	345,675	540,596	650,903	205,533	445,370
2014-15	391,062	157,270	233,792	155,694	35,816	119,878
2015-16	235,368	99,228	136,140	-	-	-
2016-17	235,368	72,612	162,756	-	-	-
2017-18	39,280	9,163	30,117	-	-	-
	<u>1,787,349</u>	<u>683,948</u>	<u>1,103,401</u>	<u>1,488,365</u>	<u>530,679</u>	<u>957,686</u>

The Company has entered into lease arrangements in respect of vehicles. The liabilities under the lease agreements are payable on monthly basis by year 2018 and are subject to finance charges from 16.87% to 18.72% per annum, which has been used as the discount factor. The Company intends to exercise its option to purchase the leased vehicles upon completion of the lease periods under the agreement.

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## 11 TRADE AND OTHER PAYABLES

	2013 Rupees	2012 Rupees
Sundry creditors	1,123,265	1,119,166
Accrued expenses	7,160,081	6,681,419
Consultancy fee payable	1,597,142	680,766
Honorarium payable	2,154,554	1,610,795
Staff provident fund	603,130	409,018
Gratuity payable	296,605	296,605
Other liabilities	2,320	-
	<u>12,937,097</u>	<u>10,797,769</u>

## 12 OTHER INCOME

## From financial assets

	2013			2012		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Interest on investment	3,376,075	609,625	3,985,700	3,005,164	468,547	3,473,711
Exchange gain / (loss)	356,250	246,257	602,507	981,850	866,620	1,848,470
Return on bank deposits	38,265	257,970	296,235	262,020	49,462	311,482
	<u>3,770,590</u>	<u>1,113,852</u>	<u>4,884,442</u>	<u>4,249,034</u>	<u>1,384,629</u>	<u>5,633,663</u>

## From other than financial assets

Liabilities no longer payable written back	-	-	-	2,724,823	-	2,724,823
Insurance claim	400,000	-	400,000	-	-	-
Gain on disposal of operating assets	660,000	-	660,000	-	-	-
Other income	4,155	-	4,155	-	-	-
	<u>4,834,745</u>	<u>1,113,852</u>	<u>5,948,597</u>	<u>6,973,857</u>	<u>1,384,629</u>	<u>8,358,486</u>

At



## 13. Expenditure

	2013						2012					
	Unrestricted	Restricted					Unrestricted	Restricted				
	Others Projects	IDRC	GRP	GCC	Total	Total	Others Projects	IDRC	GRP	GCC	Total	Total
	Rupees											
Salaries and benefits	576,701	12,013,301	14,613,633	6,411,869	33,038,803	33,615,504	1,209,404	12,372,253	12,545,574	1,515,633	26,433,460	27,642,864
Support and administrative expenses												
Consultancy charges	-	3,229,703	3,650,149	2,245,357	9,125,209	9,125,209	-	2,738,626	3,575,795	512,875	6,827,296	6,827,296
Data collection and survey cost	764,638	-	4,294,387	683,746	4,978,133	5,742,771	329,690	-	2,628,708	-	2,628,708	2,958,398
Institutional support	-	4,098,633	997,283	1,220,150	6,316,066	6,316,066	-	3,185,131	844,094	635,225	4,664,450	4,664,450
Communication	82,603	284,562	603,444	69,286	957,292	1,039,895	82,990	194,993	522,645	33,000	750,638	833,628
Insurance	-	180,000	65,000	73,019	318,019	318,019	43,575	291,894	-	-	291,894	335,469
Printing and stationery	-	277,520	192,463	44,830	514,813	514,813	2,380	10,250	115,233	-	125,483	127,863
Conference and seminar	124,294	790,275	265,781	169,207	1,225,263	1,349,557	132,764	152,921	218,999	262,941	634,861	767,625
Rent	10,800	1,800,000	1,980,000	169,200	3,949,200	3,960,000	114,000	1,800,000	1,980,000	66,000	3,846,000	3,960,000
Repairs and maintenance	180,226	786,860	817,616	122,651	1,727,127	1,907,353	4,587	908,369	1,027,128	83,000	2,018,497	2,023,084
Security services	-	574,915	498,000	60,000	1,132,915	1,132,915	169,195	187,485	354,000	25,000	566,485	735,680
Computer maintenance	-	1,950	168,300	-	170,250	170,250	-	22,062	119,002	33,000	174,064	174,064
Legal and professional charges	3,000	390,500	109,755	60,000	560,255	563,255	30,000	60,000	60,000	-	120,000	150,000
Auditors' remuneration - note 13.1	400,192	-	-	-	-	400,192	375,000	-	-	-	-	375,000
Books and periodicals	-	4,960	37,673	-	42,633	42,633	66,530	-	-	-	-	66,530
Bank charges	-	10,801	3,244	-	14,045	14,045	7,819	7,083	-	-	7,083	14,902
Advance / Security deposit written off	93,273	-	-	-	-	93,273	99,500	-	-	-	-	99,500
Others	14,350	28,816	11,900	273	40,989	55,339	198,726	-	-	-	-	198,726
	1,673,376	12,459,495	13,694,995	4,917,719	31,072,209	32,745,585	1,656,756	9,558,814	11,445,604	1,651,041	22,655,459	24,312,215
	2,250,077	24,472,796	28,308,628	11,329,588	64,111,012	66,361,089	2,866,160	21,931,067	23,991,178	3,166,674	49,088,919	51,955,079



	2013 Rupees	2012 Rupees
<b>13.1 Auditors' remuneration</b>		
Audit fee	350,000	325,000
Out of pocket expenses	50,192	50,000
	<u>400,192</u>	<u>375,000</u>

**14. CASH AND CASH EQUIVALENTS**

Cash and bank balances	59,117,752	28,286,565
Short term investments	1,000,000	10,000,000
	<u>60,117,752</u>	<u>38,286,565</u>

**15. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise retirement benefit funds and key management personnel. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

		2013 Rupees	2012 Rupees
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
<b>Retirement benefit funds</b>			
- Provident fund	Contributions	1,967,642	1,688,457
<b>Key management personnel - note 15.1</b>			
- Managerial remuneration		4,116,552	3,811,606
- Honorarium		1,434,144	1,191,138
- Others		17,343	195,597
		<u>5,568,039</u>	<u>5,198,341</u>

- 15.1 Key management personnel represents Managing Director of the Company. No remuneration has been paid to the Directors of the Company.

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# 16. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of the Fund:

	<u>2013</u>	<u>2012</u>
	Rupees	
Size of the fund - Total assets	<u>10,677,590</u>	<u>6,577,380</u>
Cost of investments made	<u>9,237,393</u>	<u>6,113,000</u>
Percentage of investments made	<u>94.35%</u>	<u>93.78%</u>
Fair value of investments	<u>10,074,460</u>	<u>6,168,362</u>

## 16.1 The break-up of fair value of investments is:

	<u>2013</u>		<u>2012</u>	
	Rupees	%	Rupees	%
Special savings certificates	9,272,067	92.04%	6,168,362	100%
Bank balances	802,393	7.96%	-	-
	<u>10,074,460</u>	<u>100%</u>	<u>6,168,362</u>	<u>100%</u>

## 16.2 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

# 17. NUMBER OF EMPLOYEES

The total number of employees as at June 30, 2013 is as follows:

	<u>2013</u>	<u>2012</u>
	No of employees	
Number of employees as at June 30	<u>29</u>	<u>31</u>

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**18. CORRESPONDING FIGURES**

For better presentation, expenses reflected as institutional support of Rs. 2,876,876 have been reclassified as insurance (Rs. 291,894), repair and maintenance (Rs. 2,018,497) and security services (Rs. 566,485). Accordingly, the current years' institutional support of Rs. 3,178,061 has been reflected accordingly.

The effect of other rearrangement and reclassifications are not material.

**19. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue by the Board of Directors of the Company on 05 OCT 2013.

*Atto*



Managing Director



Director



Director