CERP
EVIDENCE MATTERS

Annual Report

2024-2025

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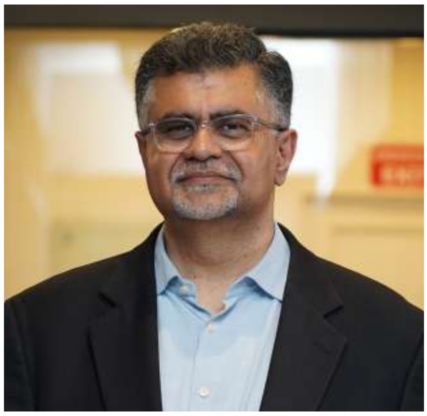
DIRECTOR'S NOTE



A Year of Evidence and Impact

This fiscal year, we didn't just meet our targets; we dramatically accelerated our trajectory, transforming previous challenges into foundational strengths. The results confirm the power of our unique model: co-locating world-class quantitative research with scalable, revenue-generating practices to ensure both intellectual and financial independence. Our institutional focus has shifted decisively toward Scalability and Institutional Resilience—and the metrics speak for themselves.

Highlights

Our six practices achieved significant, quantifiable milestones, driving unprecedented growth and strategic innovation:

Research:

Our steady-state work in Education, Gender, and Health remains foundational. We are strategically prioritising the incubation of new, large-scale projects (like Mobile Money) to broaden the thematic areas. The Research Development function is now fully focused on new project incubation across relatively new areas of Energy Finance, Climate and AgHub, ensuring our knowledge production engine remains robust and well-resourced.

Data Analytics:

Delivered extraordinary growth exceeding targets three years in a row led by the expansion in our evidence-based work with the Gates Foundation. Analytics was awarded a grant by Gates Foundation's Global Grand Challenges program to establish Pakistan's first FemTech Innovation Hub to support women's health startups in Pakistan. We are now pioneering digital health solutions by deploying AI-enabled ultrasound diagnostics across BISP Nashonuma Centers, solidifying CERP's unique play in turning advanced data into life-saving intervention.

CERP Labs (Technology):

Undergoing a critical strategic evolution, moving towards an Entrepreneur in Residence model to drive innovation beyond the traditional development sector into public and private sectors. This shift ensures our unique technological capabilities are fully leveraged for future agility and scale. CERP Labs was able to develop unique products like the Science Bowl app and the Sehat Dost app (funded by UNDP) to provide critical information to HIV patients and MSM communities.

Learning Hub:

Successfully exceeded targets, validating our investment in the long arc of human capital development. The highly acclaimed Activate Pre-College Scholar Program and the prestigious Jinnah Fellowship are now established pipelines, inspiring the next generation of evidence-driven professionals. This year it matched 21 high-schoolers with 14 real hands-on projects to provide unmatched experiential learning in Pakistan.

Policy Advisory:

Completed a strong financial recovery, significantly reversing the previous year's deficit. Key policy engagements, including a critical Climate Finance scoping study in partnership with Princeton's Andlinger Center for Energy and the Environment (ACEE) and the scale up of Targeted Instruction Program (TIP) education intervention in Balochistan to drive implementation science learning globally and demonstrate our commitment to translating evidence into sustainable system-level impact.

Survey:

Achieved a truly historic turnaround to end the year significantly exceeding the target. This volume was powered by massive data collection efforts for the World Bank flood reconstruction project among other projects that validated the practice's value proposition around high-quality, large-scale data integrity.

The success of our practices is built on the robust foundation provided by our CORE enablers (Finance, HR, Marketing and Partnership, and Government Relations teams), which focus on institutional independence and global reach.

The CERP Internship Program has been a vital conduit for attracting and nurturing the next generation of global and local talent (last year 3400+ candidates applied from both domestic and international academic institutions), cementing CERP's reputation as a premier destination for development professionals.

The year marked a significant financial turnaround for the organisation, with a surplus of PKR 23.9 million recorded in 2025—a notable improvement from the deficit of PKR 86.3 million in 2024. Total income rose by 57% to PKR 1.02 billion, driven by increases in both grant and service income. This growth in revenue was accompanied by a 35% rise in total expenditures, mainly due to higher direct costs. The balance sheet was further strengthened by a 65% increase in total assets, reaching PKR 677 million. Cash and bank balances also remained strong, growing by 25% to PKR 206.9 million.

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

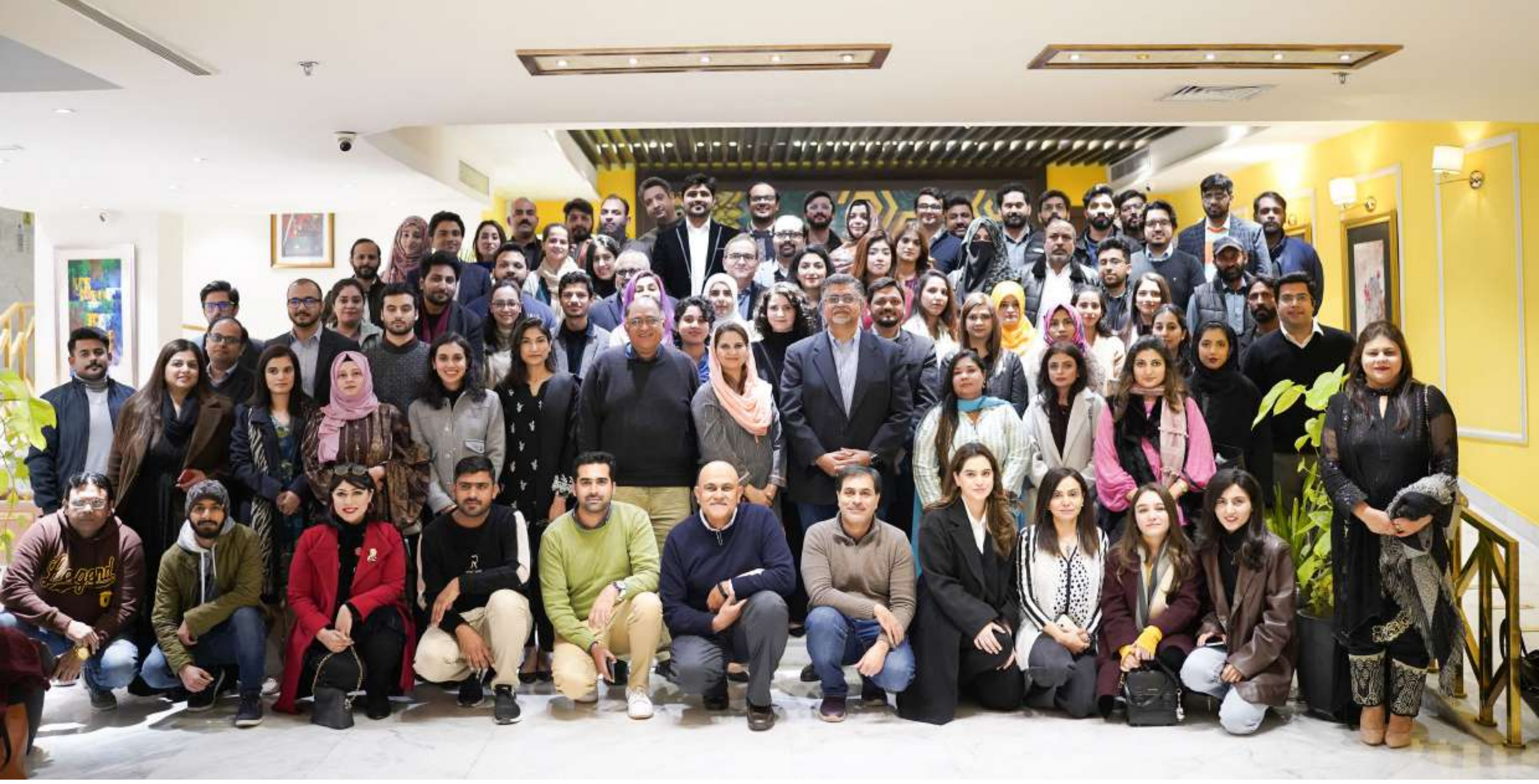
- Dr Asim Ijaz Khawaja
- Dr Atif Rehman Mian
- Dr Basit Ahmed Khan Zafar
- Ms Dilnaz Avari
- Ms Maheen Rahman
- Dr Tahir Raza Shah Andrabi
- Mr Osman Khalid Waheed

Furthermore, there were no expenses reimbursed to the Chief Executive Officer and Directors for attending the Board Meetings.

This has been a year of great challenge and even greater triumph. I am profoundly grateful to our staff, researchers, board, and partners for their unwavering commitment to the proposition that evidence matters. We enter the next year with renewed purpose, confident that our unique model—grounded in evidence, driven by innovation, and committed to institutional resilience—will continue to transform lives at scale.

Maroof A. Syed
President & CEO
CERP | Evidence Matters

Osman Khalid Waheed
Director



ABOUT CERP

CERP is a leading impact-driven organisation focused on improving decision making through rigorous research, advanced analytics, capacity building, data collection and advisory services for the public and private sectors.

Our Mission

Our mission is to deepen the culture of evidence across public and private sectors, inspire innovation, drive impact, and improve lives.

Our current research projects cover topics in primary education, health, climate and energy, gender, governance, behavioral science, taxation, finance, social policy, and household welfare. These research projects are led by CERP Research Fellows, in the capacity of Principal Investigators (PIs), who are academics and researchers based in internationally reputed universities. The current roster of CERP Research Fellows comprises 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, including 5 Nobel laureates. The research projects are supported by a host of funding partners including International Growth Center (London School of Economics), Jameel Abdul Lateef Poverty Action Lab (Massachusetts Institute of Technology), World Bank, National Science Foundation (NSF), University of Chicago, 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

The following organisations represent current and past implementation partners across CERP's portfolio of projects:

- Adult Basic Education Society
- Agriculture Department, GOP
- Aman Foundation
- Communication and Works Department, GOP
- Developments in Literacy (DIL)
- Excise and Taxation Department, GOP
- Finance Department, GOP
- Higher Education Department, GOP
- Livestock and Dairy Development Department (LDDD), GOP
- Local Government Department, GOP
- 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, GOP
- Oxford University Press
- Tameer Micro Finance Bank
- Balochistan 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
- Health & Populations Department, GOP
- Taleemabad

Funders

The organisations listed below have supported or collaborated with CERP across various projects and programmes over the years.

- Foreign, Commonwealth and Development Office (FCDO)
- World Bank Group
- Harvard University
- United States Agency for International Development (USAID)
- Funds for Innovation in Development (FID)
- Jameel Abdul Lateef Poverty Action Lab at the Massachusetts Institute of Technology
- Innovations for Poverty Action (IPA)
- Private Enterprise Development in Low Income Countries (PEDL)
- Duke University
- International Growth Centre at London School of Economics
- Asian Development Bank (ADB)
- Punjab Skill Development Fund (PSDF)
- United National Development Programme (UNDP)
- Aman Foundation
- Princeton University
- Marshall Foundation
- Malala Fund
- Japan International Cooperation Agency (JICA)
- What Works Hub for Global Education (WWHGE)
- Center for International Development, Harvard Kennedy School
- 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 Development (PxD)
- UBS Optimus Foundation
- University College London (UCL)
- Pomona College
- University of Essex
- IZA - Institute of Labor Economics
- Stanford University
- Habib Bank Limited (HBL)
- University of California Berkeley
- Warwick University
- The Institute of Development Studies (IDS)
- The Agency Fund
- Pakistan Banks Association (PBA)

Network Affiliates

LOCAL:

- Technology for People Initiative
- Lahore University of Management Sciences
- 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

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

Dr. Atif Rehman Mian
Professor of Economics, Princeton University,
PhD Economics, Massachusetts Institute of Technology

Dr. Basit Zafar
Professor of Economics, University of Michigan

PhD Economics, Northwest University

Dilnaz Avari
Board of Trustees, Empowering Communities for Change
Masters in Business Administration, Institute of Business Administration

Maheen Rahman
CEO, Infra Zamin, Pakistan
MSC Finance and Economics, Warwick Business School, UK

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

Osman Khalid Waheed
CEO, Ferozsons Laboratories Limited
Bachelor of Arts in Economics, Harvard University

Dr. Tahir Raza Shah Andrabi
Professor of Economics, Pomona College,
PhD Economics, Massachusetts Institute of Technology

Finance and Audit Committee

Dr Atif Rehman Mian
Member of Board of Directors

Asif Ur Rehman Mirza
Chief Financial Officer

Maroof Ali Syed
President and Chief Executive Officer

HR Committee

Dr. Asim Ijaz Khwaja
Member Board of Directors

Dr. Tahir Raza Shah Andrabi
Member Board of Directors

Maroof Ali Syed
President and Chief Executive Officer

Imran Ur Rahman
Executive Vice President, Human Resources

Company Secretary

Asif Ur Rehman Mirza
Chief Financial Officer

Safeguarding Officer

Amna Aaqil Malik
Director, Marketing and Partnerships

Auditors

BDO Pakistan
3rd Floor, 22-East, Saeed Plaza , Blue Area, Jinnah Avenue
44000 Islamabad
https://www.bdo.com.pk/

Legal Advisors

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, 2025

FINANCIAL STATEMENTS OF
CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN
FOR THE YEAR ENDED
JUNE 30, 2025

BDO

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22-East Blue Area,
Islamabad-44000,
Pakistan.

The Board of Directors
Centre for Economic Research in Pakistan
Lahore

September 22, 2025
BDO/AUD/1067/2025

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Dear Board Members,

We are pleased to enclose herewith three copies of the draft financial statements of Centre for Economic Research in Pakistan (the Company) together with our draft audit report thereon duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the financial statements are approved by the Board and signed on their behalf by the Chief Executive and at least one other Director and on receipt/review of the following:

a) Letter of representation addressed to us on behalf of the Board of Directors and signed by the Chief Executive Officer and Chief Financial Officer as per draft provided by us.

b) Board of Directors approval in respect of the following:

- Additions to property and equipment amounting to Rs. 4.776 million;
- Addition of intangible work in progress of Rs. 0.630 million;
- Deletion of property and equipment amounting to Rs. 0.570 million;
- Provision against bonuses amounting to Rs. 43.639 million;
- Liabilities written back amounting to Rs. 3.289 million;
- Investments made during the year amounting to Rs. 128.025 million;
- Remuneration of Chief executive and executives as disclosed in Note 29 to the financial statements; and
- Transaction with related parties as disclosed in Note 30 to the financial statements;

c) Confirmations as per Annexure.

d) Directors' report as required under section 223(6) of the Companies Act, 2017.

Our comments and observations on this set of financial statements are as follows:

1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

1.1 The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in section 249 of the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Company's management.

1.2 - The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

1.3 These draft financial statements shall remain and be deemed unaudited unless these have been approved by the Board of directors, and signed by the Chief Executive and at least one other Director to do so on its behalf and the audit report on these financial statements has been signed by us.

2. ACCOUNTING SOFTWARE

We have noted that the company is using accounting software which is cracked version of QuickBooks and lack many accounting modules, also it allows processing of double entries on back dates which presents the opportunity to error or fraud. We recommend that company should use original version of QuickBooks in order to prevent fraud or error.

Further, the Company's system does not generate report for ageing of deposits and other receivables to identify the long outstanding balances. In the absence of ageing the risk exists that deposits and other receivables may remain unidentified, which are no more receivable. We recommend that system should be amended to generate ageing of deposits and other receivables balances.

3. TAX REFUNDS DUE FROM THE GOVERNMENT

We noted that a balance of Rs. 23.069 million has been accumulated against income tax refundable. However, refund applications under section 170 of the Income Tax Ordinance, 2001 were filed only for Rs. 3.550 million relating to tax years 2023 and 2024. Refund applications for the remaining years have not yet been filed by the management. We recommend that the management file the refund applications for the remaining balance. We further understand from management that the balance is considered recoverable and efforts for recovery are in process. Kindly confirm this management representation.

4. FIXED ASSET

We have observed that the fixed assets register of the Company was not properly updated, codes were not mentioned against the assets tagged during the year. We recommend that the Company should complete the tagging of assets and update codes in fixed asset register accordingly, as this will help in locating and physically verifying them to ensure the safeguard of the Company's assets. Furthermore, in the absence of periodic physical verification, there is a risk that fixed assets may not be properly safeguarded. We therefore recommend that all assets be properly coded, tagged, and subjected to periodic physical verification for effective control.

BDO

5. UNCHANGED BALANCES

Following balances from long term deposits, trade payables, grant receivables and other receivables have remained unchanged as per information provided by the management:

Sr. No.	Head of Account	Over one year (Rs.)
1	Trade receivables	4,171,950
2	Trade Payables	1,631,685
	Total	**5,803,635**

We recommend that the above balances be adjusted after proper scrutiny.

6. GENERAL

We have not received confirmations in respect of year end balances of trade receivables and grant receivables. We have performed alternative tests to confirm the status of closing balances. We recommend that at least at year-end balance confirmation should be obtained from the major suppliers to confirm that books of accounts reflect the correct position.

7. INDEPENDENCE

We confirm that in our professional judgment, the Firm is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

8. CONTINGENCIES AND COMMITMENTS

We have been informed by the management that there are no contingencies and commitments as on the date of the financial statements except which have been disclosed in the financial statements.

9. RELATED PARTY TRANSACTIONS

We have been informed by the management that there were no transactions with the related parties other than those disclosed in the notes to the financial statements. Kindly confirm the representation made by management.

10. COMPLIANCE WITH STATUTORY LAWS AND REGULATIONS

We have been informed by the management that there were no instances of non-compliance with statutory laws and regulations, other than those reported above that would have financial reporting implications. Kindly confirm the representations made by management.

BDO

11. INDEPENDENCE

We confirm that in our professional judgment, the Firm is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

12. SUBSEQUENT EVENTS

We have been informed by the management that there were no subsequent events other than those disclosed in financial statements.

We take this opportunity to thank your staff for the courtesy and cooperation extended to us in the course of our audit.

Yours faithfully,

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
Enclosed as above

ANNEXURE

Pending External Confirmations:

Sr. No.	Name of Party	Nature of Confirmation
1.	Standard Chartered (08-7010606-02)	Bank Balance
2.	Telenor Microfinance Bank	Bank Balance
3.	CERP Foundation	Trade Receivable
4.	Raqami Bank Limited	Trade Receivable
5.	Tufts College	Trade Receivable
6.	WHO	Trade Receivable
7.	World Bank	Trade Receivable
8.	USAID	Grant Receivable

BDO

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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, 2025, and the statement of income and expenditures, the statement of comprehensive income, the statement of accumulated fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy 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 expenditures, the statement of comprehensive income, the statement of 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, 2025 and of the income and other comprehensive income, the statement of accumulated fund and its 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 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 are responsible for overseeing the Company's financial reporting process.

Auditor 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 auditor's 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 expenditures, the statement of comprehensive income, the statement of accumulated fund and 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 Atif Riaz.

ISLAMABAD

DATED: OCTOBER 07, 2025
UDIN: AR2025100603z5mPGx02

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

CENTRE FOR ECONOMIC RESEARCH IN PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
FUNDS AND LIABILITIES			
ACCUMULATED FUND			
General fund - Unrestricted		167,762,804	143,853,576
Restricted fund			
Deferred grant - Income based	5	327,408,287	163,463,027
Deferred grant - Capital based	9.1	3,542,745	4,907,772
		330,951,032	168,370,799
TOTAL FUNDS		498,713,836	312,224,375
NON-CURRENT LIABILITY			
Lease liability	6	35,537,924	31,066,328
CURRENT LIABILITIES			
Current portion of lease liability	6	5,626,804	13,420,000
Trade and other payables	7	137,244,433	53,183,763
		142,871,237	66,603,763
TOTAL LIABILITIES		178,409,161	97,670,091
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL FUND AND LIABILITIES		677,122,997	409,894,466
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	9	15,980,521	19,601,494
Intangible asset	10	630,002	-
Right of use asset	11	35,792,854	45,130,120
Long term advances and deposits	12	22,132,571	12,548,012
Long term loans to employees		-	200,000
		74,535,948	77,479,626
CURRENT ASSETS			
Current portion of long term loan to employees		200,000	400,000
Advances, prepayments, deposits and other receivables	13	23,825,418	19,151,899
Trade receivables	14	61,812,015	57,531,146
Contract assets	15	63,733,329	17,076,362
Grant receivables	16	70,125,384	31,197,948
Tax refunds due from the Government	17	47,903,166	41,297,682
Investments	19	128,025,535	-
Cash and bank balances	18	206,962,202	165,759,803
		602,587,049	332,414,840
TOTAL ASSETS		677,122,997	409,894,466

The annexed notes from 1 to 33 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, 2025

		2025			2024
		Restricted	Unrestricted	Total	Total
	Note	Rupees	Rupees	Rupees	Rupees
INCOME					
Grants	25	324,731,273	41,608,363	366,339,636	311,368,878
Service income	20	-	635,801,690	635,801,690	314,960,459
Other income	21	-	15,583,912	15,583,912	14,676,614
Exchange gain	25	790,300	5,149,437	5,939,737	9,915,143
Amortization of deferred capital grant	9.3	3,274,868	-	3,274,868	3,974,261
		328,796,441	698,143,402	1,026,939,843	654,895,355
LESS: EXPENDITURE					
Direct expenses	22	(328,734,513)	(529,859,039)	(858,593,552)	(643,472,302)
Administrative expenses	24	-	(116,784,150)	(116,784,150)	(86,602,680)
Exchange loss	25	(61,928)	(1,549,123)	(1,611,051)	(10,314,722)
Finance costs	6	-	(26,041,862)	(26,041,862)	(858,281)
		(328,796,441)	(674,234,174)	(1,003,030,615)	(741,247,985)
SURPLUS / (DEFICIT) FOR THE YEAR		-	23,909,228	23,909,228	(86,352,630)

The annexed notes from 1 to 33 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, 2025

	2025 Rupees	2024 Rupees
SURPLUS / (DEFICIT) FOR THE YEAR	23,909,228	(86,352,630)
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to statement of income and expenditure	-	-
Items that may not be subsequently reclassified to statement of income and expenditure	-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	23,909,228	(86,352,630)

The annexed notes from 1 to 33 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, 2025

	Unrestricted	Restricted		
	General fund	Deferred grant income based	Deferred grant capital based	Total
	--------------------------------Rupees--------------------------------			
Balance as at July 01, 2023	230,206,206	206,842,536	7,530,135	444,578,877
Grants received during the year	-	221,857,977	-	221,857,977
Capital expenditure	-	(1,426,244)	1,426,244	-
Grant utilized during the year	-	(272,624,325)	-	(272,624,325)
Overheads transfer to unrestricted grant	-	(38,744,553)	-	(38,744,553)
Other adjustments	-	74,336	(15,076)	59,260
Closing grants receivable		47,483,300	-	47,483,300
Amortization for the year	-	-	(4,033,531)	(4,033,531)
	-	(43,379,509)	(2,622,363)	(46,001,872)
Total comprehensive income for the year	(86,352,630)	-	-	(86,352,630)
Balance as at June 30, 2024	143,853,576	163,463,027	4,907,772	312,224,375
Grants received during the year	-	398,584,813	-	398,584,813
Capital expenditure	-	(2,047,537)	2,047,537	-
Grants utilized during the year	-	(324,731,273)	-	(324,731,273)
Overheads transfer to unrestricted grant	-	(41,608,363)	-	(41,608,363)
Other adjustments	-	(111,093)	(137,696)	(248,789)
Closing grants receivable	-	133,858,713	-	133,858,713
Amortization for the year	-	-	(3,274,868)	(3,274,868)
	-	163,945,260	(1,365,027)	162,580,233
Total comprehensive income for the year	23,909,228	-	-	23,909,228
Balance as at June 30, 2025	167,762,804	327,408,287	3,542,745	498,713,836

The annexed notes from 1 to 33 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, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash flows before working capital changes	23	56,820,514	(81,740,050)
Working capital changes:			
Decrease / (increase) in current assets			
Advances prepayments and other receivables	13	4,893,208	(8,544,977)
Trade receivables	14	(4,280,869)	92,421,466
Contract asset	15	(46,656,967)	(8,250,591)
Grant receivables	16	(38,927,436)	55,883,510
Tax refunds due from the Government	17	(6,605,484)	5,382,550
(Decrease) / increase in current liabilities			
Trade and other payables	7	84,060,670	(33,008,114)
		(7,516,878)	103,883,844
Net cash generated from operations		49,303,636	22,143,794
Finance costs paid		(26,041,862)	(858,281)
Executive Education Training		-	4,187,766
		(26,041,862)	3,329,485
Net cash generated from operating activities		23,261,774	25,473,279
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	9	(4,776,961)	(4,712,350)
Payment against Ijarah		(14,667,772)	(14,293,518)
Investment		(121,500,000)	-
Long Term Advances		(9,584,559)	-
Proceeds from disposal of property and equipment		274,000	243,655
Interest received		10,876,895	7,452,815
Net cash used in investing activities		(139,378,397)	(11,309,398)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liability	6	(13,420,000)	(10,458,251)
Long term loans - net		400,000	(1,273,844)
Grants received during the year - net		165,992,797	(41,953,265)
Net cash generated from / (used in) financing activities		152,972,797	(53,685,360)
Net increase/ (decrease) in cash and cash equivalents		36,856,174	(39,521,479)
Effect of exchange rate changes on cash and cash equivalents		4,346,225	(399,579)
Cash and cash equivalents at beginning of year		165,759,803	205,680,861
Cash and cash equivalents at end of year		206,962,202	165,759,803

The annexed notes from 1 to 33 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, 2025

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 04 January 2010 as an association not for profit under section 42 of the 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);
- Islamic Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountant of Pakistan as are notified under the Companies Act, 2017;
- 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.

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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:

	Note
- Allowance for expected credit losses	4.8
- Impairment of non-financial	4.6.5
- Taxation	4.13
- Estimation of contingent liabilities	4.3
- Provisions	4.5
- Useful lives, residual values, and method of depreciation of property and equipment	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, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01,2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01,2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01,2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01,2024

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.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

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

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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.

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.

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% (2024: 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

4.6.1 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.

4.6.2 Subsequent measurement

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

4.6.3 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 9 to the financial statements.

4.6.4 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.

4.6.5 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.

4.6.6 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 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 liability.

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.

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 trade and other payables and lease liability.

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 customers

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 Company 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.

4.14 Ijarah

The Company accounts for assets under ijarah arrangements in accordance with Islamic Financial Accounting Standard (IFAS) 2 - Ijarah whereby rental payments due under these arrangements are recognised as an expense in the statement of profit or loss on a straight line basis over the ijarah (lease) term.

5 DEFERRED GRANT-INCOME BASED

Donors	Projects	Reference	At July 01, 2024 Opening grants- Advances received	At July 01, 2024 Opening grants receivables	Grant received during the year	Grants utilized Grant income	Grants utilized Service income (Overheads)	Grants utilized Capitalization	Grants utilized Total	As at June 30, 2025 Closing grants - Advances received	As at June 30, 2025 Closing grants receivables	As at June 30, 2025 Unbilled
			Rupees									
Massachusetts Institute of Technology (MIT) / London	The Punjab Economic Opportunities Program	PEOP	3,935,413	(981,184)	4,166,570	(2,950,544)	(545,346)		(3,495,890)	4,606,093		
Massachusetts Institute of Technology (MIT) / London School of Economics (LSE)	Trust In State Authority	(State Authority Project) SAP	3,109,831	-		(1,940,996)	(37,028)		(1,978,024)	1,131,807		
Massachusetts Institute of Technology (MIT) / Harvard University / Master Foundation	Education Finance Project	EFP	26,552,805	(8,576,292)	71,271,638	(57,150,161)	(9,117,813)		(66,267,977)	51,034,589	(19,478,123)	
London School of Economics (LSE)	Preferences Project	Preference	-	-	4,931,410	(5,644,864)			(5,644,864)	-		(713,454)
MIT/Harvard University/LSE/WB	Social Compact Project	PTP	-	-	(2,424,113)	(1,745,743)			(1,745,743)	-		(4,169,856)
University of Oxford (UoF)	Social Norms Project	Social Norms	1,997,804	-		(2,141)	2,141		-	1,997,804		
London School of Economics (LSE)	Assets Transfer Project	LSP (Asset Transfer)	2,920,371	-		(3,383)			(3,383)	2,916,988		
USB Optimus Foundation	Microbe Literacy Project	Urban Waste	87,227	-		-			-	87,227		
Innovation For Poverty Action/ LSE	Mobile Money Project		-	-	15,543,072	1,088,268	(1,088,268)		-	49,503,321	(33,960,249)	
Columbia University	Barriers to Industrial Upgrading	Soccer Ball	77,218	-		(1,807)			(1,807)	75,411		
MIT	Political Connections	PC-KPK (Political Connection)	1,857,158	-	8,854,158	(154,314)			(154,314)	10,557,002		
Michigan State University	Self selection in Storage Market		82,098	-					-	82,098		
University of Chicago	Day Labor	Day Labor	-		19,967,284	(17,565,418)	(2,329,111)	(1,094,400)	(20,988,929)	-	(777,940)	(243,705)
Sub Total	A		40,619,925	(9,557,476)	122,310,019	(86,071,106)	(13,115,425)	(1,094,400)	(100,280,931)	121,992,340	(54,216,312)	(5,127,015)
Goeth University Frankfurt	National Outreach Program		22,787	-		-		-	-	22,787		
Harvard University/MIT	Benazir Income Support Program	Civil Services	481,072	-	14,714,160	1,879,440	(1,879,440)	-	-	15,195,232		
New York University	Think Project	What Works Hub	7,595	-		(68,515)		-	(68,515)	-		(60,920)
LSE/MIT	Public Procurement Project		-	-	(34,451)	(65,141)		-	(65,141)	-		(99,592)
Duke University/Oxford Policy Management	PCSW project	PCSW-NR Defecto Women	1,251,791	(597,896)	1,500,534	(2,000,910)	(364,152)	-	(2,365,062)	387,263		
LSE/Duke University / Asian Development Bank / PEDL / USAID	Women Mobility Project	WMP	22,561,522	(11,505,049)	50,427,828	(49,361,831)	(6,402,421)	(141,900)	(55,906,152)	17,083,198	-	
Precision Agriculture For Development (PAD)	PAD Project	PAD	26,990,668	-		212,925		-	212,925	27,203,593		
Leibniz University Hannover	Higher Education Commission Project	Samson Grant	9,695,408	-	894,571	(513,506)	(134,016)	-	(647,522)	9,942,757		
London School Of Economics	Saving through Digitization Project		(29,540)	-				-	-	-		(29,540)
Massachusetts Institute of Technology (MIT) / London School of Economics (LSE)	Gender Norms Project(TFGN)	FGNP	1,035,748	(356,605)	-	(2,579)		-	(2,579)	1,033,169		
Habib Bank Limited	Lending In Agriculture	LIA	1,874,159	-		120		-	120	1,874,279		
Sub total	B		63,891,210	(12,459,550)	67,502,942	(49,919,997)	(8,780,029)	(141,900)	(58,841,926)	72,742,278	-	(190,052)

5 DEFERRED GRANT-INCOME BASED

Donors	Projects	Reference	At July 01, 2024 Opening grants- Advances received	At July 01, 2024 Opening grants receivables	Grant received during the year	Grants utilized Grant income	Grants utilized Service income (Overheads)	Grants utilized Capitalization	Grants utilized Total	As at June 30, 2025 Closing grants - Advances received	As at June 30, 2025 Closing grants receivables	Unbilled
			Rupees									
Andrea Von Braun Stiftung	Environmental Auditing Project_EPA	EPA	717,944	-				-	-	717,944		
World Bank Group	Trust and Compliance		75,696	-				-	-	75,696		
Massachusetts Institute of Technology(MIT)	OSAP	Social Compact Project	3,842,732	-		(3,000)		-	(3,000)	3,839,732		
CERP Foundation	EVAP	EVAP	157,536	-		(200,000)		-	(200,000)	-		(42,464)
Hitotsubashi University	GMTP	Mobile Money & Migrants	-	-	(256,078)	(39,570,765)		(531,300)	(40,102,065)	-		(40,358,143)
London School Of Economics, Innovations for Poverty Action(IPA)	State Engagement with Religious leaders for effective COVID19 Crisis Response		159,115	-				-	-	159,115		
London School Of Economics	Strengthening State Capacity and Enhancing		43,802	-				-	-	43,802		
Foreign, Commonwealth and Development Office-FCDO (UK)	SCALE	Scale(FCDO)	-	-	(387,086)	-		-	-	-		(387,086)
London School Of Economics	Judiciary Project	Judiciary Project	-	-	(312,139)	-		-	-	-		(312,139)
CERP Foundation	Multiple Micronutrient Supplements for Maternal Health in Pakistan (MMS)		800,231	-				-	-	800,231		
Massachusetts Institute of Technology (MIT)	Political Engagement Project	PEP	-	(1,972,666)	44,791,930	(45,199,579)	(7,553,431)	-	(52,753,010)	-	(4,566,811)	(3,394,269)
University of Warwick	Building State Capacity by Promoting Collaboration	Building State Capacity By Prom	-	-	699,868	-		-	-	699,868		
USAID and FID	Infant Feeding Project	Infant Feeding	19,346,904	(2,639,201)	22,414,831	(14,247,477)	(2,348,620)	-	(16,596,097)	33,673,638	(8,508,000)	
Massachusetts Institute of Technology (MIT)	Energy Project	Energy Project	961,685	(1,567,389)	16,363,393	(14,726,132)	(1,994,826)	-	(16,720,958)	604,120		
Massachusetts Institute of Technology (MIT)	Computer Vision	Computer Vision	756,646	(2,210,656)	10,697,487	(6,559,875)	(941,270)	-	(7,501,145)	3,952,988		
London School Of Economics	Political Incorporation	Political Incorporation	1,276,373	-	7,643,255	(19,308)		-	(19,308)	8,900,320		
Massachusetts Institute of Technology (MIT)	Tuition Project	Tuition Project	1,001,794	-		107,587		-	107,587	1,109,381		
Massachusetts Institute of Technology (MIT)	Gender Discomfort	Gender Discomfort	241,601	-		(5,335,320)		-	(5,335,320)	-		(5,093,719)
Heidelberg University	Cash Transfer and the State	Cash Transfer and The State	-	-	(6,886,307)	(276,650)		-	(276,650)	-		(7,162,957)
Massachusetts Institute of Technology (MIT) / PEDL	Alleviating Mobility and Inform	Women on Wheel	-		(126,191)	(1,038,934)		-	(1,038,934)	-		(1,165,125)
London School Of Economics	Transforming Beliefs & Norms	Social Norms	-	-	58,757	4,925		-	4,925	63,682		
London School Of Economics	Urban West		5,623,713	-		(4,245,029)	(722,955)	-	(4,967,984)	655,729		
	NSBP	NSBP	23,416,345	-	26,777,958	(2,011,164)	(885,359)	(279,937)	(3,176,460)	49,852,107	(2,834,261)	

5 DEFERRED GRANT-INCOME BASED

Donors	Projects	Reference	At July 01, 2024		Grant received during the year	Grants utilized				As at June 30, 2025		
			Opening grants-Advances received	Opening grants receivables		Grant income	Service income (Overheads)	Capitalization	Total	Closing grants - Advances received	Closing grants receivables	Unbilled
			Rupees									
	Humanitarian Aid Project	Humanitarian Aid Project	529,772	-	70,528,739	(55,738,472)	(4,447,065)		(60,185,537)	10,872,974		
		Digital Skills Project	-	-	14,142,942	819,383	(819,383)		-	14,142,942		
		SME				(500,360)			(500,360)	-		(500,360)
		Public Service and Trust			2,620,492				-	2,620,492		
Sub total	C		58,951,892	(8,389,912)	208,771,852	(188,740,170)	(19,712,909)	(811,237)	(209,264,316)	132,784,761	(15,989,872)	(58,416,262)
Total	D = A + B + C		163,463,027	(30,406,938)	398,584,813	(324,731,273)	(41,608,363)	(2,047,537)	(368,387,173)	327,519,379	(70,125,384)	(63,733,329)

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6 LEASE LIABILITY

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 ranging between 23.28% per annum.

	Note	2025 Rupees	2024 Rupees
As at July 01,		44,486,328	7,399,970
Additions (cost)	10	-	46,686,328
Accretion of interest	6.2	10,098,400	858,281
Payments		(13,420,000)	(10,458,251)
As at June 30,		41,164,728	44,486,328
Current portion shown under current liabilities		5,626,804	13,420,000
Long term portion shown under non-current liabilities		35,537,924	31,066,328
Balance as at June 30,		41,164,728	44,486,328

6.1 Maturity analysis of lease liabilities

	2025		
	Lease rentals	Finance cost for future years	Principal outstanding
	Rupees		
Within one year	14,762,000	9,135,196	5,626,804
After one year but not more than five years	50,205,320	14,667,395	35,537,925
	64,967,320	23,802,591	41,164,729

	2024		
	Lease rentals	Finance cost for future years	Principal outstanding
	Rupees		
Within one year	23,518,400	10,098,400	13,420,000
After one year but not more than five years	54,868,919	23,802,591	31,066,328
	78,387,319	33,900,991	44,486,328

6.2 Charge to statement of income and expenditure

	Note	2025 Rupees	2024 Rupees
Accretion of interest		10,098,400	858,281

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7 TRADE AND OTHER PAYABLES

	Note	2025 Rupees	2024 Rupees
Trade payables		4,193,773	2,966,067
Withholding tax		13,490,843	6,668,440
Other payables		7,796,338	5,838,428
Advances	7.1	35,084,190	12,654,372
Accrued expenses		76,679,289	25,056,456
		137,244,433	53,183,763

7.1 An amount 153,213,991/- received from Bill & Melinda Gates Foundation against Project Benazir Nashunuma Program BNP Ultrasound. From this Amount of Rs. 35,084,190 is unearned which will be recognised in upcoming period.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

The Commissioner Inland Revenue (the "CIR") issued order dated 29-Jun-2024 under section 161(1A) of the Income Tax Ordinance, 2001 (the "Ordinance") for the tax year 2018 to pay the tax underpaid in the tax year 2018. The management has submitted the data regarding prior years claiming that no amount of tax is underpaid. The management expects a favorable outcome in this regard. (2024: Nil).

8.2 Commitments

There are no commitments to report as at year end (2024: Nil).

9 PROPERTY AND EQUIPMENT

	Note	2025 Rupees	2024 Rupees
Project assets - restricted	9.1	3,542,745	4,907,772
Owned assets	9.2	12,437,776	14,693,722
		15,980,521	19,601,494

9.1 Project assets - restricted

Particulars	Computer Equipments	Office Equipment	Furniture and Fixtures	Total
	---Rupees---			
Net carrying value basis				
Year ended June 30, 2025				
Opening net book value	4,276,391	201,076	430,305	4,907,772
Additions - at cost	2,047,537	-	-	2,047,537
Disposals - at NBV	-	(88,480)	(49,216)	(137,696)
Depreciation charge	(3,163,111)	(40,476)	(71,281)	(3,274,868)
Closing net book value	3,160,817	72,120	309,808	3,542,745
Gross carrying value basis				
As at June 30, 2025				
Cost	32,302,808	1,291,223	722,839	34,316,870
Accumulated depreciation	(29,141,990)	(1,219,104)	(413,031)	(30,774,125)
Net book value	3,160,818	72,119	309,808	3,542,745

Particulars	Computer Equipment	Office Equipment	Furniture and Fixtures	Total
	Rupees			
Net carrying value basis				
Year ended June 30, 2024				
Opening net book value	6,681,835	257,058	591,242	7,530,135
Additions - at cost	1,426,244	-	-	1,426,244
Disposals - at NBV	-	-	(15,076)	(15,076)
Depreciation charge	(3,831,688)	(55,982)	(145,861)	(4,033,531)
Closing net book value	4,276,391	201,076	430,305	4,907,772
Gross carrying value basis				
Year ended June 30, 2024				
Cost	30,255,271	1,593,463	883,994	32,732,728
Accumulated depreciation	(25,978,879)	(1,392,388)	(453,689)	(27,824,956)
Net book value	4,276,392	201,075	430,305	4,907,772
Depreciation rate (%) per annum	30	10	10	

9.2 Owned assets

Particulars	Lease hold Improvements	Computer Equipment	Office Equipment	Furniture and Fixtures	Total
	Rupees				
Net carrying value basis					
Year ended June 30, 2025					
Opening net book value	791,791	5,617,973	4,273,496	4,010,462	14,693,722
Additions - at cost	-	2,348,204	381,220	-	2,729,424
Disposals - at NBV	-	-	(987)	(20,812)	(21,799)
Depreciation charge	(325,347)	(3,060,033)	(771,753)	(806,438)	(4,963,571)
Closing net book value	466,444	4,906,144	3,881,976	3,183,212	12,437,776

Particulars	Lease hold Improvements	Computer Equipment	Office Equipment	Furniture and Fixtures	Total
	Rupees				
Gross carrying value basis					
As at June 30, 2025					
Cost	3,637,458	15,749,398	8,236,631	9,442,686	37,066,173
Accumulated depreciation	(2,604,881)	(10,903,597)	(4,019,793)	(6,207,994)	(23,736,265)
Net book value	1,032,577	4,845,801	4,216,838	3,234,692	13,329,908
Net carrying value basis					
Year ended June 30, 2024					
Opening net book value	1,357,925	5,557,629	4,608,358	4,904,791	16,428,703
Additions - at cost	120,623	2,711,689	449,640	4,154.00	3,286,106
Disposals - at NBV	-	-	(25,426)	(55,634.00)	
Depreciation charge	(686,757)	(2,651,345)	(759,076)	(842,849)	(4,940,027)
Closing net book value	791,791	5,617,973	4,273,496	4,010,462	14,693,722
Gross carrying value basis					
Year ended June 30, 2024					
Cost	3,758,081	16,112,883	8,280,612	9,412,018	37,563,594
Accumulated depreciation	(2,966,291)	(10,494,909)	(4,007,116)	(5,401,556)	(22,869,872)
Net book value	791,790	5,617,974	4,273,496	4,010,462	14,693,722
Depreciation rate (%) per annum	20	30	10	10	

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

	Note	2025 Rupees	2024 Rupees
Direct expenses - Restricted	22	3,274,868	3,974,021
Direct expenses - Unrestricted	20	3,074,668	2,807,304
Administrative expenses	21	1,888,904	1,774,958
		8,238,440	8,556,283

10 INTANGIBLE ASSETS

	Note	2025 Rupees	2024 Rupees
Intangible - Work in Progress	10.1	630,002	-
		630,002	-

10.1 This represents the cost of Odoo implementation and will be capitalized as it pertains to making Odoo available for use.

11 RIGHT OF USE ASSETS

Particulars	Note	Office Building	Total
		----Rupees----	
Net carrying value basis			
Year ended June 30, 2025			
Opening net book value		45,130,120	45,130,120
Additions - at cost			-
Depreciation		(9,337,266)	(9,337,266)
Adjustment		-	-
Closing net book value		35,792,854	35,792,854
Gross carrying value basis			
As at June 30, 2025			
Cost		80,407,221	80,407,221
Accumulated depreciation		(44,614,367)	(44,614,367)
Net book value		35,792,854	35,792,854

Particulars	Office Building	Total
	----Rupees----	
Net carrying value basis		
Year ended June 30, 2024		
Opening net book value	6,904,536	6,904,536
Additions - at cost	46,686,328	46,686,328
Depreciation	(8,460,744)	(8,460,744)
Closing net book value	45,130,120	45,130,120
Gross carrying value basis		
As at June 30, 2024		
Cost	80,407,221	80,407,221
Accumulated depreciation	(35,277,101)	(35,277,101)
Net book value	45,130,120	45,130,120
Lease term (in years)	5	

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

	Note	2025 Rupees	2024 Rupees
Depreciation of right of use assets	11.1.1	9,337,266	8,460,744
Accrued Interest on lease liability		10,098,400	858,281
		19,435,666	**9,319,025**

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

	2025 Rupees	2024 Rupees
Direct expenses	3,286,718	1,415,428
Administrative expenses	6,050,548	5,489,105
	9,337,266	6,904,533

	Note	2025 Rupees	2024 Rupees

12 LONG TERM ADVANCES AND DEPOSITS

	Note	2025 Rupees	2024 Rupees
Advance against Ijarah	12.1	11,116,163	9,529,012
Head office	12.2	2,250,000	2,250,000
Logins Prepayment (Odoo)	11.3	8,766,408	
Others		-	769,000
		22,132,571	12,548,012

		Note	2025 Rupees	2024 Rupees
12.1	Non - current portion - Advance against Ijarah		11,116,163	9,529,012
	Current portion - Advance against Ijarah		9,566,727	4,764,506
		12.1.1	20,682,890	14,293,518.00

12.1.1 This represents advance payment of fixed rental for assets taken under Ijarah arrangement from Meezan Bank Limited. Under the agreement, the term of Ijarah is three years and fixed rental of Rs. 797,227 will be amortized on monthly basis. Further, variable rentals of Rs. 774,362 are payable on monthly basis in 36 installments.

12.2 These deposits do not carry any interest or mark-up and are not recoverable within one year. IFRS 9 requires long-term non-interest bearing financial assets to be discounted at average borrowing rate of the Company. Due to immaterial impact, these have not been remeasured.

12.3 During the year, the Company acquired Odoo ERP user logins for 50 users (valid for 5 years) at a cost of USD 41,976 (PKR 11,757,298), this will be expensed out over 5 years.

13 ADVANCES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	2025 Rupees	2024 Rupees
Advances - Unsecured, considered good			
- To employees	13.1	1,842,589	2,825,340
- To suppliers		4,536,257	8,585,523
Current portion - Advance against Ijarah		9,566,727	4,764,506
Prepayments	13.2	7,437,708	1,063,978
Deposits		175,329	1,129,829
Other receivables		266,808	782,723
		23,825,418	19,151,899

13.1 This represents:

	Note	2025 Rupees	2024 Rupees
Advance against expenses	13.1.1	1,796,171	2,566,850
Advance against salaries		46,418	258,490
		1,842,589	2,825,340

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13.1.1 This represents advance to employees against salaries in accordance with the terms of their employment. These advances are unsecured, interest free and are deductible from their salaries.

13.2 This includes current portion of prepayment against Odoo logins and Advance Rent paid to Landlord for construction of floor to be deductible from quarter payments to landlord in respect of Rent.

		Note	2025 Rupees	2024 Rupees
14	**TRADE RECEIVABLES**			
	Unsecured			
	Considered good	14.1	61,812,015	57,531,146
	Less: Allowance for expected credit	14.2	-	-
			61,812,015	57,531,146

14.1 This represents amount receivables in respect of commercialized services provided.

		Note	2025 Rupees	2024 Rupees
14.2	**Movement of expected credit losses is as follows:**			
	Balance as at July 01,		433,670	696,000
	Reversal for the year	24	(433,670)	(262,330)
	Balance as at June 30,		-	433,670
15	**CONTRACT ASSETS**			
	Unbilled expenses to donor		63,733,329	11,445,777
	Less: allowance for expected credit loss		-	(2,620,006)
			63,733,329	8,825,771
15.1	**Movement of expected credit losses is as follows:**			
	Balance as at July 01,		2,620,006	2,311,723
	(Reversal) / charge for the year	24	(2,620,006)	308,283
	Balance as at June 30,		-	2,620,006
16	**GRANT RECEIVABLES**			
	Billed expenses to donor	16.1	70,125,384	31,197,948

16.1 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.

17	TAX REFUNDS DUE FROM THE GOVERNMENT		2025 Rupees	2024 Rupees
	Income tax refundable		23,069,086	22,338,744
	Sales tax refundable		24,834,080	18,958,938
			47,903,166	41,297,682

18	CASH AND BANK BALANCES			
	With banks on:			
	- Current accounts			
	Foreign currency - USD		-	-
	Foreign currency - GBP		8,293	7,516
	Local currency - PKR		41,645,005	53,507,084
	- Saving accounts			
	Foreign currency - USD	18.1	133,065,188	79,697,685
	Foreign currency - GBP	18.1	5,053,530	64,946
	Local currency - PKR	18.2	27,190,200	32,482,572
			206,962,216	165,759,803

18.1 The foreign savings accounts (USD and GBP) earn interest at floating rates based on monthly bank deposit rates ranging from 2% to 3% (USD) and 1.25% (GBP) per annum.

18.2 The savings accounts earn interest at floating rates based on monthly bank deposit rates ranging from 10% to 11% (2024: 10% to 11.1%) per annum.

19	INVESTMENTS		2025 Rupees	2024 Rupees
	At Fair value through Profit and Loss			
	Mutual Funds	19.1	128,025,535	-

19.1 Net fair value gain of PKR **7,583,687/-** (2024: Rs. Nil) was recognized in statement of income and expenditure.

20	SERVICE INCOME	Note	2025 Rupees	2024 Rupees
	Analytics		317,034,661	122,744,519
	Executive education		12,586,912	38,665,839
	CERP lab project		330,000	8,919,940
	Policy advisory		76,672,176	36,802,639
	Survey unit		173,704,431	80,986,332
	Clear		54,013,925	21,322,604
	CERP Core		1,459,585	5,518,586
			635,801,690	314,960,459

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20.1 Satisfaction of performance obligation

The performance obligation is satisfied as and when services under contract are delivered

			2025 Rupees	2024 Rupees
20.2	**Geographical market**			
	Pakistan		635,801,690	314,960,459
20.3	**Timing of revenue recognition**			
	Performance obligation satisfied over time		635,801,690	314,960,459
20.4	**Contract balances**			
	Trade receivables	**14**	61,812,015	57,531,146
	Contract assets	**15**	63,733,329	17,076,362
			125,545,344	74,607,508

20.4.1 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.

21	**OTHER INCOME**		2025 Rupees	2024 Rupees
	Income from financial assets:			
	Profit on bank deposits		4,710,589	5,941,345
	Profit on short term investment		7,583,687	2,483,161
	Liabilities written back		3,289,636	-
	Income from non financial assets:			
	Miscellaneous income		-	54,711
			15,583,912	8,479,217

22 DIRECT EXPENSES - UNRESTRICTED

Salaries, wages and other benefits		289,873,673	177,495,789
Advertisement and promotion expenses		317,016	1,400,851
Consultancy charges		22,006,032	19,821,817
Surveys		106,146,801	83,166,066
Security expenses		713,010	752,760
Fees and subscription		22,554,451	11,340,372
Depreciation of right of use assets	11.1	3,286,718	3,989,852
Legal and professional charges		8,301,746	3,489,121
Rent rates and taxes		981,594	2,028,752
Depreciation of property and equipment	9.3	3,074,668	3,570,629
Utilities		1,711,375	2,383,149
Event expenses		3,074,374	6,173,719
IT accessories		401,805	44,963

	2025 Rupees	2024 Rupees
Training charges	2,363,922	4,814,334
Communication charges	1,556,023	1,769,399
Commission expense	(36,000)	51,000
Insurance	2,288,056	1,666,815
Office supplies	1,218,444	1,887,449
Auditor's remuneration	334,942	769,078
Travelling and conveyance	50,707,378	29,575,622
Meal and entertainment	3,987,318	3,604,676
Printing and stationery	3,454,699	5,181,078
Bank charges	198,992	221,600
Fuel expense	135,395	512,933
Repairs and maintenance	707,983	793,439
Miscellaneous expenses	498,624	279,551
Web hosting	-	-
Loss on sale of property and equipment	-	16,831
Bad debts	-	70,240
	529,859,039	366,871,885

23 CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
Surplus / (Deficit) for the year	23,909,228	(86,352,630)
Adjustment of non-cash items:		
Depreciation of property and equipment	8,238,440	8,914,301
Depreciation of right of use asset	9,337,266	7,825,494
Loss on sale of property and equipment	-	34,748
Adjustment of ROU	-	635,249
Bad debts	-	898,845
Other income	(15,583,912)	(14,676,614)
Expected credit loss	-	-
Bank charges	548,944	521,855
Finance costs	26,041,862	858,281
Exchange loss - net	4,328,686	(399,579)
	32,911,286	4,612,580
Cash flows before working capital changes	56,820,514	(81,740,050)

	Note	2025 Rupees	2024 Rupees
24 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		83,415,512	58,343,615
Advertisement and promotion expenses		324,000	714,545
Consultancy charges		634,200	301,430
Surveys		92,987	1,173,309
Security expenses		1,097,745	715,229
Depreciation of right of use assets	11.1	6,050,548	3,835,642
Legal and professional charges		4,610,743	3,763,353
Rent rates and taxes		949,319	935,167
Depreciation of property and equipment	9.3	1,888,904	1,608,209
IT accessories		132,933	10,467
Insurance		1,344,725	1,072,899
Expected credit loss		-	-
Fees and subscription		3,078,403	2,769,051
Office supplies		1,849,775	1,715,118
Auditor's remuneration	24.1	716,633	446,072
Utilities		2,972,654	2,339,907
Event expenses		660,216	485,196
Bank charges		349,171	202,504
Communication charges		797,853	748,025
Printing and stationery		1,084,283	1,231,074
Training charges		266,082	351,687
Meal and entertainment		1,168,948	1,016,200
Repairs and maintenance		557,992	656,846
Travelling and conveyance		2,458,206	763,916
Fuel expense		249,251	545,972
Bad debts		-	828,605
Miscellaneous expenses		-	10,725
Loss on sale of property and equipment		-	17,917
Donations- To other than related party		33,067	-
		116,784,150	86,602,680

		2025 Rupees	2024 Rupees
24.1 Auditors' remuneration			
Audit fee		908,250	786,500
Out of pocket expenses		86,500	78,650
Other assurance services		156,825	350,000
		1,151,575	1,215,150

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25 PROJECT & SEGMENT WISE INCOME AND EXPENDITURE

	Civil Services	Religious Institutions	Computer Vision	Day Labor	EFP	Energy Project	Humanitarian Aid Project	NSBP	EVAP	FGNP	Mobile Money & Migrants
INCOME											
Grants	2,998,191	2,863,696	7,501,145	19,894,529	66,267,977	13,857,262	60,185,537	2,896,523	200,000	2,579	39,570,765
Service income	-		-	-	-	-	-	-	-	-	-
Exchange gain	-		8,181	107,983	140,266	5,148	129,139	61,938	-	-	68,407
Other income	-		-	-	-	-	-	-	-	-	-
Amortization of capital grant	-		67,800	397,714	1,040,368	116,100	-	204,008	-	10,695	132,825
	2,998,191	2,863,696	7,577,126	20,400,226	67,448,611	13,978,510	60,314,676	3,162,469	200,000	13,274	39,771,997
EXPENDITURE											
Salaries, wages and other benefits	332,492	2,644,219	2,598,562	3,199,945	18,722,884	-	1,630,845	60,645	200,000	-	3,842,048
Overheads	1,879,440	-	941,270	2,329,111	9,117,813	1,994,826	4,447,065	885,359		-	1,088,268
Advertisement and promotion	-	-	-	-	63,434	-	-	-	-	-	-
Surveys	-	-	1,848,000	12,156,588	28,914,044	11,626,845	45,899,304	-	-	-	30,937,633
Security expenses	-	-	-			-	-	-	-	-	-
Consultancy charges	361,800	-	748,905	645,951	(373,048)	-	7,261,516	-	-	-	1,459,585
Communication charges	-	-	8,497	31,842	139,037	-	9,210	36,256	-	-	21,486
Commission Expense											
Fees and subscription	102,809	205,649	1,297,902	315,893	2,454,680	6,772	81,773	51,572	-	-	51,905
Depreciation of right of use assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation of property and equipment	-	-	67,800	397,714	1,040,368	116,100	-	204,008	-	10,695	132,825
Event Expenses	-	-	-	-	446,500	-	-	310,000	-	-	-
IT accessories	-	-	-	5,700	3,000	-	-	9,100	-	-	-
Legal and professional charges	-	-	-	16,500	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Travelling and conveyance	2,468	-	31,215	827,301	1,635,385	222,075	917,187	782,421	-	-	2,162,642
Printing and stationery	313,526	-	-	110,764	4,332,268	-	31,860	692,017	-	-	3,402
Expected credit loss	-	-	-	-	-	-	-	-	-	-	-
Insurance	5,656	13,828	24,347	158,795	198,681	1,209	15,167	9,960	-	100	30,094
Training charges	-	-	-	-	143,872	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-
Rent rates and taxes	-	-	-	-	506,496	-	-	-	-	-	-
Exchange (gain) / loss	-	-	10,628	-	8,093	10,683	(13,166)	11,220	-	2,480	2,734
Auditors remuneration	-	-	-	-	-	-	-	-	-	-	-
Meal and entertainment	-	-	-	201,875	95,104	-	26,134	109,911	-	(1)	39,375
Repair and maintenance	-	-	-	2,247	-	-	7,000	-	-	-	-
Bank charges	-	-	-	-	-	-	781	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	-
Fuel expenses	-	-	-	-	-	-	-	-	-	-	-
Web hosting	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of fixed Assets	-	-	-	-	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-
	2,998,191	2,863,696	7,577,126	20,400,226	67,448,611	13,978,510	60,314,676	3,162,469	200,000	13,274	39,771,997
(Deficit) / Surplus for the year	-	-	-	-	-	-	-	-	-	-	-

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PROJECT & SEGMENT WISE
INCOME AND EXPENDITURE

	Sermon Grant	SME	Infant Feeding	Judiciary Project	LIA	LSP (Asset Transfer)	Urban Waste	CERP FARM	Social Compact Project	PAD	PC-KPK (Political Connection)	PCSW-NR
INCOME												
Grants	647,522	500,360	16,596,097	-	(120)	3,383	4,967,984	(215,454)	3,000	2,529	154,314	2,365,062
Service income	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gain	-	-	122,336	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of capital grant	-	-	240,528	8,100	-	-	-	-	-	661,972	-	(3,287)
	647,522	500,360	16,958,961	8,100	(120)	3,383	4,967,984	(215,454)	3,000	664,501	154,314	2,361,775
EXPENDITURE												
Salaries, wages and other benefits	-	495,917	11,645,734	-	-	-	1,932,919	-	-	-	7,400	1,913,574
Overheads	134,016		2,348,620				722,955				-	364,152
Advertisement and promotion	-	-	349,250	-	-	-	-	-	-	-	-	-
Surveys	-	-	1,117,403	-	-	-	850,953	51,500	-	-	-	-
Security expenses	-	-	-	-	-	-	-	-	-	-	-	-
Consultancy charges	-	-	24,150	-	-	-	-	(266,954)	-	-	-	-
Communication charges	-	-	36,935	-	-	-	20,065	-	-	-	-	-
Commission Expense												
Fees and subscription	-	3,000	377,051	-	-	3,383	1,014,724	-	-	-	127,396	77,197
Depreciation of right of use assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation of property and equipment	-	-	240,528	8,100	-	-	-	-	-	661,972		(3,287)
Event Expenses	-	-	-	-	-	-	-	-	-	-	-	-
IT accessories	-	-	8,000	-	-	-	17,460	-	-	-	-	-
Legal and professional charges	-	-	558,800	-	-	-	56,000	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-
Travelling and conveyance	513,506	-	98,636	-	-	-	167,744	-	3,000	-	-	-
Printing and stationery	-	-	5,360	-	-	-	55,689	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	1,443	33,663	-	(120)	-	109,138	-	-	2,529	19,518	11,859
Training charges	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Rent rates and taxes	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (gain) / loss	-	-	392	-	-	-	-	-	-	-	-	(1,720)
Auditors remuneration	-	-	100,000	-	-	-	-	-	-	-	-	-
Meal and entertainment	-	-	10,468	-	-	-	20,337	-	-	-	-	-
Repair and maintenance	-	-	3,971	-	-	-	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Fuel expenses	-	-	-	-	-	-	-	-	-	-	-	-
Web hosting	-	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-
	647,522	500,360	16,958,961	8,100	(120)	3,383	4,967,984	(215,454)	3,000	664,501	154,314	2,361,775
(Deficit) / Surplus for the year	-	-	-	-	-	-	-	-	-	-	-	-

PROJECT & SEGMENT WISE
INCOME AND EXPENDITURE

	PEOP	PEP	Teacher Transfer	Preference	Learning Hub	PTP	(State Authority Project) SAP	Scale(FCD O)	Soccer Ball	Social Norms	What Works Hub	Tuition Project
INCOME												
Grants	3,495,890	52,753,010	65,141	2,646,673	-	1,745,743	1,978,024	-	1,807	(4,925)	68,515	(107,587)
Service income	-	-	-	-		-	-	-	-	-	-	-
Exchange gain	14,588	45,836	-	-		-	-	-	-	-	-	-
Other income	-	-	-	-		-	-	-	-	-	-	-
Amortization of capital grant	-	-	-	-		-	39,778	102,514	5,663	-	-	28,272
	3,510,478	52,798,846	65,141	2,646,673	-	1,745,743	2,017,802	102,514	7,470	(4,925)	68,515	(79,315)
EXPENDITURE												
Salaries, wages and other benefits	1,393,650	4,129,844	-	2,011,200		-	318,875	-	-	-	1,850	-
Overheads	545,346	7,553,431		-	-	-	37,028		-	(2,141)		-
Advertisement and promotion	-	-	-	-	-	-	-	-	-	-	-	-
Surveys	1,206,897	33,103,227	-	-	-	1,744,428	1,463,226	-	-	-	-	-
Security expenses	-	-	-	-	-	-	-	-	-	-	-	-
Consultancy charges	350,520	-	-	75,000		-	-	-	-	-	-	-
Communication charges	-	10,693	-	-		-	56,557	-	-	-	-	-
Commission Expense		4,500										
Fees and subscription	-	451,712	-	305,977		-	36,908	-	3,383	-	-	-
Depreciation of right of use assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation of property and equipment	-	-	-	-		-	39,778	102,514	5,663	-	-	28,272
Event Expenses	-	-	-	245,000	-	-	-	-	-	-	-	-
IT accessories	-	-	-	-	-	-	29,270	-	-	-	-	-
Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-
Travelling and conveyance	-	4,434,905	65,141	7,509		-	485	-	-	-	66,665	-
Printing and stationery	-	374,822	-	-		-	6,150	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	14,065	13,304	-	1,987		1,315	29,525	-	(1,576)	(2,784)	-	(107,587)
Training charges	-	2,320,235	-	-	-	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Rent rates and taxes	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (gain) / loss	-	20,584	-	-		-	-	-	-	-	-	-
Auditors remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Meal and entertainment	-	381,589	-	-		-	-	-	-	-	-	-
Repair and maintenance	-	-	-	-		-	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Fuel expenses	-	-	-	-	-	-	-	-	-	-	-	-
Web hosting	-	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-		-	-	-	-	-	-	-
	3,510,478	52,798,846	65,141	2,646,673	-	1,745,743	2,017,802	102,514	7,470	(4,925)	68,515	(79,315)
(Deficit) / Surplus for the year	-	-	-	-	-	-	-	-	-	-	-	-

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PROJECT & SEGMENT WISE
INCOME AND EXPENDITURE

	WMP	Women on Wheel	Building State Capacity By Prom	Cash Transfer and the State	Political Incorporation	Digital Skills Project	Restricted	Analytics Project	Learning Hub	Cerp Lab	Policy Advisory
INCOME											
Grants	55,764,252	1,038,934	-	276,650	19,308	5,335,320	366,339,636	-	-		-
Service income	-	-	-	-	-		-	317,034,661	12,586,912	330,000	76,672,176
Exchange gain	86,478	-	-	-	-		790,300	161,613	6,583		96,862
Other income	-	-	-	-	-		-	-	-		-
Amortization of capital grant	161,873	-	59,945	-	-		3,274,868				
	56,012,603	1,038,934	59,945	276,650	19,308	5,335,320	370,404,804	317,196,274	12,593,495	330,000	76,769,038
EXPENDITURE											
Salaries, wages and other benefits	13,624,362	-	-	277,681	-	3,272,580	74,257,226	138,608,594	29,869,895	19,077,606	15,488,788
Overheads	6,402,421			-	-	819,383	41,608,363	-	-		-
Advertisement and promotion	-	-	-	-	-	-	412,684	148,208	23,400	17,800	12,150
Surveys	21,107,248	-	-	-	-	-	192,027,296	51,078,100	6,716	5,109	295,737
Security expenses	305,110	-	-	-	-	-	305,110	263,255	79,282	60,308	41,165
Consultancy charges	5,994,049	1,035,934	-	-	-	-	17,317,408	12,423,515	1,082,611	129,842	6,890,918
Communication charges	2,262,133	-	-	-	-	140,573	2,773,284	288,987	417,187	76,044	32,146
Commission Expense	-						4,500		(36,000)	-	-
Fees and subscription	2,896,216	3,000	-	-	10,885	202,275	10,082,062	13,767,834	968,902	2,459,510	636,608
Depreciation of right of use assets	-	-	-	-	-	-	-	1,451,011	436,984	332,407	226,896
Depreciation of property and equipment	161,873	-	59,945	-	-	-	3,274,868	1,292,090	236,818	331,150	242,016
Event Expenses	-	-	-	-	-	-	1,001,500	1,046,329	1,590,231	36,271	24,758
IT accessories	750	-	-	-	-	-	73,280	101,853	9,601	21,403	4,985
Legal and professional charges	-	-	-	-	-	-	631,300	6,806,040	328,034	249,530	170,325
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Travelling and conveyance	385,573	-	-	-	-	794,416	13,118,274	17,960,948	5,656,042	200,264	3,687,041
Printing and stationery	74,720	-	-	-	-	-	6,000,578	1,520,352	1,179,322	60,607	169,709
Expected credit loss	-	-	-	-	-	-	-	-	-	-	-
Insurance	360,640	-	-	(1,031)	8,423	42,801	994,949	606,030	158,821	139,274	104,122
Training charges	-	-	-	-	-	63,292	2,527,399	465,794	166,384	1,433	5,978
Office supplies	556,266	-	-	-	-	-	556,266	443,604	133,595	101,623	69,367
Utilities	289,797	-	-	-	-	-	289,797	712,887	214,692	163,313	111,475
Rent rates and taxes	1,137,222	-	-	-	-	-	1,643,718	440,161	68,562	52,154	35,600
Exchange (gain) / loss	10,000	-	-	-	-	-	61,928	881,303	7,212	-	9,264
Auditors remuneration	-	-	-	-	-	-	100,000	140,144	42,205	32,105	21,914
Meal and entertainment	63,245	-	-	-	-	-	948,037	1,705,081	742,073	70,220	113,352
Repair and maintenance	230,978	-	-	-	-	-	244,196	233,099	95,896	30,655	31,037
Bank charges	-	-	-	-	-	-	781	83,737	25,218	19,183	13,094
Donations	-	-	-	-	-	-	-	-	-	-	-
Fuel expenses	-	-	-	-	-	-	-	59,774	18,001	13,693	9,347
Web hosting	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of fixed Assets	-	-	-	-	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	150,000	-	-	-	-	-	150,000	-	498,624	-	-
	56,012,603	1,038,934	59,945	276,650	19,308	5,335,320	370,404,804	252,528,730	44,020,308	23,681,504	28,447,792
(Deficit) / Surplus for the year	-	-	-	-	-	-	-	64,667,544	(31,426,813)	(23,351,504)	48,321,246

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PROJECT & SEGMENT WISE
INCOME AND EXPENDITURE

	Survey Wing	Agri Hub	Clear	Aggregate	CERP-CORE	Unrestricted	TOTAL
INCOME							
Grants	-			-	41,608,363	41,608,363	407,947,999
Service income	173,704,431	-	54,013,925	634,342,105	1,459,585	635,801,690	635,801,690
Exchange gain	109,287	-	-	374,345	4,775,092	5,149,437	5,939,737
Other income	-		-	-	15,583,912	15,583,912	15,583,912
Amortization of capital grant			-	-	-	-	3,274,868
	173,813,718	-	54,013,925	634,716,450	63,426,952	698,143,402	1,068,548,206
EXPENDITURE							
Salaries, wages and other benefits	60,395,266	7,637,831	18,795,693	289,873,673	83,415,512	373,289,185	447,546,411
Overheads	-	-	-	-	-	-	41,608,363
Advertisement and promotion	115,458	-	-	317,016	324,000	641,016	1,053,700
Surveys	54,761,139	-	-	106,146,801	92,987	106,239,788	298,267,084
Security expenses	269,000	-	-	713,010	1,097,745	1,810,755	2,115,865
Consultancy charges	87,985	-	1,391,161	22,006,032	634,200	22,640,232	39,957,640
Communication charges	697,793	-	43,866	1,556,023	797,853	2,353,876	5,127,160
Commission Expense	-		-	(36,000)		(36,000)	(31,500)
Fees and subscription	3,770,888	10,885	939,824	22,554,451	3,078,403	25,632,854	35,714,916
Depreciation of right of use assets	839,420			3,286,718	6,050,548	9,337,266	9,337,266
Depreciation of property and equipment	733,782	-	238,812	3,074,668	1,888,904	4,963,572	8,238,440
Event Expenses	376,785	-	-	3,074,374	660,216	3,734,590	4,736,090
IT accessories	263,963	-	-	401,805	132,933	534,738	608,018
Legal and professional charges	640,953	-	106,864	8,301,746	4,610,743	12,912,489	13,543,789
Finance costs	-	-	-	-	26,041,862	26,041,862	26,041,862
Travelling and conveyance	21,015,289	-	2,187,794	50,707,378	2,458,206	53,165,584	66,283,858
Printing and stationery	496,748	-	27,961	3,454,699	1,084,283	4,538,982	10,539,560
Expected credit loss	-	-	-	-		-	-
Insurance	1,148,263	31,839	99,707	2,288,056	1,344,725	3,632,781	4,627,730
Training charges	7,318	-	1,717,015	2,363,922	266,082	2,630,004	5,157,403
Office supplies	470,255	-	-	1,218,444	1,849,775	3,068,219	3,624,485
Utilities	509,008	-	-	1,711,375	2,972,654	4,684,029	4,973,826
Rent rates and taxes	385,117	-	-	981,594	949,319	1,930,913	3,574,631
Exchange (gain) / loss	191,353	-	996	1,090,128	458,995	1,549,123	1,611,051
Auditors remuneration	81,074	-	17,500	334,942	716,633	1,051,575	1,151,575
Meal and entertainment	1,272,014	-	84,578	3,987,318	1,168,948	5,156,266	6,104,303
Repair and maintenance	144,112	-	173,184	707,983	557,992	1,265,975	1,510,171
Bank charges	57,760	-	-	198,992	349,171	548,163	548,944
Donations	-	-	-	-	33,067	33,067	33,067
Fuel expenses	34,580	-	-	135,395	249,251	384,646	384,646
Web hosting	-	-	-	-	-	-	-
Loss on sale of fixed Assets	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	498,624	-	498,624	648,624
	148,765,323	7,680,555	25,824,955	530,949,167	143,285,007	674,234,174	1,044,638,978
(Deficit) / Surplus for the year	25,048,395	(7,680,555)	28,188,970	103,767,283	(79,858,055)	23,909,228	23,909,228

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26 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than lease liabilities, comprise of 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, grant receivables, contract assets, long term loans, advances, deposits, prepayments and other receivables and bank balances 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.

26.1 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:

	---2025---		
	Rupees	**USD**	**GBP**
Cash and cash equivalents	68,835,205	469,200	13,013
Creditors and other payables	137,195,545	-	-
Statement of financial position exposure	206,030,750	469,200	13,013

	---2024---		
	Rupees	**USD**	**GBP**
Cash and cash equivalents	85,989,656	285,860	206
Creditors and other payables	53,183,763	-	-
Statement of financial position exposure	139,173,419	285,860	206

The following significant exchange rates have been applied:

	Average rate		Reporting date mid spot rate	
	2025	2024	2025	2024
	---------- Rupees ----------			
USD to Rupee	283.60	252.78	280.88	278.80
GBP to Rupee	388.97	312.47	369.93	351.85

Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD at June 30, 2025 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, 2024.

	2025 Rupees	2024 Rupees
Effect on exchange (loss) / gain for the year:		
US $ to Rupee		
Increase / decrease for the year	13,178,890	7,969,777
GBP to Rupee		
Increase / decrease for the year	481,390	7,248

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

26.2 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:

26.2.1 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.

	2025 Rupees	2024 Rupees
Deposits	22,307,900	13,677,841
Long term loans	200,000	600,000
Other receivables	266,808	782,723
Trade receivables	61,812,015	57,531,146
Contract assets	63,733,329	17,076,362
Grant receivables	70,125,384	31,197,948
Balances with banks	206,962,202	165,759,803
	425,407,638	286,625,823

a) **Trade receivables**

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

	2025			2024		
	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%	57,328,015	-	0%	53,129,196	-
31 to 60 days	0%	-	-	0%	-	-
61 to 90 days	0%	-	-	0%	-	-
Above 90 days	0%	4,484,000	-	0%	4,401,950	-
Total		61,812,015	-		57,531,146	-

b) **Contract assets**

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

	2025			2024		
	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%	53,150,223	-	0%	17,076,362	-
31 to 60 days	0%	-	-	0%	-	-
61 to 90 days	0%	8,508,000	-	0%	-	-
Above 90 days	0%	8,467,162	-	0%	-	-
Total		70,125,385	-		17,076,362	-

c) **Grant receivables**	2025 Rupees	2024 Rupees
0 to 30 days	70,125,384	22,937,899
31 to 60 days	-	2,180,202
61 to 90 days	-	5,285,399
Above 90 days	-	3,848,124
Total	70,125,384	34,251,624

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	2025 Rupees	2024 Rupees
Meezan Bank Limited	A-1+	AAA	VIS	192,542,514	158,913,560
Bank Alfalah Limited	A1+	AAA	PACRA	77,869	418,621
Standard Chartered Bank	A1+	AAA	PACRA	13,722,786	4,800,549
Silk Bank Limited	-	B	VIS	14,882	13,271
Telenor Microfinance Ban	A1	A	PACRA	604,165	565,204
Finja Pvt Bank Limited				-	1,048,598
				206,962,216	165,759,803

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.

26.3 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.

26.3.1 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.

	2025			
	Carrying amount	Contractual cash flows	Less than 1 year	More than 1 year but less than 5 years
	---------- Rupees ----------			
Trade and other payables	137,244,433	137,244,433	137,244,433	-
Lease liability	41,164,729	64,967,320	14,762,000	50,205,320
	178,409,162	202,211,753	152,006,433	50,205,320

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	2024			
	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**More than 1 year but less than 5 years**
	---------- Rupees ----------			
Trade and other payables	53,183,763	53,183,763	53,183,763	-
Lease liability	44,486,328	78,387,319	23,518,400	54,868,919
	97,670,091	131,571,082	76,702,163	54,868,919

27 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.

27.1 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 30,2024, the Company did not hold any financial instruments carried at fair value.

Financial instruments by categories	**2025 Rupees**	**2024 Rupees**
Financial assets at amortized cost		
Deposits	22,307,900	13,677,841
Long term loans	200,000	600,000
Other receivables	266,808	782,723
Trade receivables	61,812,015	57,531,146
Contract assets	63,733,329	17,076,362
Grant receivables	70,125,384	31,197,948
Balances with banks	206,962,216	165,759,803
	425,407,652	286,625,823
Financial liabilities measured at amortized cost		
Trade and other payables	137,244,433	53,183,763
Lease liability	41,164,729	10,585,337
	178,409,162	63,769,100

28 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

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).

29 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:

	2025		2024	
	Chief Executive	Executives	Chief Executive	Executives
	---Rupees---			
Remuneration	33,091,585	252,079,552	26,956,528	239,869,468
Medical allowance	119,889	3,721,595	78,974	4,172,111
	33,211,474	255,801,147	27,035,502	244,041,579
Number of persons	1	70	1	85

29.1 No remuneration is being paid to the board of directors of the company (2024: Nil).

29.2 Executives includes employees other than chief executive and directors whose basic salary exceeds Rs. 1,200,000 during the year.

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30 RELATED PARTY TRANSACTIONS

30.1 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 personnel	Role	Project name
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.

30.2 Transactions with related parties

Name of related party	Nature of transactions	Relationship	2025	2024
CERP Foundation	Receivable against the services	Common Board Members	4,254,000	4,171,950

30.3 The details of compensation paid to key management personnel are shown under the heading of 'Remuneration of Chief Executive, Directors and Executive (note 29)'. There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

30.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

31 NUMBER OF EMPLOYEES

The average and total number of employees during the period ended June 30,2025 and June 30,2024 are as follows:

	2025	2024
Average number of employees	105	103
Total number of employees	109	101

32 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for the purpose of better and fair presentation wherever necessary, however, no significant rearrangement/ reclassifications have been made.

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 0 2 OCT 2025 by the Board of Directors of the Company.

CHIEF EXECTIVE

DIRECTOR

CONTACT US

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