

# CERP

Center for Economic  
Research in Pakistan

**CERP** | Center for Economic  
Research in Pakistan



Annual Report  
2012-2013

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*Catalyzing Rigorous Policy Research*

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## About CERP

The Center for Economic Research in Pakistan (CERP) is a non-profit research center with the strategic objective of informing policy and practice by filling socio-economic research gaps in Pakistan using rigorous economic research tools. CERP also facilitates an environment where the international academic community both within and outside Pakistan can work with program implementers to answer research questions that matter, bringing together academic findings, policy advice, and focused debate.

Initiated in 2008 by economists at the Harvard Kennedy School, University of Chicago, Pomona College and Lahore University of Management Sciences, CERP is continually expanding in both size and scope. The organization currently enjoys an inspirational roster of over 30 economists and social scientists working on numerous research projects in collaboration with the government of Pakistan and several international organizations. Partnerships with various government departments have included those with Punjab Livestock Development Department, Punjab Excise & Taxation Department and Punjab Resource Management Program. CERP continues to partner with international organizations like Evidence for Policy Design at Harvard University, Abdul Latif Jameel Poverty Action Lab, Entrepreneurial Finance Lab, the UK Department for International Development, and the World Bank on a variety of projects.

Current research projects cover topics in primary education, taxation, finance, 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 and has its main office in Lahore, Pakistan.



## CERP's Implementing Partners

- \* Agriculture Department, Government of Punjab
- \* 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)
- \* 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
- \* Tameer Micro Finance Bank

## CERP's Donors

- \* Aman Foundation
- \* International Growth Centre
- \* International Initiative for Impact Evaluation
- \* Department for International Development, UK
- \* John Templeton Foundation
- \* National Science Foundation
- \* Poverty Action Lab (J-PAL)
- \* The World Bank



## CERP's 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

### International

- \* Evidence for Policy Design (Harvard)
- \* Innovations for Poverty Action
- \* International Growth Centre
- \* Poverty Action Lab (J-PAL)

## General Body

**Dr Asim Ijaz Khwaja**  
Chairman of the Board, CERP  
Professor of Public Policy, Harvard  
University, PhD Economics,  
Harvard University

**Dr Tahir Andrabi**  
CEO, CERP  
Professor of Economics, Pomona  
College, PhD Economics Massa-  
chusetts Institute of Technology

**Dr. Ali Cheema**  
Associate Professor Economics  
LUMS, PhD Economics, University  
of Cambridge

**Dr. Atif Mian**  
Professor of Economics, Princeton  
University, PhD Economics,  
Massachusetts Institute of Tech-  
nology

**Dr. Adnan Qadir Khan**  
Research Director, International  
Growth Centre, London School of  
Economics (LSE)  
PhD Economics, Queens Universi-

## Board of Directors

**Dr Asim Ijaz Khwaja**  
Chairman of the Board, CERP  
Professor of Public Policy, Harvard  
University, PhD Economics,  
Harvard University

**Dr Tahir Andrabi**  
CEO, CERP  
Professor of Economics, Pomona  
College, PhD Economics Massa-  
chusetts Institute of Technology

**Dr. Ali Cheema**  
Associate Professor Economics  
LUMS, PhD Economics, University  
of Cambridge

**Dr. Atif Mian**  
Professor of Economics, Princeton  
University, PhD Economics,  
Massachusetts Institute of Tech-  
nology

**Dr. Adnan Qadir Khan**  
Research Director, International  
Growth Centre, London School of  
Economics (LSE)  
PhD Economics, Queens Universi-

## Finance and Audit Committee

Dr. Ali Cheema  
Chair / Member of Board of  
Directors

Dr. Atif Mian  
Member of Board of Directors

Ms Gemma Stevenson  
Associate Director

Mr Naeem Sheikh  
Financial Consultant

Ms Aisha Umbreen  
Finance Manager

## Procurement Committee

Dr. Ali Cheema  
Chair / Member of the Board of  
Directors

Dr. Atif Mian  
Member of the Board of Directors

Ms Gemma Stevenson  
Associate Director

Mr Sajid Maroof Khan  
Independent Member

## Company Secretary

Ms Aisha Umbreen  
Finance Manager

## Auditors

KPMG Taseer Hadi & Co. Chartered Accountants:

A Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity

Contact:

53 L, Gulberg IIII Lahore Pakistan. +92 (42) 35850477. [www.kpmg.com.pk](http://www.kpmg.com.pk)

## Financial Consultants

UHY Hassan Naeem & Co. Chartered Accountants:

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

Contact:

193-A, Shah Jamal Lahore Pakistan. +92 (42) 7599938. <http://www.uhy-hnco.com/hnco/>

## Legal Advisers

Hassan and Rahim. Advocats and Legal Consultants

Contact:

76/7-A, Arif Jan Road Lahore Pakistan. +92 (42) 36665591 – 92 . [www.hassanandrahim.com](http://www.hassanandrahim.com)

## Director's Note



The last year has seen CERP emerge as a larger, more active and more diverse partner in the research and policy world in Pakistan. Long-standing research projects have progressed apace; new research projects have been launched; a wider network of policy partners have been engaged through training initiatives, and CERP has embraced new channels of policy outreach through its recent collaboration with DFID to build a culture of evidence among Pakistani policy-makers.

### Research

In relation to its core work in research, CERP has consolidated the groundwork made through its long term engagements. For example, the Property Tax Project has expanded digital mapping to over 500 tax circles in Punjab in order to identify unassessed areas and performance levels of property tax collectors across the province. The team additionally finished monitoring a range of monetary incentives for tax collectors in order to achieve the project's ultimate goal of increasing revenue collection and public sector efficiency in the Punjab.

Elsewhere, the Punjab Economic Opportunities Project (PEOP) completed the baseline survey of its in-depth sample (21,000 households across 150 villages). This was combined with the rollout of a village-based training intervention with the Punjab Skills Development Fund (PSDF) to increase uptake of training among rural women in South Punjab. The Procurement Efficiency Project also came into CERP's fold over the 2012-13 period, with the team securing approval for a Randomized Control Trial (RCT) with the Government of Punjab, and completing an analysis of existing data from around 7000 cost centers in the State. This work ultimately aims to align the incentives of the procurement agent with the Government in order to achieve better value for money for the Punjab taxpayer.

These examples merely touch the surface of both the hard work undertaken and progress made across CERP's full portfolio of research projects.

2012-13 has also been the year in which CERP expanded its portfolio of research projects. First, CERP embraced the field of health education, launching the Microbe Literacy Project in Spring 2013 in collaboration with the National Commission for Human Development (NCHD). This project studies the short and long-run effects of a microscope demonstration that teaches about the spread of disease, with the eventual aim of improving health and hygiene practices among illiterate women in Pakistan. CERP's team includes Dr. Syed Ali Asjad Naqvi (Vienna University of Economics and Business), Dr. Daniel Bennett (University of Chicago), and Dr. Wolf-Peter Schmidt (London School of Hygiene and Tropical Medicine).

Further, in collaboration with Innovations for Poverty Action (IPA), CERP has initiated a randomized design to identify the constraints to adoption of a mobile wallet program in which users can send and receive money via their phones. This pilot project aims to measure the rates of usage, and welfare effects of this mobile money initiative. It is led by principal investigators Greg Fischer (London School of Economics), Adnan Khan (London School of Economics, International Growth Centre), Joshua Blumenstock (University of Washington) and Dean Karlan (Yale).

### Training and Policy Outreach

CERP's policy outreach and capacity building work has also expanded over the 2012-13 period, with the delivery of its third Project Management Tools training course in December 2012. The event was attended by a wide variety of stakeholders from the Punjab Livestock and Dairy Development Department (LDDD) to the Department for International Development (DFID) UK and the Children's Global Network Pakistan (CGN-P). This year CERP has continued to actively engage with the Centers for Learning on Evaluation and Results (CLEAR) globally, attending its Global Forum in Tunis in February 2013, allowing CERP to both learn lessons from other CLEAR centers as well as to share its own experiences in conducting M&E training activities in Pakistan.

Most recently, at the very end of this financial year, CERP was part of a team selected by the Department for International Development (DFID) UK to carry out a comprehensive capacity building program to increase the use of rigorous data and research evidence by Pakistani policy-makers. The program, Building Capacity to Use Research Evidence (BCURE), aims to build a 'culture of evidence' where using real data to inform policy decisions becomes the norm among a broad set of policy actors in Pakistan.

### Operations

As CERP's activities have expanded in breadth and depth over the past year, it is evident that it has developed into a more mature organization operationally. Its website (<http://cerp.org.pk/>) went live in early 2013, receiving over 4000 views per week within a matter of months and allowing CERP to engage more interactively with its partners and wider research community. Moreover, the physical office space in Lahore has also expanded to allow teams to work more effectively, and its policies on HR and financial issues have been formalized in a CERP Policy Manual.

### Looking Ahead

With the launch of BCURE, the maturation of a number of CERP's long-standing research projects and the anticipated addition of a fresh set of projects, CERP is set for an exciting year ahead in 2013-14. The team is looking forward to it.

A handwritten signature in blue ink, appearing to read 'Gemma Stevenson'.

Ms Gemma Stevenson  
Associate Director CERP



KPMG Taseer Haqil & Co.  
Chartered Accountants  
53 L. Gulberg III  
Lahore Pakistan

Telephone + 92 (42) 3585 0471-75  
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## Auditors' Report to the Members

### Centre for Economic Research in Pakistan (A company setup under section 42 of the Companies Ordinance, 1984)

Financial statements for the year ended  
30 June 2013

We have audited the annexed balance sheet of Centre for Economic Research in Pakistan – a company setup under section 42 of the Companies Ordinance, 1984 (“the Company”) as at 30 June 2013 and the related income and expenditure account, cash flow statement and statement of accumulated fund together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of accumulated fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2013 and of the surplus, its cash flows and changes in accumulated fund for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Lahore

Date: 11 October 2013

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
(Kamran Iqbal Yousafi)

(A company setup under section 42 of the Companies Ordinance, 1984)  
Balance Sheet  
As at 30 June 2013

	Note	2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees
<b>FUNDS AND LIABILITIES</b>					
<b>Accumulated fund</b>					
Restricted fund		52,861,217	61,468,010		
General fund		8,401,956	6,933,036		
		61,263,173	68,401,046		
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed assets	8	2,509,125	1,637,873		
Security deposits		200,000	214,500		
		2,709,125	1,852,373		
<b>Current assets</b>					
Advances and prepayments	9	2,726,921	429,477		
Advance tax		240,225	-		
Cash and bank balances	10	59,887,983	67,623,071		
		62,855,129	68,052,548		
<b>Contingencies and commitments</b>					
	7	65,564,254	69,904,921		

The annexed notes 1 to 14 form an integral part of these financial statements.

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Lahore

Chief Executive Officer

Director

Centre for Economic Research in Pakistan

(A company setup under section 42 of the Companies Ordinance, 1984)

Income and Expenditure Account

For the year ended 30 June 2013

Note	2013			2012
	Restricted	Un-restricted	Consolidated	Consolidated
	Rupees			Rupees
<b>INCOME</b>				
Grants	104,633,742	-	104,633,742	72,573,902
Donations	-	-	-	4,983,539
General fund	-	1,780,835	1,780,835	-
Other income	986,159	3,526,940	4,513,099	6,363,706
Exchange gain	49,844	71,225	121,069	-
Amortization of capital grant	240,522	-	240,522	122,972
	105,910,267	5,379,000	111,289,267	84,044,119
<b>EXPENDITURE</b>				
Salaries and benefits	26,262,749	382,596	26,645,345	12,556,644
Baseline surveys	50,416,294	-	50,416,294	48,056,850
Course development fee	-	-	-	1,369,914
Travelling and conveyance	7,162,708	11,430	7,174,138	5,340,792
Hall charges	950,000	-	950,000	4,415,000
Legal and professional fee	460,200	1,170,000	1,630,200	862,450
Computer and internet expenses	339,350	7,185	346,535	621,641
Meal and entertainment	143,734	159,457	303,191	171,051
Printing and stationery	388,107	52,936	441,043	443,299
Rent	-	1,178,826	1,178,826	935,000
Repair and maintenance	-	33,629	33,629	130,698
Communication charges	163,397	2,000	165,397	132,232
Advertisement	90,600	-	90,600	72,400
Auditor's remuneration	-	150,000	150,000	125,000
Utilities	-	285,373	285,373	55,524
Depreciation	240,522	117,116	357,638	176,963
Agent commission	-	-	-	87,500
Website and software maintenance	48,700	185,375	234,075	-
School grant	16,100,700	-	16,100,700	-
Lab games	226,059	-	226,059	-
Scientific material	1,438,309	-	1,438,309	-
Monitoring cost	163,600	-	163,600	-
Insurance	78,481	9,461	87,942	-
Exchange loss	980,088	-	980,088	-
Bank charges	10,207	1,965	12,172	24,699
Miscellaneous expenses	246,462	162,731	409,193	164,259
	105,910,267	3,910,080	109,820,347	75,741,916
Surplus before taxation	-	1,468,920	1,468,920	8,302,203
Taxation	-	-	-	(1,145,634)
Surplus after taxation	-	1,468,920	1,468,920	7,156,569

The annexed notes 1 to 14 form an integral part of these financial statements.

10/11/13 WA

Lahore

Jahid Ali Andrabi  
Chief Executive Officer

  
Director

Centre for Economic Research in Pakistan

(A company setup under section 42 of the Companies Ordinance, 1984)

Statement of Accumulated Fund

For the year ended 30 June 2013

	Restricted		Un-restricted	Total
	Project fund	Grant assets	General fund	
	Rupees			
As at 30 June 2011	36,988,580	-	(223,533)	36,765,047
Grants received during the year	97,176,303	-	-	97,176,303
Capital expenditure	(766,003)	766,003	-	-
Funds utilized during the year	(72,573,902)	-	-	(72,573,902)
Amortization for the year	-	(122,971)	-	(122,971)
Surplus for the year	-	-	7,156,569	7,156,569
As at 30 June 2012	60,824,978	643,032	6,933,036	68,401,046
Grants received during the year	98,153,820	-	-	98,153,820
Capital expenditure	(1,220,990)	1,220,990	-	-
Funds utilized during the year	(104,633,742)	-	-	(104,633,742)
Other adjustments	(105,514)	-	-	(105,514)
Amortization for the year	-	(240,522)	-	(240,522)
Transfer to general funds	(1,780,835)	-	-	(1,780,835)
Surplus for the year	-	-	1,468,920	1,468,920
As at 30 June 2013	51,237,717	1,623,500	8,401,956	61,263,173

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Lahore

Jahid Ali Andrabi  
Executive Director

  
Director



## Centre for Economic Research in Pakistan

(A company setup under section 42 of the Companies Ordinance, 1984)

### Cash Flow Statement

For the year ended 30 June 2013

	Note	2013 Rupees	2012 Rupees
<b>RECEIPTS</b>			
Grants received		98,153,820	102,159,842
Bank profit		2,241,022	-
Other receipts		1,445,821	6,363,706
Total receipts		101,840,663	108,523,548
<b>PAYMENTS</b>			
Payment to employees and suppliers		(108,081,544)	(76,232,867)
Taxes paid		(265,317)	-
Total payments		(108,346,861)	(76,232,867)
Net cash (outflow) / inflow from operating activities		(6,506,198)	32,290,681
<b>Cash flow from investing activities</b>			
Capital expenditure incurred		(1,228,890)	(1,814,836)
Net cash outflow from investing activities		(1,228,890)	(1,814,836)
<b>Cash flow from financing activities</b>			
Short term loans		-	(292,960)
Net cash outflow from financing activities		-	(292,960)
Net (decrease) / increase in cash and cash equivalents during the year		(7,735,088)	30,182,885
Cash and cash equivalents at the beginning of year		67,623,071	37,440,186
Cash and cash equivalents at the end of year	10	59,887,983	67,623,071

The annexed notes 1 to 14 form an integral part of these financial statements.

Lahore

  
Chief Executive Officer

  
Director

## Centre for Economic Research in Pakistan

(A company setup under section 42 of the Companies Ordinance, 1984)

### Notes to the financial statements

For the year ended 30 June 2013

#### 1 Legal status and nature of business

Center for Economic Research in Pakistan ("the Company") is a company limited by guarantee incorporated in Pakistan on 14 January 2010 as an association not for profit under section 42 of the Companies Ordinance, 1984. 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 193-A Shah Jamal, Lahore, Pakistan.

#### 2 Basis of preparation

##### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for the Small Size Enterprises (SSEs), Guideline for Accounting and Financial Reporting by Non-Government Organizations (NGOs) / Non-Profit Organizations (NPOs), as issued by the Institute of Chartered Accountants of Pakistan (ICAP) and provisions and directives issued under Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

##### 2.2 Basis of measurement

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

##### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee which is also the Company's functional currency.

##### 2.4 Judgments, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- Useful life and residual values of property and equipment
- Taxation
- Provisions

#### 3 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented and are given as follows:

##### 3.1 Funds

###### 3.1.1 Restricted fund

Funds obtained from the donors are credited under project funds. Utilization of this fund is according to the plan agreed with donors of the projects.

###### 3.1.2 General fund

This is an unrestricted fund. Utilization of this fund is not restricted to any specific purpose.



### 3.2 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and identified impairment losses, if any.

Depreciation charge is based on straight line method whereby the cost of an asset is written off to income and expenditure account at the rates prescribed in note 8 of these financial statements. Depreciation on additions is charged from the month in which the asset is acquired or capitalized while no depreciation is charged for the month in which items are disposed off.

Where the carrying amount of assets exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company.

Gains and losses on the disposal of assets are included in income.

### 3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost for the purposes of cash flow statement. Cash and cash equivalents comprise of cash in hand, cash in transit and bank balances.

### 3.4 Trade and other payables

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

### 3.5 Revenue recognition

#### Grants related to projects

Grants related to income are recognized on a systematic basis as income over the periods necessary to match them with related expenses incurred in accordance with terms of the respective grant agreement. Further, the grants related to losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized as income in the period in which it becomes receivable.

#### Grants related to assets

Grants related to long term assets, including non-monetary grants at fair value, are presented by setting up "deferred grant related to assets". Subsequently, these deferred grants are amortized into income and expenditure account over the useful lives of associated assets.

#### Bank profit

Profit on bank deposits is recognized on accrual basis.

#### Services

Services are recognized as revenue when rendered at fair value of consideration to be received.

### 3.6 Taxation

The income of the Company from donations, grants and contributions, is exempted from income tax under clause 58 of part I of the second schedule to the Income Tax Ordinance, 2001. Also refer to note 6.

### 3.7 Foreign currencies

Foreign currency transactions are converted into Pak Rupee using the rates prevailing on the date of transaction while monetary assets and liabilities are converted into Pak Rupee using the rates of exchange prevailing at the balance sheet date.

Exchange differences are included in income and expenditure account.

### 3.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

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#### 4 Deferred grant - restricted

	2013	2012
	Rupees	Rupees
Deferred grant - income based	4.7	60,824,978
Deferred grant - project asset based	4.2	687,032
	<b>52,861,217</b>	<b>61,468,010</b>

#### 4.1 Deferred grant - income based

Donor	Project	As at 01 July 2012	Grant received	Increase for the year	Grant used	Capitalization	Other adjustments	As at 30 June 2013
Department for International Development	The Punjab Economic Opportunities Program	14,697,543	17,142,460	(18,378,741)	-	-	-	13,461,262
Janed Poverty Lab South Asia	Center for Learning on Evaluation and Results	1,620,501	6,888,330	(9,850,065)	-	-	-	(1,241,285)
Harvard College	Trust In State Authority	-	1,234,107	(1,337,769)	-	-	-	(113,662)
Centre of International Development	Education Financing Project	105,514	-	-	-	-	(105,514)	-
Entrepreneurial Finance Lab	Psychometric Analysis of Entrepreneurs	156,378	142,672	-	(549,030)	-	-	-
Harvard College	Educative Finance Project	-	30,509,951	(25,652,894)	(547,820)	(32,600)	-	4,336,727
Innovation for Poverty Action	Property Tax Experiment in Punjab, Pakistan	24,245,042	17,988,590	(21,135,294)	(281,709)	-	-	20,809,629
London School of Economics	Measuring Informal and Formal Providers on the Supply Side of the Livestock Market	-	4,764,375	(2,144,979)	(476,437)	-	-	2,142,959
USD Optimum Foundation	Micro Literacy Project	-	15,985,300	(2,738,240)	-	(1,093,504)	-	12,113,756
Innovation for Poverty Action	Mobile Money Project	-	1,439,832	(1,267,747)	(129,819)	(82,389)	-	(91,119)
World Bank Group	Public Procurement Project	-	1,940,090	(2,088,090)	-	(12,500)	-	(160,500)
		<b>40,824,978</b>	<b>48,153,826</b>	<b>(144,633,742)</b>	<b>(1,786,835)</b>	<b>(1,220,990)</b>	<b>(165,514)</b>	<b>51,337,717</b>

#### 4.2 Deferred grant - project asset based

	2013						Net book value as at 30 June 2013	
	COST			Rate	DEPRECIATION			
	As at 01 July 2012	Additions	As at 30 June 2013		As at 01 July 2012	For the year 2013		As at 30 June 2013
Computers and printers	648,403	192,286	840,689	20	119,444	216,797	356,348	504,341
Office equipment	117,600	1,828,704	1,946,304	10	2,210	23,815	27,325	1,119,179
	<b>766,003</b>	<b>1,320,990</b>	<b>1,986,993</b>		<b>(22,971)</b>	<b>240,522</b>	<b>163,193</b>	<b>1,623,500</b>

  

	2012						as at 30 June 2012	
	COST			Rate	DEPRECIATION			
	As at 01 July 2011	Additions	As at 30 June 2012		As at 01 July 2011	For the year 2012		As at 30 June 2012
Computers and printers	-	648,403	648,403	20	-	119,661	119,661	528,742
Office equipment	-	117,600	1,17,600	10	-	2,210	3,710	114,290
	<b>-</b>	<b>766,003</b>	<b>766,003</b>		<b>-</b>	<b>(122,971)</b>	<b>(122,971)</b>	<b>643,032</b>

#### 5 Trade and other payables

	2013	2012
	Rupees	Rupees
Accrued expenses	2,014,561	150,500
Payable for capital expenditure	864,342	-
Income tax deducted at source	485,397	485,246
Other payables	16,781	16,781
	<b>4,381,081</b>	<b>652,527</b>

#### 6 Taxation

The Company is exempt from tax in per clause 58(1) of part I of second schedule of Income Tax Ordinance, 2001 read with rule 220A of Income Tax Rules, 2002. A non-profit organization is exempt from tax after being approved for the same from Commissioner Inland Revenue ("the Commissioner"). The Company has applied for exemption under the tax laws which is pending to date. Accordingly, no provision for taxation has been made in these financial statements.

#### 7 Contingencies and commitments

There are no contingencies and commitments as at reporting date (2012: nil).

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	Note	2013 Rupees	2012 Rupees
8 Fixed assets			
Owned assets	8.1	885,625	994,841
Project assets	4.2	1,623,500	643,032
		<u>2,509,125</u>	<u>1,637,873</u>

### 8.1 Owned assets

	2013				Net book value as at		
	COST		DEPRECIATION			30 June 2013	
	As at 01 July 2012	Additions	As at 01 July 2012	For the year			
		Rupees	Rupees	Rupees	Rupees		
Computers and printers	60,830	-	60,830	8,285	18,249	26,534	34,296
Office equipment	194,715	-	194,715	8,282	19,472	27,754	166,961
Furniture and fixture	793,288	7,900	801,188	37,425	79,395	116,820	684,368
	<u>1,048,833</u>	<u>7,900</u>	<u>1,056,733</u>	<u>53,992</u>	<u>117,116</u>	<u>171,108</u>	<u>885,625</u>

2012

	2012				Net book value as at		
	COST		DEPRECIATION			30 June 2012	
	As at 01 July 2011	Additions	As at 01 July 2011	For the year			
		Rupees	Rupees	Rupees	Rupees		
Computers and printers	-	60,830	60,830	8,285	8,285	8,285	52,545
Office equipment	-	194,715	194,715	8,282	8,282	8,282	186,433
Furniture and fixture	-	793,288	793,288	-	37,425	37,425	755,863
	-	<u>1,048,833</u>	<u>1,048,833</u>	-	<u>53,992</u>	<u>53,992</u>	<u>994,841</u>

### 9 Advances, prepayments and other receivables

	Note	2013 Rupees	2012 Rupees
Advance to employees - unsecured, considered good - against expenses		821,084	110,298
- against salary		-	36,666
Advance to suppliers		300,000	187,760
Prepaid expenses		285,994	94,753
Other receivables	9.1	<u>1,319,843</u>	<u>429,477</u>
		<u>2,726,921</u>	

9.1 This includes an amount of Rs. 1,239,898 receivable from Institute of Development Economic & Alternatives ("IDEA") in respect of payment made by the Company in its behalf under a memorandum of understanding.

### 10 Cash and bank balances

	Note	2013 Rupees	2012 Rupees
Cash in hand		154,052	1,524
Cash at bank			
- current account		<u>24,461,398</u>	<u>22,443,862</u>
- saving accounts	10.1	<u>35,272,533</u>	<u>45,177,685</u>
		<u>59,733,931</u>	<u>67,621,547</u>
		<u>59,887,983</u>	<u>67,623,071</u>

10.1 These carry markup at the rate of 5% to 8% per annum (2012: 5% to 8%).

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	Donated funds																	
	Property Tax Experiment in Punjab, Pakistan				Micro Literacy Project of Economics			Mobile Money Project		Public Procurement Project		General funds	Consolidated	General funds	Consolidated			
	The Punjab Economic Opportunities Program	Center for Learning on Evaluation and Results	Trust in State Authority	Education Financing Project	London School of Economics	Micro Literacy Project of Economics	Mobile Money Project	Public Procurement Project	Total	General funds	Consolidated							
Income																		
Grants	38,378,741	9,850,066	1,337,769	25,652,806	21,135,394	2,144,979	2,778,240	1,267,747	2,088,001	104,633,742	72,573,902	72,573,902	-	4,983,539	-	72,573,902		
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General fund	986,159	-	-	-	-	-	-	-	-	1,780,835	1,780,835	1,780,835	-	-	-	-	4,983,539	
Other income	49,844	-	-	-	-	-	-	-	-	3,526,940	3,526,940	3,526,940	-	4,541,000	-	6,363,706	-	
Exchange gain	44,250	162,031	-	8,150	-	-	16,915	8,239	-	49,844	71,225	121,069	-	-	-	-	-	
Amortization of capital grant	39,458,994	10,012,097	1,337,769	25,660,956	21,135,394	2,144,979	2,795,155	1,275,986	2,088,937	105,910,267	74,519,580	74,519,580	-	9,524,539	-	84,044,119	-	
Expenditure																		
Salaries and benefits	6,767,167	6,998,666	960,333	2,533,999	4,771,501	1,030,500	4,583	1,112,500	2,083,501	26,262,749	382,596	26,645,345	-	250,199	-	12,306,445	-	
Baseline surveys	28,831,010	-	-	6,136,347	14,585,700	863,237	-	-	-	50,416,294	-	50,416,294	-	-	-	-	48,056,850	-
Course development fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,369,914	-
Traveling and conveyance	2,321,167	1,529,004	122,265	677,443	1,140,383	37,130	1,220,854	112,462	2,000	7,162,708	11,430	7,174,138	-	10,571	-	5,330,221	-	
Hall charges	-	950,000	-	-	-	-	-	-	-	950,000	-	950,000	-	-	-	-	4,415,000	-
Legal and professional fee	1,450	85,000	-	33,750	340,000	-	-	-	-	1,700,000	-	1,700,000	-	-	-	-	862,450	-
Computer and internet expenses	234,398	7,870	17,730	23,865	22,957	7,185	12,300	17,730	2,500	339,350	7,185	346,535	-	435,051	-	621,041	-	
Meal and entertainment	62,739	-	5,170	19,365	51,903	4,537	-	-	-	143,734	159,457	303,191	-	49,828	-	121,225	-	
Printing and stationery	91,680	204,193	340	51,355	37,459	-	1,320	1,780	-	388,107	52,936	441,043	-	388,047	-	55,252	-	
Rent	-	-	-	-	-	-	-	-	-	1,178,826	-	1,178,826	-	-	-	-	935,000	-
Repair and maintenance	-	-	-	-	-	-	-	-	-	33,629	-	33,629	-	-	-	-	130,698	-
Communication charges	111,297	-	-	29,550	18,600	-	90,600	3,950	-	163,397	2,000	165,397	-	108,837	-	132,322	-	
Advertisement	-	-	-	-	-	-	-	-	-	90,600	-	90,600	-	72,400	-	-	72,400	-
Auditor's remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125,000	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,524	-
Depreciation	44,250	162,031	-	8,150	-	-	16,915	8,239	937	240,522	117,116	357,638	-	122,971	-	55,992	-	
Agent commission	-	-	-	-	-	-	-	-	-	48,700	-	48,700	-	-	-	-	-	-
Website and software maintenance	-	40,340	-	16,100,700	-	-	-	8,560	-	16,100,700	-	16,100,700	-	-	-	-	-	-
School grant	-	-	-	-	-	-	-	-	-	226,059	-	226,059	-	-	-	-	-	-
Lab games	-	-	-	-	-	-	-	-	-	1,438,309	-	1,438,309	-	-	-	-	-	-
Scientific material	-	-	-	-	-	-	1,438,309	-	-	163,600	-	163,600	-	-	-	-	-	-
Maintenance cost	163,600	-	-	-	-	-	-	-	-	78,481	-	78,481	-	87,942	-	-	-	-
Insurance	35,297	16,345	5,872	6,241	20,949	3,002	-	2,775	-	980,088	9,461	989,549	-	-	-	-	-	
Bank charges	773,533	-	-	-	206,553	-	-	-	-	10,207	-	10,207	-	-	-	-	-	-
Exchange loss	-	1,938	-	2,522	4,787	-	-	960	-	1,965	-	1,965	-	22,942	-	-	-	-
Bank charges	35,404	16,710	-	37,689	141,155	-	10,274	7,230	-	246,462	162,731	409,193	-	88,678	-	75,581	-	
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus before tax	(39,458,994)	(10,012,097)	(1,337,769)	(25,660,956)	(21,135,394)	(2,144,979)	(2,795,155)	(1,275,986)	(2,088,937)	(105,910,267)	1,468,920	(1,468,920)	-	6,479,496	-	8,302,203	-	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(388,287)	-	(388,287)	-	
Surplus after tax	-	-	-	-	-	-	-	-	-	-	1,468,920	(1,468,920)	-	6,091,209	-	7,913,916	-	

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	Note	2013			2012
		Restricted	Unrestricted	Consolidated	Consolidated
		Rupees			Rupees
<b>Other income</b>					
Profit on saving accounts		986,159	1,254,863	2,241,022	1,823,706
Reversal of tax liability		-	826,256	826,256	-
Course fee	12.1	-	1,065,000	1,065,000	4,540,000
Service contract	12.2	-	380,821	380,821	-
		<u>986,159</u>	<u>3,526,940</u>	<u>4,132,278</u>	<u>6,363,706</u>

12.1 This represents registration fee for 'Data Management' and 'Project Management' courses conducted by the Company.

12.2 This represents a income from service contract for 'Parent Teacher Engagement and Satisfaction Tracker – Regression Analysis' between the Company and Department of International Development.

**Date of authorization**

11 OCT 2013

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

**General**

Figures have been rounded off to the nearest rupee.

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*Jalvir R S Arshadi*  
Chief Executive Officer

*[Handwritten Signature]*  
Director