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SOCIAL POLICY AND DEVELOPMENT CENTRE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

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.



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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Social Policy and Development Centre as at 30 June 2015 and the related income and expenditure account, other comprehensive income, cash flow statement and statement of changes in funds 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. The financial statements of the Company for the year ended 30 June 2014 were audited by another firm of Chartered Accountants, whose report, dated 24 October 2014, expressed an unqualified opinion thereon.

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, other comprehensive income, cash flow statement and statement of changes in funds together with the notes forming part thereof conform with 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 30 June 2015 and of the deficit, other comprehensive loss, its cash flows and changes in funds 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

Audit Engagement Partner: Shariq Ali Zaidi

Date: 17 October 2015

Place: Karachi

**SOCIAL POLICY AND DEVELOPMENT CENTRE
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT JUNE 30, 2015**

	Note	June 30, 2015 Rupees	June 30, 2014 (Restated) Rupees
<u>ASSETS</u>			
NON CURRENT ASSETS			
Property and equipment	4	4,864,302	5,352,513
Intangible assets	5	161,367	347,837
Long-term investments	6	28,474,552	-
Long-term deposits and prepayments		965,500	1,233,734
		<u>34,465,721</u>	<u>6,934,084</u>
CURRENT ASSETS			
Advances, deposits, prepayments and other receivables	7	2,879,770	2,278,376
Short-term investments	8	7,119,909	33,751,465
Cash and bank balances	9	12,738,735	37,076,587
		<u>22,738,414</u>	<u>73,106,428</u>
TOTAL ASSETS		<u>57,204,135</u>	<u>80,040,512</u>
<u>FUND AND LIABILITIES</u>			
FUND			
Fund balance		42,881,662	60,071,256
Deferred capital grant	10	3,745,437	4,747,124
		<u>46,627,099</u>	<u>64,818,380</u>
CURRENT LIABILITIES			
Trade and other payables	11	10,577,036	15,222,132
TOTAL FUND AND LIABILITIES		<u>57,204,135</u>	<u>80,040,512</u>
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes 1 to 21 form an integral part of these financial statements.


MANAGING DIRECTOR


DIRECTOR


DIRECTOR

**SOCIAL POLICY AND DEVELOPMENT CENTRE
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015**

		2015			2014		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		(Restated)					
		(Rupees)					
Note							
INCOME							
Deferred capital grant released	10	-	1,518,687	1,518,687	-	1,427,453	1,427,453
Grant utilized		-	59,072,729	59,072,729	-	77,460,635	77,460,635
Other project revenue		3,559,493	-	3,559,493	145,329	-	145,329
Other income	13	4,693,411	-	4,693,411	4,331,708	535,394	4,867,102
		8,252,904	60,591,416	68,844,320	4,477,037	79,423,482	83,900,519
EXPENDITURE							
Operating cost	14	(9,490,147)	(58,994,912)	(68,485,059)	(1,630,645)	(77,411,609)	(79,042,254)
Depreciation	4.3	(263,625)	(1,337,836)	(1,601,461)	(199,563)	(1,283,136)	(1,482,699)
Amortization	5	(5,619)	(180,851)	(186,470)	-	(144,317)	(144,317)
Exchange loss	13	-	(77,817)	(77,817)	-	(584,420)	(584,420)
		(9,759,391)	(60,591,416)	(70,350,807)	(1,830,208)	(79,423,482)	(81,253,690)
(Deficit) / surplus for the year		(1,506,487)	-	(1,506,487)	2,646,829	-	2,646,829

The annexed notes 1 to 21 form an integral part of these financial statements.

MANAGING DIRECTOR

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**SOCIAL POLICY AND DEVELOPMENT CENTRE
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

	30 June 2015 Rupees	30 June 2014 (Restated) Rupees
(Deficit) / surplus for the year	(1,506,487)	2,646,829
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	<u>(1,506,487)</u>	<u>2,646,829</u>

The annexed notes 1 to 21 form an integral part of these financial statements.



MANAGING DIRECTOR



DIRECTOR



DIRECTOR

**SOCIAL POLICY AND DEVELOPMENT CENTRE
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	June 30, 2015 Rupees	June 30, 2014 (Restated) Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year		(1,506,487)	2,646,829
Adjustment for non-cash and other items			
Depreciation		1,601,461	1,482,699
Amortization		186,470	144,317
Provision for honorarium		1,844,111	998,624
Provision for Consultancy fee charges		2,077,258	1,366,283
Gain on disposal		-	(44,000)
Profit on investments		(4,397,670)	(3,872,767)
		(194,857)	2,721,985
Working capital changes			
Increase in advances, deposits, prepayments and other receivables		(601,394)	(176,025)
(Decrease) in trade and other payables		(8,566,465)	(79,872)
		(9,167,859)	(255,897)
Decrease in long term deposits		268,234	540,915
Net cash (used in) / generated from operating activities		(9,094,482)	3,007,003
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,113,250)	(2,473,234)
Proceeds from disposal of property, plant and equipment		-	190,000
Investments (made) / encased during the year – net		(20,487,366)	-
Income received on investments		3,750,355	3,275,679
Net cash (used in) / generated from investing activities		(17,850,261)	992,445
		(26,944,743)	3,999,448
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred capital grant released		(1,518,687)	(1,427,453)
Grants received		43,906,622	76,776,275
Grants utilized		(59,072,729)	(77,460,635)
Net cash used in financing activities		(16,684,794)	(2,111,813)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(43,629,537)	1,887,635
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		62,005,387	60,117,752
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	18,375,850	62,005,387

The annexed notes 1 to 21 form an integral part of these financial statements.

MANAGING DIRECTOR

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DIRECTOR

**SOCIAL POLICY AND DEVELOPMENT CENTRE
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Unrestricted	Restricted					
	Others	IDRC	GRP	GCC	TTI-II	Total	Grand Total
				Rupees			
Balance as at June 30, 2013	35,114,027	2,624,561	8,268,642	12,905,076	-	23,798,279	58,912,306
Adjustment (Note 19)	1,037,565	-	-	-	-	-	1,037,565
Balance as at June 30, 2013 – Restated	36,151,592	2,624,561	8,268,642	12,905,076	-	23,798,279	59,949,871
Grant 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)
Capital expenditure transferred to deferred capital grants	-	(4,595)	(1,817,639)	(18,850)	-	(1,841,084)	(1,841,084)
Surplus for the year –Restated	2,646,829	-	-	-	-	-	2,646,829
Balance as at June 30, 2014	38,798,421	13,347,165	7,919,842	5,828	-	21,272,835	60,071,256
Grant received during the year	-	-	-	13,540,104	30,366,517	43,906,621	43,906,621
Grants utilized	-	(12,084,676)	(2,284,865)	(21,326,274)	(23,376,914)	(59,072,729)	(59,072,729)
Capital expenditure transferred to deferred capital grants	-	(335,200)	(181,800)	-	-	(517,000)	(517,000)
Adjustments*	(112,458)	(926,564)	(5,259,395)	5,662,827	635,590	112,458	
Deficit for the year	(1,506,487)	-	-	-	-	-	(1,506,487)
Balance as at June 30, 2015	37,179,476	725	193,782	(2,117,515)	7,625,193	5,702,185	42,881,662

* Adjustments are made to allocate the grants received and expenses incurred to respective projects.

The annexed notes 1 to 21 form an integral part of the financial statements.

MANAGING DIRECTOR

DIRECTOR

DIRECTOR

**SOCIAL POLICY AND DEVELOPMENT CENTRE
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

1. THE COMPANY AND ITS OPERATIONS

1.1 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 an organization not for profit. The registered office of the Company is situated at 15, Maqbool Co-operative Housing Society, Block 7 & 8, Karachi.

1.2 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 which has been renewed on October 01, 2014 in respect of Think-Tank Initiative-II (TTI-II) upto March 31, 2019.

In addition to the above, the Company is engaged in specific projects which include the Gender Research Programme (GRP), concluded on July 31, 2014 and Global Change (GCC), concluding on August 31, 2015. These projects have been funded through grants received from Norwegian Ministry of Foreign Affairs and IDRC.

2. STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, 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.

2.2 Previously, the Company used to prepare the financial statements in accordance with approved accounting standards comprising Accounting and Financial Reporting Standard for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. The management for the purpose of improved presentation of the financial statements changed the accounting framework.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

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

3.2 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.3 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	January 01, 2015
Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The above standards and amendments are not expected to have any impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

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Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018

3.4 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards 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. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.5 Property and equipment

Owned

Property and equipment 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 4.1 and note 4.2 to the financial statements. Depreciation on additions is charged from the month of addition, whereas no depreciation is charged in the month of disposal.

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

Repairs and maintenance are charged to income and expenditure account as and when incurred.

The 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.

3.6 Intangible assets

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

Generally, costs associated with maintaining computer software are recognised 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 recognised 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 recognised 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 recognised in income and expenditure account.

3.7 Investment**Held to maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. These investments are initially recognised at fair value plus transaction costs and subsequently measured at amortized cost.

3.8 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to income and expenditure account currently.

3.9 Advances and other receivables

These are stated at cost less provision for doubtful balances, if any.

3.10 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.

3.11 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 (Note 17).

3.12 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 estimates.

3.13 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit and loss account on straight line basis over the lease term.

3.14 Taxation

Being a non-profit organisation, there is no impact of tax in the financial statements as no tax is payable in accordance with Section 100C of the Income Tax Ordinance, 2001. Accordingly, no provision is required in the financial statements.

3.15 Cash and cash equivalents

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

3.16 Unrestricted funds

Funds received for ongoing operations, without any restrictions on utilization, are classified as unrestricted funds. These funds are recognised as income when received. The expenses incurred against such funds are recognised in the income and expenditure account as and when incurred.

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Restricted funds

Funds received as grant for specific purposes are classified as restricted fund. For this purpose:

- i. When grants received are in excess of their outlay, these are recognised as income to the extent of related expenses incurred. The excess balance is carried forward to deferred income as a restricted fund balance; and
- ii. In case of grants received are less than related expenditure incurred, the balance to the extent of commitment is recognized as receivable, if there is a strong probability of recovery of the contractual receivable from the respective donors.

Functional and presentation currency

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

3.17 Revenue Recognition

Revenue from projects is recognised when services are rendered.

Return on bank deposits is recognised on a time proportion basis on the principle amount outstanding and the rate applicable.

	Note	June 30, 2015 Rupees	June 30, 2014 (Restated) Rupees
4. PROPERTY AND EQUIPMENT			
Unrestricted	4.1	1,285,851	953,226
Restricted	4.2	3,578,451	4,399,287
		<u>4,864,302</u>	<u>5,352,513</u>

4.1 Unrestricted

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	Rate
	As at July 01, 2014	Additions/ (Disposal)	As at June 30, 2015	As at July 01, 2014	For the Year / (On Disposal)	As at June 30, 2015	As at June 30, 2015	
2015				(Rupees)				%
Furniture and fixtures	1,640,268	-	1,640,268	1,603,342	7,140	1,610,482	29,786	10%
Office equipments	2,673,307	-	2,673,307	2,264,228	78,668	2,342,896	330,411	10%
Computer	3,306,529	-	3,306,529	3,306,529	-	3,306,529	-	35%
Motor vehicles	486,150	596,250	1,082,400	8,103	156,855	164,958	917,442	20%
Books and publications	11,611,516	-	11,611,516	11,582,342	20,962	11,603,304	8,212	25%
	<u>19,717,770</u>	<u>596,250</u>	<u>20,314,020</u>	<u>18,764,544</u>	<u>263,625</u>	<u>19,028,169</u>	<u>1,285,851</u>	
2014				(Rupees)				%
Furniture and fixtures	1,640,268	-	1,640,268	1,589,645	13,697	1,603,342	36,926	10%
Office equipments	2,673,307	-	2,673,307	2,175,093	89,135	2,264,228	409,079	10%
Computer	6,499,836	(3,193,307)	3,306,529	6,499,836	(3,193,307)	3,306,529	-	35%
Motor vehicles – restated	-	486,150	486,150		8,103	8,103	478,047	20%
Books and publications	11,611,516	-	11,611,516	11,493,714	88,628	11,582,342	29,174	25%
	<u>22,424,927</u>	<u>486,150</u>	<u>19,717,770</u>	<u>21,758,288</u>	<u>199,563</u>	<u>18,764,544</u>	<u>953,226</u>	
		<u>(3,193,307)</u>			<u>(3,193,307)</u>			

4.2 Restricted

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	Rate
	As at July 01, 2014	Additions / (disposal)	As at June 30, 2015	As at July 01, 2014	For the Year / (On Disposal)	As at June 30, 2015	As at June 30, 2015	
2015				(Rupees)				%
Furniture and fixtures	222,197	-	222,197	19,078	22,220	41,298	180,899	10%
Office equipments	3,216,708	101,500	3,318,208	710,838	331,304	1,042,142	2,276,066	10%
Computer	2,805,231	415,500	3,220,731	1,966,620	619,095	2,585,715	635,016	35%
Books and publications	1,585,044	-	1,585,044	733,357	365,217	1,098,574	486,470	25%
	7,829,180	517,000	8,346,180	3,429,893	1,337,836	4,767,729	3,578,451	

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	Rate
	As at July 01, 2013	Additions / (disposal)	As at June 30, 2014	As at July 01, 2013	For the Year / (On Disposal)	As at June 30, 2014	As at June 30, 2014	
2014				(Rupees)				%
Furniture and fixtures	118,138	104,059	222,197	4,663	14,415	19,078	203,119	10%
Office equipments	2,847,580	369,128	3,216,708	408,620	302,218	710,838	2,505,870	10%
Computer	2,059,481	905,750 (160,000)	2,805,231	1,371,412	609,208 (14,000)	1,966,620	838,611	35%
Books and publications	1,246,897	338,147	1,585,044	376,062	357,295	733,357	851,687	25%
	6,272,096	1,717,084 (160,000)	7,829,180	2,160,757	1,283,136 (14,000)	3,429,893	4,399,287	

4.3 Depreciation charge has been allocated to Funds as follows:

	June 30, 2015 Rupees	June 30, 2014 Rupees
Unrestricted – restated	263,625	199,563
Restricted		
IDRC	173,050	198,297
GRP	1,057,940	881,374
GCC	106,847	203,465
	1,337,837	1,283,136
	1,601,462	1,482,699

5. INTANGIBLE ASSETS

	COST			ACCUMULATED AMORTIZATION			BOOK VALUE	Rate
	As at July 01, 2014	Additions / (disposal)	As at June 30, 2015	As at July 01, 2014	For the year	As at June 30, 2015	As at June 30, 2015	
2015				(Rupees)				%
Computer software								
Restricted	626,315	-	626,315	284,097	180,851	464,948	161,367	33%
Unrestricted	1,199,682	-	1,199,682	1,194,063	5,619	1,199,682	-	33%
	1,825,997	-	1,825,997	1,478,160	186,470	1,664,630	161,367	
2014				(Rupees)				%
Computer software								
Restricted	356,315	270,000	626,315	146,980	137,117	284,097	342,218	33%
Unrestricted	1,199,682	-	1,199,682	1,186,863	7,200	1,194,063	5,619	33%
	1,555,997	270,000	1,825,997	1,333,843	144,317	1,478,160	347,837	

	Note	June 30, 2015 Rupees	June 30, 2014 Rupees
6. LONG TERM INVESTMENTS – held to maturity			
Pakistan Investment Bonds	6.1	28,474,552	-
6.1 These represent investment in Pakistan Investment Bonds (PIBs) having a term of three years, maturing on July 17, 2017 and carry a markup at the rate of 11.25% per annum.			
	Note	June 30, 2015 Rupees	June 30, 2014 Rupees
7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances – unsecured			
Employees		1,383,483	1,194,084
Contractors		957,833	660,405
		2,341,316	1,854,489
Deposits, prepayments and other receivables			
Security deposits		202,398	202,398
Prepayments		279,556	196,489
Other receivables		56,500	25,000
		538,454	423,887
		2,879,770	2,278,376
8. SHORT TERM INVESTMENTS – held to maturity			
Pakistan Investment Bonds		219,615	7,987,186
Treasury Bills	8.1	5,417,500	24,928,800
		5,637,115	32,915,986
Accrued interest on:			
Pakistan Investment Bonds		1,449,401	325,479
Treasury Bills		33,393	510,000
		1,482,794	835,479
		7,119,909	33,751,465
8.1 This represents placement with Standard Chartered Bank for three months, carrying mark-up at the rate of 6.62% per annum.			
	Note	June 30, 2015 Rupees	June 30, 2014 Rupees
9. CASH AND BANK BALANCES			
Cash at bank in:			
Savings accounts			
Foreign currency [US\$ 114,926 (2014: US\$ 337,535)]		11,306,868	33,321,427
Local currency	9.1	195,967	1,783,503
Current accounts			
Foreign currency [US\$ 5,066 (2014: US\$ 2,797)]		514,659	276,075
Local currency		704,465	1,682,594
		12,721,959	37,063,599
Cash in hand		16,776	12,988
		12,738,735	37,076,587
9.1 These carry profit at the rate of 4% (2014: 6%) per annum			

ET/2014/11

	Note	June 30, 2015 Rupees	June 30, 2014 Rupees
10. DEFERRED CAPITAL GRANT – restricted			
Balance as at the beginning of the year		4,747,124	4,333,493
Capital expenditure on operating assets transferred	4.2	517,000	1,571,084
Capital expenditure on intangible assets transferred from fund balance	5	-	270,000
		<u>5,264,124</u>	<u>6,174,577</u>
Depreciation for the year credited to income		(1,337,836)	(1,283,136)
Amortization for the year credited to income		(180,851)	(144,317)
		<u>(1,518,687)</u>	<u>(1,427,453)</u>
		<u>3,745,437</u>	<u>4,747,124</u>

10.1 The Company utilizes grant received from various donor agencies for purchase of capital assets as per the grant agreement with respective donors.

	June 30, 2015 Rupees	June 30, 2014 Rupees
11. TRADE AND OTHER PAYABLES		
Sundry creditors	1,191,049	952,489
Accrued liabilities	6,841,908	7,790,719
Consultancy fee payable	886,167	2,963,425
Honorarium payable	1,359,067	3,153,178
Gratuity payable - Senior Economist	296,605	296,605
Other liabilities	2,240	65,716
	<u>10,577,036</u>	<u>15,222,132</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 Ijarah

Commitment for ujarah payments under an Ijarah agreement in respect of Motor Vehicles is as follows:

	June 30, 2015 Rupees	June 30, 2014 Rupees
Not later than one year	235,368	391,062
Later than one year and not later than five years	274,596	509,964
	<u>509,964</u>	<u>901,026</u>

13. OTHER INCOME

	2015			2014		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Rupees					
From financial assets						
Interest on investment	4,397,670	-	4,397,670	3,842,583	30,184	3,872,767
Exchange gain / (loss)	256,608	(77,817)	178,791	311,125	-	311,125
Return on bank deposits	39,133	-	39,133	-	537,210	537,210
	<u>4,693,411</u>	<u>(77,817)</u>	<u>4,615,594</u>	<u>4,153,708</u>	<u>567,394</u>	<u>4,721,102</u>
From other than financial assets						
Gain / (loss) on disposal of operating assets	-	-	-	76,000	(32,000)	44,000
Liabilities written back	-	-	-	102,000	-	102,000
				<u>178,000</u>	<u>(32,000)</u>	<u>146,000</u>
	<u>4,693,411</u>	<u>(77,817)</u>	<u>4,615,594</u>	<u>4,331,708</u>	<u>535,394</u>	<u>4,867,102</u>

14. OPERATING COST

	2015							2014						
	Unrestricted		Restricted					Unrestricted		Restricted				
	Other Projects	IDRC	GRP	GCC	TTI-II	Total	Total	Other Projects (Restated)	IDRC	GRP	GCC	Total	Total	
-----Rupees-----														
Salaries and benefits	5,157,774	5,352,502	448,945	4,630,818	13,675,993	24,108,258	29,266,032	645,385	12,940,513	14,326,805	6,897,206	34,164,524	34,809,909	
Support and Administrative expenses:														
Consultancy charges	756,206	2,613,795	50,000	3,214,295	1,187,551	7,065,641	7,821,847	-	4,269,150	3,907,086	1,952,582	10,128,818	10,128,818	
Data collection and survey cost	287,100	169,365	-	6,844,899	3,497,320	10,511,584	10,798,684	-	1,667,635	3,084,290	8,385,291	13,137,216	13,137,216	
Institutional support	417,579	603,513	106,140	462,077	914,192	2,085,922	2,503,501	-	901,699	1,408,471	68,601	2,378,771	2,378,771	
Communication	169,214	409,172	-	403,587	511,095	1,323,854	1,493,068	-	182,521	400,554	435,152	1,018,227	1,018,227	
Insurance	597	279,277	-	37,000	17,900	334,177	334,774	-	96,680	190,739	-	287,419	287,419	
Printing, stationary and publications	4,320	678,453	813,000	4,392,714	431,805	6,315,972	6,320,292	-	149,000	196,056	11,028	356,084	356,084	
Conference and seminar	6,300	643,898	612,920	257,230	116,643	1,630,691	1,636,991	-	1,083,219	5,179,018	1,119,423	7,381,660	7,381,660	
Rent	1,732,292	660,000	-	564,000	1,813,500	3,037,500	4,769,792	560,260	1,800,000	1,650,000	609,000	4,059,000	4,619,260	
Repair and maintenance	20,943	382,410	193,860	185,724	467,448	1,229,442	1,250,385	-	841,767	1,456,392	130,839	2,428,998	2,428,998	
Security services	279,990	172,284	-	82,099	516,852	771,235	1,051,225	-	722,691	581,607	60,000	1,364,298	1,364,298	
Computer maintenance	180,732	89,090	-	30,985	28,483	148,558	329,290	-	-	87,245	8,000	95,245	95,245	
Legal and professional	-	-	60,000	42,000	116,850	218,850	218,850	-	-	66,026	75,000	141,026	141,026	
Auditors remuneration 14.1	435,000	-	-	-	-	-	435,000	425,000	-	-	-	-	425,000	
Books and periodicals	4,400	20,692	-	-	96,375	117,067	121,467	-	47,846	8,908	-	56,754	56,754	
Bank charges	33,420	-	-	-	100	100	33,520	-	-	18,380	-	18,380	18,380	
Others	4,280	50,310	-	33,960	11,791	96,061	100,341	-	129,130	167,709	98,350	395,189	395,189	
	4,332,373	6,772,259	1,835,920	16,550,570	9,727,905	34,886,654	39,219,027	985,260	11,891,338	18,402,481	12,953,266	43,247,085	44,232,345	
Total	9,490,147	12,124,761	2,284,865	21,181,388	23,403,898	58,994,912	68,485,059	1,630,645	24,831,851	32,729,286	19,850,472	77,411,609	79,042,254	

	June 30, 2015 Rupees	June 30, 2014 Rupees
14.1 Auditors' remuneration		
Audit fee	375,000	375,000
Out of pocket expenses	60,000	50,000
	<u>435,000</u>	<u>425,000</u>

15. CASH AND CASH EQUIVALENTS

Cash and bank balances	12,738,735	37,076,587
Short term Investments	5,637,115	24,928,800
	<u>18,375,850</u>	<u>62,005,387</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:

Relationship	Nature of transactions	June 30, 2015 Rupees	June 30, 2014 Rupees
Retirement benefit funds			
Provident fund	Contributions	<u>1,988,834</u>	<u>1,961,419</u>
Key management personnel – note 16.1			
Managerial remuneration		4,433,376	4,433,368
Honorarium		1,264,415	765,029
Others		116,000	60,601
		<u>5,813,791</u>	<u>5,258,998</u>

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

17. PROVIDENT FUND RELATED DISCLOSURES

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

Size of the fund – total assets	<u>19,011,105</u>	13,452,949
Cost of investments made	<u>17,322,712</u>	11,237,393
Percentage of investments made	<u>99.65%</u>	99.81%
Fair value of investments	<u>18,944,373</u>	13,427,949

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

	2015		2014	
	Rupees	%	Rupees	%
	<u>Rupees</u>			
Special savings certificates	17,230,980	91%	11,292,396	84%
Term deposit receipts	1,000,000	5%	1,000,000	7%
Bank balances	713,393	4%	1,135,553	9%
	<u>18,944,373</u>	<u>100%</u>	<u>13,427,949</u>	<u>100%</u>

- 17.2** The investment 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. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The managing committee of the Company review and agree policies for managing each of the risks which are summarised below:

18.1 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of currency risk and interest rate risk.

18.1.1 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at the balance sheet date the Company is not exposed to currency risk.

18.1.2 Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. As of the balance sheet date, the Company is exposed to such risk in respect of bank balances and investment in PIBs. The following table demonstrates management's best estimate of the sensitivity of the accumulated fund and net surplus for the year to a reasonably possible change in interest rates, with all other variables held constant. In practice, actual results may differ from the sensitivity analysis and the difference could be material.

	Effect on Deficit 2015	Effect on Surplus 2014
	----- Rupees -----	
Increase / decrease in basis points		
100	468,504	699,926
(100)	(468,504)	(699,926)

18.2 Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As of the balance sheet date, the Company is not materially exposed to such credit risk.

The Company credit risk is primarily attributable to its bank balances and investment of PIBs. The credit risk on bank balances is limited because the counter parties are banks with reasonably high credit ratings. The credit quality of cash at bank as per credit rating agencies are as follows:

Rating	Rating
	Short Term
Standard Chartered	A1+
Meezan Bank	A-1+

18.3 Liquidity risk management

Liquidity risk represents the risk that a Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance in working capital management. The Company's financial liabilities are all current and due within one year. These will be settled at amounts as disclosed in the balance sheet.

19. CORRESPONDING FIGURES

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

In accordance with the requirement of Islamic Financial Accounting Standard (IFAS) 2 "Ijarah" as issued by the Institute of Chartered Accountants of Pakistan, For Ijarah, ujarah payments should be recognised as expense in income statement on straight line basis. However, the Company in prior years, recognised the ijarah as finance lease.

The above is accounted for retrospectively as a result of which the comparatives relating to unrestricted funds for prior years have been restated. Accordingly the property and equipment, finance lease obligation, depreciation, and finance charge were decreased by Rs. 579,803/-, 563,065/-, 2,859,048/-, 1,699,231/- respectively. Further, long term deposits and rental expense were increased by Rs. 1,201,750/- and 3,373,266/- respectively. Balance sheet as of 01 July 2014 is not presented as the effect of this adjustment is not considered to be material in the context of overall financial statements

20. NUMBER OF EMPLOYEES

The number of employees as at year end was 29 (2014: 29) and average number of employees during the period were 29 (2014: 29).

21. DATE OF AUTHORISATION FOR ISSUE**17 OCT 2015**

These financial statements were authorised for issue on _____ by the Company Members.



MANAGING DIRECTOR



DIRECTOR



DIRECTOR

ETP&H