

CERP

2021-2022

Annual Report

CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN

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Pakistan

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Director's Note

The 2021-22 fiscal year was a watershed event in CERP's history and sustainability with the highest-ever net revenue from operations and total net revenue. While we are a Non-Profit Organisation (NPO), we believe that the allocation of resources should create both intellectual and financial value. It also validates a unique hybrid model where grant-based non-revenue-seeking research can be co-located with revenue-generating units for sustainable organic growth.

We have six practices/verticals at CERP: Data Analytics, CERP Labs (Technology), Executive Education, Policy Advisory, Research and Survey Unit.

There are lots of aggregation benefits of co-locating these verticals and bridging the gap between evidence and practice to drive impact. To strengthen the link between knowledge production, capacity building and implementation.



Data Analytics vertical achieved record growth with diverse engagements across Digital Transformation in Property Tax, Financial Constraints in Healthcare sector, Economic Empowerment and Human Capital, Market Research and Business Analytics, and Maternal Health Intervention. This has propelled our work to partner with global organisations in creating value as an intellectual partner.

CERP Labs is a strategic initiative at CERP where we want to build technology for impact and economic growth. It is closely aligned with our mission and helps scale research as well as deploy analytics in a system-driven approach. There are four areas where we have built technology platforms: Precision Agriculture (500,000 Farmer Network), Health Diagnostic Tool for LHWs, Education (Targeted Instruction Program and EdTech Hub) and M&E System Integration.

Executive Education exceeded targets this fiscal year and has demonstrated organic growth over the last four years. It evolved its model to build a portfolio of online and in-person course offerings. It developed case studies leveraging our research insights to enable learning across public and private sectors. We envision a much deeper capacity building that goes beyond short courses and one-time engagement to embed the learning in an actual project-oriented approach.

Policy Advisory went through a transition in the latter half of the fiscal year. It required us to rebuild and re-engage in the public sector as well as work on projects that align with our approach. Despite this transition, we had an influence on Cloud First Policy and the Personal Data Protection Bill in Pakistan. Policy Advisory also led the needs assessment on a multi-year project to improve M&E systems in Pakistan with specific ministries as the starting point

Research had close to highest ever research overheads which indicates expansion of research volume driven by Precision Development (PxD) with various agricultural interventions, Targeted Instruction Program (TIP) to address Covid learning losses, and Health (Infant Feeding). We also established the Research Development & Management (RDev) department to enable new research at CERP, offer research fellows unmatched services and build partnerships across academics to drive interdisciplinary work.

Survey Unit built on its strong portfolio of work with survey work for PxD research team and credibly signalled expansion into the development sector as a survey unit of choice. We envision engaging in the wider survey market and offering our services in the Research, Development and Private sectors. In addition, we began early conversations on doing high-frequency economic surveys to provide data-driven insights into major public policy issues.

CERP's growth has been nothing short of remarkable with a 162% increase in total net revenue over the last four years. This fiscal space allows us to fund programmatic and geographical expansion, and acquire and retain the best talent. This has also been a culmination of a journey despite a global pandemic to build an independent self-sustainable mission-driven institution. Above all, it is the incredible talent at CERP who worked tirelessly, drove the mission forward and achieved these unprecedented milestones.

The Directors of CERP wish to pay their deepest respects to the contribution of Mr. Adnan Qadir Khan who resigned from the board on 1st December 2021. The casual vacancy created on the board due to Mr. Adnan Qadir Khan resignation was filled by Mr. Basit Ahmed Khan Zafar on 28th December 2021.

At the date of this report, the Directors of CERP are:

- Ali Cheema
- Asim Ijaz Khwaja
- Atif Rehman Mian
- Tahir Raza Shah Andrabi
- Basit Ahmed Khan Zafar

Furthermore, there was no expenses reimbursed to the Chief Executive and Directors for attending the Board meetings.



Maroof A. Syed
President and CEO



Dr. Ali Cheema
Director

About CERP

CERP was established in 2010 with the aim of filling the gap in evidence-based decision-making in Pakistan. Our founding members have a history of conducting rigorous and internationally recognised empirical research in Pakistan. They decided to come together to form an organisation that focused on generating this knowledge, disseminating it to inform policy, and partnering from the outset with policy actors to ensure theoretically and empirically informed policy design.

Our Mission

We aim to improve decision-making in Pakistan through evidence-based research, survey, executive education, analytics, and advisory services.

Our current research projects cover topics in primary education, taxation, finance, social policy household welfare, governance, and health education. Each project is led by Principal Investigators (PIs) selected from the pool of CERP fellows comprising of academics and researchers based in internationally reputed universities. The current roster of CERP PIs includes academics from Harvard University, MIT, Princeton University, Pomona College, London School of Economics, the International Growth Center, Lahore University of Management Sciences and the World Bank while project support is given by donors including DFID, World Bank, 3ie, National Science Foundation (NSF), International Growth Center (IGC), and IPA.

CERP is set up as a non-profit under Section 42 of the Companies Ordinance, 1984 (replaced with the enactment of the Companies Act, 2017) and has its main office in Lahore, Pakistan.



IMPLEMENTING PARTNERS

- Adult Basic Education Society
- Agriculture Department, Government of Punjab
- Aman Foundation
- Communication and Works Department, Government of Punjab
- Excise and Taxation Department, Government of Punjab
- Finance Department, Government of Punjab
- Health Department, Government of Punjab
- Higher Education Department, Government of Punjab
- Livestock and Dairy Development Department (LDDD), Government of Punjab
- Local Government Department, Government of Punjab
- National Commission for Human Development (NCHD)
- Punjab Information Technology Board (PITB)
- TeleTaleem
- Punjab Public Procurement Regulatory Authority (PPRA)
- Punjab Resource Management Programme (PRMP)
- Punjab Skills Development Fund (PSDF)
- Regional Centers for Learning on Evaluation and Results (CLEAR)
- School Education Department, Government of Punjab
- Oxford University Press
- Tameer Micro Finance Bank
- Civil Services Academy
- National School of Public Policy (NSPP)
- Punjab Social Protection Authority
- Social Welfare Department Punjab
- Idara-e-Taleem-o-Aagahi
- Elementary & Secondary Education Department, Khyber Pakhtunkhwa
- Primary & Secondary Health Department, Government of Punjab

DONORS

- Foreign, Commonwealth and Development Office (FCDO)
- World Bank
- Harvard University
- J-Pal at MIT
- Innovations for Poverty Action (IPA)
- Private Enterprise Development in Low Income Countries (PEDL)
- Duke University
- IGC at London School of Economics
- Asian Development Bank (ADB)
- J-Pal South Asia at IFMR
- Punjab Skill Development Fund (PSDF)
- United National Development Programme
- Aman Foundation
- Princeton University
- Marshall Foundation
- Malala Fund
- JICA
- CID at Harvard University
- Punjab Commission on the Status of Women (PCSW)
- International Initiative for Impact Evaluation (3ie)
- National Bureau of Economic Research (NBER)
- New York University
- Oxford University
- Columbia University
- British Asian Trust (BAT)
- Precision Agriculture for Development (PAD)
- UBS Optimus Foundation
- University College London (UCL)
- Pomona College
- University of Essex
- IZA - Institute of Labor Economics
- Stanford University
- Habib Bank Limited (HBL)
- UC Berkeley

DONORS

- Warwick University
- The Institute of Development Studies (IDS)

NETWORK AFFILIATES

Local

- Technology for People Initiative
- Lahore University of Management Sciences
- Interactive Research and Development
- Centre for Research in Economics and Business
- Institute for Development and Economic Alternatives
- Consortium for Development Policy Research

International

- Evidence for Policy Design (Harvard University)
- Innovations for Poverty Action (IPA)
- International Growth Centre (IGC)
- Poverty Action Lab (J-PAL)

General Body and Board of Directors

Maroof Ali Syed

President and CEO, CERP
Non-Resident Fellow, Julis-Rabinowitz Center for Public Policy & Finance,
Princeton University,
MC/MPA, Harvard University.

Dr. Ali Cheema

Associate Professor Economics LUMS,
PhD Economics, University of Cambridge.

Dr. Basit Ahmad Khan Zafar

Professor of Economics, University of Michigan
PhD Economics, Northwest University

Dr. Atif Rehman Mian

Professor of Economics, Princeton University,
PhD Economics, Massachusetts Institute of Technology.

Dr. Tahir Raza Shah Andrabi

Professor of Economics, Pomona College,
PhD Economics, Massachusetts Institute of Technology

Dr. Asim Ijaz Khwaja

Chairman of the Board, CERP
Professor of Public Policy, Harvard University,
Director at Centre for International Development, Harvard Kennedy School
PhD Economics, Harvard University.

Finance and Audit Committee

Dr. Ali Cheema

Chair / Member of Board of Directors

Asif Ur Rehman Mirza

Chief Financial Officer

Dr. Atif Rehman Mian

Member of Board of Directors

Maroof Ali Syed

President and Chief Executive Officer

HR Committee

Dr. Asim Ijaz Khwaja

Member Board of Directors

Maroof Ali Syed

President and Chief Executive Officer

Dr. Tahir Raza Shah Andrabi

Member Board of Directors

Imran Ur Rahman

Executive Vice President, Human Resources

Company Secretary

Asif Ur Rehman Mirza

Chief Financial Officer

Safeguarding Officer

Amna Aaqil Malik

Director, Communications and Partnerships

Auditors

BDO Pakistan

3rd Floor, 22-East, Saeed Plaza , Blue Area, Jinnah Avenue
44000 Islamabad

<https://www.bdo.com.pk/>

Legal Advisers

Axis Law Chambers

5-S,Gulberg II, Lahore.
Contact No: +92 (42) 35750930-32
<http://www.axislaw.pk>

Tax Consultants

UHY Hassan Naeem & Co. Chartered Accountants:

A member of UHY, an international association of independent accounting and consulting firms.

193-A, Shah Jamal Lahore Pakistan.

Contact No: +92 (42) 7599938.

<http://www.uhy-hnco.com/hnco/>



FINANCIAL STATEMENTS

For the year ended 30 June, 2022

FINANCIAL STATEMENTS

CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN

**FOR THE YEAR ENDED
JUNE 30, 2022**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN

Report on the audit of the financial statements

Opinion

We have audited the annexed financial statements of **CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN** (the Company), which comprise the statement of financial position as at June 30, 2022, the statement of income and expenditure, the statement of other comprehensive income, the statement of the accumulated fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of other comprehensive income, the statement of the accumulated fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the surplus and other comprehensive income, its changes in accumulated fund and cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be



materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of other comprehensive income, the statement of accumulated funds, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors report is Abdul Qadeer.

ISLAMABAD

DATED: 05 OCT 2022
UDIN: AR202210095ZWlgQkS8s


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
FUNDS AND LIABILITIES			
ACCUMULATED FUND			
Restricted fund	5	160,673,516	136,476,517
Deferred grant - income based		6,524,449	5,216,194
Deferred grant - capital based		167,197,965	141,692,711
		135,708,552	104,537,662
General fund - unrestricted		302,906,517	246,230,373
TOTAL FUNDS			
NON-CURRENT LIABILITY	6	8,378,563	16,033,764
Lease liability			
CURRENT LIABILITIES	6	7,399,970	6,705,039
Current portion of lease liability		-	713,878
Contract liabilities	7	64,006,878	41,755,385
Trade and other payables		71,406,848	49,174,302
		79,785,411	65,208,066
TOTAL LIABILITIES			
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL FUND AND LIABILITIES		382,691,928	311,438,439
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	9	19,930,431	19,724,687
Right-of-use asset	10	13,809,069	17,706,647
Long term deposits	11	3,019,000	3,019,000
Long term loans to employees		164,990	764,610
		36,923,490	41,214,944
CURRENT ASSETS			
Current portion of long term loan	12	604,621	604,621
Advances, prepayments, deposits and other receivables	13	4,664,212	4,449,585
Trade receivables	14	70,872,368	11,599,327
Contract assets	15	11,468,179	7,104,489
Grant receivables	16	32,362,063	6,354,627
Tax refunds due from the government	17	38,847,594	20,689,780
Cash and bank balances		186,949,401	219,421,066
		345,768,438	270,223,495
TOTAL ASSETS		382,691,928	311,438,439

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022			2021
		Restricted Rupees	Unrestricted Rupees	Total Rupees	Total Rupees
INCOME					
Grants	22	325,020,672	47,003,652	372,024,324	241,047,267
Service income	18	-	117,787,769	117,787,769	84,077,228
Other income	19	-	11,933,024	11,933,024	8,722,639
Exchange gain net		2,285,887	10,918,929	13,204,816	-
Amortization of capital gran	9	2,850,723	-	2,850,723	2,781,071
		330,157,282	187,643,374	517,800,656	336,628,205
LESS: EXPENDITURE					
Direct expenses	22 & 20	(330,157,282)	(82,300,743)	(412,458,025)	(299,643,826)
Administrative expenses	21	-	(72,982,914)	(72,982,914)	(43,875,931)
Exchange loss net	22	-	-	-	(1,078,214)
Finance costs	6	-	(3,355,996)	(3,355,996)	(4,226,876)
		(330,157,282)	(158,639,653)	(488,796,935)	(348,824,847)
SURPLUS/(DEFICIT) FOR THE YEAR					
		-	29,003,721	29,003,721	(12,196,642)

The annexed notes from 1 to 30 form an integral part of these financial statements.



CHIEF EXECUTIVE


DIRECTOR

**CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Rupees	2021 Rupees
SURPLUS/DEFICIT FOR THE YEAR	29,003,721	(12,196,642)
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to statement of income and expenditure in subsequent years	-	-
Items that will not be reclassified to statement of income and expenditure in subsequent years	-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE YEAR	<u>29,003,721</u>	<u>(12,196,642)</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN
STATEMENT OF ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Deferred grant income based	Deferred grant capital based	General fund	Total
	Restricted		Un-restricted	
-----Rupees-----				
Balance as at July 01, 2020	99,018,346	4,856,835	116,734,304	220,609,485
Grants received during the year	324,456,571	-	-	324,456,571
Capital expenditure	(3,140,430)	3,140,430	-	-
Grant utilized during the year	(241,047,267)	-	-	(241,047,267)
Other adjustments	(42,810,703)	-	-	(42,810,703)
Amortization for the year	-	(2,781,071)	-	(2,781,071)
	37,458,171	359,359	-	37,817,530
Total comprehensive loss for the year	-	-	(12,196,642)	(12,196,642)
Balance as at June 30, 2021	136,476,517	5,216,194	104,537,662	246,230,373
Grants received during the year	370,259,220	-	-	370,259,220
Capital expenditure	(4,158,978)	4,158,978	-	-
Grants utilized during the year	(372,024,324)	-	-	(372,024,324)
Other adjustments	30,121,081	-	2,167,169	32,288,250
Amortization for the year	-	(2,850,723)	-	(2,850,723)
	24,196,999	1,308,255	2,167,169	27,672,423
Total comprehensive income for the year	-	-	29,003,721	29,003,721
Balance as at June 30, 2022	160,673,516	6,524,449	135,708,552	302,906,517

The annexed notes from 1 to 30 form an integral part of these financial statements.

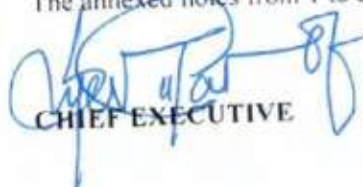

CHIEF EXECUTIVE


DIRECTOR

CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus / (deficit) for the year		29,003,721	(12,196,642)
Adjustment of non-cash items:			
Depreciation of property and equipment	9	6,722,327	6,264,535
Depreciation of right-of-use asset	10	6,904,534	6,248,583
Expected credit loss	20	-	3,007,723
Finance costs	6	3,355,996	4,226,876
Exchange (gain) / loss - net		(13,204,816)	(1,078,214)
		3,778,041	18,669,503
		32,781,762	6,472,861
Cash flows before working capital changes			
Changes in working capital			
Decrease / (increase) in current assets			
Advances prepayments and other receivables		(1,789,627)	1,585,270
Trade receivables		(59,273,041)	(247,796)
Contract asset		(4,363,690)	(5,504,298)
Grant receivables		(25,978,942)	48,273,698
Tax refunds due from the government		(18,157,814)	(11,236,036)
Increase / (decrease) in current liabilities			
Contract liabilities		(713,878)	713,878
Trade and other payables		22,251,493	(11,429,487)
		(88,025,499)	22,155,229
		(55,243,737)	28,628,090
Cash generated from operations			
Finance costs paid		(3,355,996)	(4,226,876)
Long term deposits - net	11	-	12,292,672
Long term loans - net		599,620	105,770
		(2,756,376)	8,171,566
		(58,000,113)	36,799,656
Net cash (used in) / generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	9	(6,928,071)	(5,023,555)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liability	6	(6,330,254)	(3,885,624)
Grants received during the year - net		27,672,423	38,750,789
Net cash flows from financing activities		21,342,169	34,865,165
Net (decrease) / increase in cash and cash equivalents		(43,586,015)	66,641,266
Effect of exchange rate changes on cash and cash equivalents		11,114,350	121,217
		219,421,066	152,658,583
Cash and cash equivalents at beginning of year		186,949,401	219,421,066
Cash and cash equivalents at end of year			

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND OPERATIONS

1.1 Centre for Economic Research in Pakistan ("the Company") is a company limited by guarantee incorporated in Pakistan on January 04, 2010 as an association not for profit under section 42 of the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017). The Company is established to encourage socio-economic research in Pakistan by facilitating the conduct of both theoretical and empirical research in the country and bringing together findings, policy advice and focused debate. The Company's registered office is situated at 29-P, Gulberg II, Lahore, Punjab, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017 (the Act);
- Accounting standards for Not-for-Profit Organizations (Accounting standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Act.

Where provisions of directives issued under the Act differ from the IFRS and the Accounting Standards for NPOs, the provisions of and directives issued under the Act have been followed.

2.2 Functional and presentation currency

These financial statements are presented in Rupees, which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded to the nearest Rupees, unless otherwise stated.

2.3 Basis of measurement

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

2.4 Significant accounting judgements and estimates

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

pkrcv

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of accounting and reporting standards, as applicable in Pakistan that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are documented in the following accounting policies and notes, and relate primarily to:

	<u>Note</u>
- Right of use asset	4.2
- Provisions	4.5
- Useful lives, residual values, and method of depreciation of property and equ	4.6

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01,2021
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	April 01,2021

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Adopted

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2024
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contract

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Accumulated fund

4.1.1 Restricted fund

Funds obtained from donors are credited under project funds. These fund are subsequently amortized and charged as income. Utilization of this fund is according to the plan agreed with donors of the projects.

4.1.2 General fund

This is an unrestricted fund. Movement in this fund is the surplus and deficit during the year. Utilization of this fund is not restricted to any specific purpose.

Refer to page 24.

4.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognizes right-of-use assets from commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use assets includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

b) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date (Note 6). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Advised.

d) Determining the lease term of contracts

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company's lease contracts include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

4.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Company performs under the contract.

4.4 Employee benefits - retirement benefits

The Company operates a funded recognized provident fund contribution plan which covers all permanent employees. Equal contributions are made on monthly basis both by the Company and the employees at 8.33% basic pay.

4.5 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.6 Property and equipment

Initial measurement

Property and equipment are initially recorded at cost.

Cost of property and equipment includes expenditure that is directly attributable to the acquisition of the asset up to the date of asset is available for use. Major renewals and improvements are capitalized. Minor replacement, repairs and maintenance are charged to the statement of income and expenditure.

Subsequent measurement

Subsequently, property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Review

Depreciation

Depreciation on assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of. Depreciation is charged to statement of income and expenditure on straight line method so as to write off the cost of an asset over its estimated useful life at the rates given in Note 6 to the financial statements.

Disposal

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in statement of income and expenditure in the year the asset is derecognized.

Impairment of non-financial asset

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognized for the asset in prior years. Such reversal is recognized in the statement of income and expenditure unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less

than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Judgment and estimates

The property and equipment's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

4.7 Tax refunds due from the Government

Tax refundable as asset is recognized at the net of the amount of input sales tax and output sales tax, except, when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables are stated with the amount of sales tax included the net amount of sales tax recoverable from from the taxation authority which is included as part of receivables in the statement of financial position.

4.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through statement of income and expenditure.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of income and expenditure, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through statement of income and expenditure, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through statement of income and expenditure.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in statement of income and expenditure when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade receivables, grant receivable, contract assets, deposits, long term loans, balances at banks and other receivables.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of income and expenditure and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to statement of income and expenditure.

The Company does not have any debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to statement of income and expenditure. Dividends are recognized as other income in the statement of income and expenditure when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such

gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any financial assets for which it has elected to classify irrevocably under this category.

Financial assets at fair value through statement of income and expenditure

Financial assets at fair value through statement of income and expenditure are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income and expenditure.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statement of income and expenditure when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through statement of income and expenditure. Embedded derivatives are measured at fair value with changes in fair value recognized in statement of income and expenditure. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through income and expenditure category.

The Company does not have any financial assets for which it has elected to classify irrevocably under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured

on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through statement of income and expenditure.

All financial liabilities are recognized initially at fair value, and in the case of amortized cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and lease liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through statement of income and expenditure.
- Financial liabilities at amortized cost

Financial liabilities at fair value through statement of income and expenditure

Financial liabilities at fair value through statement of income and expenditure include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of income and expenditure.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of income and expenditure.

Financial liabilities designated upon initial recognition at fair value through income and expenditure are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through statement of income and expenditure.

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in income and expenditure when the liabilities are derecognized as well as through the EIR amortization process.

Review.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income and expenditure.

This category applies to lease liabilities, creditors, accrued and other liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income and expenditure.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through income and expenditure. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

4.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.10 Foreign currency transactions and translation

Transactions denominated in foreign currencies are translated into Pakistani Rupees, at the foreign exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the statement of income and expenditure.

4.11 Cash and bank balances

Cash and bank balances are carried in the statement of financial position at amortized cost less impairment allowance if any. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances as they are considered as integral part of the

Company's cash management.

4.12 Revenue from contracts with customer

Revenue represents the fair value of the consideration received or receivable for goods sold or services rendered. Revenue is recognized when the Company satisfies a performance obligation by transferring promised goods or services to a customer. Revenue is recognized over time when the Company satisfies a performance obligation. Revenue can be recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

The Company's contracts do not have credit periods in excess of market practices and accordingly, no financing components have been identified in any of the contracts of the Company.

Mentioned below are different revenue streams of the Company and their terms of recognition of revenue after satisfying all the five steps of revenue recognition in accordance with IFRS 15 framework.

a) Service income

Service income, in relation to contracts for provision of various services as agreed with the donor or client is recognized at point over time basis when the relevant performance obligations are satisfied under the contract.

b) Grant income

Project income, in relation to contracts for provision of various services as agreed with the donor is recognized at point over time basis when the relevant performance obligations are satisfied under the contract.

4.13 Taxation

As per section 2(36) read with section 100C of income tax ordinance, 2001, the Society shall be allowed 100% tax credit of the tax payable, including minimum tax and final taxes payable under any provision of income tax ordinance, 2001, subject to the following conditions:

- a) income tax return has been filed;
- b) tax required to be deducted or collected has been deducted or collected and paid; and
- c) withholding tax statements for the immediately preceding tax year have been filed.

However, surplus funds shall be taxed at the rate of 10%. Surplus funds means funds:

- a) not spent on charitable and welfare activities during the tax year;
- b) received during the year as donation, voluntary contributions, subscriptions and other income;
- c) which are more than twenty-five percent of total receipts of the non-profit organization received during the tax year, and
- d) are not part of restricted funds.

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3 DEFERRED GRANT-INCOME BASED

Donors	Projects	At 01 July 2021		Grant received during the year	Grants utilized				At 30 June 2022	
		Opening grants-advances received	Opening grants receivables		Grant Income	Service Income	Capitalization / * Other adjustments	Total	Closing grants-advances received	Closing grants receivables
Pages										
Parish Skills Development Fund: The British Asian Trust	The Parshak Economic Opportunities Program	7,114,230	-	-	(2,517,670)	-	-	(2,517,670)	4,600,600	-
Harvard University / Massachusetts Institute of Technology (MIT)	Tour in State Auditors	7,807,724	-	2,922,249	(2,712,587)	(80,447)	-	(4,114,054)	7,203,802	(847,864)
Massachusetts Institute of Technology (MIT), Mable Ford, Harvard University	Education Finance Project	18,119,606	(3,193,782)	(19,548,109)	(89,782,321)	(14,449,221)	(1,864,948)	(101,295,490)	50,501,508	(21,718,417)
London School of Economic Professions Project		4,561,133	-	3,617,782	(231,340)	-	-	(231,340)	9,947,975	-
MIT/Harvard University/LSE/WB	Social Contract Project	-	(5,880,242)	40,385,233	(26,713,315)	(3,687,168)	-	(30,400,483)	4,104,508	-
University Of Oxford (Uof)	Social Norms Project	2,006,159	-	-	(8,355)	-	-	(8,355)	1,997,804	-
University College London (UCL) - LSE	Academy Training Project	1,005,810	-	952,621	(12,162,312)	(85,942)	-	(12,708,494)	-	(710,561)
USD Openness Foundation	Ministerial Emergency Project	87,227	-	-	-	-	-	-	87,227	-
Innovation for Poverty Action LSE	Mobile Money Project	-	(4,295)	-	-	-	-	-	-	(4,295)
Columbia University	Business to Informal Operating	0,068,326	-	-	(3,432,185)	(46,087)	-	(3,548,242)	7,220,884	-
MIT	Political Connections	1,113,027	-	1,228,033	(1,671,286)	(287,665)	-	(1,958,951)	380,666	(251,921)
Michigan State University	Self selection in Storage Market	82,298	-	-	-	-	-	-	82,298	-
Private Development in Low - Income Countries LSE	Enterprise Day Labor	1,631,413	-	1,791,286	(6,611,813)	-	-	(6,811,613)	-	(1,779,414)
Sub total	A	88,360,532	(9,044,319)	170,357,815	(146,873,361)	(19,349,947)	(1,064,948)	(167,479,256)	106,891,412	(24,271,442)

5 DEFERRED GRANT-INCOME BASED

Donors	Projects	At 01 July 2021		Grant received during the year	Grants utilized				As at 30 June 2022	
		Opening grants-advances received	Opening grants receivables		Grant Income	Service Income	Capitalization / + Other adjustments	Total	Closing grants-advances received	Closing grants receivables
Goeth University Frankfurt	National Outreach Program	47,787	-	-	(20,000)	-	-	(20,000)	22,787	-
Harvard University/United Nations Development Program	Building Capacity to use Research Evidence	-	(2,029,261)	-	-	-	-	-	-	(2,029,261)
Harvard University/MIT	Bonnie Income Support Program	904,580	-	-	(403,043)	-	-	(403,943)	501,537	-
New York University	Think Project	(91,840)	-	-	(64,774)	-	-	(154,774)	127,672	-
LSE/MIT	Public Procurement Project	-	(143,674)	-	(22,665)	-	-	(22,665)	-	(166,300)
Duke University/Oxford Policy Management	PCSW project	1,284,130	-	-	-	-	-	-	1,284,130	-
Institute For Social And Economic Research	ICP Policy Project	-	(37,108)	-	-	-	-	-	-	(37,108)
PCSW/LSE/Duke University-Asian Development Bank/PEDL	Women Mobility	11,750,232	-	20,602,777	(31,803,799)	(3,815,281)	(426,399)	(40,045,479)	-	(1,712,470)
Precision Agriculture For Development (PAD)	PAD Project	5,801,782	-	113,171,707	(82,609,808)	(15,004,441)	(2,258,688)	(99,872,933)	10,190,646	-
Leibniz University Hannover	Higher Education Commission Project	3,461,972	-	980,130	(10,423)	-	-	(10,423)	4,431,679	-
London School Of Economics	Saving through Digitization Project	-	(20,540)	-	-	-	-	-	-	(20,540)
Stanford University	Gender Norms Project	-	(670,961)	2,767,054	(1,369,010)	-	-	(1,369,010)	1,767,083	-
Habib Bank Limited	Lending In Agriculture	7,428,239	-	6,435,460	(4,552,934)	(660,365)	-	(5,213,499)	8,640,200	-
Sub total	II	30,935,538	(2,870,505)	144,957,238	(174,820,450)	(19,480,290)	(2,685,080)	(147,021,826)	33,973,124	(9,974,679)

5 DEFERRED GRANT-INCOME BASED

Donors	Projects	As at July 2021			Grants utilized				As at 30 June 2022	
		Opening grants-advances received	Opening grants receivables	Grant received during the year	Grant Income	Service Income	Capitalization / * Other adjustments	Total	Closing grants-advances received	Closing grants receivables
Rupers										
Andrea Via Braun Stiftung	Environmental Auditing System (EAS)	6,000,634	-	-	(184,697)	-	-	(184,697)	6,000,937	-
World Bank - Grant	Trust and Compliance	25,696	-	-	-	-	-	-	25,696	-
Massachusetts Institute of Technology (MIT)	OSAP	1,519,530	-	19,651,611	(14,747,279)	(7,375,065)	-	(12,122,344)	5,888,080	-
CEEP Foundation	EVAP	583,438	-	-	(61,155)	-	-	(61,155)	520,283	-
Heerebaath University	UMDP	-	-	-	(256,078)	-	-	(256,078)	-	(256,078)
London School Of Economics, Innovations in Poverty Action (IPA)	State Engagement with Religious leaders to effectively COVID-19 Crisis Response	3,218,907	-	255,408	(2,806,967)	(538,233)	-	(3,345,200)	158,113	-
London School Of Economics	Strengthening State Capacity Enhancing Resilience	1,700,363	-	-	(979,185)	(286,376)	-	(1,265,561)	43,802	-
Foreign Commonwealth and Development Office (FCDO/DFE)	SCALE	-	(1,099,916)	12,002,307	(9,833,640)	(1,869,108)	(408,956)	(12,111,698)	-	(1,119,300)
Kof Diller / SWG	Property Tax Incentives through Digital Technologies (PTID)	30,583	(2,019,791)	6,795,240	(8,282,355)	(848,055)	-	(9,130,410)	577,960	(6,250,813)
London School Of Economics	Judiciary Project	2,645,895	-	3,129,334	(1,648,940)	(161,822)	(239,955)	(1,850,717)	1,025,462	-
CEEP Foundation	Multiple Measurement Supplements for Material Health in Pakistan (MMS)	800,231	-	-	-	-	-	-	800,231	-
Massachusetts Institute of Technology (MIT)	Political Engagement Project	-	(186,324)	3,722,184	(4,025,874)	(586,498)	-	(4,612,372)	-	(1,636,490)
University of Warwick	Building State Capacity in Procurement Collaborations	-	-	5,492,617	(8,063,362)	(722,343)	-	(3,293,088)	164,112	-
UNADY SOURCE Ltd	Infant Feeding Project	-	-	3,714,540	(2,483,284)	(376,309)	-	(2,709,493)	-	(994,953)

5 DEFERRED GRANT-INCOME BASED

Donors	Projects	At 01 July 2021			Grants earned				As at 30 June 2022	
		Opening grants-advances received	Opening grants-receivables	Grant received during the year	Grant Income	Service Income	Capitalization / * Other adjustments	Total	Closing grants-advances received	Closing grants receivables
London School Of Economics	Energy Project	-	-	-	(180,024)	-	-	(285,024)	-	(285,024)
Massachusetts Institute of Technology (MIT)	Corporate Vision	-	-	1,809,508	(171,865)	-	-	(171,865)	887,815	-
London School Of Economics	Political Incorporation	-	-	2,476,323	-	-	-	-	2,476,323	-
Massachusetts Institute of Technology (MIT)	Talent Project	-	-	895,433	(1,336,845)	(196,774)	-	(1,533,619)	40,915	(880,145)
Sub total	C	17,154,157	(1,836,815)	34,944,969	(33,290,853)	(7,062,415)	(408,560)	(51,879,863)	18,706,980	(11,895,844)
Total	D = A + B + C	216,478,427	(18,770,848)	476,259,228	(325,078,672)	(17,013,052)	14,158,979	(346,880,947)	196,673,516	146,141,963

6 LEASE LIABILITY

The Company had leased building for its Lahore office having lease term of 5 years. The Company's obligations under its lease has been secured by the lessor's title to the leased assets. The leases are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at inception date. The lessee's incremental borrowing rate applied to the lease liabilities is 15.63%.

	Note	2022 Rupees	2021 Rupees
As at July 01,2022		22,738,803	28,577,568
Accretion of interest	10.1	3,355,996	4,226,876
Payments		(9,686,250)	(8,112,500)
Adjustments		(630,016)	
Adjustment due to rent concession	6.1	-	(1,953,141)
As at June 30,2022	6.2	<u>15,778,533</u>	<u>22,738,803</u>
Current portion shown under current liabilities		7,399,970	6,705,039
Long term portion shown under non-current liabilities		8,378,563	16,033,764
Balance as at June 30, 2022		<u>15,778,533</u>	<u>22,738,803</u>

6.1 The Company has applied the practical expedient to all rent concessions that meet the conditions in the "Covid-19 Related Rent Concessions - Amendment to IFRS-16 Leases". Rent concession income recognized by the Company during the year is nil (2021: Rs. 1,953,141).

6.2 Maturity analysis of lease liabilities

	2022		
	Lease rentals	Finance cost for future years	Principal outstanding
	----- Rupees -----		
Within one year	10,654,875	2,276,312	8,378,563
After one year but not more than five years	8,258,250	858,280	7,399,970
	<u>18,913,125</u>	<u>3,134,592</u>	<u>15,778,533</u>
	2021		
	Lease rentals	Finance cost for future years	Principal outstanding
	----- Rupees -----		
Within one year	10,147,500	3,442,461	6,705,039
After one year but not more than five years	19,148,250	3,114,486	16,033,764
	<u>29,295,750</u>	<u>6,556,947</u>	<u>22,738,803</u>

7 TRADE AND OTHER PAYABLES

	2022 Rupees	2021 Rupees
Trade payables	4,243,228	1,925,740
Withholding tax payable	19,296,704	13,936,800
Other payables	15,363,904	6,937,001
Payable to provident fund	-	15,657,231
Accrued expenses	25,103,042	3,298,613
	<u>64,006,878</u>	<u>41,755,385</u>

8 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments to report as at year end (2021: nil).

9 PROPERTY AND EQUIPMENT

	Note	2022 Rupees	2021 Rupees
Project assets	9.1	6,524,449	5,216,194
Owned assets	9.2	13,405,982	14,508,493
		<u>19,930,431</u>	<u>19,724,687</u>

The following is the statement of property, plant and equipment:

9.1 Project Assets

Particulars	Computers and Accessories	Office Equipment	Furniture and Fixture	Total
	-----Rupees-----			
Net carrying value basis				
Year ended June 30, 2022				
Opening book value	4,324,331	536,370	355,493	5,216,194
Additions - at cost	4,158,978	-	-	4,158,978
Depreciation Charged	(2,637,596)	(159,346)	(53,781)	(2,850,723)
Closing net book value	<u>5,845,713</u>	<u>377,024</u>	<u>301,712</u>	<u>6,524,449</u>
Gross carrying value basis				
As at June 30, 2022				
Cost	24,245,609	1,593,465	537,810	26,376,884
Accumulated depreciation	(18,399,896)	(1,216,441)	(236,098)	(19,852,435)
Net book value	<u>5,845,713</u>	<u>377,024</u>	<u>301,712</u>	<u>6,524,449</u>
Net carrying value basis				
Year ended June 30, 2021				
Opening book value	3,751,836	695,722	409,277	4,856,835
Additions - at cost	3,140,430	-	-	3,140,430
Disposal	(135,500)	-	-	(135,500)
Depreciation charge	(2,432,435)	(159,352)	(53,784)	(2,645,571)
Closing net book value	<u>4,324,331</u>	<u>536,370</u>	<u>355,493</u>	<u>5,216,194</u>
Gross carrying value basis				
Year ended June 30, 2021				
Cost	20,086,631	1,593,465	537,810	22,217,906
Accumulated depreciation	(15,762,300)	(1,057,095)	(182,317)	(17,001,712)
Net book value	<u>4,324,331</u>	<u>536,370</u>	<u>355,493</u>	<u>5,216,194</u>
Depreciation rate (%)	30%	10%	10%	

Advised -

9.2 Owned Assets

Particulars	Lease hold Improvements	Computer Equipments	Office Equipments	Furniture and Fixture	Total
	Rupees				
Net carrying value basis					
Year ended June 30, 2022					
Opening book value	1,238,217	2,844,509	4,923,492	5,502,274	14,508,492
Additions - at cost	688,280	1,700,948	380,765	-	2,769,993
Deletions - at NBV	-	-	-	-	-
Depreciation charge	(460,512)	(1,929,358)	(675,351)	(806,382)	(3,871,603)
Closing net book value	1,465,985	2,615,199	4,628,906	4,695,892	13,405,982
Gross carrying value basis					
As at June 30, 2022					
Cost	2,847,449	8,270,354	7,161,486	8,438,067	26,717,356
Accumulated depreciation	(1,381,464)	(5,655,155)	(2,532,580)	(3,742,175)	(13,311,374)
Net book value	1,465,985	2,615,199	4,628,906	4,695,892	13,405,982
Net carrying value basis					
Year ended June 30, 2021					
Opening book value	1,670,049	2,814,618	5,278,082	6,346,082	16,108,831
Additions - at cost	-	1,572,724	310,401	-	1,883,125
Depreciation charge	(431,832)	(1,542,833)	(664,991)	(843,808)	(3,483,464)
Closing net book value	1,238,217	2,844,509	4,923,492	5,502,274	14,508,492
Gross carrying value basis					
Year ended June 30, 2021					
Cost	2,159,169	6,570,306	6,780,721	8,438,067	23,948,263
Accumulated depreciation	(920,952)	(3,725,797)	(1,857,229)	(2,935,793)	(9,439,771)
Net book value	1,238,217	2,844,509	4,923,492	5,502,274	14,508,492
Depreciation rate (%)	20%	30%	10%	10%	

9.3 Depreciation charge for the year has been allocated as follows:

	Note	2022 Rupees	2021 Rupees
Direct expenses - restricted	22	2,850,723	2,781,071
Direct expenses - unrestricted	20	2,103,134	950,675
Administrative expenses	21	1,768,470	2,532,789
		<u>6,722,327</u>	<u>6,264,535</u>

9.4 The cost of the assets as on June 30, 2021 include fully depreciated assets amounting to Rs.16,874,659 (2021: Rs.13,134,614) which are still in use of the Company.

10 RIGHT-OF-USE ASSETS

Set out below the are the carrying amounts of right-of-use assets recognized and the movements during the year.

Cost	Note	2022 Rupees	2021 Rupees
Initial Application of IFRS 16		30,713,937	32,667,078
As at July 01, 2021		-	-
Adjustment / reassessment		30,713,937	32,667,078
As at June 30, 2022		<u>3,006,956</u>	<u>(1,953,141)</u>
		<u>33,720,893</u>	<u>30,713,937</u>
Accumulated depreciation			
As at July 01, 2021		13,007,290	6,758,707
Depreciation expense	10.1.1	6,904,534	6,248,583
As at June 30, 2022		<u>19,911,824</u>	<u>13,007,290</u>
Net book value as at June 30, 2022		<u>13,809,069</u>	<u>17,706,647</u>
Lease term (in years)		5 years	5 years

10.1 The following amounts recognized in the statement of income and expenditure:

	Note	2022 Rupees	2021 Rupees
Depreciation expense of right-of-use assets	10.1.1	6,904,534	6,248,583
Accrued Interest on lease liability	6	3,355,996	4,226,876
Rent concession income	6	-	(1,953,141)
		<u>10,260,530</u>	<u>8,522,318</u>

10.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2022 Rupees	2021 Rupees
Direct expenses	20	1,859,698	2,538,689
Administrative expenses	21	5,044,837	3,709,894
		<u>6,904,535</u>	<u>6,248,583</u>

11 LONG TERM DEPOSITS

Head office	2,250,000	2,250,000
Others	769,000	769,000
	<u>3,019,000</u>	<u>3,019,000</u>

Patent

	Note	2022 Rupees	2021 Rupees
12 ADVANCES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES			
Prepayments		1,710,635	3,073,687
Other receivables		830,075	816,114
Advance to employees against expenses		662,375	366,285
Advance to suppliers		1,286,298	18,670
Deposits		174,829	174,829
		<u>4,664,212</u>	<u>4,449,585</u>
13 TRADE RECEIVABLES			
Trade receivables		71,568,368	12,295,327
Less: allowance for expected credit loss		(696,000)	(696,000)
		<u>70,872,368</u>	<u>11,599,327</u>
13.1 Movement of allowance for expected credit losses			
Balance as at July 01, 2021		696,000	-
Charge during the year	20	-	696,000
Balance as at June 30, 2022		<u>696,000</u>	<u>696,000</u>
14 CONTRACT ASSETS			
Unbilled expenses to donor		13,779,902	9,416,212
Less: allowance for expected credit loss		(2,311,723)	(2,311,723)
		<u>11,468,179</u>	<u>7,104,489</u>
14.1 Movement of allowance for expected credit losses			
Balance as at 01 July 01, 2021		2,311,723	-
Charge for the year	20	-	2,311,723
Balance as at 30 June 30, 2022		<u>2,311,723</u>	<u>2,311,723</u>
15 GRANT RECEIVABLES			
Billed expenses to donor		<u>32,362,063</u>	<u>6,354,627</u>
15.1 Grant receivables are non-interest bearing and are generally on terms of 30 to 90 days. The grant receivables balance decreased due to decrease in grant income.			
16 TAX REFUNDS DUE FROM THE GOVERNMENT	Note	2021 Rupees	2020 Rupees
Income tax refundable		20,685,949	13,599,165
Sales tax refundable		18,161,645	7,090,615
		<u>38,847,594</u>	<u>20,689,780</u>
17 CASH AND BANK BALANCES			
With banks on:			
- Current accounts			
Foreign currency - USD		14,029,089	12,098,576
Foreign currency - GBP		1,868,043	1,629,104
Local currency - Pak Rupees		781,084	1,294,053
- Saving accounts			
Foreign currency - USD		79,981,947	119,602
Foreign currency - GBP		2,048,028	163,848
Local currency - Pak Rupees		88,241,210	204,115,883
	17.1	<u>186,949,401</u>	<u>219,421,066</u>

- 17.1 The savings accounts earns interest at floating rates based on daily bank deposit rates ranging from 6% to 8% (2021:6.5% to 7.25%) per annum.

	Note	2022 Rupees	2021 Rupees
18 SERVICE INCOME			
Analytics		29,989,583	11,963,177
Executive education		36,438,926	29,362,843
Cerp lab project		6,180,868	10,808,150
Policy advisory		4,709,758	9,009,471
Survey unit		31,668,980	20,933,587
Growth monitory project		-	2,000,000
18.1 Satisfaction of performance obligation	18.1	<u>108,988,115</u>	<u>84,077,228</u>

The performance obligation is satisfied as and when services under contract is delivered to customer.

	Note	2022 Rupees	2021 Rupees
18.2 Geographical markets			
Pakistan		<u>108,988,115</u>	<u>84,077,228</u>
18.3 Timing of revenue recognition			
Performance obligation satisfied over time		<u>108,988,115</u>	<u>84,077,228</u>
18.4 Contract balances			
Trade receivables	18.41	70,872,368	11,599,327
Contract liabilities	18.42	-	713,878
		<u>70,872,368</u>	<u>12,313,205</u>

- 18.41 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The trade receivables balance increased due to increase in sales.

- 18.42 Contract liabilities represent consideration received to deliver services. Contract liabilities as at the beginning of the year, aggregating to nil (2021: Rs.713,878), have been recognized as revenue upon the provision of services.

	2022			2021
	Restricted	Unrestricted	Aggregate	Aggregate
	Rupees			
19 OTHER INCOME				
Income From Financial Assets:				
Profit on bank deposits	-	6,554,825	6,554,825	5,107,717
Profit on short term investment	-	4,101,487	4,101,487	3,180,526
Income From Non Financial Assets:				
Miscellaneous income	-	1,257,044	1,257,044	434,396
	-	<u>11,913,356</u>	<u>11,913,356</u>	<u>8,722,639</u>

Rs.

	Note	2022 Rupees	2021 Rupees
20 DIRECT EXPENSES - UNRESTRICTED			
Salaries, wages and other benefits	20.1	47,535,321	58,258,513
Advertisement and promotion		401,301	-
Consultancy charges		491,757	12,978,676
Surveys		10,214,446	1,134,154
Security expenses		333,568	-
Expected credit loss		-	3,007,723
Fees and subscription		4,664,404	2,788,021
Depreciation of right-of-use assets	10.1	1,859,698	2,538,689
Legal and professional charges		1,164,312	2,466,004
Rent rates and taxes		346,081	441,769
Depreciation of property and equipment	9.3	2,103,134	950,675
Utilities		850,852	689,057
Event expenses		760,312	-
IT accessories		86,172	-
Training charges		782,260	679,600
Communication charges		861,241	664,307
Insurance		858,817	541,084
Office supplies		501,398	490,325
Travelling and conveyance		5,110,004	482,941
Meal and entertainment		796,317	228,001
Printing and stationery		804,601	208,268
Bank charges		103,578	39,749
Fuel expense		148,643	-
Repair and maintenance		186,747	26,440
Miscellaneous expenses		1,335,779	360,549
		<u>82,300,743</u>	<u>88,974,545</u>

20.1 This includes amount of Rs. 2,392,760 (2021:1,709,380) in respect of contribution towards provident fund.

	Note	2022 Rupees	2021 Rupees
21 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	21.1	49,909,766	28,004,899
Advertisement and promotion		830,016	-
Surveys		622,492	-
Depreciation of right of use assets	10	5,044,837	3,709,894
Legal and professional charges		2,747,775	2,573,220
Depreciation of property and equipment	9.3	1,768,470	2,532,789
IT accessories		65,419	-
Insurance		1,021,052	1,314,556
Fees and subscription		2,656,359	1,279,698

	Note	2022 Rupees	2021 Rupees
Office supplies		827,475	881,533
Auditors remuneration	21.2	715,000	800,000
Utilities		1,714,492	719,015
Bank charges		241,773	341,822
Communication charges		457,272	276,198
Printing and stationery		324,670	272,813
Training charges		514,585	263,000
Meal and entertainment		607,970	254,505
Repair and maintenance		349,392	243,504
Travelling and conveyance		2,038,494	110,420
Fuel expense		-	85,107
Data entry charges		-	42,470
Miscellaneous expenses		525,605	170,488
		<u>72,982,914</u>	<u>43,875,931</u>

21.1 This includes amount of Rs. 2,894,042 (2021: Rs. 3,425,480) in respect of contribution towards provident fund.

21.2 Auditors' remuneration	2022 Rupees	2021 Rupees
Audit fee	650,000	650,000
Out of pocket expenses	65,000	150,000
	<u>715,000</u>	<u>800,000</u>

Rs. 800,000

22 SEGMENT WISE INCOME AND EXPENDITURE

	BISP	BSC	Computer Vision	Day Labor	EFP	Energy Project	EPA	EVAP	FGNP	GMTP
INCOME										
Grants	403,043	4,665,162	121,665	6,611,613	89,782,325	289,024	184,697	63,155	1,369,010	256,078
Service income	-	-	-	-	-	-	-	-	-	-
Exchange gain	-	44,295	-	-	468,297	-	-	-	4,140	-
Other income	-	-	-	-	-	-	-	-	-	-
Amortization of capital grant	3,531	-	-	46,230	909,396	-	-	-	9,195	-
	406,574	4,709,457	121,665	6,657,843	91,160,018	289,024	184,697	63,155	1,382,345	256,078
EXPENDITURE										
Salaries, wages and other benefits	307,731	753,767	121,665	1,018,922	26,177,297	200,935	163,882	-	1,311,916	-
Advertisement and promotion	-	-	-	-	23,000	-	-	-	-	-
Surveys	-	3,838,212	-	5,070,559	48,910,776	-	-	-	-	255,000
Security expenses	-	-	-	-	-	-	-	-	-	-
Consultancy charges	-	-	-	-	5,229,427	-	-	-	-	-
Communication charges	2,952	-	-	25,628	803,229	-	-	13,253	-	-
Fees and subscription	63,103	77,638	-	59,085	2,088,662	9,614	-	49,902	46,613	-
Depreciation of right-of-use assets	-	-	-	-	-	-	-	-	-	-
Depreciation of property and equipment	3,531	-	-	46,230	909,396	-	-	-	9,195	-
Event Expenses	-	-	-	-	246,022	-	-	-	-	-
IT accessories	-	-	-	-	124,850	-	-	-	-	-
Legal and professional charges	-	-	-	6,000	-	-	-	-	6,400	-
Finance costs	-	-	-	-	-	-	-	-	-	-
Travelling and conveyance	25,722	-	-	267,603	4,074,646	78,475	20,180	-	-	-
Printing and stationery	-	32,156	-	9,161	375,540	-	-	-	-	-
Insurance	2,785	7,684	-	46,725	388,450	-	635	-	8,221	1,078
Training charges	-	-	-	8,070	934,250	-	-	-	-	-
Office supplies	-	-	-	26,370	1,100	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Rent rates and taxes	-	-	-	-	-	-	-	-	-	-
Exchange (gain) / loss	-	-	-	-	-	-	-	-	-	-
Auditors remuneration	-	-	-	-	-	-	-	-	-	-
Meal and entertainment	750	-	-	73,490	843,737	-	-	-	-	-
Repair and maintenance	-	-	-	-	11,700	-	-	-	-	-
Bank charges	-	-	-	-	17,936	-	-	-	-	-
Fuel expenses	-	-	-	-	-	-	-	-	-	-
Web hosting	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-
	406,574	4,709,457	121,665	6,657,843	91,160,018	289,024	184,697	63,155	1,382,345	256,078
(Deficit) / Surplus for the year	-	-	-	-	-	-	-	-	-	-

SEGMENT WISE INCOME AND EXPENDITURE

	HECP	ERL	Infant Feeding	Judiciary Project	LIA	LSP	MLP	NOP	OSAP	PAD
INCOME										
Grants	10,423	2,816,967	2,483,284	1,688,945	4,552,934	12,162,512	-	20,000	14,747,979	82,609,808
Service income	-	-	-	-	-	-	-	-	-	-
Exchange gain	15,350	-	26,473	-	-	-	-	-	255,792	2,031,890
Other income	-	-	-	-	-	-	-	-	-	-
Amortization of capital grant	-	-	-	48,600	85,989	-	102,870	-	62,984	597,629
	25,773	2,816,967	2,509,757	1,737,545	4,638,923	12,162,512	102,870	20,000	15,066,755	85,239,327
EXPENDITURE										
Salaries, wages and other benefits	14,839	2,541,743	2,133,802	536,443	3,445,591	1,347,592	-	20,000	961,245	46,697,922
Advertisement and promotion	-	-	-	-	-	-	-	-	-	-
Surveys	-	-	-	91,000	594,700	10,594,185	-	-	13,709,954	32,211,156
Security expenses	-	-	-	-	-	-	-	-	-	-
Consultancy charges	-	-	-	-	-	-	-	-	-	3,350,621
Communication charges	-	-	-	-	5,752	12,179	-	-	1,789	162,202
Fees and subscription	8,943	275,224	16,056	22,665	193,811	68,068	-	-	36,768	653,936
Depreciation of right-of-use assets	-	-	-	-	-	-	-	-	-	-
Depreciation of property and equipment	-	-	-	48,600	85,989	-	102,870	-	62,984	597,629
Event Expenses	-	-	-	-	-	-	-	-	-	-
IT accessories	-	-	-	-	-	-	-	-	-	32,086
Legal and professional charges	-	-	9,000	-	-	1,000	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-
Travelling and conveyance	-	-	327,110	1,016,652	216,992	65,740	-	-	272,569	750,992
Printing and stationery	-	-	620	-	56,598	3,740	-	-	1,650	180,673
Insurance	-	-	3,941	-	17,568	3,508	-	-	9,056	101,651
Training charges	-	-	-	-	-	65,000	-	-	-	404,219
Office supplies	-	-	-	-	5,874	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Rent rates and taxes	-	-	-	-	-	-	-	-	-	-
Exchange (gain) / loss	-	-	-	-	-	-	-	-	-	-
Auditors remuneration	-	-	-	-	-	-	-	-	-	-
Meal and entertainment	-	-	19,228	22,185	12,976	1,500	-	-	10,740	56,337
Repair and maintenance	-	-	-	-	-	-	-	-	-	-
Bank charges	1,991	-	-	-	-	-	-	-	-	-
Fuel expenses	-	-	-	-	-	-	-	-	-	39,628
Web hosting	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	3,072	-	-	-	-	275
	25,773	2,816,967	2,509,757	1,737,545	4,638,923	12,162,512	102,870	20,000	15,066,755	85,239,327
(Deficit) / Surplus for the year	-	-	-	-	-	-	-	-	-	-

SEGMENT WISE INCOME AND EXPENDITURE

	PC-KPK	PCSW-NR	PEOP	PEP	PPP	Preference	PTID	PTP	SAP	Scale(FCDO)
INCOME										
Grants	1,671,259	-	2,527,670	4,025,874	22,665	231,540	8,787,355	26,713,315	3,712,587	10,853,640
Service income	-	-	-	-	-	-	-	-	-	-
Exchange gain	-	-	-	-	-	-	-	148,817	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Amortization of capital grant	-	21,653	6,480	-	-	-	-	197,268	82,320	205,591
	1,671,259	21,653	2,534,150	4,025,874	22,665	231,540	8,787,355	27,059,400	3,794,907	11,059,231
EXPENDITURE										
Salaries, wages and other benefits	1,388,700	-	2,212,627	1,335,450	-	-	8,787,355	5,437,500	1,437,275	7,938,345
Advertisement and promotion	-	-	-	-	-	-	-	-	-	-
Surveys	-	-	-	796,887	-	-	-	18,176,443	1,396,350	549,978
Security expenses	-	-	-	-	-	-	-	108,400	-	-
Consultancy charges	-	-	-	-	-	-	-	-	200,000	1,872,000
Communication charges	-	-	-	11,478	-	-	-	233,621	1,872	32,493
Fees and subscription	50,827	-	307,482	55,464	22,665	-	-	934,256	321,704	350,234
Depreciation of right-of-use assets	-	-	-	-	-	-	-	-	-	-
Depreciation of property and equipment	-	21,653	6,480	-	-	-	-	197,268	82,320	205,591
Event Expenses	-	-	-	-	-	-	-	-	-	-
IT accessories	-	-	-	-	-	-	-	113,742	-	-
Legal and professional charges	-	-	-	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-
Travelling and conveyance	58,700	-	-	1,164,872	-	231,540	-	218,753	307,200	97,535
Printing and stationery	7,620	-	-	141,810	-	-	-	499,040	535	4,550
Insurance	4,934	-	7,561	7,164	-	-	-	83,190	12,807	8,505
Training charges	120,800	-	-	-	-	-	-	-	-	-
Office supplies	3,030	-	-	751	-	-	-	260,298	-	-
Utilities	-	-	-	-	-	-	-	158,803	-	-
Rent rates and taxes	-	-	-	-	-	-	-	495,489	-	-
Exchange (gain) / loss	15,888	-	-	1,270	-	-	-	-	31,254	-
Auditors remuneration	-	-	-	-	-	-	-	-	-	-
Meal and entertainment	16,260	-	-	131,232	-	-	-	5,954	5,590	-
Repair and maintenance	-	-	-	-	-	-	-	43,380	-	-
Bank charges	-	-	-	-	-	-	-	6,769	-	-
Fuel expenses	-	-	-	-	-	-	-	-	-	-
Web hosting	-	-	-	-	-	-	-	14,785	-	-
Miscellaneous expenses	4,500	-	-	379,496	-	-	-	69,709	-	-
	1,671,259	21,653	2,534,150	4,025,874	22,665	231,540	8,787,355	27,059,400	3,794,907	11,059,231
(Deficit) / Surplus for the year	-	-	-	-	-	-	-	-	-	-

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SEGMENT WISE INCOME AND EXPENDITURE

	Soccer Ball	Social Norms	SSC	THINK	Tution Project	WMP	Total Restricted	Analytics Project	Exec Edu	Corp Lab Project
INCOME										
Grants	3,452,185	8,355	970,185	64,774	1,336,845	35,803,799	325,020,672	-	-	-
Service income	-	-	-	-	-	-	-	29,989,583	36,438,926	6,180,868
Exchange gain	-	-	-	-	3,719	-	2,998,773	360,786	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Amortization of capital grant	-	-	-	-	-	470,987	2,850,723	-	-	-
	3,452,185	8,355	970,185	64,774	1,340,564	36,274,786	330,870,168	30,150,369	36,438,926	6,180,868
EXPENDITURE										
Salaries, wages and other benefits	3,036,594	-	939,737	-	682,415	11,192,867	132,144,157	16,597,101	15,183,572	4,899,656
Advertisement and promotion	-	-	-	-	-	-	23,000	126,974	56,272	98,477
Surveys	360,000	-	-	-	60,000	17,586,095	154,201,295	541,936	3,378,604	-
Security expenses	-	-	-	-	-	118,800	227,200	58,029	42,203	73,855
Consultancy charges	-	-	-	-	-	-	10,652,048	491,757	-	-
Communication charges	-	1,687	-	226	380	2,165,769	3,474,510	63,383	138,988	54,253
Fees and subscription	42,390	6,668	30,448	64,548	6,922	1,486,137	7,349,833	549,986	393,328	2,123,047
Depreciation of right-of-use assets	-	-	-	-	-	-	-	409,133	297,552	520,715
Depreciation of property and equipment	-	-	-	-	-	-	470,987	2,850,723	261,787	390,624
Event Expenses	-	-	-	-	-	-	246,022	231,112	529,200	331,176
IT accessories	-	-	-	-	-	-	154,656	425,334	32,445	15,262
Legal and professional charges	-	-	-	-	-	-	3,000	25,400	256,149	186,290
Finance costs	-	-	-	-	-	-	-	-	-	326,007
Travelling and conveyance	-	-	-	-	-	-	-	-	-	-
Printing and stationery	-	-	-	-	548,822	734,885	10,478,988	1,835,680	1,828,066	332,336
Insurance	13,201	-	-	-	-	89,145	1,402,838	130,666	479,516	39,140
Training charges	-	-	-	-	2,902	237,716	971,282	155,434	122,357	163,049
Office supplies	-	-	-	-	-	-	1,532,339	47,970	478,751	61,053
Utilities	-	-	-	-	-	239,018	536,441	89,838	57,494	98,175
Rent rates and taxes	-	-	-	-	-	188,786	347,589	159,825	116,237	203,414
Exchange (gain) / loss	-	-	-	-	-	521,050	1,016,539	-	-	-
Auditors remuneration	-	-	-	-	-	664,474	712,886	-	335,568	2,115
Meal and entertainment	-	-	-	-	-	-	-	-	-	-
Repair and maintenance	-	-	-	-	39,123	41,300	1,278,402	169,831	315,977	77,164
Bank charges	-	-	-	-	-	246,911	301,991	32,570	25,794	41,453
Fuel expenses	-	-	-	-	-	-	66,324	22,538	17,524	28,685
Web hosting	-	-	-	-	-	-	-	32,701	23,783	41,620
Miscellaneous expenses	-	-	-	-	-	133,190	590,242	48,997	1,010,059	64,841
	3,452,185	8,355	970,185	64,774	1,340,564	36,274,786	330,870,168	22,345,842	25,425,879	9,595,493
(Deficit) / Surplus for the year	-	-	-	-	-	-	-	8,004,527	11,013,047	(3,414,625)

SEGMENT WISE INCOME AND EXPENDITURE

	Policy Advisory	Survey Wing	GMTP	Aggregate	CERP-CORE	Unrestricted	TOTAL
INCOME							
Grants	-	-	-	-	47,003,652	47,003,652	372,024,324
Service income	4,709,758	31,668,980	-	108,988,115	8,799,654	117,787,769	117,787,769
Exchange gain	20,311	-	-	381,097	11,071,339	11,452,436	14,451,209
Other income	-	-	-	-	11,933,024	11,933,024	11,933,024
Amortization of capital grant	-	-	-	-	-	-	2,850,723
	4,730,069	31,668,980	-	109,369,212	78,807,669	188,176,881	519,047,049
EXPENDITURE							
Salaries, wages and other benefits	6,195,863	4,659,129	-	47,535,321	49,909,766	97,445,087	229,589,244
Advertisement and promotion	31,653	87,925	-	401,301	830,016	1,231,317	1,254,317
Surveys	-	6,293,906	-	10,214,446	-	10,214,446	164,415,741
Security expenses	23,739	135,742	-	333,568	622,492	956,060	1,183,260
Consultancy charges	-	-	-	491,757	-	491,757	11,143,805
Communication charges	40,511	564,106	-	861,241	457,272	1,318,513	4,793,023
Fees and subscription	282,210	1,315,833	-	4,664,404	2,656,359	7,320,763	14,670,596
Depreciation of right-of-use assets	167,373	464,925	-	1,859,698	5,044,837	6,904,535	6,904,535
Depreciation of property and equipment	243,334	876,213	-	2,103,134	1,768,470	3,871,604	6,722,327
Event Expenses	-	-	-	760,312	-	760,312	1,006,334
IT accessories	2,495	17,850	-	86,172	65,419	151,591	576,925
Legal and professional charges	104,788	291,078	-	1,164,312	2,747,775	3,912,087	3,937,487
Finance costs	-	-	-	-	3,355,996	3,355,996	3,355,996
Travelling and conveyance	243,248	870,674	-	5,110,004	2,038,494	7,148,498	17,627,486
Printing and stationery	19,121	136,158	-	804,601	324,670	1,129,271	2,532,109
Insurance	46,863	371,114	-	858,817	1,021,052	1,879,869	2,851,151
Training charges	19,624	174,862	-	782,260	514,585	1,296,845	2,829,184
Office supplies	31,556	224,335	-	501,398	827,475	1,328,873	1,865,314
Utilities	65,383	305,993	-	850,852	1,714,492	2,565,344	2,912,933
Rent rates and taxes	-	346,081	-	346,081	-	346,081	1,362,620
Exchange (gain) / loss	-	195,824	-	533,507	-	533,507	1,246,393
Auditors remuneration	-	-	-	-	715,000	715,000	715,000
Meal and entertainment	82,508	150,837	-	796,317	607,970	1,404,287	2,682,689
Repair and maintenance	13,324	73,606	-	186,747	349,392	536,139	838,130
Bank charges	9,220	25,611	-	103,578	241,773	345,351	411,675
Fuel expenses	13,378	37,161	-	148,643	-	148,643	148,643
Web hosting	-	-	-	-	-	-	14,785
Miscellaneous expenses	50,654	161,228	-	1,335,779	525,605	1,861,384	2,451,626
	7,686,845	17,780,191	-	82,834,250	76,338,910	159,173,160	490,043,328
(Deficit) / Surplus for the year	(2,956,776)	13,888,789	-	26,534,962	2,468,759	29,003,721	29,003,721

23 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than lease liabilities, comprise of short term loan, interest accrued on short term loan and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include long term security deposits, trade receivables, advances, deposits, prepayments and other receivables that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. Risk management is carried out by the finance department led by the Director. The Director provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies. The Director reviews and agrees policies for managing each of these risks, which are summarized below.

23.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

a) Currency risk

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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Exposure to currency risk

The Company is exposed to currency risk on account of foreign currency bank accounts and trade and other payable. The Company's exposure to foreign currency risk for US Dollar and Pound Sterling is as follows based on notional amounts:

	-----2022-----		
	Rupees	US\$	GBP
Cash and cash equivalents	89,022,294	460,274	15,672
Creditors and other payables	56,042,104	39,584	-
Statement of financial position exposure	145,064,398	499,858	15,672
	-----2021-----		
	Rupees	US\$	GBP
Cash and cash equivalents	205,409,936	77,699	8,228
Creditors and other payables	41,304,087	2,870	-
Statement of financial position exposure	246,714,023	80,569	8,228

The following significant exchange rates have been applied:

	Average rate		Reporting date mid spot rate	
	2022	2021	2022	2021
	----- Rupees -----			
Rupee to US \$	184.47	160.1	204.25	157.25
Rupee to GBP	227.56	207.7	249.87	217.90

Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD at June 30, 2022 would have increased gain / loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2021.

	2022 Rupees	2021 Rupees
Effect on exchange (loss) / gain for the year:		
US \$ to Rupee		
Increase / decrease for the year	<u>10,209,600</u>	<u>1,266,948</u>
GBP to Rupee		
Increase / decrease for the year	<u>391,596</u>	<u>179,288</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

23.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

23.2.1 Exposure to credit risk

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions.

	2022 Rupees	2021 Rupees
Deposits	3,193,829	3,193,829
Long term loans	769,611	1,369,231
Other receivables	830,075	816,114
Trade receivables	71,568,368	12,295,127
Contract assets	13,779,902	9,427,587
Grant receivables	32,362,063	6,354,627
Balances with banks	186,949,401	219,421,066
	<u>309,453,249</u>	<u>252,877,581</u>

a) Trade receivables

The maximum exposure to credit risk for trade receivables at the reporting date along with aging is as follows:

	2022			2021		
	Expected credit loss rate	Estimated total gross carrying amount at default	Expected Credit loss	Expected credit loss rate	Estimated total gross carrying amount at default	Expected Credit loss
	-----Rupees-----			-----Rupees-----		
0 to 30 days	0.002%	69,265,711	1,385	0.00%	11,275,847	226
31 to 60 days	0.00%	117,910	-	0.00%	323,280	-
61 to 90 days	0.00%	1,488,747	-	0.00%	-	-
Above 90 days	100.00%	696,000	696,000	0.00%	696,000	696,000
Total		<u>71,568,368</u>	<u>697,385</u>		<u>12,295,127</u>	<u>696,226</u>

Relias.

b) **Contract assets**

The maximum exposure to credit risk for contract assets at the reporting date along with aging is as follows:

	Expected credit loss rate	Estimated total gross carrying amount at default	Expected Credit loss	2021		
				Expected credit loss rate	Estimated total gross carrying amount at default	Expected Credit loss
-----Rupees-----			-----Rupees-----			
0 to 30 days	0.002%	13,779,902	276	0.00%	7,116,476	142
31 to 60 days	0.00%	-	-	0.00%	-	-
61 to 90 days	0.00%	-	-	0.00%	-	-
Above 90 days	100.00%	2,311,111	2,311,111	0.00%	2,311,111	2,311,111
Total		<u>16,091,013</u>	<u>2,311,387</u>		<u>9,427,587</u>	<u>2,311,253</u>

e) **Grant receivables**

	2022 Rupees	2021 Rupees
0 to 30 days	32,362,063	6,354,627
31 to 60 days	-	-
61 to 90 days	-	-
Above 90 days	-	-
Total	<u>32,362,063</u>	<u>6,354,627</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables, contract assets and grant receivables are written-off if past due for more than two years and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above. The Company does not hold collateral as security.

d) **Balances with banks**

The Company limits its exposure to credit risk by conducting transactions only with reputable banking entities that have minimum "A" credit rating. The table below shows bank balance held with counterparties at reporting date:

Bank	Short term	Long term	Agency	2022 Rupees	2021 Rupees
Meezan Bank Limited	A-1+	AAA	VIS	167,267,862	7,100,851
Bank Alfalah Limited	A-1+	AA+	PACRA	206,689	201,689
Standard Chartered Bank	A-1+	AAA	PACRA	19,174,677	211,819,222
Silk Bank Limited	A-2	A-	VIS	9,594	8,724
Telenor Microfinance Bank	A1	A+	PACRA	290,579	290,580
				<u>186,949,401</u>	<u>219,421,066</u>

Due to the strong reputation in the research market and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal and no expected credit loss has been recognized in these financial statements.

Advances, deposits and other receivables mainly comprise of deposits, loans and other receivables. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

23.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company reputation.

23.3.1 Exposure to liquidity risk reporting

The table below analyses the Company financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, the liabilities have been disclosed on the basis of earliest date on which the Company is required to pay these liabilities.

	2022			
	Carrying amount	Contractual cash flows	Less than 1 year	More than 1 year but less than 5 years
	----- Rupees -----			
Trade and other payables	64,006,878	64,006,878	64,006,878	-
Lease liability	15,778,533	18,913,125	10,654,875	8,258,250
	<u>79,785,411</u>	<u>82,920,003</u>	<u>74,661,753</u>	<u>8,258,250</u>
	2021			
	Carrying amount	Contractual cash flows	Less than 1 year	More than 1 year but less than 5 years
	----- Rupees -----			
Trade and other payables	41,755,385	41,755,385	41,755,385	-
Lease liability	22,738,803	29,295,750	10,147,500	19,148,250
	<u>64,494,188</u>	<u>71,051,135</u>	<u>51,902,885</u>	<u>19,148,250</u>

24 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate their fair value.

24.1 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30, 2022, the Company did not hold any financial instruments carried at fair value.

Advised.

Financial instruments by categories

	2022	2021
	----- Rupees -----	
Financial assets at amortized cost		
Deposits	3,193,829	3,193,829
Long term loans	769,611	1,369,231
Other receivables	830,075	816,114
Trade receivables	71,568,368	12,295,127
Contract assets	13,779,902	9,427,587
Grant receivables	32,362,063	6,354,627
Balances with banks	186,949,401	219,421,066
	<u>309,453,249</u>	<u>252,877,581</u>
Financial liabilities measured at amortized cost		
Trade and other payables	64,006,878	41,755,385
Lease liability	15,778,533	22,738,803
	<u>79,785,411</u>	<u>64,494,188</u>

25 CAPITAL/FUND RISK MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Chief Executive monitors the returns on capital, which the Company defines as net operating income divided by total shareholders' equity. The Company's objectives when managing capital are:

- a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- b) to provide an adequate return to shareholders by pricing products.

Consistent with the industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and loans as shown in the statement of financial position less cash and bank balances. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt (as defined above).

26 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration including all benefits to Chief Executive, Directors and Executives of the Company are as follows:

	2022		2021	
	Chief Executive	Executives	Chief Executive	Executives
	----- Rupees -----			
Remuneration	12,247,600	118,185,421	12,074,885	91,800,553
Medical allowance	-	-	934,560	6,653,339
Income tax	3,328,400	10,722,200	3,262,884	8,653,365
Reimbursement of expenses	167,746	1,680,302	130,424	673,625
	<u>15,743,746</u>	<u>130,587,923</u>	<u>16,402,753</u>	<u>107,780,882</u>
Number of persons	1	54	1	41

26.1 No remuneration is being paid to the board of directors of the company (2021: nil).

27 RELATED PARTY TRANSACTIONS

27.1 Particulars of related parties

The related parties comprises of parent company, associated companies, companies in which Directors have interest, staff retirement funds, Directors and key management personnel. A list of projects in which Directors and Chief Executive are acting as principal investigator are given below:

Name of Director	Relationships	Name of the project
Dr. Ali Cheema	Principal Investigator	The Punjab Economic Opportunities Program
Dr. Asim Aijaz Khawaja	Principal Investigator	Trust In State Authority
Dr. Ali Cheema	Principal Investigator	Trust In State Authority
Dr. Tahir Raza Shah Andrabi	Principal Investigator	Education Finance Project
Dr. Asim Aijaz Khawaja	Principal Investigator	Education Finance Project
Dr. Asim Aijaz Khawaja	Principal Investigator	Social Compact Project
Dr. Atif Rehman Mian	Principal Investigator	Lending In Agriculture
Mr. Maroof Ali Syed (CEO)	Principal Investigator	SCALE
Dr. Asim Aijaz Khawaja	Principal Investigator	SCALE

Principal Investigator are CERP fellow who commence, conducts or governs and conclude the research projects. Member of the Board act as principal investigator on voluntary basis, free of any charges for their services. Donors provides funds to CERP for projects on behalf of Principal Investigators.

27.2 Transactions with related parties

Name of related party	Nature of transactions	Relationship	2022	2021
CERP Foundation	Receivable against the services	Common Board Members	3,544,500	12,453,640
Dr. Tahir Raza Shah Andrabi	Travelling and Accommodation	Member of Board of Directors	183,910	195,171
Dr. Asim Aijaz Khawaja	Travelling and Accommodation	Member of Board of Directors	-	20,184
Dr. Adnan Qadir Khan	Travelling and Accommodation	Member of Board of Directors	-	157,000

28 NUMBER OF EMPLOYEES

The average and total number of employees during the period ended June 30,2022 and June 30,2021 are as follows:

	2022	2021
Average number of employees	136	152
Total number of employees	92	180

29 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

30 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 05 OCT 2022 by the Board of Directors of the Company.


CHIEF EXECUTIVE


DIRECTOR

CERP



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