



Annual Report  
2011-2012

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



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Centre for Economic  
Research In Pakistan

## About CERP

The Center for Economic Research in Pakistan (CERP) is a non-profit research center in Pakistan that promotes the use of rigorous quantitative methods and active engagement with policy counterparts to answer outstanding questions in public policy. 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

## Our Mission

To inform policy and practice by filling socio-economic research gaps in Pakistan and promote evidence-based decision making by actors working towards the social and economic development of the country.

## Our Vision

To foster the development of the academic community inside Pakistan and abroad in conducting both theoretical and empirical research in the country, and bring together academic findings, policy advice, and focused debate.

## **General Body-CERP**

Dr. Asim Ijaz Khwaja

Chairman of the Board, CERP

Professor of Public Policy, Harvard Kennedy School, Harvard University

Dr. Tahir Andrabi

CEO, CERP

Professor of Economics, Pomona College

Dr. Ali Cheema

Senior Research Fellow, Institute of Development and Economic Alternatives (IDEAS)

Associate Professor of Economics, LUMS

Dr. Atif Mian

Professor of Economics, Princeton University

Dr. Adnan Qadir Khan

Research Director, International Growth Center, London School of Economics

## **Board of Directors**

Dr. Asim Ijaz Khwaja

Chairman of the Board, CERP

Professor of Public Policy, Harvard Kennedy School, Harvard University

Dr. Tahir Andrabi

CEO, CERP

Professor of Economics, Pomona College

Dr. Ali Cheema

Senior Research Fellow, Institute of Development and Economic Alternatives (IDEAS)

Associate Professor of Economics, LUMS

Dr. Atif Mian

Professor of Economics, Princeton University



## Finance and Audit Committee

Dr. Ali Cheema	Chair/ Member of Board of Directors
Dr. Atif Mian	Member of Borad of Directors
Dr. Asjad Naqvi	Research and Training Director
Mr. Naeem Sheikh	Financial Consultant
Ms. Aisha Umbreen	Finance Manager

## Procurement Committee

Dr. Ali Cheema	Chair/ Member of Board of Directors
Dr. Atif Mian	Member of Borad of Directors
Dr. Asjad Naqvi	Research and Training Director
Mr. Sajid Maroof Khan	Independent Member

## Company Secretary

Ms. Aisha Umbreen
-------------------

## **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 III  
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

## **Legal Advisors**

### **Hassan & Rahim**

Advocates 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

2011-12 was an exciting year for CERP on several fronts; the center was physically established in Lahore, existing projects were centralized, and new initiatives were taken to expand the research portfolio of the organization. Today CERP is a fully operational organization with a team of over 25 highly motivated in-house researchers and staff. CERP is a one-of-a-kind research center in Pakistan focusing on rigorous impact evaluation methods with specific focus on randomized control trials (RCTs) to understand and improve micro level development issues. Current projects cover a wide array of thematic areas including primary education, taxation, finance, household welfare, and governance.

Each project is led by a team of Principal Investigators (PIs) selected from the pool of CERP Fellows which comprise of academics and researchers based in internationally reputed universities and research centers. The current roster of CERP PIs includes academics from Harvard University, MIT, Princeton University, Ponomo 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's impressive research portfolio has resulted in it being recognized by leading impact evaluation organizations including the Jameel Poverty Action Lab (J-PAL, MIT), the Innovations for Poverty Action (IPA, Yale), and the Evidence for Policy Design (EPoD, Harvard) as their sister organization in the region.

Over the last year, CERP has initiated two large scale projects in partnership with the Government of Punjab. The first project, Punjab Economic Opportunities Program (PEOP) is working in partnership with the Punjab Skills Development Fund (PSDF), the Livestock and Dairy Development Department (L&DDD) and the Department for International Development (DFID) in four districts of South Punjab comprising of two components; Skills Development which focuses matching demand for vocational training by low income populations with service providers and the Livestock Component, which aims at improving access to various markets of livestock owners. PEOP is currently in the process of conducting its baseline survey which is spread across 860 primary sampling units in the four sample districts. From the demand side, 11,000 households have been surveyed while on the supply side 7000 small to large scale vocational training service providers and 3500 livestock service providers are in the middle of being surveyed. The findings from the baseline activity have been used to provide input into PEOP policy design.

The second project, Policy Reform in Property Tax Collection in Punjab is a joint collaboration between the Punjab Excise and Taxation Department and CERP. The aim of the project is to increase property tax collection by providing pay-for-performance packages to tax circle staff and their supervisors. The project is currently in its third and final year of the pilot phase, having expanded to 214 tax circles in Punjab (out of a total of 498) from only 11 in its first year. The project is an RCT designed to measure the effect of three separate treatments which, at the end of the pilot phase, can be compared and the most effective one implemented across Punjab. The Project Team has also been able to build a centralized human resource data-base of property tax staff, digital records of property tax collection at the circle level going back till 2005 and geographic maps of tax circle boundaries of all tax circles across Punjab.



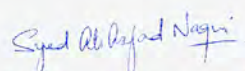
During the last year several new initiatives have started as well. The Education Financing Project is aimed at evaluating the impact of providing financing options to low cost private schools on school revenues, profitability and learning outcomes. The Mobile Money Project, focuses at improving mobile banking revenue by testing new products. The State Authority Project aims to understand channels of access to various public services with specific focus on access to justice. In addition to this, several new projects are in the pipeline which will cover issues on police and crime, public health and natural disasters.

In the fall of 2011, CERP also launched its training programs and policy dialogues under the banner of the CLEAR Initiative, a multi-donor funded program housed at the Independent Evaluation Group (IEG), World Bank. The core mission of the CLEAR program is to improve Monitoring and Evaluation (M&E) capacity of public sector organizations through training programs and advisory support. CERP successfully completed the CLEAR deliverables which included four training programs on Monitoring and Evaluation and Performance Budgeting, policy roundtables, and creating several knowledge products including marketing and outreach strategy guide, an interactive courses guide, and a new case study customized for local participants. To date the CLEAR courses trained over 150 participants from over 45 different organizations leading to significant increase in knowledge in the M&E capacity of local government and non-government organizations and resulting in new project partnerships. CERP aims to expand the program in the next year with more focus on bringing the trainings to other cities, meeting the high demand for customized courses, policy roundtables with key stakeholders, and writing policy briefs.

During the last year, CERP also established a communications department to ensure up-to-date and timely posting of activities through various channels. Using various social media, email and print media, CERP's outreach has increased tremendously through targeted marketing. Average outreach is estimated at 1500 page views per week by over 3000 unique users across the globe. CERP aims to improve this further by revamping the website design, improving cross platform information sharing, writing policy briefs for the local audience and generating interactive infographics on Pakistan.

Even though the organization is still in its infancy, it has matured tremendously through a steep learning curve that comes with the challenges with working in Pakistan. This would not have been possible without the support from organizations like the Lahore University of Management Sciences, Lahore School of Economics, International Growth Center, Institute of Development and Economic Alternatives (IDEAS), Forman Christian College among others. We would specially like to thank UHY-Hassan Naeem & Co. who went out of their way to provide us with guidance on financial and legal matters.

We are looking forward to an even more exciting 2012-13.



Dr. Syed Ali Asjad Naqvi  
Research Director  
Center for Economic Research in Pakistan

# Financial Statement





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

Telephone + 92 (42) 3585 0471-76  
Fax + 92 (42) 3585 0477  
Internet www.kpmg.com.pk

## Auditors' Report to the Members

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 2012 and the related income and expenditure account, statement of comprehensive income, 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 conducted 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 account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account;
  - 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, statement of comprehensive income, cash flow statement and statement of changes in accumulated fund together with the notes forming part thereof conform with

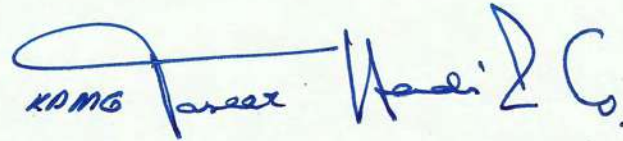
*WOTMS 111*

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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 2012 and of the surplus, its comprehensive 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).

The comparative figures for the year ended 30 June 2011 in the financial statements have been audited by UHY Hassan Naeem & Co whose report dated 20 September 2011 expressed an unqualified opinion. Accordingly, we do not express an opinion on the comparative figures for the year ended 30 June 2011.



Lahore

Date: 03 November 2012

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



# Centre for Economic Research in Pakistan

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

## Balance Sheet

As at 30 June 2012

	Note	2012 Rupees	2011 Rupees	Note	2012 Rupees	2011 Rupees
<b>FUNDS AND LIABILITIES</b>						
<b>ASSETS</b>						
<b>FUNDS AND LIABILITIES</b>						
<b>Accumulated fund</b>						
General fund		6,933,036	(223,532)	11	1,637,873	-
					214,500	-
					1,852,373	-
<b>Non-current assets</b>						
Property and equipment						
Security deposits						
<b>Current assets</b>						
Trade and other payables	7	652,527	382,432	12	429,477	254
Short term loans	8	-	292,960	13	67,623,071	37,440,186
Taxation - net	9	851,348	-		68,052,548	37,440,440
		1,503,875	675,392			
<b>Contingencies and commitments</b>	10	<b>69,904,921</b>	<b>37,440,440</b>		<b>69,904,921</b>	<b>37,440,440</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

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*Tahir R S Arshadi*

Chief Executive Officer

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Director

Lahore

# 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 2012

	Note	2012 Rupees	2011 Rupees
<b>INCOME</b>			
Grants-restricted	6	72,573,902	1,279,196
Donations		4,983,539	166,500
Other income	15	6,363,706	-
Amortization of capital grant		122,972	-
		<u>84,044,119</u>	<u>1,445,696</u>
<b>EXPENDITURE</b>			
Salaries and benefits		12,556,644	735,000
Baseline surveys			
-Geographic survey- Phase-I		2,633,701	658,425
-Geographic survey- Phase-II		1,659,416	-
-Coding and data entry		2,239,000	-
-Employer survey		4,795,000	-
-Household survey		34,539,690	-
-Livestock survey		1,191,763	-
-Monitoring survey		998,280	-
Course development fee		1,369,914	-
Travelling and conveyance		5,340,792	57,786
Hall charges		4,415,000	-
Legal and professional fee		862,450	-
Computer and internet expenses		621,641	6,149
Meal and entertainment		171,051	-
Printing and stationery		443,299	5,085
Rent		935,000	-
Repair and maintenance expenses		130,698	-
Communication charges		132,232	-
Advertisement expenses		72,400	77,900
Auditors' remuneration		125,000	100,000
Utilities		55,524	-
Depreciation		176,964	-
Agent commission		87,500	-
Bank charges		24,699	2,532
Miscellaneous expenses		164,259	2,500
		<u>75,741,917</u>	<u>1,645,377</u>
<b>Surplus / (deficit) before taxation</b>		<b>8,302,202</b>	<b>(199,681)</b>
Taxation		1,145,634	-
<b>Surplus / (deficit) after taxation</b>		<b><u>7,156,568</u></b>	<b><u>(199,681)</u></b>

The annexed notes 1 to 17 form an integral part of these financial statements.

*Wazir Ali*

Lahore

*Jahid R S Anshari*  
Chief Executive Officer

*[Signature]*  
Director



# Centre for Economic Research in Pakistan

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

## Statement of Comprehensive Income

For the year ended 30 June 2012

	2012 Rupees	2011 Rupees
Surplus / (deficit) after tax	7,156,568	(199,681)
Other comprehensive income	-	-
<b>Total comprehensive surplus / (deficit)</b>	<b>7,156,568</b>	<b>(199,681)</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

*NOTING V/A*

Lahore

  
Chief Executive

  
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 2012

	2012 Rupees	2011 Rupees
<b>RECEIPTS</b>		
Donated funds received	102,159,842	38,434,276
Other receipts	6,363,706	-
	<u>108,523,548</u>	<u>38,434,276</u>
<b>PAYMENTS</b>		
Payment to employees and suppliers	(76,232,867)	(1,287,050)
<b>Net cash inflow from operating activities</b>	<u>32,290,681</u>	<u>37,147,226</u>
<b>Cash flow from investing activities</b>		
Capital expenditure incurred	(1,814,836)	-
<b>Net cash outflow from investing activities</b>	<u>(1,814,836)</u>	<u>-</u>
<b>Cash flow from financing activities</b>		
Short term loans	(292,960)	292,960
<b>Net cash (outflow) / inflow from financing activities</b>	<u>(292,960)</u>	<u>292,960</u>
<b>Net increase in cash and cash equivalents during the year</b>	30,182,885	37,440,186
<b>Cash and cash equivalents at the beginning of the year</b>	37,440,186	-
<b>Cash and cash equivalents at the end of the year</b>	<u>67,623,071</u>	<u>37,440,186</u>

The annexed notes 1 to 17 form an integral part of these financial statements.

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Lahore

*Jahid AS Anshari*

Chief Executive Officer

*Handwritten signature*  
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 2012

	<u>General fund</u> Rupees	<u>Total funds</u> Rupees
Balance as at 01 July 2010	(23,851)	(23,851)
Net deficit for the year	(199,681)	(199,681)
Balance as at 30 June 2011	<u>(223,532)</u>	<u>(223,532)</u>
Net surplus for the year	7,156,568	7,156,568
<b>Balance as at 30 June 2012</b>	<b><u><u>6,933,036</u></u></b>	<b><u><u>6,933,036</u></u></b>

The annexed notes 1 to 17 form an integral part of these financial statements.

*M. M. M. P. K.*

Lahore

*Jahid R S Andrabi*  
Chief Executive Officer

*[Signature]*  
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 2012

### 1 Legal status and nature of business

Center for Economic Research In Pakistan (here-in-after referred to as "the Company") is a company limited by guarantee incorporated in Pakistan on January 14, 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, Shahjamaal, Lahore, Pakistan.

### 2 Statement of compliance

The 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.

### 3 Basis of measurement

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

### 4 Significant accounting estimates and judgments

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:

- a) Useful life and residual values of property and equipment - note 5.1
- b) Taxation - note 5.5
- c) Provisions - note 5.7

### 5 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:

#### 5.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any.

Depreciation is charged on straight line method at the rate given in Note 11 to write off the cost of assets over their expected useful lives. Depreciation is charged on an asset from the month when the assets are available for use till the month of its disposal i.e. full depreciation is charged in the month of addition, while no depreciation in the month of disposal.

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Maintenance and normal repairs are charged to income and expenditure account as and when incurred. The gain or loss on disposal or retirement of an asset is recognized as income or expense.

## **5.2 Revenue recognition**

### **Grants related to income**

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 agreements. 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.

## **5.3 Cash and cash equivalents**

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

## **5.4 Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and/or services received, whether or not billed to the Company.

## **5.5 Taxation**

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the surplus for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The Company's income from donations, contributions and profits from investment in securities of the Federal Government, are exempted from Income Tax under Clause 60, part 1 of the second schedule to the Income Tax Ordinance, 2001.

## **5.6 Foreign currencies**

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

Exchange differences are included in income and expenditure account.

## **5.7 Provisions**

Provisions are recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of 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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## 6 Deferred grant-restricted

	Note	2012 Rupees	2011 Rupees
Deferred grants- income based	6.1	60,824,978	36,988,580
Deferred grants- asset based	6.2	643,032	-
		<u>61,468,010</u>	<u>36,988,580</u>

### 6.1 Deferred grants- income based

Donor name	Project name	Balance as at 01 July 2011	Amount received during the year	Amount utilized	Amount capitalized	Balance as at 30 June 2012
-----Rupees-----						
Department for International Development	The Punjab Economic Opportunities Program (PEOP)	36,988,580	54,663,941	(56,414,875)	(540,103)	34,697,543
Innovations for Poverty Action	Property Tax Experiment in Punjab, Pakistan	-	27,971,825	(3,726,783)	-	24,245,042
Jameel Poverty Lab South Asia.	Center for Learning on Evaluation and Results (CLEAR)	-	13,253,277	(11,406,876)	(225,900)	1,620,501
Entrepreneurial Finance Lab	Psychometric Analysis of Entrepreneurs.	-	171,940	(15,562)	-	156,378
Center for International Development,	Education Financing Project.	-	1,115,320	(1,009,806)	-	105,514
		<u>36,988,580</u>	<u>97,176,303</u>	<u>(72,573,902)</u>	<u>(766,003)</u>	<u>60,824,978</u>

### 6.2 Deferred grants- asset based

	Balance as at 01 July 2011	Additions during the period	Amortization for the period	Balance as at 30 June 2012
-----Rupees-----				
Office equipments	-	117,600	(3,310)	114,290
Computers and printers	-	648,403	(119,661)	528,742
	-	<u>766,003</u>	<u>(122,971)</u>	<u>643,032</u>

## 7 Trade and other payables

	Note	2012 Rupees	2011 Rupees
Accrued expenses		150,500	235,126
Income tax deducted at source		485,246	52,306
Other payables		16,781	95,000
		<u>652,527</u>	<u>382,432</u>

## 8 Short term loan

Short term loan from director	8.1	-	292,960
8.1 Balance as on 01 July		292,960	-
Amount received during the year		-	292,960
Repayment made during the year		(292,960)	-
<b>Balance as on 30 June</b>	8.2	<u>-</u>	<u>292,960</u>
8.2 This represents interest free loan received from director.			

## 9 Taxation

As per clause 58 (1) of part I of second schedule of Income Tax Ordinance, 2001 read with rule 220A of Income Tax Rules, 2002, Income of Non-Profit-Organizations is exempt from tax after being approved for the same from Commissioner Inland Revenue. The Company has not applied for grant of tax exemption under the aforesaid regulations. Therefore, provision for current tax has been calculated according to the prevailing law for taxation of income.

## 10 Contingencies and commitments

There were no significant contingencies and commitments at the balance sheet date (2011 : Nil).

*M. M. Q. I.*



11 Property and equipment

Acquired from own sources

Cost

Balance at 1 July 2011  
Additions  
Balance at 30 June 2012

Rate of depreciation

Depreciation

Balance at 1 July 2011  
Depreciation for the year  
Balance at 30 June 2012

Carrying amounts

At 30 June 2011  
At 30 June 2012

Acquired from capital grants / donated assets

Cost

Balance at 1 July 2011  
Additions  
Balance at 30 June 2012

Rate of depreciation

Depreciation

Balance at 1 July 2011  
Depreciation for the year  
Balance at 30 June 2012

Carrying amounts

At 30 June 2011  
At 30 June 2012

Total assets at 30 June 2011

Total assets at 30 June 2012

	Computers and printers	Office equipments	Furniture and fixtures	Total
-----Rupees-----				
Balance at 1 July 2011	-	-	-	-
Additions	60,830	194,715	793,288	1,048,833
<b>Balance at 30 June 2012</b>	<b>60,830</b>	<b>194,715</b>	<b>793,288</b>	<b>1,048,833</b>
Rate of depreciation	30%	10%	10%	
Balance at 1 July 2011	-	-	-	-
Depreciation for the year	8,285	8,282	37,425	53,992
<b>Balance at 30 June 2012</b>	<b>8,285</b>	<b>8,282</b>	<b>37,425</b>	<b>53,992</b>
At 30 June 2011	-	-	-	-
<b>At 30 June 2012</b>	<b>52,545</b>	<b>186,433</b>	<b>755,863</b>	<b>994,841</b>

Cost

Balance at 1 July 2011  
Additions  
Balance at 30 June 2012

Rate of depreciation

Depreciation

Balance at 1 July 2011  
Depreciation for the year  
Balance at 30 June 2012

Carrying amounts

At 30 June 2011  
At 30 June 2012

Total assets at 30 June 2011

Total assets at 30 June 2012

Balance at 1 July 2011	-	-	-	-
Additions	648,403	117,600	-	766,003
<b>Balance at 30 June 2012</b>	<b>648,403</b>	<b>117,600</b>	<b>-</b>	<b>766,003</b>
Rate of depreciation	30%	10%	10%	
Balance at 1 July 2011	-	-	-	-
Depreciation for the year	119,661	3,310	-	122,971
<b>Balance at 30 June 2012</b>	<b>119,661</b>	<b>3,310</b>	<b>-</b>	<b>122,971</b>
At 30 June 2011	-	-	-	-
<b>At 30 June 2012</b>	<b>528,742</b>	<b>114,290</b>	<b>-</b>	<b>643,032</b>
Total assets at 30 June 2011	-	-	-	-
<b>Total assets at 30 June 2012</b>	<b>581,287</b>	<b>300,723</b>	<b>755,863</b>	<b>1,637,873</b>

12 Advances, prepayments and other receivables

Advance to employees-considered good:

-against expenses  
-against salary

Prepaid expenses

Receivable from donor - unsecured considered good

Other receivables - unsecured considered good

Note	* 2012 Rupees	2011 Rupees
	110,298	-
	36,666	-
	187,760	-
	40,300	-
	54,453	-
	<b>429,477</b>	<b>-</b>

13 Cash and bank balances

Cash in hand

Cash at bank

Current account

Saving accounts

Note	* 2012 Rupees	2011 Rupees
	1,524	39,506
	22,443,862	37,400,680
13.1	45,177,685	-
	<b>67,621,547</b>	<b>37,400,680</b>
	<b>67,623,071</b>	<b>37,440,186</b>

13.1 These carry markup at the rate of 5% to 8% per annum (2011 :Nil).

14/06/12

	2012							2011		
	Donated funds				Total	General funds	Consolidated	Donated funds The Punjab Economic Opportunities Program (PEOP)	General funds	Consolidated
	The Punjab Economic Opportunities Program (PEOP)	Center for Learning on Evaluation and Results (CLEAR)	Psychometric Analysis of Entrepreneurs (EFL)	Education Financing Project (EFP)						
<b>Grants</b>	56,414,875	11,406,876	15,562	1,009,806	3,726,783	77,573,902	4,983,539	77,573,441	1,279,196	1,279,196
<b>Other incomes</b>	1,100,000	275,237	10,416	67,741	369,312	1,822,706	4,541,000	6,363,706	-	166,500
<b>Amortization of capital grant</b>	99,109	23,863	-	-	-	122,972	-	122,972	-	-
	57,613,984	11,705,976	25,978	1,077,547	4,096,095	74,519,580	9,524,539	84,044,119	1,279,196	1,445,696
<b>Expenditure</b>										
<b>Salaries and benefits</b>	5,556,112	5,306,666	-	-	1,443,667	12,306,445	250,199	12,556,644	480,000	735,000
<b>Baseline surveys</b>										
- Geographic survey- Phase-I	2,633,701	-	-	-	-	2,633,701	-	2,633,701	658,425	658,425
- Geographic survey- Phase-II	1,659,416	-	-	-	1,539,000	1,659,416	-	1,659,416	-	-
- Coding and data entry	700,000	-	-	-	-	700,000	-	700,000	-	-
- Employer survey	4,795,000	-	-	-	-	4,795,000	-	4,795,000	-	-
- Household survey	34,539,690	-	-	-	-	34,539,690	-	34,539,690	-	-
- Livestock survey	1,191,763	-	-	-	-	1,191,763	-	1,191,763	-	-
- Monitoring survey	998,280	-	-	-	-	998,280	-	998,280	-	-
- Course development fee	-	1,369,914	-	-	-	1,369,914	-	1,369,914	-	-
- Travelling and conveyance	3,346,908	919,997	9,710	320,889	732,717	5,340,792	10,571	5,340,792	57,786	57,786
- Hall charges	-	3,737,857	-	677,143	-	4,415,000	-	4,415,000	-	-
- Legal and professional fee	178,150	-	-	-	-	178,150	684,300	862,450	-	-
- Computer and internet expenses	179,540	1,250	-	-	5,800	186,590	435,051	621,641	-	-
- Meal and entertainment	43,480	3,216	-	3,132	-	49,828	121,223	171,051	-	6,149
- Printing and stationery	349,188	36,392	117	2,350	-	388,047	55,252	443,299	5,085	5,085
- Rent	-	-	-	-	-	-	935,000	935,000	-	-
- Repair and maintenance expenses	-	-	-	-	-	-	130,698	130,698	-	-
- Communication charges	76,900	21,512	4,875	5,400	150	108,837	23,395	132,232	-	-
- Advertisement expenses	72,400	-	-	-	-	72,400	-	72,400	77,900	77,900
- Auditor's remuneration	-	-	-	-	-	-	-	-	-	100,000
- Utilities	-	-	-	-	-	-	125,000	125,000	-	-
- Depreciation	99,109	23,863	-	-	-	122,972	55,524	176,964	-	-
- Agent commission	-	-	-	-	-	-	87,500	87,500	-	-
- Bank charges	11,599	4,142	-	-	5,449	22,942	1,757	24,699	2,532	2,532
- Miscellaneous expenses	82,748	5,930	860	892	-	88,678	75,581	164,259	2,560	2,560
	(56,513,984)	(11,430,759)	(15,562)	(1,009,806)	(3,726,783)	(72,696,874)	(3,045,043)	(75,741,917)	1,279,196	1,645,377
<b>Net surplus / (deficit) before taxation</b>	1,100,000	275,237	10,416	67,741	369,312	1,822,706	6,479,496	8,302,202	-	(199,681)
<b>Taxation</b>	(385,000)	(96,333)	(3,646)	(23,709)	(129,259)	(637,947)	(757,347)	(1,145,634)	-	-
<b>Net surplus / (deficit) after taxation</b>	715,000	178,904	6,770	44,032	240,053	1,184,759	5,722,149	7,156,568	-	(199,681)



	2012	2011
	Rupees	Rupees
<b>15 Other income</b>		
General		
Profit on saving accounts	1,823,706	-
Course receipts		
- Monitoring and evaluation	2,210,000	-
- Executive education	3,085,000	-
- Performance budgeting	2,080,000	-
Less: Discounts	(2,835,000)	-
	4,540,000	-
	<u>6,363,706</u>	<u>-</u>

**16 Date of authorization**

The financial statements were authorized for issue in the Board of Directors meeting held on \_\_\_\_\_.

**17 General**

17.1 Figures have been rounded off to the nearest rupee.

17.2 Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no major reclassifications/rearrangements/restatements has been made in these financial statements.

*Wording 8/11*

Lahore

*Jahid RS Andrabi*

Chief Executive Officer

*[Signature]*  
Director



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