

SOCIAL POLICY AND DEVELOPMENT CENTRE

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

A. F. FERGUSON & CO.

*Chartered Accountants
a member firm of the PwC network*



Note:

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.



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Social Policy and Development Centre as at June 30, 2014 and the related income and expenditure account, cash flow statement and statement of changes in fund balance together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of changes in fund balance together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2014 and of the surplus, its cash flows and changes in fund balance for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

**Chartered Accountants
Karachi
Date: October 24, 2014**

Engagement Partner: Waqas A. Sheikh

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

Lahore: 23-C, Aziz Avenue, Canal Bank, Gulberg V, P.O. Box 39, Lahore-54660, Pakistan; Tel: +92 (42) 35715864-71; Fax: +92 (42) 35715872
Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan; Tel: +92 (51) 2273457-60; Fax: +92 (51) 2277924
Kabul: Apartment No. 3, 3rd Floor, Dost Tower, Haji Yaqub Square, Sher-e-Nau, Kabul, Afghanistan; Tel: +93 (779) 315320, +93 (799) 315320

SOCIAL POLICY AND DEVELOPMENT CENTRE
BALANCE SHEET
AS AT JUNE 30, 2014

	Note	2014	2013
Rupees			
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	5,932,316	6,551,378
Intangible assets	4	347,837	222,154
Long term investments	5	-	8,218,740
Long term deposits and prepayments		31,984	67,085
		<u>6,312,137</u>	<u>15,059,357</u>
Current Assets			
Advances, deposits, prepayments and other receivables	6	2,278,376	2,102,351
Short term investments	7	33,751,465	1,006,837
Cash and bank balances	8	37,076,587	59,117,752
		<u>73,106,428</u>	<u>62,226,940</u>
		<u>79,418,565</u>	<u>77,286,297</u>
EQUITY AND LIABILITIES			
Fund balance		58,886,504	58,912,306
Deferred capital grant	9	4,747,124	4,333,493
		<u>63,633,628</u>	<u>63,245,799</u>
Non-Current Liabilities			
Liabilities against assets subject to finance lease	10	329,013	562,805
Current Liabilities			
Current portion of liabilities against assets subject to finance lease	10	233,792	540,596
Trade and other payables	11	15,222,132	12,937,097
		<u>15,455,924</u>	<u>13,477,693</u>
CONTINGENCIES AND COMMITMENTS			
		-	-
		<u>79,418,565</u>	<u>77,286,297</u>

The annexed notes 1 to 20 form an integral part of these financial statements.




Managing Director


Director


Director

SOCIAL POLICY AND DEVELOPMENT CENTRE
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2014

Note	2014			2013			
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
Rupees							
Income							
Deferred capital grant released	9	-	1,427,453	1,427,453	-	1,231,258	1,231,258
Grant utilized		-	77,460,635	77,460,635	-	62,997,160	62,997,160
Other project revenue		145,329	-	145,329	3,226,950	-	3,226,950
		145,329	78,888,088	79,033,417	3,226,950	64,228,418	67,455,368
Other income	12	4,331,708	535,394	4,867,102	4,834,745	1,113,852	5,948,597
Total income		4,477,037	79,423,482	83,900,519	8,061,695	65,342,270	73,403,965
Expenditure							
Expenditure	14	(1,070,385)	(77,411,609)	(78,481,994)	(2,250,077)	(64,111,012)	(66,361,089)
Depreciation	3.3	(907,010)	(1,283,136)	(2,190,146)	(1,128,434)	(1,106,474)	(2,234,908)
Amortization	4	-	(144,317)	(144,317)	-	(124,784)	(124,784)
Other expenses	13	-	(584,420)	(584,420)	-	-	-
Total expenditure		(1,977,395)	(79,423,482)	(81,400,877)	(3,378,511)	(65,342,270)	(68,720,781)
Surplus for the year		<u>2,499,642</u>	<u>-</u>	<u>2,499,642</u>	<u>4,683,184</u>	<u>-</u>	<u>4,683,184</u>

The annexed notes 1 to 20 form an integral part of these financial statements.

aps.

[Signature]

Managing Director

[Signature]

Director

[Signature]

Director

**SOCIAL POLICY AND DEVELOPMENT CENTRE
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

	Unrestricted			Restricted		Total
	Others	IDRC	GRP Rupees	GCC	Total	
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)
Net 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
Grants received during the year	-	35,490,959	34,345,416	6,939,900	76,776,275	76,776,275
Grants utilized	-	(24,763,760)	(32,876,577)	(19,820,298)	(77,460,635)	(77,460,635)
Net capital expenditure transferred to deferred capital grants	-	(4,595)	(1,817,639)	(18,850)	(1,841,084)	(1,841,084)
Surplus for the year	2,499,642	-	-	-	-	2,499,642
Balance as at June 30, 2014	37,613,669	13,347,165	7,919,842	5,828	21,272,835	58,886,504

The annexed notes 1 to 20 form an integral part of these financial statements.

M/S.

[Signature]

Managing Director

[Signature]

Director

[Signature]

Director,

**SOCIAL POLICY AND DEVELOPMENT CENTRE
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014	2013
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		2,499,642	4,683,184
Adjustment for:			
- Depreciation		2,190,146	2,234,908
- Amortization		144,317	124,784
- Gain on disposal		(44,000)	(660,000)
- Profit on investments		(3,872,767)	(4,281,935)
Operating cash flows before working capital changes		<u>917,338</u>	<u>2,100,941</u>
Working capital changes:			
(Increase) in advances, deposits, prepayments and other receivables		(176,025)	(239,553)
Increase in trade and other payables		2,285,035	2,139,328
Long term deposits		3,026,348	4,000,716
		35,101	30,515
Net cash generated from operating activities		<u>3,061,449</u>	<u>4,031,231</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,987,084)	(1,365,759)
Down payment against asset subject to finance lease		-	(605,500)
Proceeds from disposal of property plant and equipment		190,000	660,000
Investment encashed during the year - net		-	27,544,373
Income received on investments		3,275,679	4,130,005
Net cash generated from investing activities		<u>1,478,595</u>	<u>30,363,119</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred capital grant released		(1,427,453)	(1,231,258)
Grants received		76,776,275	52,125,040
Grants utilized		(77,460,635)	(62,997,160)
Lease rentals paid		(540,596)	(459,785)
Net cash utilized in financing activities		<u>(2,652,409)</u>	<u>(12,563,163)</u>
Net increase in cash and cash equivalents		<u>1,887,635</u>	<u>21,831,187</u>
Cash and cash equivalents at beginning of the year		60,117,752	38,286,565
Cash and cash equivalents at end of the year	15	<u><u>62,005,387</u></u>	<u><u>60,117,752</u></u>

The annexed notes 1 to 20 form an integral part of these financial statements.

aps.

[Signature]

Managing Director

[Signature]

Director

[Signature]

Director

**SOCIAL POLICY AND DEVELOPMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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 are 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 September 30, 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.

ajp

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.

ap

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 charge 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.

ajp.

Generally, costs associated with maintaining computer software 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 asset is 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 asset's 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.

aps.

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. Such 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

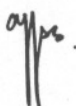
These are stated initially at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company and are subsequently measured at amortized cost using the effective interest method.

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 at each balance sheet date and adjusted to reflect current best estimate.



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.

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.

3. PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	Rupees	
Unrestricted - note 3.1	1,533,029	2,440,039
Restricted - note 3.2	4,399,287	4,111,339
	<u>5,932,316</u>	<u>6,551,378</u>

aps.

3.1 Unrestricted

	Office equipment	Office furniture	Computer and Electronic Data Processing (EDP) equipment	Books and publications	Motor vehicles - Leased	Total
Rupees						
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>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>1,773,400</u>	<u>2,440,039</u>
As at June 30, 2013						
Cost	2,673,307	1,640,268	6,499,836	11,611,516	3,925,000	26,349,927
Accumulated depreciation	(2,175,093)	(1,589,645)	(6,499,836)	(11,493,714)	(2,151,600)	(23,909,888)
Net book value	<u>498,214</u>	<u>50,623</u>	<u>-</u>	<u>117,802</u>	<u>1,773,400</u>	<u>2,440,039</u>
Year ended June 30, 2014						
Opening net book value	498,214	50,623	-	117,802	1,773,400	2,440,039
Disposals / Write-off						
Cost	-	-	3,193,307	-	-	3,193,307
Depreciation	-	-	(3,193,307)	-	-	(3,193,307)
Depreciation charge	(89,135)	(13,697)	-	(88,628)	(715,550)	(907,010)
	<u>409,079</u>	<u>36,926</u>	<u>-</u>	<u>29,174</u>	<u>1,057,850</u>	<u>1,533,029</u>
As at June 30, 2014						
Cost	2,673,306	1,640,268	3,306,529	11,611,516	3,925,000	23,156,619
Accumulated depreciation	(2,264,227)	(1,603,342)	(3,306,529)	(11,582,342)	(2,867,150)	(21,623,590)
Net book value	<u>409,079</u>	<u>36,926</u>	<u>-</u>	<u>29,174</u>	<u>1,057,850</u>	<u>1,533,029</u>
Annual rate of depreciation (%)	<u>10</u>	<u>10</u>	<u>35</u>	<u>25</u>	<u>20</u>	

3.2 Restricted

	Office equipment	Office furniture	Computer and EDP equipment	Books and publications	Total
	Rupees				
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	<u>2,464,466</u>	<u>-</u>	<u>747,319</u>	<u>640,269</u>	<u>3,852,054</u>
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)
	<u>2,438,960</u>	<u>113,475</u>	<u>688,069</u>	<u>870,835</u>	<u>4,111,339</u>
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	<u>2,438,960</u>	<u>113,475</u>	<u>688,069</u>	<u>870,835</u>	<u>4,111,339</u>
Year ended June 30, 2014					
Opening net book value	2,438,960	113,475	688,069	870,835	4,111,339
Additions	369,128	104,059	905,750	338,147	1,717,084
Disposals / Write-off					
Cost	-	-	160,000	-	160,000
Depreciation	-	-	(14,000)	-	(14,000)
	-	-	146,000	-	146,000
Depreciation charge	<u>(302,218)</u>	<u>(14,415)</u>	<u>(609,208)</u>	<u>(357,295)</u>	<u>(1,283,136)</u>
	<u>2,505,870</u>	<u>203,119</u>	<u>838,611</u>	<u>851,687</u>	<u>4,399,287</u>
As at June 30, 2014					
Cost	3,216,708	222,197	2,805,231	1,585,044	7,829,180
Accumulated depreciation	(710,838)	(19,078)	(1,966,620)	(733,357)	(3,429,893)
Net book value	<u>2,505,870</u>	<u>203,119</u>	<u>838,611</u>	<u>851,687</u>	<u>4,399,287</u>
Annual rate of depreciation (%)	<u>10</u>	<u>10</u>	<u>35</u>	<u>25</u>	

ajp

	2014	2013
	Rupees	
3.3 Depreciation charge has been allocated to Funds as follows:		
Unrestricted - Other projects	907,010	1,128,434
Restricted		
- IDRC	198,297	185,980
- GRP	881,374	812,338
- GCC	203,465	108,156
	1,283,136	1,106,474
	<u>2,190,146</u>	<u>2,234,908</u>
4. INTANGIBLE ASSETS – Computer software		
Balance at beginning of the year	222,154	346,938
Add: Additions	270,000	-
Less: Amortization charge for the year	144,317	124,784
Balance at end of the year	<u>347,837</u>	<u>222,154</u>
Annual rate of amortization (%)	<u>33</u>	<u>33</u>
5. LONG TERM INVESTMENTS Held to maturity		
Pakistan Investment Bonds - note 7.1	-	7,895,726
Accrued interest	-	323,014
	<u>-</u>	<u>8,218,740</u>
6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances - unsecured		
Considered good		
- Employees	1,194,084	1,172,466
- Contractors	660,405	612,885
	<u>1,854,489</u>	<u>1,785,351</u>
Deposits, prepayments and other receivables		
Security deposits	202,398	190,000
Prepayments	196,489	107,000
Other receivables	25,000	20,000
	<u>2,278,376</u>	<u>2,102,351</u>

aps.

	2014	2013
	Rupees	
7. SHORT TERM INVESTMENTS		
Held to maturity		
Pakistan Investment Bonds - note 7.1	7,987,186	-
Treasury bills - note 7.2	24,928,800	-
Term deposit receipts	-	1,000,000
Accrued interest on:		
- Pakistan Investment Bonds	325,479	-
- Treasury bills	510,000	-
- Term deposit receipts	-	6,837
	835,479	6,837
	<u>33,751,465</u>	<u>1,006,837</u>

7.1 This represents investment in Pakistan Investment Bonds (PIBs) having a term of 3 years, maturing on August 18, 2014 and carry a mark-up at the rate of 11.25% per annum.

7.2 This represents placement with Standard Chartered Bank for 3 months, carrying mark-up at the rate of 9.96% per annum.

	2014	2013
	Rupees	
8. CASH AND BANK BALANCES		
Cash at bank on:		
- Foreign currency saving accounts [US\$ 337,535 (2013: US\$ 280,654)]	33,321,427	26,970,831
- Local currency saving accounts - note 8.1	1,783,503	6,694,368
- Foreign currency current accounts [US\$ 2,797 (2013: US\$ 1,937)]	276,075	186,187
- Local currency current account	1,682,594	25,259,162
	<u>37,063,599</u>	<u>59,110,548</u>
Cash in hand	12,988	7,204
	<u>37,076,587</u>	<u>59,117,752</u>

8.1 These carry profit at the rate of 6 % (2013: 6 %) per annum.

	2014	2013
	Rupees	
9. DEFERRED CAPITAL GRANT		
 Restricted		
Balance at beginning of the year	4,333,493	4,198,992
Net capital expenditure on operating assets transferred from fund balance - note 3.2	1,571,084	1,365,759
Net capital expenditure on intangible assets transferred from fund balance - note 4	270,000	-
Depreciation for the year credited to income - note 3.3	(1,283,136)	(1,106,474)
Amortization for the year credited to income - note 4	(144,317)	(124,784)
	(1,427,453)	(1,231,258)
Balance at end of the year	<u>4,747,124</u>	<u>4,333,493</u>

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

	2014	2013
	Rupees	
10. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Balance at the beginning of the year	1,103,401	957,686
Recognized during the year	-	605,500
	<u>1,103,401</u>	<u>1,563,186</u>
Less: Repayments during the year	<u>540,596</u>	<u>459,785</u>
Present value of minimum lease payments	562,805	1,103,401
Less: Current portion shown under current liabilities	<u>233,792</u>	<u>540,596</u>
	<u>329,013</u>	<u>562,805</u>

ajms.

- 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, 2014			As at June 30, 2013		
	Minimum lease payment	Financial charges	Present value of minimum lease payment	Minimum lease payment	Financial charges	Present value of minimum lease payment
	Rupees					
2013-14	-	-	-	886,271	345,675	540,596
2014-15	391,062	157,270	233,792	391,062	157,270	233,792
2015-16	235,368	99,228	136,140	235,368	99,228	136,140
2016-17	235,368	72,612	162,756	235,368	72,612	162,756
2017-18	39,280	9,163	30,117	39,280	9,163	30,117
	<u>901,078</u>	<u>338,273</u>	<u>562,805</u>	<u>1,787,349</u>	<u>683,948</u>	<u>1,103,401</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 agreements.

11. TRADE AND OTHER PAYABLES

	2014	2013
	Rupees	
Sundry creditors	952,489	1,123,265
Accrued liabilities	7,790,719	7,160,081
Consultancy fee payable	2,963,425	1,597,142
Honorarium payable	3,153,178	2,154,554
Staff provident fund	-	603,130
Gratuity payable	296,605	296,605
Other liabilities	65,716	2,320
	<u>15,222,132</u>	<u>12,937,097</u>

12. OTHER INCOME

	2014			2013		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Rupees					
From financial assets						
Interest on investment	3,842,583	30,184	3,872,767	3,376,075	609,625	3,985,700
Exchange gain / (loss)	311,125	-	311,125	356,250	246,257	602,507
Return on bank deposits	-	537,210	537,210	38,265	257,970	296,235
	<u>4,153,708</u>	<u>567,394</u>	<u>4,721,102</u>	<u>3,770,590</u>	<u>1,113,852</u>	<u>4,884,442</u>
From other than financial assets						
Insurance claim	-	-	-	400,000	-	400,000
Gain / (loss) on disposal of operating assets	76,000	(32,000)	44,000	660,000	-	660,000
Liabilities written back	102,000	-	102,000	4,155	-	4,155
	<u>4,331,708</u>	<u>535,394</u>	<u>4,867,102</u>	<u>4,834,745</u>	<u>1,113,852</u>	<u>5,948,597</u>

13. OTHER EXPENSES

This represents exchange loss on foreign currency balances.

aps

14. Expenditure

	2014						2013					
	Unrestricted	Restricted				Unrestricted	Restricted					
	Others Projects	IDRC	GRP	GCC	Total	Total	Others Projects	IDRC	GRP	GCC	Total	Total
	Rupees											
Salaries and benefits	645,385	12,940,513	14,326,805	6,897,206	34,164,524	34,809,909	576,701	12,013,301	14,613,633	6,411,869	33,038,803	33,615,504
Support and administrative expenses												
Consultancy charges	-	4,269,150	3,907,086	1,952,582	10,128,818	10,128,818	-	3,229,703	3,650,149	2,245,357	9,125,209	9,125,209
Data collection and survey cost	-	1,667,635	3,084,290	8,385,291	13,137,216	13,137,216	764,638	2,870,593	4,294,387	683,746	7,848,726	8,613,364
Institutional support	-	901,699	1,408,471	68,601	2,378,771	2,378,771	-	1,228,040	997,283	1,220,150	3,445,473	3,445,473
Communication	-	182,521	400,554	435,152	1,018,227	1,018,227	82,603	284,562	603,444	69,286	957,292	1,039,895
Insurance	-	96,680	190,739	-	287,419	287,419	-	180,000	65,000	73,019	318,019	318,019
Printing and stationery	-	149,000	196,056	11,028	356,084	356,084	-	277,520	192,463	44,830	514,813	514,813
Conference and seminar	-	1,083,219	5,179,018	1,119,423	7,381,660	7,381,660	124,294	790,275	265,781	169,207	1,225,263	1,349,557
Rent	-	1,800,000	1,650,000	609,000	4,059,000	4,059,000	10,800	1,800,000	1,980,000	169,200	3,949,200	3,960,000
Repairs and maintenance	-	841,767	1,456,392	130,839	2,428,998	2,428,998	180,226	786,860	817,616	122,651	1,727,127	1,907,353
Security services	-	722,691	581,607	60,000	1,364,298	1,364,298	-	574,915	498,000	60,000	1,132,915	1,132,915
Computer maintenance	-	-	87,245	8,000	95,245	95,245	-	1,950	168,300	-	170,250	170,250
Legal and professional	-	-	66,026	75,000	141,026	141,026	3,000	390,500	109,755	60,000	560,255	563,255
Auditors' remuneration - note 13.1	425,000	-	-	-	-	425,000	400,192	-	-	-	-	400,192
Books and periodicals	-	47,846	8,908	-	56,754	56,754	-	4,960	37,673	-	42,633	42,633
Bank charges	-	-	18,380	-	18,380	18,380	-	10,801	3,244	-	14,045	14,045
Advance / Security deposit written off	-	-	-	-	-	-	93,273	-	-	-	-	93,273
Others	-	129,130	167,709	98,350	395,189	395,189	14,350	28,816	11,900	273	40,989	55,339
	425,000	11,891,338	18,402,481	12,953,266	43,247,085	43,672,085	1,673,376	12,459,495	13,694,995	4,917,719	31,072,209	32,745,585
	<u>1,070,385</u>	<u>24,831,851</u>	<u>32,729,286</u>	<u>19,850,472</u>	<u>77,411,609</u>	<u>78,481,994</u>	<u>2,250,077</u>	<u>24,472,796</u>	<u>28,308,628</u>	<u>11,329,588</u>	<u>64,111,012</u>	<u>66,361,089</u>

aps.

	2014	2013
	Rupees	
14.1 Auditors' remuneration		
Audit fee	375,000	350,000
Out of pocket expenses	50,000	50,192
	<u>425,000</u>	<u>400,192</u>
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	37,076,587	59,117,752
Short term investments	24,928,800	1,000,000
	<u>62,005,387</u>	<u>60,117,752</u>

16. 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:

		2014	2013
		Rupees	
Nature of relationship	Nature of transactions		
Retirement benefit funds			
- Provident fund	Contributions	1,961,419	1,967,642
Key management personnel			
- note 16.1			
- Managerial remuneration		4,433,368	4,116,552
- Honorarium		765,029	1,434,144
- Others		60,601	17,343
		<u>5,258,998</u>	<u>5,568,039</u>

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

aps.

17. PROVIDENT FUND RELATED DISCLOSURES

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

	2014	2013
	Rupees	
Size of the fund - Total assets	<u>13,452,949</u>	<u>10,677,590</u>
Cost of investments made	<u>11,237,393</u>	<u>9,237,393</u>
Percentage of investments made	<u>99.81%</u>	<u>94.35%</u>
Fair value of investments	<u>13,427,949</u>	<u>10,074,460</u>

17.1 The break-up of fair value of investments is as follows:

	2014		2013	
	Rupees	%	Rupees	%
Special savings certificates	11,292,396	84%	9,272,067	92%
Term deposits receipts	1,000,000	7%	-	-
Bank balances	1,135,553	8%	802,393	8%
	<u>13,427,949</u>	<u>99%</u>	<u>10,074,460</u>	<u>100%</u>

17.2 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.

18. NUMBER OF EMPLOYEES

	2014	2013
Number of employees as at June 30	<u>29</u>	<u>29</u>

19. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 24 OCT 2014.

aps.

→

Amal Kulkarni

Amal Kulkarni

Managing Director

Director

Director