

— Annual Report 2022 —

TRANSFORMING LIVES & RESTORING DIGNITY





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FOREWORD

2022 was a nightmare year for Pakistan. Climate collided with poverty and casted an uncertain future for the country. Plagued by high levels of debt and a stagnant economy, regional events further exacerbated the situation.

Being a humanitarian, it was a lot for me to process. The country I was born and bred in going through an age of turmoil. With all of this devastation came good, too. Islamic Relief witnessed an outpour from our supporters and partners. With an amazing display of compassion and generosity, our donors stood up for collective good.

After a relentless monsoon of 2022 in July, Pakistan saw historic flooding fueled by climate change. With dreams lost to deluge, 33 million Pakistanis paid a huge climate cost. Islamic Relief was quick to reach the affected because of its geographic footings, experience and preparedness. We provided lifesaving aid including essentials like clean water, tents, hygiene items, cash assistance, food packs and kitchen utensils to meet the basic needs.

Our partners rushed to our appeals to create an incredible and scalable impact. Islamic Relief steered the emergency response simultaneously in Sindh, Balochistan and Khyber Pakhtunkhwa together with its partners including DEC, UNDP, GAC, SIDA and our offices in the UK, USA, Canada and Germany. With steadfast commitment, we were able to improve one million lives after the floods.

We stayed to be on the frontlines and stay with the destitute until dignity is restored and lives are rebuilt. Alongside emergency response, our development initiatives kept on transforming lives throughout the year. We created opportunities for women, sent children to schools, educated farmers to adapt, saved water in reservoirs, built disaster resilient structures and broke the barrier of disability.

Our climate action became more bold and visible after the floods of 2022, we made new alliances and forged partnerships urging government and donors to invest in green recovery and resilience. During my continuous visits to flood affected areas, I saw the gnawing pain of losing hope in the eyes of children and adults, yet, we are there, bringing ease and nurturing dreams.

Years to come may not be as easy, we need to act fast and further to create a safer, greener and inclusive tomorrow. I look forward to galvanize action by strengthening partnerships to translate commitments into actions.

Asif Sherazi

Country Director

IR PAKISTAN AT A GLANCE



ESTABLISHED IN
1992



A DEDICATED TEAM OF
750 MEMBERS



STRATEGIC FOOTPRINTS
**ACROSS
PAKISTAN**



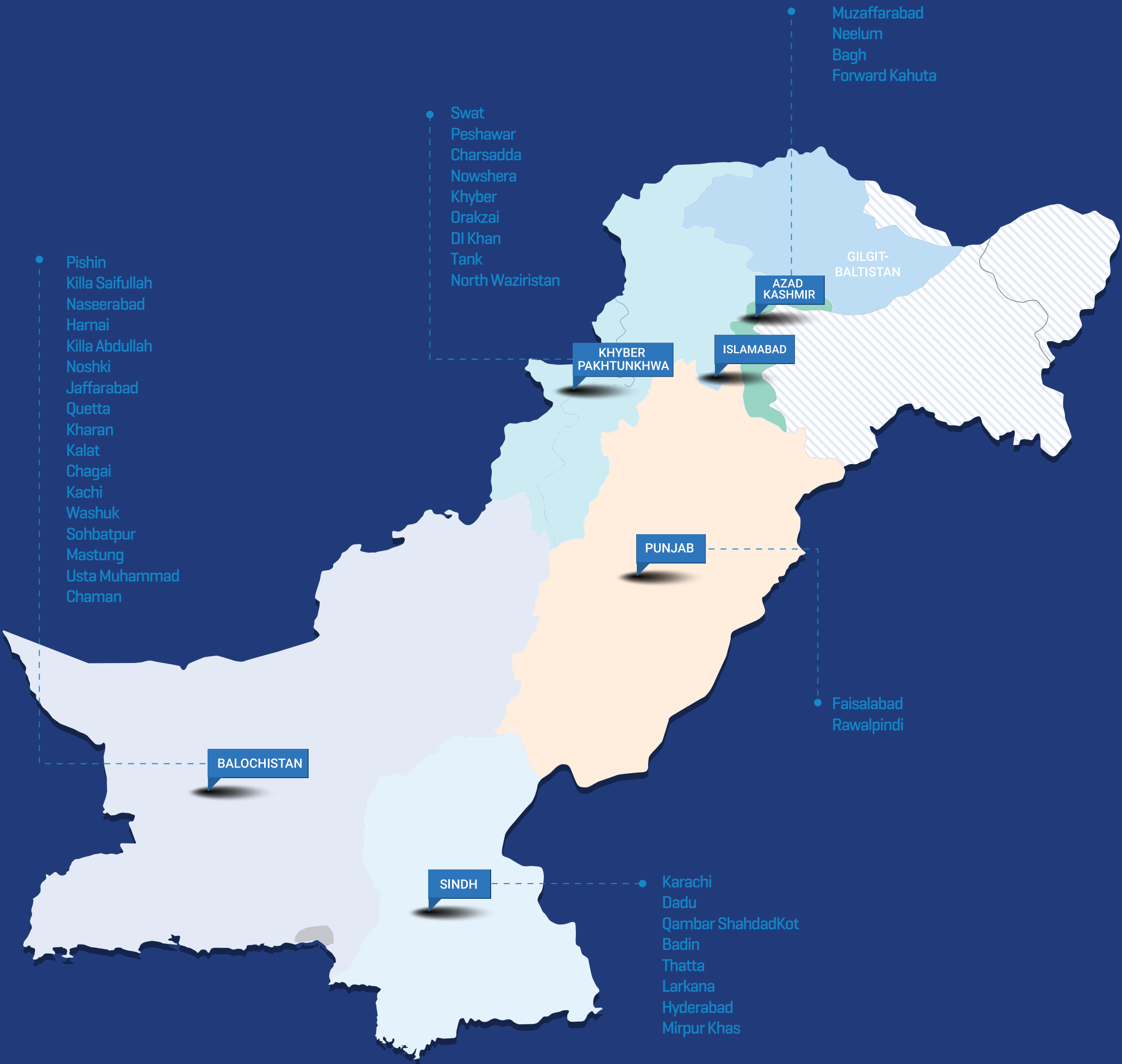
ONE OF THE LARGEST
**EMERGENCY
RESPONDERS**
IN PAKISTAN



STEERING
**CLIMATE
ACTION**
IN THE COUNTRY



MAKING LONG TERM
**DEVELOPMENT
A REALITY**



A YEAR IN REVIEW

Throughout 2022, lives were saved, children were fed, women were empowered, young minds were nurtured and families got opportunities to overcome poverty.



Portfolio expanded to

33 MILLION
GBP



after super floods

1 MILLION
PEOPLE
REACHED



688,269

children
accessed
education



342,799

women
overcame
challenges



771,432

people have
clean water at
their doorsteps



9,321

farmers
are climate
adaptive



342,799

disabled have a
chance at life



5,653

new businesses
setup



12

new
partnerships
formed



16,112

Plus
interactions
with
communities &
think tanks

PROGRAMMATIC PILLARS



WATER

We believe water shouldn't be a luxury. Our efforts are focused at bringing clean and safe drinking water across Pakistan through innovative and sustainable projects not only in urban areas but in the hardest to reach areas of the country.



CLIMATE CHANGE

Climate crisis brings severe threats to Pakistan and we are making all efforts to thwart them. Our programmes ensure that green recovery is at the heart of our efforts. Alongside awareness raising and resilience building, we are protecting the environment and promoting adaptation.



FOOD SECURITY & LIVELIHOODS

Making communities self-reliant is a key work area for Islamic Relief. We create economic opportunities where unemployment is rife, support farmers where produce is low, and equip communities with the right tools and knowledge.



PROTECTION & INCLUSION

Islamic Relief believes in 'Leaving No One Behind'. Disabled people are at the center of our attention and efforts. Our programmes ensure their meaningful participation and equal access to our actions.



ADVOCACY & CAMPAIGNING

Through campaigns, we give voice to the people facing inequalities. We harness the power of advocacy to shape opinions, build narratives for change and push for climate friendly legislations.



HUMANITARIAN

Being one of the first ones to respond when disaster strikes, Islamic Relief provides lifesaving aid to vulnerable families whose lives are torn apart by natural disasters. With humanitarian action in our DNA, we have responded to all major emergencies across the country since 1992. When the dust settles, we stay with communities to rebuild lives.



DISASTER RISK REDUCTION

Our emergency interventions are not just about responding to crises quickly, but also help build the resilience of communities, ensuring that communities are better prepared and protected when disaster strikes.



WOMEN EMPOWERMENT

One of the major focus areas of our work is for the most vulnerable groups living in destitute circumstances. Our dedicated efforts are lifting women especially widows out of poverty and giving them a safe and better future.



ORPHANS & CHILDREN

Through one to one orphan sponsorship, we have transformed millions of lives. Our child centric programmes address a wide range of issues including child labour, child rights and protection.

HUMANITARIAN

RISING FROM DISASTERS AND RESTORING DIGNITY

Islamic Relief Pakistan has a long and established reputation for providing effective and timely emergency response against disasters around the country. Over the years, we have successfully provided relief and recovery assistance in numerous crisis situations. We have provided relief to millions of people in need.

One of the bedrocks of our response approach is the commitment to work closely with affected communities. Islamic Relief invests in preparedness measures to anticipate and respond swiftly to emergencies. This proactive approach ensures that we are ready to assist communities when disaster strikes.

Islamic Relief was one of the first aid agencies to respond to the super floods of 2022.

Pakistan, like many other countries, has been dealing with the impacts of climate change in recent decades. Climate change has led to more erratic and unpredictable monsoon patterns, resulting in uneven rainfall distribution. Some regions experience intense rainfall, while others face prolonged droughts.



The 2022 monsoon season brought exceptionally heavy rainfall to several parts of Pakistan. Climate change contributing to the intensity and unpredictability of monsoon rains. The average rainfall during the monsoon season has increased by 7% since the 1960s. The heavy rainfall resulted in flash floods, particularly in vulnerable areas with poor drainage systems and inadequate flood management infrastructure thus making 2022 a catastrophic year for Pakistan.



2022 –A tragic year for the people of Pakistan

The horrendous floods affected the lives of millions aggravated by climatic challenges. The government of Pakistan termed it as ‘Climate Event of the Century’.

The 2022 disaster was a series of distressing floods that occurred in the country from June to October but the damage it did continues till now. The floods affected all four provinces of Pakistan but the worst-hit areas were Sindh and Balochistan causing widespread damage to infrastructure, agriculture, homes and livelihood leaving one-third of the country underwater.

The 2022 floods highlight the urgent need for climate resilience and mitigation strategies to address the escalating impacts of climate change in the country.

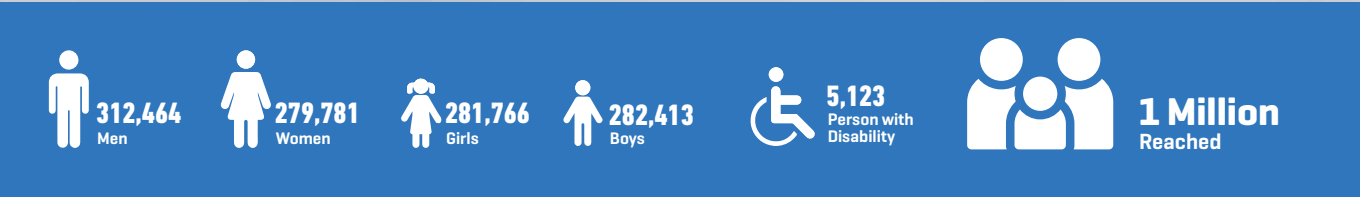
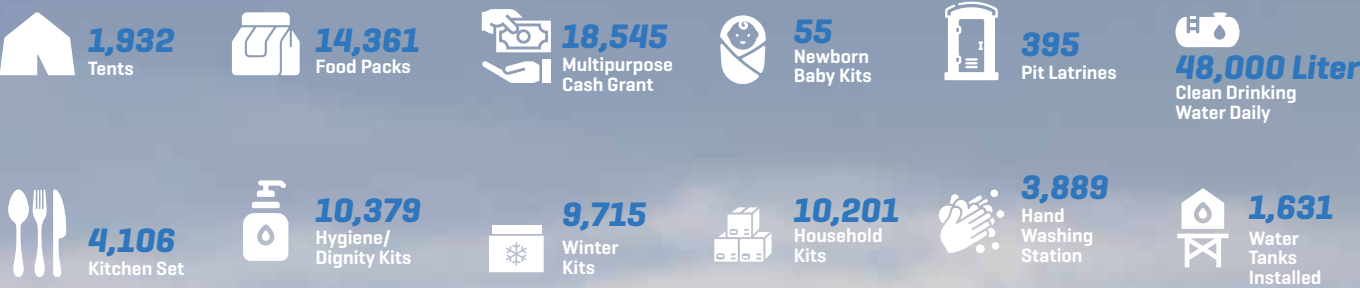


ISLAMIC RELIEF’S EARLY RESPONSE

Floods are relentless and unforgiving, leaving a trail of destruction in their wake. But so is our commitment to reach the most in need. Islamic Relief’s rapid response team mobilized swiftly, working around the clock to assess the situation, coordinate relief efforts and provide aid where it was needed.

With our staff members working across the country we were able to help those in need quickly and efficiently. In a matter of just 72 hours, our dedicated teams were on the ground, delivering crucial relief items to the affected families. We didn’t wait for the storm to pass; we acted when it mattered most.

We provided lifesaving aid including





LEADERSHIP ON GROUND

Waseem Ahmad, our CEO and Abdul Manan Bhatti, the board member of IR Pakistan on ground in Charsadda, Khyber Pakhtunkhwa interacted with displaced communities and distributed food packs to 200 families who lost their homes and were camping along the motorway.

ACCELERATING EMERGENCY RESPONSE WITH GAC



Country Director Asif Sherazi along with Harjit Singh Sajjan, Minister for International Development, Government of Canada in Sukkur to discuss the emergency response efforts being carried out for the affected communities and recovery, rehabilitation plans in the months to come.

PARTNERING WITH UNDP TO ASSIST THE FLOOD-AFFECTED COMMUNITIES



Country Director, Asif Sherazi and Deputy Country Director, Raza Narejo called on the Resident Representative UNDP Pakistan, Knut Ostby to enhance collaboration for early recovery and long-term rehabilitation of the flood-affected communities. Both IR Pakistan and UNDP agreed to prioritize resilience building among communities so they can withstand future risks and simultaneously addressing climate-induced challenges. Ostby later visited Balochistan where Islamic Relief started recovery efforts. The partnership between Islamic Relief and UNDP created income opportunities for households affected by the floods and supported the construction of vital community infrastructures.

PROVIDING CLEAN & SAFE DRINKING WATER



Scott Whoolery, Chief Field Operations UNICEF and Lana Wreikat, Deputy Director of UNICEF Emergency Programmes, visited flood affected areas in Sindh where both IR Pakistan and UNICEF worked together to provide essentials like latrines, clean water and hygiene items. IR Pakistan provided over 48,000 liters of drinking water on daily basis in the flood-affected areas of Sindh and Khyber Pakhtunkhwa under its emergency response.

JOINING HANDS WITH SHELTERBOX TO PROVIDE LIFESAVING AID



People in Sindh lost their homes and livelihoods to the water. With Shelterbox on board, we provided tents, solar lights, water filters and other necessities to ease the sufferings of the ones who were living on a narrow strip of land.

WITNESSING THE REHABILITATION ACTIVITIES



In efforts to make Pakistan better and safer, First Secretary - Sida Sweden, Lotta Segerstrom along with our Country Director Asif Sherazi was in Sindh to witness the relief and rehabilitation activities.

PREVENTING DENGUE AND MALARIA



With stagnant water in flood affected areas, the spread of dengue and malaria was ascending. IR Pakistan in collaboration with Sightsavers and district administration of Mirpurkhas, Sindh, started a dengue and malaria prevention campaign.

ISLAMIC RELIEF USA SAVING LIVES



Anwar Khan, President and Co-Founder Islamic Relief USA visited flood affected areas in Sindh where the relief activities were carried out to help the local communities. IR USA was among the first donors to address the most immediate needs in different parts of the country.

DISASTER EMERGENCY COMMITTEE IN ACTION



CEO of Disaster Emergency Committee, Saleh Saeed was with us in Sindh among communities affected by floods. Together, our efforts brought back millions to life and hope, through distribution of essentials including hygiene items, food and shelters.

BUILDING PROTECTIVE INFRASTRUCTURE



Flood protection infrastructures are crucial to curtail the damages. Secretary Irrigation Government of Balochistan, DC Quetta visited the water reservoirs and protection walls built by Islamic Relief and NDRMF.

SUSTAINING MOMENTUM THROUGH MEDIA PROFILING

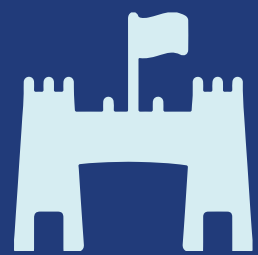
Islamic Relief's engagement with mainstream media helped to raise awareness about the floods and the humanitarian needs of those affected. It also helped to mobilize support for our response.

IR Pakistan realizing the need for effective media engagement, engaged with various media and news outlets not only in Pakistan but globally to keep them updated with ground realities and happenings. In addition to that,

**we also arranged
on-the-ground
reporting trips
for journalists
from BBC News,
CNN etc.**

These efforts helped to ensure that the 2022 Pakistan floods remain in the news and that the humanitarian needs of those affected were not forgotten. This massively helped our partner offices in the UK, Canada, USA as well as UN agencies to raise funds and secure aid. In addition to that, we also used our social media channels to continuously talk about the needs and impacts. We shared photos, videos and stories from the ground enabling us to garner more attention from the global community.





KHYBER PAKHTUNKHWA

In Khyber Pakhtunkhwa, Islamic Relief provided lifesaving support in Dera Ismail Khan, Tank, Charsadda and Nowshera. The flood affectees were provided with clean and safe water, tents, food packs, health supplies, solar lights and cash grants.

FIGHTING THE ODDS

Rehana, a young woman from a small village in Dera Ismail Khan District, found herself caught in the devastating aftermath of the 2022 floods.

I, like many young girls in my village, was married at a young age. I was not mentally or emotionally prepared for motherhood at just 22. However, cultural barriers compelled me to fulfill society's expectations.

Rehana suffered a miscarriage during her first pregnancy and this time floods posed a bigger threat to her unborn. Recognizing the importance of proper nutrition intake during



pregnancy, Islamic Relief's team offered Rehana a lifeline in the form of nutritional supplements. These supplements were designed to provide the expecting mothers with vitamins and nutrients in order to ensure a safe delivery.

After a month of consuming the nutritional supplements, I regained my strength and now feel confident about my health.

Rehana's expectations soared as she dreams of a healthy baby who would bring joy and light to her family after seeing the horrible devastation of floods.

REBUILDING BETTER AND SAFER

Shafi Ullah, a daily wage labourer earning a meager income of 300 rupees, faced the devastating impact of the 2022 floods, which swept away his livelihood and left his family of 12, including two disabled siblings, in dire circumstances. There have been days when his family slept on an empty stomach.



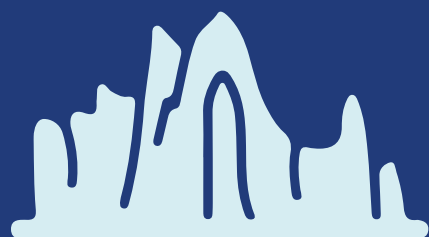
I head out of my house in search of food, and I am up for anything that will help me provide for my family and it breaks my heart when I cannot get enough money to feed my family.

With the support of his neighbours and the Cash Grant provided by Islamic Relief, Shafi Ullah's life gradually transformed. The income generated from selling the items purchased with the grant allowed him to sustain his family and meet their immediate needs. Over time, his efforts contributed to a gradual improvement in

their quality of life, instilling a sense of purpose and determination in Shafi Ullah's heart.

I see hope now and I am optimistic that soon we will be back on our feet.





BALUCHISTAN

Balochistan was one of the most severely affected provinces in the country. Numerous people lost their lives in result of the disaster. Roads and bridges were washed away, making it difficult to deliver aid to those in need. Crops were destroyed, leading to food insecurity and economic hardship. Livestock were also killed, depriving people of their livelihoods.

Islamic Relief provided cash grants, food packs, kitchen sets, hygiene kits and tents to individuals in heavily affected areas of Quetta, Pishin, Panjpai and Noshki.



HOUSING THE HOMELESS

52-year-old Allah Noor, lives in Killi Ghareeb Abad, a village in the district of Noshki, Balochistan. He has a wife, two daughters and a son. He used to work as a labourer on daily wages, but for the past year, he has been unable to work due to pain in his kidney. His wife stitches clothes, and it is the only source of income for their family.

Floods swept away everything, they ever collected and made including their house.

It is very difficult for me and my family to survive on this limited income. Unfortunately, the recent floods have destroyed my house completely, and we

were forced to live in someone else's house. I was also selling toys, but due to the floods, all of the toys have been destroyed. Now, I am working as a daily wagger.

Islamic Relief provided Allah Noor's family with a tent and other essentials including kitchen utensils, hygiene items and food pack to survive the most difficult times.

With the support, my family is hopeful for a life filled with happiness. They are slowly overcoming the trauma of floods and losing their belongings to it.

RISING FROM THE WATERS

When the relentless floods hit Balochistan, everything swept away including the hopes and dreams of local communities. Abdul Majeed is one of them, who dreamed of living a happy life in his own house. But the flood took away his house he had recently built.

He lives in village Sajjad Khan Rind, Union Council Hadeero, District Usta Muhammad along with his wife, four daughters and elderly parents.

I had constructed semi-mud house merely a couple of months before the floods. Some people were saying a disastrous flood is coming where as some others were saying it's nothing but a rumor. I, however, denied believing about the flood.

When the water reached the village, people had no time to save the valuables. People rushed to safer places along with their families. Abdul Majeed and his family were under the open sky in heavy rain day and night.

Islamic Relief reached the village and facilitated the families with tent and non-food items including jerry cans, water filters, mosquito nets, tarpaulins, and thermal blankets.

As we mourn the losses, simultaneously we dream of better times that eventually will come through Islamic Relief and others.





Sindh was the worst affected province due to the catastrophic floods of 2022. Various districts stayed submerged in for months posing serious threats to the local communities. Realizing the needs, Islamic Relief was quick to reach the affected communities through all possible means including boats and going airborne.

Several villages in Dadu and Larkana districts were fully submerged and thousands of houses got partially or fully damaged. For miles, the only thing that was visible was water and tree tops.

LEARNING DURING DISASTERS

Naheed, like thousand others, returned to a pile of rubble upon coming back to her house that left her traumatized.

She started thinking about the uncertain future of her and of others like her.

Naheed is a resident of Khuda Bux Morai, Mehar, Sindh. She has 7 members in her family, her father works as a labourer.

When we came back it was like our whole world had been destroyed, our homes, shops and even our only school was damaged that we could not risk going back in there.

In just a month, hundreds of schools and colleges were destroyed due to the floods all over Sindh and thousands of children could not continue their school learning. Working extensively in most affected areas of Sindh, Islamic Relief carried out efforts for children so they can resume their education.

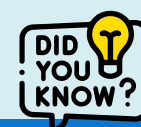


Islamic Relief was able to help thousands of children in Sindh to continue their education through Temporary Learning Centers established in Dadu as life slowly started to get back to normal. Through six Temporary Learning Centers in flood affected areas, Islamic Relief helped children to continue learning and gaining knowledge.

Every day teachers come from nearby villages and help us learn. We do not worry now, that our school was destroyed because with the facility provided by Islamic Relief every child in our village in getting education.

Temporary learning centers are accommodating children from a young age and using interactive learning methods to help students be able to learn.

After completing my education I will become a doctor and also make a big school. Children from every village will get education and no one will be left behind due to lack of resources or any other reason.



Numerous children in Sindh experienced the joy of attending school for the first time, marking a significant milestone in their lives.



AVERTING A HEALTH CRISIS

Soon after the catastrophic rains and floods of 2022, water was the only thing visible on thousands of acres of land in Sindh. The stagnant water created a perfect storm for water borne diseases, skin infections and snake bites.

Our lips had dried because of it and there was nothing we could do,

said Munawar.

Munawar is a resident of Photo Machhi, Mehar, Sindh and his family are among the thousands who were affected badly by the floods. During peak summers, right after flood destroyed most of the villages and towns in Sindh, Munawar along with his family were left stranded on heightened roads with no shelter.

They had no food, water, clothes or even any money to purchase food items for children. With its emergency response Islamic Relief started working in the worst affected areas of Sindh and helped communities through life saving aid. We started providing clean and safe drinking water in camp cities besides the road.



When we came back to our village, every single home was reduced to rubble. The water sources were contaminated and undrinkable, my children were dehydrated and at a serious risk of getting sick.



Islamic Relief provided hand pumps for flood-affected communities including Munawar's village, Photo Machhi.

Munawar, his family and many others from his village used to travel miles, twice a day, to get clean drinking water for their families.

Water filters and hand pumps were the need of the hour, we do not have to travel far off to fetch water.

Islamic Relief is driven by a deep resolve and commitment to providing humanitarian assistance to those in need, regardless of their race or religion. This resolve and commitment was evident in the organization's response to the 2022 floods in Pakistan and it was rewarded when the organization reached 1 million people in Pakistan with essentials.

Islamic Relief's support has now switched to long-term recovery and rehabilitation aimed at rebuilding affected communities. We now have rebuilt and restored more than 5,000 homes in Balochistan. In addition to this, one room shelters are being constructed in the flood-affected areas of Sindh. It has been ensured that these newly built houses are disaster-resilient and can withstand future shocks.

We initiated livelihood programmes to help communities restore and diversify their income streams. This includes provision of seeds, tools, and agriculture training to enhance their resilience. In order to achieve financial inclusion, we supported women headed families with cash grants so they can set up their small scale businesses.

Islamic Relief Pakistan is engaged in advocacy efforts to raise awareness about the climate crisis, its connection to frequent disasters like floods and the importance of climate action. We are collaborating with government bodies, non-government organizations, international agencies, think tanks, civil societies, media and academia to advocate for sustainable policies, legislations and practices to address the root causes of such disasters.

ADVOCACY IN ACTION



Islamic Relief believes that everyone has the right to live in a healthy, safe and sustainable environment. That is why we worked to promote climate justice and to reverse the climate crisis.

In 2022, we actively engaged ourselves in advocating for legislations and policies aimed at reducing greenhouse gas emissions, advancing renewable energy initiatives and safeguarding vulnerable communities from the far-reaching effects of climate change. Furthermore, we collaborated closely with communities to promote the creation and implementation of sustainable solutions to address environmental challenges.

We worked with policymakers, stakeholders and the public to emphasize the urgent need for climate action. Our efforts extend to the promotion of climate friendly initiatives for a clean and green Pakistan. Together, with our partners, we plan on amplifying our impact, ensuring a collective commitment to environmental sustainability.

We advocate for the rights of people of Pakistan by addressing the core issues such as, climate change, water, sanitation and hygiene, resilience

building, children and women empowerment, youth mobilization and gender equality.

In the face of the unprecedented climate crisis that unfolded in the form of the apocalyptic floods of 2022 in Pakistan, Islamic Relief Pakistan displayed remarkable advocacy efforts that resonated with both government and donors alike.

The response was swift and impactful, marked by one-on-one meetings with the Prime Minister of Pakistan, the President of Pakistan, as well as various federal and provincial ministries including climate change and environmental protection, planning and development, social welfare, and law and justice.



1.3 Million
people have been reached out as the result of advocacy initiatives and collaborations



Coordinated with
1,432
stakeholders

- Islamic Relief, in collaboration with the Faculty of Science, University of Karachi, organized a one-day lesson-learned workshop on “Climate Vulnerability and Capacity Assessment of Coastal Communities in Sindh”. This aim was to have an in-depth knowledge of the challenges faced by coastal communities in Sindh.
- The strategic partnerships with National Disaster Risk Management Fund (NDRMF) have not only opened new avenues for collaboration but have also helped in the implementation of Islamic Relief Pakistan’s projects. The partnership has been instrumental in enhancing our capacity to deliver essential services, ranging from disaster risk reduction and response to sustainable livelihoods and community development.
- Islamic Relief signed a memorandum of understanding (MOU) with Sanitation Learning Hub (SLH) at Sussex University UK to focus on some of the most pressing issues facing the sanitation sector in Pakistan, including strengthening local government leadership, programming in challenging contexts and responding to the impact of climate shocks.

To cope with the climatic challenges faced by Balochistan, we inked an MOU with the Environmental Protection Agency Balochistan. This collaboration was aimed at establishing a robust evidence base on the specific impacts of climate change in Balochistan and jointly working towards building resilience in the face of these challenges.



- A strategic move aimed at advancing the cause of evidence based research, Islamic Relief Pakistan forged a pivotal partnership with the Institute of Management Sciences, Peshawar. The objective was to harness the power of research and evidence generation to drive positive change.

- In a joint effort to delve into the complex challenges faced by expectant mothers in the aftermath of the recent flooding, a groundbreaking research study titled “Expectant Mother’s Dilemma in the Wake of Recent Apocalyptic Flooding in Pakistan” has been undertaken. This was the result of a collaborative endeavor between two eminent institutions of learning and research: Adelphi University and Washington State University.



- We signed MOUs with two national universities; University of Karachi, Sindh and SZABIST for cooperation and collaboration with regards to climate change, awareness and education for climate action by engaging youth and to conduct research studies on climate change in order to generate evidences. Through this collaboration, we envision a platform where young minds are nurtured and inspired to take meaningful action. We are working together to design and implement educational programmes that empower students with the skills and insights needed to address climate change issues effectively.

- In an effort to tackle climate change, we signed an MOU with Agriculture University Peshawar to facilitate a comprehensive partnership encompassing a wide array of critical areas, with a primary focus on climate change, food security, agricultural practices, and the provision of technical support for ongoing projects within Khyber Pakhtunkhwa and the Newly Merged Districts (NMDs) of Pakistan.

- Two MOUs were signed with the University of Azad Jammu and Kashmir, Muzaffarabad and Pakistan Council of Research in

Water Resources (PCRWR) to harness the collective expertise and resources of both institutions to address issues related to climate change, water resources, and environmental sustainability.





TRANSFORMING WEATHER FORECASTING

Muhammad Ajmal Shah, the Director of the Regional Meteorological Center in Quetta, has dedicated the past two years to serving the people of Balochistan. The station he used to work on had outdated systems making the team unable to predict weather changes and events.

With my professional skills and the collaborative efforts of team, we strive to provide timely and accurate weather forecasts to the people of Balochistan. However, the unavailability of certain equipment has made it difficult to maintain a seamless flow of information.

Islamic Relief Pakistan, through its project Resilient and Adaptive Population in Disaster (RAPID), provided the meteorological center with an automatic weather station. This initiative aims to reduce disaster risk and enhance preparedness for future natural disasters. The automatic weather station measures, records, and transmits essential weather parameters, including temperature, wind speed and direction, solar radiation, and precipitation. The newly installed Automatic Weather Station enables timely warnings for airports, farmers, and residents in the area regarding adverse weather conditions such as clouds, thunderstorms, storms, or monsoon rains.

The upgradation will help the met station to promptly alert citizens about potential disastrous situations, enabling timely updates for risk measurement and mitigation. This technology has a positive impact on the lives of approximately 25 million individuals.



The collaborative efforts between Islamic Relief Pakistan and its esteemed partners are emblematic of the collective determination to tackle climate change head-on. They represent a synergy between humanitarian organizations and government institutions, each bringing their strengths to the table in pursuit of a common goal; building resilience in the face of climate-induced adversities.





TACKLING HUNGER AND INEQUALITIES

Pakistan often celebrated for its cultural richness and historical significance, has also faced its share of challenges, particularly in recent years. A country with its rich agriculture heritage has long been a vital source of food for its people and beyond. Yet, the relentless march of climate change has cast a shadow over this vital sector, leaving food production hampered and vulnerability heightened. From the scorching heatwaves to the devastating floods, the signs of distress are evident.

The consequences are far-reaching. Families already living on the fringes of poverty find themselves teetering on the brink, their livelihoods threatened as the crops wither and livestock struggle to find nourishment. The delicate balance of life in rural communities is disrupted with ripple effects felt in towns and cities, where the echoes of economic losses reverberate.

In the pursuit of a more equitable world, Islamic Relief remains steadfast in its commitment to tackling food insecurities. These efforts have not only provided essential sustenance but have also sown the seeds of lasting change.

In the diverse geographical landscape of

Pakistan, climate smart agricultural practices have emerged as a beacon of hope in the face of climate challenges. The practices such as kitchen gardening, poultry farming, tunnel farming, livestock rearing, crab farming, water conservation, climate friendly seeds, equipping farmers with climate adaptive tools and knowledge and value chains are carefully planned to enable communities to adapt to shifting environmental conditions while ensuring sustainability.

These forward-thinking approaches not only empower farmers to take control of their livelihoods but also contribute to the broader goal of ensuring food security.



5,321

farmers supported



Provided

6,512

people with climate-resilient seeds



Provided

211,671

people with life-saving food



GROWING INCOME WITH KITCHEN GARDEN

Bibi Fatima, a 52-year-old resident of Shadani village in Quetta district, has faced her fair share of challenges. After her husband passed away due to cancer, she found herself shouldering the responsibility of providing for her two sons. Despite having hearing and eyesight impairments, she's been a pillar of strength for her family.

My income has significantly increased, I now buy more seeds for my kitchen garden with my savings. I am able to send my grandchildren to school with my income generated through the kitchen garden.

My livelihood was dependent on agriculture and livestock before but the water scarcity affected both, my land and my source of income.

Islamic Relief Pakistan introduced Bibi Fatima to kitchen gardening and installed protective netting, creating a secure boundary around her garden as the children and livestock often disrupted the vegetable cultivation.





PROMOTING AQUACULTURE

Fida Hussain, a resident of village Gul Hassan Samoo in District Thatta, Sindh, shares his house with his family of five. Together with his wife and their 5 years old son, they live along with his brother and sister.

However, life's unpredictable twists threw their world into turmoil when the devastating floods of 2022 struck, leaving a trail of destruction in their wake. Fida Hussain, like countless others, witnessed his hopes and dreams being washed away by the merciless waters. In the aftermath of this catastrophe, he found himself grappling with despair, burdened by the weight of loss and uncertainty.

I was going through an incredibly challenging time and it felt like I had reached the end of my rope.

Islamic Relief Pakistan under its project Climate Sensitive Livelihood Modelling is helping the coastal communities in Sindh to regain control of their lives by providing them with climate friendly livelihood opportunities.

Fida Hussain was provided support to establish his crab farm in Thatta, which is not only innovative but also sustainable.

Through farming crabs and subsequently selling them, my income has increased. Now, my business is not just a means of livelihood; it has become my identity.



Under CSLM – climate sensitive livelihood modelling we have enabled the coastal communities of Sindh to adapt new practices and approaches in sectors of food security, livelihoods and water management.

FROM PASSION TO PROSPERITY



Fazal Ameen, a passionate farmer from District Khyber, had always dreamt of pursuing his love for farming. However, the harsh reality of poverty and the immense responsibility of feeding his extensive family of 35 members always hindered his aspirations.

My produce significantly decreased in the past few years due to the changing weather patterns. My land which once had rich production started suffering due to unpredictable weather patterns, thus, affecting my livelihood.

Through the modern intervention of tunnel farming, Fazal Ameen's once-distant dream of cultivating his land and adopting advanced agricultural techniques became a vibrant reality. His journey, which initially comprised meager earnings and limited opportunities, changed to a thriving income that enabled him to provide quality education to his children and secure a brighter future for his family.

I turned my small tunnel farm into a huge success. I cultivate vegetables and then sell them in market. I make good money now and it has not only empowered me but has also brought positive changes to my family.

Fazal Ameen's introduction to tunnel farming marked a turning point in his agricultural journey. This contemporary approach allowed him to harness the power of controlled environments and precision agriculture, effectively extending his growing seasons and optimizing crop yields.

Hundreds of others like Fazal Ameen have been supported through water, sanitation and hygiene and livelihood support in tribal district Khyber to improve their quality of life under Resilient Initiative for Development and Adaptation (RIDA) project.

VALUING WOMEN

In a male dominant country, women often find themselves at the intersection of unique challenges and untapped opportunities. These hurdles range from gender inequalities and restricted access to education and health to economic disparities, and societal stigmatization. While progress has been made in recent years, significant challenges still persist. In this evolving landscape, it becomes increasingly evident that empowering women through targeted development programmes is not just a matter of gender equality; it is a necessity.

Women, especially widows and ones at disadvantage are often left vulnerable and marginalized. They are among the most affected by social and cultural barriers and limited economic opportunities, however, they also possess an immense capacity to overcome adversities and become powerful individuals in their own right.

Islamic Relief believes in the transformative power of development initiatives tailored to empower women specially widows as agents of change in their communities. We are helping them to shape their own destinies by providing them with trainings, skills, business grants, creating awareness about their rights alongside amplifying their voices. Scores of them are now able to run their businesses including confectionaries, boutiques, grocery stores, beauty parlors and stitching centers.

Women in rural areas are the backbone of Pakistan’s agriculture sector. Climate change has become the biggest issue of their lifetime. The changing weather patterns and natural

disasters are leading to grave challenges such as climate migration, water scarcity, and reduced crop production. To tackle these adversities, Islamic Relief Pakistan is continuously supporting women, in both rural and urban areas of Pakistan to face these challenges and grow in their lives.



Supported
4,923 women in 2022



Provided training and business start-up grants to
595 women



Awarded
62 higher education scholarships



Provided psycho-social support to
1,099 women and girls



Facilitated
4,713 women with 124 self-help groups



Provided health facilities to
4,410 women



ADVANCING GIRLS & WOMEN EMPOWERMENT

We, at Islamic Relief Pakistan, are driven and inspired by the true potential of women living in the urban and rural peripheries of the country with less to zero opportunities. Through our programmes, we equip them with the right set of skills which enables them to set up their businesses and support themselves thus, contributing to the country's economy.

These programmes have been thoughtfully designed and implemented to make a tangible difference in the lives of vulnerable women. Operating across Azad Jammu and Kashmir (AJK), Islamabad and Rawalpindi, these initiatives specifically work with women to set them on a path of success.

Through these initiatives, Islamic Relief Pakistan strives to uplift women, equip them with essential skills and provide them with the support they require to overcome hurdles and secure a brighter future for themselves and their families.

Islamic Relief also established Women's Self-Help Groups (WSHG) for fostering women's empowerment and community development. These groups provide women with a safe and supportive space to come together, share experiences and work collectively to address various social, economic and health-related challenges they face. Through these interventions, women are not only empowered but also equipped with valuable skills and knowledge, enabling them to lead positive

changes within their families and communities.

Islamic Relief is empowering women through comprehensive capacity-building trainings as well. These sessions cover a wide range of topics, including financial literacy, entrepreneurship, healthcare, leadership and advocacy. The objective is to equip women with knowledge and skills that enhance their self-confidence and self-reliance.

Islamic Relief has conducted more than 17 capacity-building training sessions in 2022. Additionally, we have organized over 17 community group awareness sessions, facilitated planning meetings with the groups, held interface meetings with community representatives, engaged with media and more.



These programmes are aimed at ensuring that women not only gain essential knowledge but also develop the ability to report any issues or concerns they encounter, encouraging a sense of empowerment among them. Women are encouraged to build their self-confidence, leadership skills and decision-making abilities.





DREAMS COMING TRUE

Alishba Butt's life took a turn when her father sought better employment opportunity in Saudi Arabia, leaving them behind in their home in Muzzaffarabad, AJK behind.

As far as I can remember I had a wonderful childhood with my father, but then he moved to Saudi Arabia for better income opportunities.

Tragically, just a year after her father left, he passed away, leaving Alishba, her mother, and her brother facing uncertain times.

My mother started sewing clothes and opened a beauty parlour after my Baba's death. She took on multiple responsibilities, tirelessly working day and night to provide for us.

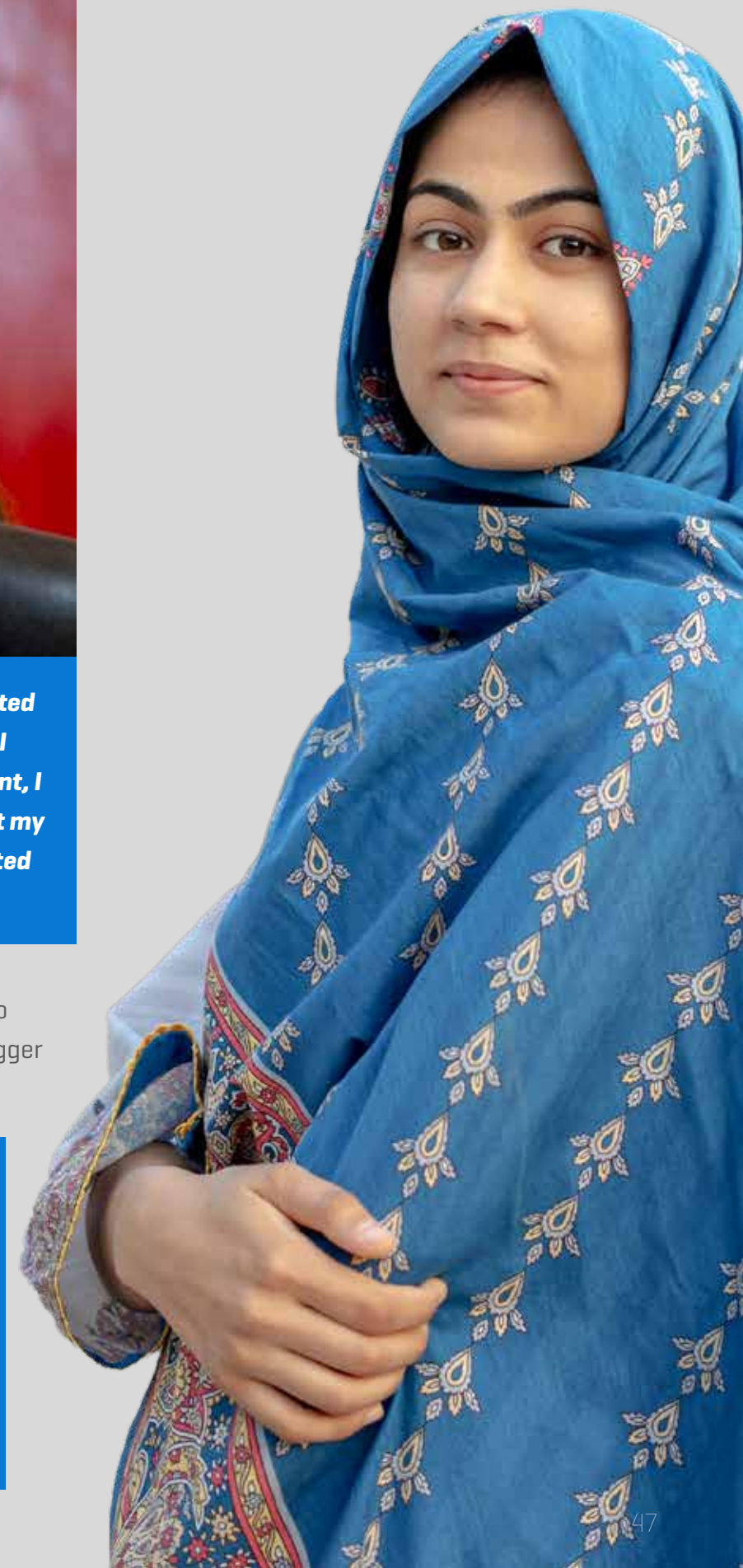
Thanks to her mother's dedication, both Alishba and her brother were able to receive an education.

Deeply moved by her mother's sacrifices, she wished to help ease her burden and contribute to household expenses. It was around this time that Islamic Relief began conducting awareness sessions and offering skill development courses in her area. Upon completing her course, Alishba applied for a grant.

I was fortunate enough to be selected for training as a beautician. Then I got cash grant and through that grant, I received everything I needed to start my beauty parlour. My mother also started to help me in parlour.

Their beauty parlour is located on the outskirts of the city, but Alishba aspires to fulfill her mother's dream of opening a bigger parlour in the main city.

I want to empower vulnerable girls in my area by teaching them the same skills that Islamic Relief taught me. This way, not only can our business grow, but these girls can also benefit from the knowledge and opportunities.





WEAVING A FUTURE

Irum, an inspirational single mother hailing from Rawalpindi always had a passion for fashion designing and stitching.

She had to go through multiple difficulties to provide for her children. Irum's eldest daughter not only attends university but also helps her mother with the business. Islamic Relief with its project Empowering Women in Need (EWIN) helped Irum set up her business. We provided her with sewing machines and tools, paid the stitching centre's utility bills and rent so she could pursue her dream.

After my stitching centre was operational, women from my community started joining me. I started teaching them sewing techniques and together we became a team. We started producing quality products which were highly in demand and trendy as well. I started selling them in the market and started making profits.

Fueled by her passion, Irum now wants to have her own display center in the main bazaar where she will be selling the products herself and maximize her profitability.



My daughter has always been a big support, from digital marketing to book keeping she is managing it all. I want her to carry forward my legacy.



SWEET TASTE OF EMPOWERMENT

Sadaqat Bibi, a 44-year-old woman, is from the village of Karyan Patikka in District Muzaffarabad. She has a challenging life as she has a big family of 8 members.

In a family where her husband is the sole breadwinner as a daily wage labourer, Sadaqat Bibi took it upon herself to seek opportunities for income generation.

Under Islamic Relief Pakistan's intervention, Sadaqat Bibi along with other women in need were provided with chicken to set up their poultry business.

By selling eggs I earned 30,000 PKR in 6 months which is a big amount for a home based business. I sold them for 35 PKR/egg. I will use that money for purchasing chicken feed and to meet the domestic needs.

For Sadaqat Bibi, this was not just about short-term gains; it was about securing a better future for her children, ensuring they receive proper education and expanding her poultry business further.





SPURRING ECONOMIC TRANSFORMATION

It has been a year since COVID-19 pandemic, the people of Pakistan are still at the crossroads of uncertainty and adversity. As the global health crisis wreaked havoc on lives and livelihoods, the nation's economic landscape bore the brunt of these challenging times. Businesses struggled, families faced financial hardship and a sense of poverty loomed large.

Islamic Relief's Microfinance Programme has been a lifeline, opening doors to countless local entrepreneurs and budding businesses. We operate with a core mission of delivering Sharia-compliant interest free loans, aimed at reducing poverty and subsequently elevating the living standards of households by facilitating an upsurge in their income and savings with startup grants, vocational and enterprise trainings.

With tailored financial solutions and access to microloans, families and small businesses found the means to rebuild their lives.

Our Microfinance model has brought substantial and positive impact to the lives of thousands of people.



16,321
individuals started their own businesses



Disbursed PKR
171.49
billion



2,500
businesses supported



99.5%
recovery rate

We offer interest free loans called Qarz-e-Hassana alongside our business investment loans named Mudaraba through which small entrepreneurs get the necessary supplies. This empowers individuals to invest in their businesses, create new avenues of income and fortify their economic stability.

Through training, mentorship and community engagement, Islamic Relief's Microfinance Programme provides not only the financial tools but also the knowledge and support necessary for sustainable growth. Bringing economic stability to the poverty-stricken communities has been one of our top priorities.

These people in need consisting of various enterprises and entrepreneurs, have not only received essential financial assets and products but have also adeptly leveraged these resources to efficiently manage and run their businesses. This operational success has led to tangible improvements in their overall household conditions, encompassing factors such as improved living standards, access to quality education and enhanced healthcare services.





FROM STRUGGLES TO SUCCESS

Shaheen Bibi along with her family lives in a rented house in a slum area in Rawalpindi. Her husband is unable to work due to an illness. In an attempt to make ends meet, her son takes up manual labour, but the income from this work falls short of covering their basic household expenses adding to significant financial challenges.

Shaheen, a strong-willed woman took it upon herself to support her family. She opened a small grocery shop close to her home, hoping that the income generated from the business would ease the family's financial burden.

I faced multiple challenges; my business was not doing well due to stock shortages amid an economic crisis. I wasn't able to pay my debts to suppliers and eventually they stopped providing me further supplies.

Seeking to revive her grocery business, Shaheen reached out to an Islamic Relief representative to obtain Mudaraba financing.

The financial assistance allowed her to restock her shop's inventory and importantly, settle her outstanding debts with the suppliers.



With renewed stock and a clean slate, I successfully re-established my grocery business. My family and I now enjoy an improved quality of life, the financial stress that once weighed heavily on my shoulders has been lifted.



CHAMPIONING HOPE

ORPHANS & CHILDREN WELFARE

An estimated 22.8 million children in the country aged 5-16 are out-of-school which makes Pakistan the second highest number of out of school children in the world. This situation makes it even more difficult for orphans and children on streets.

Children especially orphans are at the heart of Islamic Relief's work. We are working on enhancing the quality of life and socio-economic welfare of these children, while preserving their dignity and nurturing their resilience to face the challenges that life may throw their way. Our work to cater to the needs of orphans and women in Pakistan dates back to 1992. The programme evolved over years and resulting in an expansion to other facets including child rights and protection, education facilities rehabilitation, youth leadership initiatives, higher education scholarships, and skills trainings for child guardians.

Children in Pakistan face numerous challenges that need immediate attention. Alarmingly, child labour is prevalent, depriving children of their childhood



and exposing them to hazardous conditions. Malnutrition and inadequate healthcare contribute to high child mortality rates. Violence and abuse remain pervasive, affecting their physical and emotional well-being. Orphans face abandonment, neglect, or loss of family support, leaving them vulnerable.

Islamic Relief strongly believes in addressing these issues on the grassroots levels. From fulfilling their most basic needs like food, water, education and clothing, these initiatives encompass a wide spectrum, from livelihood support to scholarships for higher education, from healthcare to social inclusion and beyond. As a result, these sponsored families have not only become financially resilient but have also developed the strength to cope with the social and economic challenges that life may present.

Over the course of a remarkable three-decade journey, the Orphan Sponsorship Programme [OSP] has achieved a profound transformation. This is Islamic Relief's flagship programme, we

began this journey with just 30 children and today, our impact has extended to benefit approximately 10,000 children and their communities. The children who were once the right-holders of this programme have now grown into empowered individuals who are contributing positively to society. They have become assets to their communities and serve as ambassadors of Islamic Relief, passionately advocating the organization's mission, vision and values to the world at large.

CURRENTLY, THE ORPHAN SPONSORSHIP PROGRAMME SUPPORTS AN IMPRESSIVE

6,743
ORPHANS

The Orphan Sponsorship Team operates across Rawalpindi/Islamabad, AJK and Peshawar [KP]. These geographical clusters ensures that the benefits of child sponsorship reach far and wide, touching the lives of vulnerable children and families across Pakistan.

Under the Orphan Sponsorship Programme [OSP], Islamic Relief initiated a comprehensive 6-month leadership programme. This involved training 15 young ambassadors from the School of Leadership Foundation, encompassing a 10-day workshop focused on developing essential soft skills and a 3-month mentorship programme to provide these youth ambassadors with guidance and support.

ENABLING CHILDREN TO BLOSSOM

Sehar, a girl with countless dreams to make her mother proud. After the death of her father, her mother supported her in every situation of life.

Many hardships came and passed, but my mother always helped me in facing those challenges with self-confidence and strength.

Sehar was still young when her father left this world, in many situations they needed support of someone who could help them in facing all the challenges of life and Islamic Relief became that support.

To become a doctor has been my childhood dream. I promised myself that I will leave no stone unturned to make this a reality.

Under Islamic Relief's Orphan Sponsorship Programme, Sehar was able to continue her education and gained confidence in herself to build a better future for her family. Not just in the educational field, Sehar also represents her school in sports tournaments playing in football and racing.

Medical education is expensive in Pakistan. It was financially difficult for my mother to support for my medical school. Islamic Relief became a beacon of hope for me and I got admission in a medical school and here I am, pursuing my dreams.

FROM TOOLS TO SCHOOLS

Danish Ali is a 13-year-old boy who resides in a gypsy community with his parents and four siblings. His family natively belongs from Faisalabad but they decided to migrate to Rawalpindi before Danish's birth due to economic woes. Financial constraints have been a constant challenge for Danish's family and they work hard to make ends meet.

My father is an electrician, working on a daily wage basis within our area. My elder brother is a motorcycle mechanic, contributing to the family's livelihood. I also used to help my father with his work but I always wanted to go to school like others of my age.

Islamic Relief under its Protection of Children at Risk (POCAR) initiative rehabilitated the schools in the slums of Rawalpindi with school furniture, boards and learning materials so street children like Danish can get educated through a non-formal basic education schools (NFBE). In addition to that, elder siblings or guardians of street children were trained on different skills easing the financial burden on families. Islamic Relief also provided street children with education material such as, books, stationery and bags.

My family initially hesitated to send me to school due to our financial constraints. Affording education expenses was a challenge for us. However, the opportunity for my elder brother to receive skill training was a turning point. It allowed us to generate additional income, making it more feasible for me to come to school.

Danish is in grade one. He expresses a strong desire to continue his education and contribute to his family's well-being.

Protection of Children at Risk (POCAR) is aimed at assisting children who are living on the streets or engaged in child labour, providing them with education through a non-formal basic education (NFBE) system in a one-room school setting. This programme safeguards children who work in hazardous conditions and are at high risk of experiencing violence. Additionally, crash courses and speed literacy programmes were implemented to bridge the educational gaps for children who had fallen behind their age-appropriate grade levels.



ACTION FOR CLEAN WATER

Water scarcity is the biggest issue faced by Pakistan. Climate change, rapid population growth and poor water resource management are the contributing factors. Pakistan's water availability per capita has decreased by more than 80% in the last 70 years, and the country is now facing a looming water crisis.

In the rural areas of Pakistan, access to water is a significant issue as they have to travel long distances to fetch water, which takes up their time and affects their education and employment opportunities. Usually, children and women are responsible to commute in order to fetch water which puts them at risk. In urban areas, unavailability of clean water due to contamination is a constant struggle. The province of Balochistan is facing major water shortage as the water table has dropped significantly.

Access to safe water, proper sanitation and good hygiene practices are fundamental human rights and essential components of public health. These factors play a critical role in preventing diseases such as diarrhea, cholera, and typhoid, promoting overall well-being and maintaining human dignity. In Pakistan, Water, Sanitation and Hygiene issues remain a significant challenge during disasters, especially in marginalized areas.

The devastating floods of 2022 disrupted water

supply networks and contaminated water resources, leaving communities vulnerable to waterborne diseases. Millions of people were left without access to safe drinking water and sanitation facilities. Islamic Relief provided emergency WASH services to the disaster affected communities. This immediate response included distribution of clean and safe drinking water, provision of safe sanitation facilities in temporary shelters as well as at household level and promotion of good hygiene practices. In addition to that, Islamic Relief Pakistan provided women with family hygiene kits and menstruation hygiene management (MHM) items so they were able to take care of their sanitation needs in a clean and proper manner.

Building climate resilience in the WASH sector requires long-term strategies. This involves designing and implementing climate-resilient water supply and sanitation systems, ensuring the sustainability of these systems and promoting efficient water management practices.

In 2022, Islamic Relief has been actively engaged in a wide array of water-related interventions to address critical issues in various regions. These initiatives included comprehensive water filtration systems in Sindh, rehabilitation efforts to support flood-affected communities, and collaboration with government authorities in Sindh, Balochistan and Khyber Pakhtunkhwa to maximize our impact.

We also installed bores, implemented dewatering processes; removing water from solid material or soil and cleaned and rewatered the essential water resources. We also deployed pumping machinery in various communities and extended and replaced pipe networking to ensure a sustainable supply for communities in need.

Students in remote areas of Pakistan do not have access to clean and safe water and sanitation in their schools, we provided them with WASH facilities which played a significant role in enhancing access to clean and safe water. Moreover, chlorination programmes were also implemented at the household level to ensure safe drinking water.

Rehabilitation of traditional water resources like Karez which is an old-time method of irrigation in which groundwater is tapped by a tunnel were also part of these initiatives. Rainwater harvesting schemes also helped create essential water reservoirs.



Our WASH programmes improved the lives of

81,321

**PEOPLE WHO NOW
HAVE ACCESS TO CLEAN
AND SAFE WATER AND
BETTER HYGIENE**

WATER FOR FOOD

In the arid and sandy plains of District Kharan, Balochistan, lives Mohammad Azum. The community of Killi Mohammed Azum faced a challenging reality.

The livelihood of the people depends on farming, and the people are extremely poor and backward. The agriculture practices were outdated and with changing weather patterns their crop production was suffering but they are too naïve to understand that.

Recognizing the community's plight, Islamic Relief Pakistan initiated a project to address the critical issue of water availability for the local farmers. The goal was to enable the struggling farmers to better manage their lands by improving irrigation systems.

Sand was a big challenge for the farmers due to its water absorbing ability which made it difficult for crops to receive adequate water. Cotton crops, in particular, had suffered, affecting the income and livelihoods of the farmers.

Muhammad Azum was no exception to the struggles, he is the only one who provides livelihood for his family through agricultural farming.

The local farmers of Kharan always lacked the adequate knowledge about climate adaptation and water conservation.

But then, lives improved in the form of a water channel for the local communities.

Now, we have a water channel, most of my agricultural lands have been irrigated through the same water channel from which I have harvested cotton this year and also got good money.

I hope for good crops, as I have harvested wheat and barley this season in my agricultural lands and I'm also giving water to my crops regularly.

The water channel transformed the agricultural landscape, allowing farmers to effectively irrigate their crops, bringing hope and prosperity.





IMPROVING ACCESS TO SAFE WATER

Sabz Ali is the head of his 7-member family, which includes 3 girls and 2 boys. The eldest child is 14 years old, and the two sons are currently attending primary school. Sabz Ali is not just a family man; he's also a dedicated social activist. He tirelessly works for the welfare of his village and supports various individuals and organizations.

My days are quite busy. I manage our family shop, take care of our farm, and handle household tasks. All my village fellows come by my shop and complain about the water issues on daily basis.

Islamic Relief, realizing the needs of local communities carried out efforts to ensure clean and safe water at their door steps.

In the past, we had to fetch clean water from distant areas. But now, with the installation of hand pumps, that is behind us. The villagers are very happy, we finally have **DRINKING WATER FOR EVERYONE.**



CONNECTING COMMUNITIES THROUGH WATER

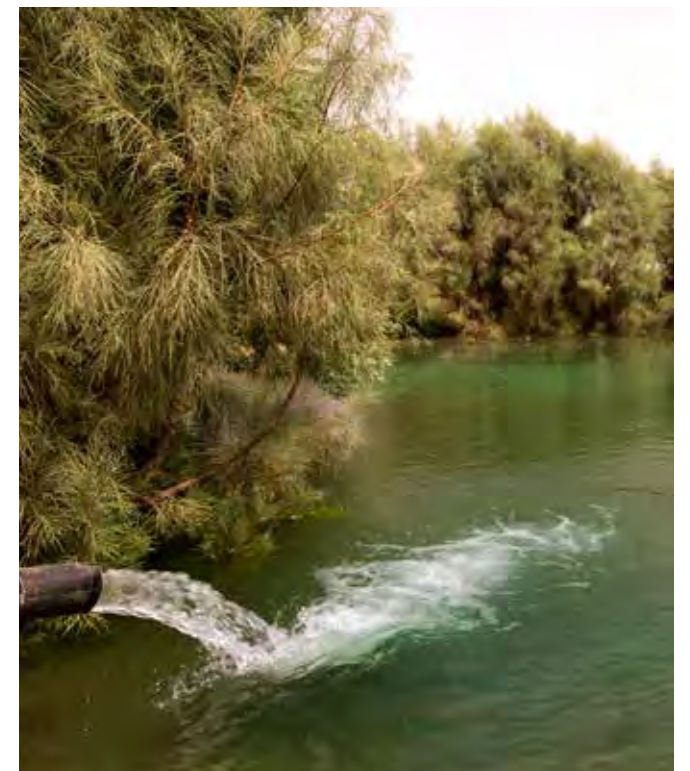
Abdul Wazeel, 38 years old lives in Killi Randozai, District Quetta, a village that has been his home for generations.

I am a farmer, but our livelihood depends on a variety of sources. I depend on agriculture, as well as work as a labourer, and pursue different professions in different cities to make ends meet. Unfortunately, job opportunities are scarce in our area.

Water is a critical issue in Abdul Wazeel's community. They source water from tube wells and supply tanks, that unfortunately, has seen better days. This tank, constructed way back in 1830, now has severe leakage problems, resulting in a significant wastage of water.

People in my town were facing the issue of water storage and it was very difficult for the community to fulfill the water requirement for both agriculture and daily use.

Islamic Relief constructed a Water Pond structure in Abdul Wazeel's area. The water pond has facilitated Wazeel and his community and is a big support for agricultural practices.



The water pond not only stores water efficiently, but the water stored is also clean and drinkable. It helps us to provide timely irrigation to our fields and our agricultural yield has significantly improved. We now harvest good amount of wheat, and various vegetables like onions, tomatoes, ladyfingers, pumpkins, and eggplants. Then we sell them in the market, which provides us with a decent income.

FINDING STRENGTH AMIDST STRUGGLES

In the midst of a bustling slum area in Peshawar lives Muhammad Mushtaq. With a family of six, including his four children, he works as a rickshaw driver, striving to make ends meet. Frequent episodes of illness leave him unable to work for days.

Mushtaq was not just battling one ailment; he was weighed down by multiple chronic diseases that had taken a toll on his health and livelihood.

I suffer from various health problems. Some days, it's a troublesome stomach, while on others, it's persistent coughing. Adding to our troubles, we don't have a permanent place to live, and at times, my family and I end up sleeping on the streets.

The kindness and generosity of his neighbours shone through. They pitched in to build a protective wall along with two additional rooms, providing shelter and safety for his family. The family had to use public toilets which were unhygienic and posed serious threats to children's health.

Islamic Relief provided him with a latrine, a significant step toward improving sanitation and hygiene for Mushtaq's family.

With improved sanitation and additional space, I can now offer my family a more secure and healthy life.



CLIMATE CHANGE

STRENGTHENING ADAPTATION AND RESILIENCE



As the climate crisis continues to turn our world upside down, we are witnessing the devastating impacts on our environment and communities. While it is a global issue, the people of Pakistan are experiencing the brunt of this crisis, despite contributing to less than 1 percent of global carbon emissions. Islamic Relief recognizes the climate crisis as one of the most significant challenges of our time.

In a country where extreme weather events, such as floods, have become increasingly frequent and severe, the urgency to address climate change is inevitable. We stand at the forefront of advocating for climate justice, understanding that vulnerable communities are disproportionately affected by environmental changes beyond their control.

We firmly believe that climate education should be an integral part of every development intervention. By integrating climate awareness and resilience into our programmes, we aim to empower communities to adapt and respond effectively to the evolving climate landscape. In doing so, we strive to build a more sustainable and resilient future for all.

Climate adaptation is the overarching domain of our work. All of our programmes are designed keeping the effects of climate change in consideration. These initiatives include the construction of flood-resistant shelters, strengthening of infrastructure to withstand extreme weather events and the promotion of climate-smart agriculture practices. To reduce carbon emissions and promote clean

energy sources, we've initiated projects for the installation of solar panels. These efforts not only mitigate the effects of climate change but also enhance the livelihoods of local communities. We've also been actively engaged in sustainable water resource management projects. This includes the construction of water storage facilities, rainwater harvesting systems, and the rehabilitation of water supply infrastructure, ensuring communities have access to clean and reliable water sources, even in times of drought.

Recognizing the increasing frequency and intensity of climate-related disasters, we're focused on Disaster Risk Reduction (DRR) and preparedness programmes. These efforts involve early warning systems, constructing protection walls to keep floodwaters away, providing right-holders with seeds that can survive when there's not enough rain and community trainings to respond effectively to disasters. We've been conducting awareness campaigns and training sessions to educate communities about climate change and its impacts. By fostering local knowledge and understanding, communities are better equipped to adapt and respond to changing climatic conditions.

We are also working with the provincial and national government to develop and implement climate change policies. Collaboration with media and academia to raise awareness among people about the worsening effects of climate change is also a major focus area.

Our partnerships with media outlets play a crucial role in disseminating information and increasing public awareness about the escalating impacts of climate change. This multifaceted approach is central to our efforts in advocating for climate justice and sustainable environmental practices.



We are also conducting researches to better understand local impacts of climatic challenges and identify innovative solutions. We also promote climate-smart agricultural practices that are adapted to changing weather patterns and designed to maximize food security and income generation for vulnerable communities. We have introduced people to climate-resilient crops, water conservation techniques, kitchen gardening utilizing waste and rain water.



Made
89,122
lives climate-adaptive

FORMING ALLIANCES



Islamic Relief Pakistan met with the former Prime Minister of Pakistan to discuss the climate crisis.



President of Islamic Relief USA Anwar Khan and Country Director Islamic Relief Pakistan called on the President of Pakistan Dr. Arif Alvi and shared the details of emergency relief work across Pakistan.



Provincial Consultation on National Climate Change Policy was aimed at bringing all stakeholders together to take decisive action.



Water Conference in Balochistan aimed at making decisions for effective use of water resources in the province amidst a harrowing climate crisis.



ENHANCING PREPAREDNESS

A resident of Panjpai, Quetta, Abdul Rauf recalled the days when heavy rain would bring hardships and fear to his town and neighbouring areas.

Floodwater affected the people in my area as well as the neighboring areas. I was sitting outside my house in a shed when it started raining, in a matter of hours there was water everywhere, leaving us no time to pack our valuables. The water breached the mud wall cutting through my village. It took away our homes, schools, mosques, cattle and livelihoods.

Islamic Relief Pakistan reconstructed the same flood protection wall with stones and concrete which now shields the community by protecting their infrastructures, lives and livelihoods.

The protection wall is not only protecting my family but it is a shield for hundreds of families against future floods. We had longed for this security and now we can protect our homes and possessions.

The recent flash floods demonstrated the wall's effectiveness, and initiatives like these are pivotal in disaster-prone regions, fortifying communities against natural disasters.



SEEDS OF HOPE

Muhammad Fazal, a long-time resident of Killi Sargurdan in Kharan, Balochistan, is a dedicated farmer in his early 60s who tirelessly tends to his agricultural fields. Despite his hard work, he struggles to make ends meet for his family of six. As the primary breadwinner, the weight of supporting his entire family rests on his shoulders.

I work tirelessly to provide for my family, but unpredictable weather patterns has reduced my crop production. They require special attention and different care taking up all my time.

Muhammad Fazal like other farmers was also facing the affects posed by climate change. The villagers were unknown to climate-adaptive approaches. To address Muhammad's challenges, Islamic Relief provided him with climate-sensitive seeds. This assistance was a lifeline for Muhammad, who had the land and water resources needed for cultivation but faced financial constraints that prevented him from

purchasing the necessary seeds suitable for the changing climatic patterns.



I received seeds for wheat, barley and cumin, I cultivated them. With trainings and skills to grow these seeds my land has prospered again. It takes less attention and increased crop yield which leaves me with plenty of time to spend with my family.



HELPING COMMUNITIES THRIVE

Said Mali, a hardworking farmer residing in the Khyber district, has long been the owner of a piece of land close to his home. Despite having the potential to utilize his land effectively with advanced agricultural systems, he faced significant challenges. Changing weather landscape, insufficient resources and lack of water in the region left him feeling disheartened.

I was disappointed and my land was of no use for years. I dreamt of cultivating enough produce to sell in the market, but unfortunately, I found myself at a loss. The traditional methods I had relied on before were no longer yielding results.

In this time of adversity, Islamic Relief helped Said Mali by providing essential support in the form of drip irrigation technology for his olive and lemon farm. Over the course of just a few years, this support transformed his farm into thriving success.



My farm's produce has gained significant popularity, with a growing demand for my olive-based products. From olive pickles, oil and tea to lemon-based products, such as lemon pickles and tangy lemon sauce, I sell them all in the market. The positive response not only motivates me for farming but has also translated into a rewarding source of income.

Olive plantation with drip irrigation is a significant step in embracing climate-smart agriculture practices. Through initiatives like these, Islamic Relief is enabling farmers like Said Mali to leverage the benefits of innovation. Such initiatives not only facilitate them to adapt to the evolving climate but also play a crucial role in advancing broader objectives of climate resilience and water conservation in Pakistan.

QUENCHING THE THIRST

In the slum of Bahadur Kalay in Peshawar, a community of approximately 850 households had long suffered with a fundamental challenge that is access to a reliable and sufficient drinking water supply.

Before Islamic Relief Pakistan intervened, the residents of Bahadur Kalay relied on a water supply system that struggled to meet their basic needs. The burden of this struggle was keenly understood by Daulat Khan, who serves as the dedicated operator of the community's tube well.

I am not just an operator, I am also a resident of the same village, facing the same problems. The water supply system is outdated and unreliable. There were days when we were left without clean water to drink.

Recognizing the pressing need for a sustainable solution, Islamic Relief provided Bahadur Kalay with a multifaceted approach including the rehabilitation and installation of a solar-powered system and water filtration plant at the Drinking Water Supply Scheme.

The solar-powered system ensured that the village had access to clean water, a transformation that alleviated the daily struggle for hundreds of households.



I have seen the change it brought to Bahadur Kalay. It has brought immense improvement in the villagers' lives, as they can now easily access clean water without any inconvenience.

Climate change undoubtedly intensified the severity of flooding, and Pakistan stands as one of the nation's most vulnerable to its negative consequences. Rich countries need to do more to help those who are hit hardest by climate change.

The efforts by Islamic Relief aims to reduce the community's vulnerability to climate change, make them better at adapting, and support Pakistan's goals for dealing with climate change impacts and sustainable development. We are leading the way in addressing climate challenges and building resilience in Pakistan's most vulnerable areas.

BREAKING BARRIERS

PROTECTION & INCLUSION

Everyone deserves to live in a safe and secure environment, and everyone deserves the opportunity to participate fully to create an equitable society. In an increasingly interconnected world, addressing the needs and rights of marginalized and vulnerable population is a pressing concern. The proactive approach that needs to be adopted is to integrate protective measures and inclusive practices into various aspects of our society, ensuring that no one is left behind.

Islamic Relief is dedicated to creating a more just and compassionate environment for everyone. This commitment extends from safeguarding the rights of children and women to promoting diversity and promoting a culture of inclusion. By placing the rights and well-being of the most vulnerable at the forefront of our collective consciousness, we aim to champion a multifaceted approach to create a more equitable society.

Islamic Relief's core principles, "Leave No One Behind" and "Do No Harm" drive our work across Pakistan. We work in close collaboration with communities and relevant government agencies to provide comprehensive protection services, which encompass the operation of helplines, case management, and the establishment of efficient referral pathways. We also prioritize delivering essential psychosocial support to those in need.



Before initiating any intervention, we proactively engage with communities, guiding them on the complaint mechanism while concurrently raising awareness of protection risks and the array of services available to them. Our approach focuses on addressing the specific needs of diverse vulnerable groups. This inclusive perspective encompasses older individuals, persons with disabilities, women, children, and ethnic or religious minorities, ensuring that their unique



requirements are addressed with the utmost care and attention. This comprehensive approach seeks to preserve their dignity, minimize the risk of violence and exploitation, and provide safe and appropriate facilities and practices. We take proactive measures to ensure that children, families, and communities are well-versed in matters related to harassment, child protection, and how to access available child protection services. We've introduced innovative services like BOLO, a dedicated helpline that specifically addresses gender-based violence (GBV). BOLO provides support and resources to combat various forms of abuse experienced by women.

Furthermore, we have established child-friendly, women-safe spaces designed to offer a comprehensive range of GBV prevention and response services. These spaces are particularly attuned to the needs of women of reproductive

age, individuals with disabilities, GBV survivors, at-risk groups, and serve as recreation areas for families in temporary shelters. Our holistic approach strives to provide a secure and supportive environment for those seeking refuge.



7,871

**INDIVIDUALS SUPPORTED
THROUGH SOCIAL
PROTECTION INITIATIVES**



REALIZING THE RIGHTS

Salma, a 12-year-old girl with beautiful eyes and a radiant spirit, longed for something that many take for granted – the simple joy of walking to school that is near to her home. Salma is unable to walk due to a disability that affected both her feet. Her father, Kashif, became her support system, lifting her in his arms, he takes her to the shop to buy her favorite candies and popcorn and leaves her at her classroom desk to study alongside her peers.

Salma is a polio affected girl, I had dreamt of seeing her run, play and laugh with her friends like any other child. However, our reality was different, it could not be possible,

shared Kashif, Salma's father.

Islamic Relief Pakistan reached out to Salma, and provided her with a wheelchair. We have reached out to countless families like Salma's, offering assistance to help them lead lives filled with moments that are often taken for granted by others. Salma is now happy and comfortable with

the wheelchair; it enables her to easily move between shops and school.

The first time I sat in my wheelchair, I felt an overwhelming sense of freedom. I had never been on a wheelchair before. While I may not play on ground with my friends or make mud houses like them but I can now safely navigate to the playground and join my friends to enjoy their company.



SAFE SPACES FOR CREATIVE FREEDOM

After 2022 floods, women were traumatized because of the huge disaster that washed away everything that they had. Nabila, a young girl was among the many who needed help. She had to live on roads for months with her family.

We were in despair, we didn't have food, water or any place to live and protect ourselves in the scorching heat. Those were the worst months of our lives.

After the flood water receded, Nabila and her family came back to their village and numerous issues were waiting for them there. Her home was completely destroyed. Nabila and other women in the village were impacted by the drastic loss that completely shattered their lives affecting their mental well-being.

Islamic Relief established a safe space for women and children in Nabila's village where women could sit together, talk about issues and

also get training on different skills which could also help them with earning some income for their family. Islamic Relief also helped women and children cope with traumas through psychosocial support by arranging interactive sessions and activities.

It is a clean and very friendly space. I go there daily, meet my friends and listen to each other. I am also receiving training on sewing clothes so I can earn some money for my family.

Many young girls like Nabila are now earning and also happy to have a space for women in their own village which is helping them in multiple ways. Their children can play different games in the safe spaces and women can interact with each other to discuss issues which they could not before.



NURTURING SPECIAL SKILLS & ABILITIES

accessibility for all. We also provided children with fun and educational toys for their learning and growth.

Keeping in mind the diverse needs of these special children, physiotherapy equipment was thoughtfully provided, further enhancing their access to vital rehabilitative services. Hygiene sessions, an essential aspect of their well-being, have been thoughtfully arranged to impart valuable knowledge about hygiene and sanitation, providing the children with skills that will empower them throughout their lives.

We have seen a significant increase in the number of children joining us since upgrading the facility. We now have dedicated rooms for vocational skills, computer skills, prosthetic toys, and other materials to support these children.

The Directorate of Special Children serves as a sanctuary for the most vulnerable in our society, particularly for children with disabilities such as Down's syndrome, autism and mental challenges, as well as street children who face multiple hardships.

Within its nurturing walls, a total of 50 children with special needs have found not only education but also a sense of hope.

The institution was an old building with no proper washrooms or facilities. This made it very difficult to give the children the care and education they needed and deserved,

shared Amir Khan, the manager of the institute.

Islamic Relief reached out, and the entire facility received a much-needed renovation. It was equipped with accessible washrooms, ensuring



SEASONS OF SHARING

In Pakistan, the changing seasons mark the beginning of something truly special – Islamic Relief’s Seasonal Programmes.

The main aim of Seasonal Programmes is to protect life and dignity of affected communities and to bring nutritional relief to poor and needy people who have no access to food. This is done through distributing food and meat packs. This helps to ensure that seasonal programmes compliment other Islamic Relief emergency and development efforts and contribute to the wider focus of empowering local communities.

SHARING THE BLESSINGS OF RAMADAN

Anila, a young girl lives in Forward Kahuta in the Haveli district of Azad Jammu and Kashmir.

Anila’s life, though marked by challenges, is infused with a spirit of generosity

and a love for her family. She is an orphan and is studying in the 10th grade. She is one of four siblings, her father passed away while working in Saudi Arabia.



one of the villagers who received foodpacks for her family. She was extremely happy and was in disbelief.

My 17-year-old brother works in Karachi, but the limited income makes it tough for us, especially during Ramadan. We often struggle to have enough food.

Islamic Relief Pakistan distributed food packs to the vulnerable communities to get them through the month of Ramadan and Anila’s family was

We could not sleep all night because of the excitement after hearing that we will be receiving food packs. I make delicious biryani and everyone at home loves my biryani. I can now prepare biryani for iftar. I will also make samosas and pakoras, they are my favourite.

QURBANI

THE PERFECT EID GIFT

Eid-ul-Adha, the Festival of Sacrifice, is a sacred celebration that holds a special place in the hearts of Muslims. Islamic Relief’s Qurbani Programme in Pakistan ensures that the spirit of sharing and sacrifice is upheld. We distribute high-quality meat to disadvantaged families, spreading joy and nourishment during the festivities. This programme extends the blessings of Eid to those who might otherwise go without, reminding us of the power of compassion and unity. We reach remote communities, orphanages, and slum areas, bringing hope and sustenance where it is needed most.

Ghulam Mustafa from Badin, a district in Sindh makes a living as a labourer and often commutes to Karachi in search of daily wage opportunities. For Ghulam and his family, special occasions like Eid holds a significant place.

We only celebrate Eid when we secure labour work. Then I can manage to buy new clothes and good food for my family which makes them very happy.

In recent times, the burden of rising inflation has made life more challenging for Ghulam Mustafa and his family. The rising cost of essential food items has put a strain on his already meager resources, making it difficult for him to afford Qurbani during Eid.

Islamic Relief’s meat packs has offered much-needed relief to their family.

Affording meat is now a luxury for people like us. Receiving meat has significantly eased our burden and is a relief for our family meals. We will make namkeen gosht and will eat together.



HELP US TRANSFORM LIVES

Islamic Relief over the period of three decades, formed an inseparable bond with the people of Pakistan. We engaged with communities in the harshest and difficult to reach areas of the country, making us a familiar name.

Currently, the country is facing an array of challenges including poverty, climate change, rising inflation and access to education, water and health facilities. The floods of 2022 were the worst to hit the country in decades. The government of Pakistan described the situation as a “climate catastrophe of unimaginable proportions,” affecting more than 33 million people, including 11 million children.

Islamic Relief emerged as the largest emergency responder and helped 1.5 million people with lifesaving aid. In addition to this, we are also carrying out numerous projects in Khyber Pakhtunkhwa, Sindh, Balochistan and Punjab to improve lives and create a safer tomorrow.

We are excited to announce our fundraising launch in Pakistan through which you can also become a part of the journey of Transforming Lives.

You can donate to different causes including emergency relief work, children and orphan welfare and access to water. No matter how small or big, your generosity and kindness can create a lasting change and illuminate a life.



DONATE NOW

Title: **Islamic Relief**

Bank: **Askari Bank Limited**

Branch: **F-10 Markaz**

Account No: **0260100022000**

IBAN: **PK69ASCM0000260100022000**



AUDIT OF FINANCIAL STATEMENTS

A.F. FERGUSON & CO.

Chartered Accountants
a member firm of the PwC network



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Islamic Relief

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Islamic Relief (the Company), which comprise the statement of financial position as at December 31, 2022, the statement of income and expenditure, the statement of comprehensive income, the statement of movement in restricted donor's fund / grant, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of movement in restricted donor's fund / grant 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 December 31, 2022 and of the the surplus and other comprehensive loss, the changes in restricted donor's fund / grant 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 Auditor's 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 Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's 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.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924, 2206473; <www.pwc.com/pk>

*KARACHI *LAHORE *ISLAMABAD

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.

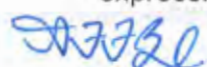
Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of movement in restricted donor's fund / grant 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 auditor's report is JehanZeb Amin.



Chartered Accountants
Islamabad

Date: May 16, 2023

UDIN: AR202210083ngxq7kpKO

ISLAMIC RELIEF

(A company incorporated under section 42 of the Companies Act 2017)

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

| | Note | 2022 (Rupees) (Equivalent GBP) (Note 5.13) | 2021 (Rupees) (Equivalent GBP) (Note 5.13) |
|---|------|--|--|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property and equipment | 6 | 56,322,869 | 204,739 |
| CURRENT ASSETS | | | |
| Micro credit financing | 7 | 89,368,706 | 324,864 |
| Advances | 8 | 48,863,376 | 177,623 |
| Deposits, prepayments and other receivables | 9 | 37,437,937 | 136,091 |
| Cash and bank balances | 10 | 418,641,991 | 1,521,804 |
| | | 594,312,010 | 2,160,382 |
| | | 650,634,879 | 2,365,121 |
| LIABILITIES AND FUNDS | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 723,188,806 | 2,628,860 |
| NON CURRENT LIABILITIES | | | |
| Deferred liability | 12 | 136,709,754 | 496,953 |
| Deferred grant | 13 | 56,322,870 | 204,739 |
| | | 193,032,624 | 701,692 |
| RESTRICTED DONORS' FUND / GRANT | 14 | (265,586,551) | (965,431) |
| | | 650,634,879 | 2,365,121 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 15 | | |

The annexed notes 1 to 24 form an integral part of these financial statements.

Signature

Signature
CHIEF EXECUTIVE

Signature
DIRECTOR

ISLAMIC RELIEF

(A company incorporated under section 42 of the Companies Act 2017)

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 2022

| | Note | 2022 (Rupees) (Equivalent GBP) (Note 5.13) | 2021 (Rupees) (Equivalent GBP) (Note 5.13) |
|--------------------------------|------|--|--|
| INCOME | | | |
| Amortization of deferred grant | 13 | 22,759,408 | 90,478 |
| Grant income recognised | 14 | 4,213,160,649 | 16,749,056 |
| | | 4,235,920,057 | 16,839,534 |
| EXPENDITURE | | | |
| Depreciation | 6 | 22,759,408 | 90,478 |
| Operation support expenditure | 17 | - | - |
| Project expenditure | 18 | 4,213,160,649 | 16,749,056 |
| | | 4,235,920,057 | 16,839,534 |
| Surplus/ (deficit) | | - | - |

The annexed notes 1 to 24 form an integral part of these financial statements.

Signature

Signature
CHIEF EXECUTIVE

Signature
DIRECTOR

ISLAMIC RELIEF

(A company incorporated under section 42 of the Companies Act 2017)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022

| | Note | 2022 (Rupees) (Equivalent GBP) (Note 5.13) | 2021 (Rupees) (Equivalent GBP) (Note 5.13) |
|---|------|--|--|
| Surplus/ (deficit) | | - | - |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Loss on remeasurement of staff retirement benefit | 12 | (31,848,483) | (4,428,007) |
| Currency translation difference | | 94,253 | (111,501) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | (31,848,483) | (4,428,007) |

The annexed notes 1 to 24 form an integral part of these financial statements.

Saifullah


CHIEF EXECUTIVE


DIRECTOR

ISLAMIC RELIEF

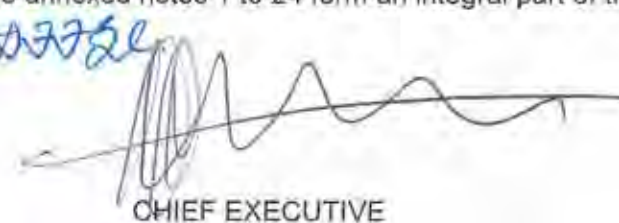
(A company incorporated under section 42 of the Companies Act 2017)

STATEMENT OF MOVEMENT IN RESTRICTED DONORS' FUND / GRANT FOR THE YEAR ENDED DECEMBER 31, 2022

| | (Rupees) | (Equivalent GBP) (Note 5.13) |
|--|----------------------|------------------------------------|
| Balance as at January 1, 2021 | 359,277,090 | 1,647,588 |
| Movement during the year | | |
| - Receipts | 1,875,403,238 | 8,358,902 |
| - Transferred to deferred grant | (33,504,501) | (149,334) |
| - Other operating income | 87,154,650 | 388,459 |
| - Operation support expenses | (18,342,000) | (81,753) |
| - Project expenditures | (1,980,792,809) | (8,828,636) |
| - Adjustments | - | - |
| | (70,081,422) | (312,362) |
| Comprehensive income | | |
| Excess of income over expenditure | - | - |
| Other comprehensive income | (4,428,007) | (131,237) |
| Balance as at December 31, 2021 | 284,767,661 | 1,203,989 |
| Balance as at January 1, 2022 | 284,767,661 | 1,203,989 |
| Movement during the year | | |
| - Receipts | 3,341,573,804 | 13,284,138 |
| - Transferred to deferred grant | (41,612,667) | (165,428) |
| - Other operating income | 375,629,665 | 1,493,283 |
| - Operation support expenses | - | - |
| - Project expenditures | (4,213,160,649) | (16,749,056) |
| - Adjustments | 19,064,118 | - |
| | (518,505,729) | (2,137,063) |
| Comprehensive income | | |
| Excess of income over expenditure | - | - |
| Other comprehensive loss | (31,848,483) | (32,357) |
| Balance as at December 31, 2022 | (265,586,551) | (965,431) |

The annexed notes 1 to 24 form an integral part of these financial statements.

Saifullah


CHIEF EXECUTIVE


DIRECTOR

ISLAMIC RELIEF

(A company incorporated under section 42 of the Companies Act 2017)

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2022

| Note | 2022 (Rupees) (Note 5.13) | (Equivalent GBP) | 2021 (Rupees) (Note 5.13) | (Equivalent GBP) |
|--|---------------------------------|---------------------|---------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Grant received during the year | 3,438,115,566 | 13,667,931 | 1,925,389,129 | 8,581,695 |
| Payment of operation support expenditures, project expenditures and other expenses | (3,462,166,707) | (13,763,544) | (2,014,951,519) | (8,980,886) |
| Net cash used in operations | (24,051,141) | (95,613) | (89,562,390) | (399,191) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Micro credit financing | (3,934,433) | (15,641) | (4,900,965) | (21,844) |
| Purchase of property and equipment | (41,612,667) | (165,428) | (33,504,502) | (149,334) |
| Proceeds from disposal of property and equipment | 172,500 | 686 | 1,811,340 | 8,073 |
| Net cash used in investing activities | (45,374,600) | (180,383) | (36,594,127) | (163,105) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Grant received for property and equipment | 41,612,667 | 165,428 | 33,504,501 | 149,334 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT | (27,813,074) | (110,568) | (92,652,016) | (412,962) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 446,455,065 | 1,887,538 | 539,107,081 | 2,472,258 |
| Effect of foreign currency exchange gain / (loss) on cash and cash equivalents | - | (255,166) | - | (171,758) |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 418,641,991 | 1,521,804 | 446,455,065 | 1,887,538 |

The annexed notes 1 to 24 form an integral part of these financial statements.

Signature of Chief Executive

Signature of Chief Executive

CHIEF EXECUTIVE

Signature of Director

DIRECTOR

ISLAMIC RELIEF

(A company incorporated under section 42 of the Companies Act 2017)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. THE COMPANY AND ITS OPERATIONS

1.1 Islamic Relief (the Company) was incorporated in Pakistan on December 8, 1994 as a guarantee limited company, under the provisions of section 42 of the repealed Companies Ordinance, 1984. The Company is also representative in Pakistan of Islamic Relief Worldwide (Parent organization) whose headquarters are in Birmingham, United Kingdom (UK). The main sources of income of the Company are donations received from individuals and institutions in Europe, America, Canada through Parent organization and through local Institutional Donors funding. These funds are utilized for executing projects in Pakistan and Azad Jammu and Kashmir. The registered office of the Company is situated at 2nd Floor, IRM Complex, Plot # 7, Sunrise Avenue, Park Road, near COMSATS University, Islamabad. The primary objective for which the Company was formed in Pakistan are to:

- execute projects for the relief and rehabilitation of public at large and those suffering from natural disasters, wars etc.; and
- provide financial assistance to organizations, institutions, research centers and individuals to improve the standard of living.

1.2 Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 02/2015 dated January 1, 2015 and regulation 8 of Association with Charitable and Not for Profit Objects Regulations, 2018 required associations set up under Section 42 of the repealed Companies Ordinance, 1984 to apply to SECP for renewal of their license. Accordingly, the Company had applied for renewal of the license but the renewal stands pending. However, in accordance with the SECP's SRO 1574(1)/2021 dated November 29, 2021, the requirement of renewal of license by the Company under section 42 of the Companies Act, 2017 has now been omitted from Associations with Charitable and Not for Profit Objects Regulations, 2018. Accordingly, renewal of license is not required to be obtained and the existing license issued by SECP No CL-42/1/92 remains effective. Further, the Company has obtained membership of the Pakistan Center for Philanthropy. Accordingly, the Company's management believes that there is no material uncertainty about the Company's ability to continue as a going concern.

The Company has 5 Area Offices and 11 Field Offices as listed below located in the mentioned areas:

Area Office Peshawar

Baitul Maal Street No. 2 near Masjid Mukaram Khan, Railway Lane, Pawakay, Peshawar

Area Office Quetta

Plot # 37-A Jinnah Town near Pearl Institute Samungli Road Quetta

Area Office Rawalpindi

House # 293-A, Green House, Main Peshawar Road, Rawalpindi.

Area Office Karachi

House # 307, PIA Housing Society, Block 9 Gulistan-e-Johar, Karachi

Area Office Muzaffarabad

House # 151, street # 17 Upper Chatter Housing Scheme Muzaffarabad

Field Office Kohat

House# 38 A, Sector A-1 Phase-2 KDA, Kohat

Field Office Bagh

Near Police Station, Sudhan Gali Road, Bagh

Field Office Larkana

House No.136, Near Indus Girls College Sachal Colony, Larkana, Sindh

Field Office Haveli

Near/opposite NADRA office by pass road Kahuta, Tehsil and District

Field Office Harnai

Saeed Abad near DHQ Hospital Quetta road Harnai

Field Office Khara

Girls College Road near Commissioner House Khara

Field Office Noshki

Anam Bostan Road Killi Qazi Abad Shaheed Master Muhammad Azeem

Field Office WAH

Plot No 63, Lan No 02, Phase 2, Model Town WAH

Field Office Dhaddar

Main Rind Ali Bazar Opposite Girls High School Dhaddar District Bolan

Field Office Qila Saifullah

Killi Jahangir Khan Killa Saifullah District Qila Saifullah

Field Office Kalat

Farooqia Town Near Motorway Police Office Kalat District Kalat

Field Office Dera Allah Yar

Zero Point Azam Town Quetta Road Near Usta Muhammad Bypass Dear

Field Office Bannu

H# 68, Steet# 2, Block B, Phase 1, Bannu Township, Bannu

Field Office DI Khan

Ex Base Commissioner House opposite Ziyarat Abdul Latif Near Circuit

Field Office Mirpurkhas

Bungalow No A-8 Gulistan e Mustafa opposite city banquet hall main

Field Office Satellite Town

House No 97B, B Block Near Umar Clinic Satellite Town Rawalpindi

Rawalpindi

Signature of Director

2 BASIS OF PREPARATION

Statement of compliance

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

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

Where provisions of and directives issued under Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act 2017 have been followed.

3 NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

| | | Effective date (annual reporting periods beginning on or after) |
|---------|---|--|
| IAS 1 | Presentation of Financial Statements (Amendments) | January 1, 2023 |
| IAS 1 | IFRS Practice Statement 2 Disclosure of Accounting Policies | January 1, 2023 |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors (Amendments) | January 1, 2023 |
| IAS 12 | Income Taxes (Amendments) | January 1, 2023 |
| IFRS 4 | Insurance Contracts (Amendments) | January 1, 2023 |
| IFRS 16 | Leases (Amendments) | January 1, 2023 |
| IFRS 17 | Insurance Contracts (Amendments) | January 1, 2023 |
| IASB | New standards and amendments to standards, improvements to various accounting standards | January 1, 2023 |

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

3.2 The following new standards and interpretations have been issued by IASB, which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

| | |
|---------|--|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards |
| IFRS 17 | Insurance Contracts |

3.3 The following interpretation issued by IASB has been waived off by SECP vide SRO 24(1)/2012:

| | |
|----------|---------------------------------|
| IFRIC 12 | Service concession arrangements |
|----------|---------------------------------|

Waived

4 USE OF CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. 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 judgments about carrying values of assets and liabilities that are not readily apparent 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 management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the subsequent year are discussed in the ensuing paragraphs. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

a) Property and equipment

The Company reviews the useful life and residual value of property and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

b) Provision for doubtful microcredit financing, advances and other receivables

The Company reviews the carrying amount of micro credit financing, advances and other receivables as per IFRS-9 on a regular basis and appropriate provision is made.

c) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

d) Staff retirement benefits

The Company operates an unfunded gratuity scheme for all its eligible employees, wherein provision is made as per the actuarial valuations based on certain assumptions regarding future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

e) Contingencies

The Company reviews the status of legal cases on a regular basis. Based on the expected outcome, appropriate disclosure or provision is made.

f) Right of use asset and corresponding lease liability

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

g) Right of use asset and corresponding lease liability

The company reviews the Expected Credit Loss (ECL) model which is based on the historical credit loss experience over the life of the trade receivables and adjusted, if required. The ECL model is reviewed on a quarterly basis

Waived

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of measurement

These financial statements have been prepared, using accrual basis of accounting, under the historical cost convention except deferred liability for staff retirement gratuity which is carried at present value of defined benefit obligation in accordance with the actuarial valuation using the Projected Unit Credit (PUC) Method.

5.2 Property and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any. Cost of an item of property and equipment comprises purchase price, import duties and other costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

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

Depreciation is calculated on the straight line method and charged to income and expenditure account to write off the depreciable amount of each asset over its estimated useful life at the annual depreciation rates specified below:

| | (%) |
|-----------------------------------|-----|
| Vehicles | 20 |
| Furniture and fittings | 10 |
| Office equipment | 10 |
| Communication equipment/Computers | 20 |
| Project equipment | 10 |
| All assets below Rs. 25,000 | 100 |

Full year depreciation is charged in the year of acquisition whereas no depreciation is charged in the year of disposal.

The cost of replacing a part of item of property and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of the property and equipment are recognized in income and expenditure as incurred.

The carrying values of property and equipment are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset or cash-generated units are written down to their recoverable amount.

The recoverable amount of property and equipment is the greater of fair value less cost to sell and value-in-use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income and expenditure account.

S.A. Zia

5.3 Micro credit financing

The Micro Credit Financing activities undertaken by the Company are based upon Islamic mode of financing "Murabahah" and "Qarz-e-hasna". Murabahah is an Islamic connotation and in essence a sale. The core feature distinguishing it from other kind of sale is that in Murabahah, the seller expressly tells the purchaser how much cost has been incurred and how much profit the seller is going to charge the purchaser in addition to the said cost. Following the Murabahah mode of business, the Company with the consent of the clients buys certain goods/ commodities and provides the same to clients on a certain profit added to the related cost. Qarz-e-hasna is awarded without any profit element. The activities covered under the Micro Credit Financing include serving deserving people in income generation, education, home improvement and assistance to widows.

The Company applies the IFRS 9 general approach to measure the expected credit losses (ECL) on microcredit financing. The Company assesses on a forward looking basis the expected credit losses associated with micro credit loans. The Company applies the general approach for calculating a lifetime expected credit losses for its micro credit loans recognized. The life time expected credit loss is determined at least annually. However, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and impairment loss is recognized for the difference between the recoverable amount and the carrying value.

5.4 Advances, deposits, prepayments and other receivables

These are recognized at cost, which is the fair value of the consideration given. The Company assesses on a forward looking basis the expected credit losses associated with advances, deposits, prepayments and other receivables. The Company applies the general approach for calculating a lifetime expected credit losses for its advances, deposits, prepayments and other receivables recognized. The life time expected credit loss is determined at least annually. However, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and impairment loss is recognized for the difference between the recoverable amount and the carrying value.

5.5 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and balances with banks.

5.6 Trade and other payables

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

5.7 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all eligible employees completing the minimum qualifying period of service. The liability recognized in the balance sheet in respect of defined benefit plans, is the present value of the defined benefit obligations at the date of the balance sheet. The defined benefit obligations are calculated annually, by an independent actuary using the projected unit credit method. The most recent valuations were carried out as at December 31, 2022. The present value of a defined benefit obligation is determined, by discounting the estimated future cash outflows, using the interest rates of high quality corporate bonds that are nominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized through other comprehensive income for the year.

S.A. Zia

5.8 Deferred capital grant

Grants related to property and equipment are accounted for by setting up the grants as deferred grant. These grants are recognized as income on a systematic basis over the useful life of the related property and equipment.

5.9 Restricted donors' fund / grant

Restricted donors' fund / grant received for specific purpose, are deferred when received and charged to income to the extent of actual expenditure incurred.

5.10 Income recognition

Grant is recognized when there is reasonable assurance that the Company will comply with the conditions precedent to the grant and meets its performance obligation criteria. Grant received in kind is recognized at fair value of items received. Grant is recognized as income over such period as is necessary to match it with the related expenditure, on a systematic basis i.e. meeting of performance obligation. Sale of items is recognized upon delivery basis.

5.11 Provisions

A provision is recognized in the financial statements when the Company has 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 can be made of the amount of obligation.

5.12 Taxation

The Company holds status of a not for profit organization under the Income Tax Ordinance, 2001 (Ordinance), thus it claims exemption from income tax in accordance with the related provisions of the Ordinance. Further, no provision for taxation has been made in the financial statements since the Company is not engaged in any activity chargeable to income tax.

5.13 Functional and presentation currency

Items included in these financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency), which is the Pakistan Rupees (Rs). Presentation currency is Great Britain Pounds (GBP) which is the functional currency of Parent organization.

Foreign currency transactions and translation

Pakistan rupees statements

Pakistan Rupee is the functional currency. Transactions in foreign currencies are recorded at the exchange rate ruling on the date of transaction. All monetary assets and liabilities denominated in foreign currencies are retranslated at the rate ruling at the year end date. All exchange gains / (losses) are credited / (debited) to the restricted fund.

GBP statements

All assets and liabilities are translated from functional currency (Pakistan Rupees) into Great Britain Pounds (GBP) at the year-end rate of exchange, whilst the income and expenditure account items are translated at the average rate of exchange. Resulting translation differences are taken directly to other comprehensive income.

Signature

For this purpose balance sheet items have been translated into GBP at December 31, 2022 exchange rate of GBP 1 = Pak Rupees 275.096 (2021: GBP 1 = Pak Rupees 236.5201) and income and expenditure items have been translated into GBP at average exchange rate of GBP 1 = 251.546 Pak Rupees (2021: GBP 1 = Pak Rupees 224.36).

5.14 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of income and expenditure.

(i) Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

- a) Amortized cost where the effective interest rate method will apply;
- b) Fair value through income or expenditure;
- c) Fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in income and expenditure statement or statement of comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income or expenditure (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of Income and Expenditure.

Signature

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in income or expenditure and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of income or expenditure.

(b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in income or expenditure. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of income or expenditure and recognised in other income / charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / charges and impairment expenses are presented as separate line item in the income and expenditure statement.

c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of income or expenditure and presented net within other operating gains / (losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL Model:

- Micro credit financing
- Deposits and other receivables
- Cash and bank balances

SAJZEL

Significant increase in credit risk

The Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company, including:
 - a) Death of the borrower or his/her bread earning household member who is identified at the time of submission of loan application
 - b) Permanent disability (not being able to work)
 - c) Insanity of prolonged illness

Irrespective of the above analysis, in case of micro credit loans, the Company considers that default has occurred when a the debt is more than 90 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

SAJZEL

(ii) Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities, also include directly attributable transaction cost. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of income or expenditure, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income and expenditure statement.

(iii) Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts, and the Company either intends to settle on a net basis, or realize the asset and settle the liability simultaneously.

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5.15 Leases

(a) Accounting as Lessee

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit or loss as finance cost over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After assessing the lease portfolio as per IFRS 16, the Company concluded that all the lease contracts included within Company's lease portfolio are cancellable by either the Company or the lessor, immediately or on short notice and hence all the assets leased by the Company are being categorized as 'short term leases' and payments made in respect of these leases are recognized in the income and expenditure, expense relating to short term leases during the year is Rs. 30,316,274 (2020: Rs. 25,657,854).

(b) Accounting as Lessor

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

SAJAL

(i) Finance leases

Leases where the Company transfers a substantial portion of the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases.

The Company derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee including any unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment.

The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

(ii) Operating leases

The Company classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Company recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in IFRS 15.

SAFEE

| 6 PROPERTY AND EQUIPMENT | | | | | | | |
|------------------------------|------------------|------------------------|------------------|------------------------------------|-------------------|-------------------|--|
| | Vehicles | Furniture and fittings | Office equipment | Communication equipment/ Computers | Project equipment | Total | |
| (Rupees) | | | | | | | |
| As at January 1, 2021 | | | | | | | |
| Cost | 51,409,938 | 9,828,883 | 15,218,157 | 50,124,702 | 6,460,213 | 133,041,893 | |
| Accumulated depreciation | (51,027,938) | (9,040,668) | (11,635,671) | (34,785,537) | (5,923,478) | (112,413,292) | |
| | <u>382,000</u> | <u>788,215</u> | <u>3,582,486</u> | <u>15,339,165</u> | <u>536,735</u> | <u>20,628,601</u> | |
| Year ended December 31, 2021 | | | | | | | |
| Opening book value | 382,000 | 788,215 | 3,582,486 | 15,339,165 | 536,735 | 20,628,601 | |
| Additions | 6,339,800 | 4,185,036 | 3,351,651 | 17,487,814 | 2,140,200 | 33,504,501 | |
| Disposals | | | | | | | |
| Cost | - | (392,358) | (1,998,311) | (4,364,147) | (466,740) | (7,221,556) | |
| Accumulated depreciation | - | 392,358 | 1,706,438 | 3,902,803 | 466,740 | 6,468,338 | |
| | - | - | (291,873) | (461,344) | - | (753,218) | |
| Depreciation charge | (1,363,460) | (3,602,009) | (1,865,813) | (8,776,514) | (242,128) | (15,849,924) | |
| | <u>5,358,340</u> | <u>1,371,242</u> | <u>4,776,451</u> | <u>23,589,121</u> | <u>2,434,807</u> | <u>37,529,961</u> | |
| As at January 1, 2022 | | | | | | | |
| Cost | 57,749,738 | 13,621,562 | 16,571,497 | 63,248,369 | 8,133,673 | 159,324,839 | |
| Accumulated depreciation | (52,391,398) | (12,250,320) | (11,795,046) | (39,659,248) | (5,698,866) | (121,794,878) | |
| | <u>5,358,340</u> | <u>1,371,242</u> | <u>4,776,451</u> | <u>23,589,121</u> | <u>2,434,807</u> | <u>37,529,961</u> | |
| Year ended December 31, 2022 | | | | | | | |
| Opening book value | 5,358,340 | 1,371,242 | 4,776,451 | 23,589,121 | 2,434,807 | 37,529,961 | |
| Additions | 345,700 | 6,839,310 | 2,269,706 | 29,888,471 | 2,269,480 | 41,612,667 | |
| Disposals | | | | | | | |
| Cost | - | (115,095) | (940,695) | (1,170,201) | - | (2,225,991) | |
| Accumulated depreciation | - | 115,095 | 913,944 | 1,136,601 | - | 2,165,640 | |
| | - | - | (26,751) | (33,600) | - | (60,351) | |
| Depreciation charge | (1,432,600) | (5,079,478) | (2,153,491) | (13,624,763) | (469,076) | (22,759,408) | |
| | <u>4,271,440</u> | <u>3,131,074</u> | <u>4,865,915</u> | <u>39,819,229</u> | <u>4,235,211</u> | <u>56,322,869</u> | |
| As at December 31, 2022 | | | | | | | |
| Cost | 58,095,438 | 20,345,777 | 17,900,508 | 91,966,639 | 10,403,153 | 198,711,515 | |
| Accumulated depreciation | (53,823,998) | (17,214,703) | (13,034,593) | (52,147,410) | (6,167,942) | (142,388,646) | |
| | <u>4,271,440</u> | <u>3,131,074</u> | <u>4,865,915</u> | <u>39,819,229</u> | <u>4,235,211</u> | <u>56,322,869</u> | |
| Rate of depreciation in % | 20% | 10% | 10% | 20% | 10% | | |

SAFEE

| | Vehicles | Furniture and fittings | Office equipment | Communication equipment/ Computers | Project equipment | Total |
|-------------------------------------|---------------|------------------------|------------------|------------------------------------|-------------------|----------------|
| As at January 1, 2021 | | | | | | |
| Cost | 380,838 | 54,817 | 91,786 | 296,943 | 43,103 | 867,487 |
| Accumulated depreciation | (379,086) | (51,202) | (75,357) | (228,600) | (40,642) | (772,887) |
| | <u>1,752</u> | <u>3,615</u> | <u>16,429</u> | <u>70,343</u> | <u>2,461</u> | <u>94,600</u> |
| Year ended December 31, 2021 | | | | | | |
| Opening book value | 1,752 | 3,615 | 16,429 | 70,343 | 2,461 | 94,600 |
| Additions | 28,257 | 18,653 | 14,939 | 77,945 | 9,539 | 149,333 |
| Disposals | - | - | - | - | - | - |
| Cost | - | (1,749) | (8,907) | (19,452) | (2,080) | (32,188) |
| Accumulated depreciation | - | 1,749 | 7,606 | 17,395 | 2,080 | 28,630 |
| | - | - | (1,301) | (2,057) | - | (3,358) |
| Depreciation charge | (6,077) | (16,055) | (8,316) | (39,118) | (1,079) | (70,645) |
| Currency translation difference | (1,277) | (415) | (1,556) | (7,379) | (627) | (11,254) |
| | <u>22,655</u> | <u>5,798</u> | <u>20,195</u> | <u>99,734</u> | <u>10,294</u> | <u>158,676</u> |
| As at January 1, 2022 | | | | | | |
| Cost | 407,818 | 71,306 | 96,262 | 348,057 | 49,935 | 973,378 |
| Accumulated depreciation | (385,163) | (85,508) | (76,067) | (248,323) | (39,641) | (814,702) |
| | <u>22,655</u> | <u>5,798</u> | <u>20,195</u> | <u>99,734</u> | <u>10,294</u> | <u>158,676</u> |
| Year ended December 31, 2022 | | | | | | |
| Opening book value | 22,655 | 5,798 | 20,195 | 99,734 | 10,294 | 158,676 |
| Additions | 1,374 | 27,189 | 9,023 | 118,819 | 9,022 | 165,427 |
| Disposals | - | - | - | - | - | - |
| Cost | - | (458) | (3,740) | (4,652) | - | (8,850) |
| Accumulated depreciation | - | 458 | 3,633 | 4,518 | - | 8,509 |
| | - | - | (107) | (134) | - | (241) |
| Depreciation charge | (5,695) | (20,193) | (8,561) | (54,164) | (1,865) | (90,478) |
| Currency translation difference | (2,807) | (1,412) | (2,862) | (19,508) | (2,055) | (28,645) |
| | <u>15,527</u> | <u>11,382</u> | <u>17,688</u> | <u>144,747</u> | <u>15,395</u> | <u>204,739</u> |
| As at December 31, 2022 | | | | | | |
| Cost | 406,385 | 96,625 | 98,683 | 442,716 | 56,901 | 1,101,310 |
| Accumulated depreciation | (390,858) | (85,243) | (80,995) | (297,969) | (41,506) | (896,571) |
| | <u>15,527</u> | <u>11,382</u> | <u>17,688</u> | <u>144,747</u> | <u>15,395</u> | <u>204,739</u> |
| Rate of depreciation in % | 20% | 10% | 10% | 20% | 10% | |

6.1 All assets are purchased from the funds donated by various donors as disclosed in note 13 'Deferred grants'.

| | 2022 | 2021 | | |
|--|---|------------------|-------------------|------------------|
| | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 6.2 | The cost of fully depreciated assets still in use is as follows: | | | |
| Vehicles | 50,932,438 | 185,144 | 50,932,438 | 215,341 |
| Furniture and fittings | 11,223,113 | 40,797 | 1,117,053 | 4,723 |
| Office equipment | 4,490,865 | 16,325 | 6,558,550 | 27,729 |
| Communication equipment / Computers | 21,103,214 | 76,712 | 21,544,833 | 91,091 |
| Project equipment | 4,034,308 | 14,665 | 7,580,308 | 32,049 |
| | <u>91,783,938</u> | <u>333,643</u> | <u>87,733,182</u> | <u>370,933</u> |
| 7 | MICRO CREDIT FINANCING - Unsecured | | | |
| Islamic Microfinance Enterprise Development (IMED) Phase II - Note 7.1 | - | - | - | - |
| Microfinance Pool fund - Note 7.2 | 89,368,706 | 324,864 | 82,660,033 | 349,484 |
| | <u>89,368,706</u> | <u>324,864</u> | <u>82,660,033</u> | <u>349,484</u> |
| 7.1 | Islamic Microfinance Enterprise Development (IMED) Phase II | | | |
| 7.1.1 | Considered good - note 7.1.2 | | | |
| Considered doubtful - note 7.1.2 | - | - | - | - |
| Provision for doubtful debts - note 7.1.3 | - | - | - | - |
| 7.1.2 | Principal amount receivable | | | |
| Balance at the beginning | - | - | 869,759 | 3,989 |
| Disbursements | - | - | - | - |
| Recoveries | - | - | (6,250) | (28) |
| Write-off | - | - | (863,509) | (3,849) |
| Currency translation difference | - | - | - | (112) |
| Balance at the end | - | - | - | - |
| 7.1.3 | Movement in Provision | | | |
| Balance at the beginning | - | - | 869,759 | 3,989 |
| (Reversal) / Charge for the year | - | - | (6,250) | (28) |
| Write-off | - | - | (863,509) | (3,849) |
| Currency translation difference | - | - | - | (112) |
| Balance at the end | - | - | - | - |
| 7.1.4 | Microcredit financing represents facility extended under different projects in accordance with each Project objectives for an amount ranging from Rs 10,000 to Rs 90,000 provided to individuals assessed as deserving individuals. Murabahah carries profit ranging from 10% to 20% with repayment due within six to twelve months from the disbursement date. In addition Qarz-e-Hasna granted in special cases ranged from Rs 10,000 to Rs 25,000 with maximum repayment period of ten months. | | | |

Signature

| | | 2022 | | 2021 | |
|-----------------------------------|---|---------------|------------------|---------------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 7.2 Microfinance Pool fund | | | | | |
| 7.2.1 | Considered good - note 7.2.2 | 89,368,706 | 324,864 | 82,660,033 | 349,484 |
| | Considered doubtful - note 7.2.2 | 3,023,379 | 10,990 | 7,169,093 | 30,311 |
| | | 92,392,085 | 335,854 | 89,829,126 | 379,795 |
| | Provision for doubtful debts - note 7.2.3 | (3,023,379) | (10,990) | (7,169,093) | (30,311) |
| | | 89,368,706 | 324,864 | 82,660,033 | 349,484 |
| 7.2.2 | Principal amount receivable | | | | |
| | Balance at the beginning | 89,829,126 | 379,795 | 87,893,561 | 403,066 |
| | Disbursements | 171,490,930 | 681,747 | 182,044,590 | 811,395 |
| | Recoveries | (167,556,497) | (666,106) | (177,137,375) | (789,523) |
| | Write-off | (1,371,474) | (5,452) | (2,971,650) | (13,245) |
| | Currency translation difference | - | (54,130) | - | (31,898) |
| | Balance at the end | 92,392,085 | 335,854 | 89,829,126 | 379,795 |
| 7.2.3 | Movement in Provision | | | | |
| | Balance at the beginning | 7,169,093 | 30,311 | 12,911,927 | 59,212 |
| | (Reversal) / Charge for the year | (2,774,240) | (11,029) | (2,771,184) | (12,352) |
| | Write-off | (1,371,474) | (5,452) | (2,971,650) | (13,245) |
| | Currency translation difference | - | (2,840) | - | (3,304) |
| | Balance at the end | 3,023,379 | 10,990 | 7,169,093 | 30,311 |

7.2.4 Aging of Microfinance Portfolio is outlined in Note 21.4 to these financial statements.

7.2.5 Microcredit financing represents facility extended under different projects in accordance with each Project objectives for an amount ranging from Rs 10,000 to Rs 150,000 provided to individuals assessed as deserving individuals. Murabahah carries profit ranging from 10% to 30% with repayment due within six to Eighteen months from the disbursement date. In addition Qarz-e-Hasna granted in special cases ranged from Rs 10,000 to Rs 25,000 with maximum repayment period of ten months.

| | | 2022 | | 2021 | |
|---------------------|--|------------|------------------|-----------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 8 ADVANCES | | | | | |
| Considered good | | | | | |
| Advances to / for | | | | | |
| Suppliers | | 40,062,718 | 145,632 | 1,391,003 | 5,881 |
| Employees | | 6,156,625 | 22,380 | 5,307,711 | 22,441 |
| Advance to Partners | | 1,750,635 | 6,364 | - | - |
| Expenses | | 893,397 | 3,248 | 1,075,996 | 4,549 |
| | | 48,863,376 | 177,623 | 7,774,710 | 32,871 |

| | | 2022 | | 2021 | |
|--|------|------------|------------------|------------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | | | | |
| | Note | | | | |
| Security deposits | | 3,229,316 | 11,739 | 2,744,379 | 11,603 |
| Prepayments | | 5,259,234 | 19,118 | 4,391,428 | 18,567 |
| Other receivables | 9.1 | 28,949,388 | 105,234 | 7,211,771 | 30,491 |
| | | 37,437,937 | 136,091 | 14,347,577 | 60,661 |

9.1 This include amount receivable from Head Office Islamic Relief Worldwide Rs. 9,885,270 (2021: Rs. 7,207,358).

9.2 The maximum amount due from the related party at the end of any month during the year was Rs.3,416,022 (2021: Rs. 2,035,302).

| | | 2022 | | 2021 | |
|----------------------------------|-------------|-------------|------------------|-------------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 10 CASH AND BANK BALANCES | | | | | |
| | Note | | | | |
| With banks | | | | | |
| In current accounts | | | | | |
| Local currency | | 298,645,265 | 1,085,604 | 311,055,074 | 1,315,132 |
| Foreign currency | | 146,793 | 534 | 123,436 | 522 |
| | | 298,792,058 | 1,086,138 | 311,178,510 | 1,315,654 |
| In PLS accounts | | | | | |
| Local currency | 10.1 & 10.2 | 119,849,933 | 435,666 | 135,276,555 | 571,945 |
| | | 418,641,991 | 1,521,804 | 446,455,065 | 1,887,599 |

10.1 Balances in these accounts includes Rs 97,226,755 (2021 Rs.93,992,019) held in account of employees' unfunded gratuity scheme.

10.2 Deposit accounts carry mark-up ranging from 4.23% to 7.04% (2021: 2.06% to 3.16%) per annum.

| | | 2022 | | 2021 | |
|--|--|-------------|------------------|-------------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 11 TRADE AND OTHER PAYABLES | | | | | |
| Payable to suppliers-unsecured | | 528,240,118 | 1,920,203 | 117,120,147 | 495,181 |
| Payable to beneficiaries | | 6,427,412 | 23,364 | 6,392,975 | 27,029 |
| Payable to Orphans Disbursement Scheme (ODS) beneficiaries | | 149,826,261 | 544,633 | - | - |
| Payable for Death compensation | | 3,071,000 | 11,163 | - | - |
| Accrued expenses | | 9,090,727 | 33,046 | 24,894,663 | 105,254 |
| Retention money | | 1,547,632 | 5,989 | 10,723,487 | 45,339 |
| Withholding tax payable | | 23,585,655 | 85,736 | 4,103,007 | 17,347 |
| Audit fee payable | | 1,300,000 | 4,726 | 1,000,000 | 4,228 |
| | | 723,188,806 | 2,628,860 | 164,234,280 | 694,378 |

12 DEFERRED LIABILITY

The latest actuarial valuations of the Company's defined benefit obligation - gratuity was conducted as at December 31, 2022 using the projected unit credit method. Details of the obligations of staff retirement benefits are as follows:

| | 2022 | | 2021 | |
|--|------------------------------------|------------------|------------------------------------|------------------|
| | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| a) The amount recognized in the balance sheet | | | | |
| Present value of defined benefit obligation - (gratuity) | <u>136,709,754</u> | <u>496,953</u> | <u>102,235,444</u> | <u>432,248</u> |
| b) Changes in the present value of defined benefit obligation | | | | |
| Balance at the beginning | 102,235,444 | 432,248 | 87,339,603 | 400,525 |
| Current service cost | <u>28,789,705</u> | <u>114,451</u> | <u>20,928,586</u> | <u>93,281</u> |
| Interest expense | <u>9,586,147</u> | <u>38,109</u> | <u>7,595,846</u> | <u>33,856</u> |
| | <u>38,375,852</u> | <u>152,560</u> | <u>28,524,432</u> | <u>127,137</u> |
| Loss on remeasurement | 31,848,483 | 126,611 | 4,428,007 | 19,736 |
| Benefits paid | <u>(35,750,025)</u> | <u>(142,121)</u> | <u>(18,056,598)</u> | <u>(80,480)</u> |
| Currency translation difference | | <u>(72,345)</u> | | <u>(34,670)</u> |
| Balance at the end | <u>136,709,754</u> | <u>496,953</u> | <u>102,235,444</u> | <u>432,248</u> |
| c) Charge for the year | | | | |
| Income and expenditure account | | | | |
| Current service cost | 28,789,705 | 114,451 | 20,928,586 | 93,281 |
| Interest expense | <u>9,586,147</u> | <u>38,109</u> | <u>7,595,846</u> | <u>33,856</u> |
| | <u>38,375,852</u> | <u>152,560</u> | <u>28,524,432</u> | <u>127,137</u> |
| Statement of Comprehensive Income | | | | |
| Loss on remeasurement | <u>31,848,483</u> | <u>126,611</u> | <u>4,428,007</u> | <u>19,736</u> |
| d) Significant actuarial assumptions at the date of Statement of Financial Position | | | | |
| | 2022 | | 2021 | |
| Discount rate | 11.75% | | 11.75% | |
| Expected rate of salary growth | 10.75% | | 10.75% | |
| Average duration of the obligation | 8 years | | 8 years | |
| Expected mortality rate | SLIC 2001-2005 | | SLIC 2001-2005 | |
| | Setback 1 year | | Setback 1 year | |
| Expected withdrawal rate | Age based | | Age based | |
| Retirement assumption | Age 60 | | Age 60 | |
| e) Sensitivity Analysis | | | | |
| | Increase in assumption (Rupees) | | Decrease in assumption (Rupees) | |
| 1% Discount rate | (14,522,053) | | 5,843,275 | |
| 1 % Salary increase rate | 6,916,985 | | (15,675,106) | |
| 10 % Withdrawal rate | (4,975,260) | | (5,136,358) | |
| 1 Year mortality age | (5,062,072) | | (5,014,055) | |

The above sensitivity analysis are based on changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

13 DEFERRED GRANT

Grant for capital expenditure

As at January 1

Cost
Accumulated amortization

Opening book value
Transferred from restricted fund / grant received
Deletions

Cost
Accumulated amortization

Amortization charge for the year
Currency translation difference

As at December 31

Cost
Accumulated amortization

Donor / Project wise movement of grants

13.1

Islamic Relief Worldwide
Administration and General / In-kind

- Sponsorship
- Core Admin

ICT support Project

Strengthening Response Capacity & Institutional Development for

Excellence (STRIDE)

Emergency in Mirpur (Humanitarian Rapid Response Fund (HRRF))

Office Shifting Cost

General Emergency Fund

| | 2022 | | 2021 | |
|---|------------------------------|--------------------------------------|-----------------------------|--------------------------------|
| | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| Grant for capital expenditure | 159,324,840 | 973,376 | 133,041,894 | 867,486 |
| As at January 1 | (121,794,379) | (814,700) | (112,413,293) | (772,886) |
| Cost | <u>37,529,961</u> | <u>158,676</u> | <u>20,628,601</u> | <u>94,600</u> |
| Accumulated amortization | | | | |
| Opening book value | 37,529,961 | 158,676 | 20,628,601 | 94,600 |
| Transferred from restricted fund / grant received | 41,612,667 | 165,429 | 33,504,501 | 149,335 |
| Deletions | | | | |
| Cost | (2,225,991) | (8,849) | (7,221,556) | (32,187) |
| Accumulated amortization | <u>2,165,540</u> | <u>8,610</u> | <u>6,468,338</u> | <u>28,831</u> |
| | (60,351) | (239) | (753,218) | (3,356) |
| Amortization charge for the year | (22,759,408) | (90,478) | (15,849,924) | (70,645) |
| Currency translation difference | | | (28,649) | (11,258) |
| As at December 31 | <u>56,322,870</u> | <u>204,739</u> | <u>37,529,961</u> | <u>158,676</u> |
| Cost | 198,711,615 | 1,101,307 | 159,324,840 | 973,376 |
| Accumulated amortization | <u>(142,388,647)</u> | <u>(896,568)</u> | <u>(121,794,879)</u> | <u>(814,700)</u> |
| | <u>56,322,870</u> | <u>204,739</u> | <u>37,529,961</u> | <u>158,676</u> |
| Donor / Project wise movement of grants | | | | |
| Project Identification | Balance as at January 1 2022 | Deletion / write-off during the year | Adjustments - Inter project | Balance as at December 31 2022 |
| PK000_000006* | 88,335,289 | 984,000 | (2,225,991) | 109,582,497 |
| PK410_000001* | 1,315,430 | - | - | 1,315,430 |
| PK400_000006* | 10,246,932 | 3,496,588 | - | 13,743,520 |
| PK005_000002* | 1,555,398 | 185,500 | - | 1,740,898 |
| PK420_000001* | 447,203 | - | - | 447,203 |
| PK030_000042* | 215,425 | - | (215,425) | - |
| PK001_000001* | 1,047,500 | - | - | 1,047,500 |
| PK030_000046* | 103,163,177 | 4,666,088 | (2,225,991) | 127,877,046 |

| | | | | | | | |
|-------------|--|------------------------|------------------------------|--------------------------------|--------------------------------------|-----------------------------|--------------------------------|
| 13.2 | Islamic Relief United States of America Empowering Widows in Need (EWIN) Resilient Initiative for Development and Adaptation (RIDA) in Khyber District of Action for Drought Adaptive Practices and Transformation (ADAPT) in Climate Resilient Livelihood Modelling (CSLM) Sustainable Initiative for Development in Kashmir, AJK (SIDK) Sustainable Water resources and Livelihood Initiative (SWRLI) Caring Communities for Children Strengthening Response Capacity and Institutional Development for excellences (STRIDE-II) USA | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK020_000098* | 1,379,976 | - | - | (1,379,976) | - |
| | | PK020_000153* | 1,481,300 | 289,090 | - | - | 1,770,390 |
| | | PK020_000154* | 2,345,539 | 160,000 | - | - | 2,505,539 |
| | | PK020_000155* | 4,896,066 | 572,330 | - | - | 5,468,396 |
| | | PK020_000166* | 995,000 | 314,225 | - | - | 1,310,225 |
| | | PK020_000168* | 2,632,424 | 2,632,424 | - | - | 2,632,424 |
| | | PK020_000150* | 2,606,044 | 41,750 | - | - | 2,647,794 |
| | | PK030_000043* | 552,900 | - | - | - | 552,900 |
| | | | 14,247,825 | 4,009,729 | - | (1,379,976) | 16,877,578 |
| 13.3 | Islamic Relief United Kingdom Micro financing Pool Program Fund Sustainable Transformation towards Resilient Watermanagement and Economy (STRIVE) A Step Toward Hepatitis Eradication Programme Pakistan (STHEP) Sustainable and Equitable Water Solutions in AJK (SEWA) EDVAD II | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK020_000011* | 5,041,615 | 1,621,216 | - | - | 6,662,831 |
| | | PK020_000158* | 837,597 | 85,000 | - | - | 922,597 |
| | | PK020_000121* | 651,400 | - | - | (651,400) | - |
| | | PK020_000137* | 290,900 | - | - | (290,900) | - |
| | | PK020_000118* | 955,060 | - | - | (955,060) | - |
| | | | 7,775,572 | 1,706,216 | - | (1,897,360) | 7,585,428 |
| 13.4 | Islamic Relief Canada Women Led Total Sanitation and Livelihood (WLTSL) Sustainable Livelihood and Water assistance (SALWA) in Pakistan Transformation and Adaptation against Climate Variability Affected Areas (TACVA) 2019 Shelter, Wash and Protection response for earthquake affected individuals in Pakistan Empowering Widows in Need II (EWIN II) North Waziristan Initiative for Economic Uplifting (NWIE) 2021 Shelter, WASH, and Cash Programming Response for Earthquake-Affected Families in Balochistan Water and Livelihood Inclusive Initiative (WALI) in Kashmir Green Actions for Protecting Biodiversity (GAP) Shelter for Harmful Earthquake-affected Localities with Target of Environmental Resilience -SHELTER Flood Emergency Response Sindh 2022 2022 NFIs WASH, and Cash Programming Response for Flood - Affected Families in Balochistan and Sindh 2022 FSL & Protection Flood-Response in Pakistan | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK020_000099* | 782,977 | - | - | - | 782,977 |
| | | PK020_000105* | 1,254,956 | - | - | - | 1,254,956 |
| | | PK020_000138* | 8,110,020 | 735,000 | - | - | 8,845,020 |
| | | PK020_000116* | 1,322,536 | - | - | (1,322,536) | - |
| | | PK020_000156* | 1,169,760 | 328,975 | - | - | 1,498,735 |
| | | PK020_000148* | 257,500 | 92,000 | - | - | 349,500 |
| | | PK020_000159* | 371,000 | - | - | - | 371,000 |
| | | PK020_000167* | 68,500 | 2,142,098 | - | - | 2,210,598 |
| | | PK020_000164* | - | 223,975 | - | - | 223,975 |
| | | PK020_000173* | - | 1,084,318 | - | - | 1,084,318 |
| | | PK020_000190* | - | 411,330 | - | - | 411,330 |
| | | PK020_000203* | - | 1,748,000 | - | - | 1,748,000 |
| | | PK020_000204* | - | 2,177,820 | - | - | 2,177,820 |
| | | | 13,337,249 | 8,944,016 | - | (1,322,536) | 20,958,729 |
| 13.5 | Swedish International Development Agency Returnees Inclusive Humanitarian Assistance RIHA III Year III Children Assisted for Recovery for Education and Health (CAPE-H) Children Assisted for Peace building Initiative for Development and Empowerment (PIDEI) in Fala Voices Organized for Climate Change Advocacy and Lobbying Returnees Inclusive Humanitarian Assistance RIHA II year II in Pakistan Resilient Action for Inclusive Response in Pakistan (RAIR) Emergency Action with Resilient Niches -EARN | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK020_000125* | 928,410 | - | - | (928,410) | - |
| | | PK020_000133* | 547,200 | - | - | (547,200) | - |
| | | PK020_000096* | 2,306,580 | - | - | (2,306,580) | - |
| | | PK050_000008* | 710,116 | - | - | (710,116) | - |
| | | PK020_000110* | 1,149,915 | 360,500 | - | (1,149,915) | - |
| | | PK020_000161* | 1,349,465 | - | - | - | 1,709,965 |
| | | PK020_000174* | 6,091,686 | 2,580,374 | - | - | 2,580,374 |
| | | | 13,337,249 | 8,944,016 | - | (5,642,221) | 4,270,339 |

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| | | | | | | | |
|--------------|---|------------------------|------------------------------|--------------------------------|--------------------------------------|-----------------------------|--------------------------------|
| 13.6 | United Nations Children's Emergency Fund (UNICEF) Sanitation Up-Scaling Program in Orakzai District of KP - Newly Merged District (Rural PATS) WASH Emergency Response in Drought-Affected districts of Noshki and Chaghi, Balochistan WERDA Sanitation Up Scaling Prog in District Upper Dir (Rural PATS) Flood Emergency Response Sindh-UNICEF | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK050_000018* | 298,520 | - | - | (298,520) | - |
| | | PK050_000019* | 557,000 | - | - | (557,000) | - |
| | | PK050_000012* | 160,704 | - | - | (160,704) | - |
| | | PK050_000044* | 1,016,224 | 844,000 | - | (1,016,224) | 844,000 |
| 13.7 | ECHO Humanitarian Assistance for Returnees in FATA (HARF), Pakistan Humanitarian Assistance for Returnees (HARF 1) Baluchistan Emergency Flood Response (BEFR) Mirpur Emergency Earthquake Response (MEER) | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK020_000087* | 2,029,866 | - | - | (2,029,866) | - |
| | | PK050_000016* | 1,218,205 | - | - | (1,218,205) | - |
| | | PK020_000114* | 585,400 | - | - | (585,400) | - |
| | | PK050_000023* | 301,708 | - | - | (301,708) | - |
| | | | 4,135,179 | - | - | (4,135,179) | - |
| 13.8 | IR Germany Protection of Children at Risk (POCAR) in Pakistan Protection of Children At Risk-(POCAR 2-IR GERMANY) Strengthening Response Capacity and Institutional Development for excellences - (STRIDE-II) Germany Voices Organized for Climate Advocacy and Lobbying (VOCAL III) Flood Emergency Response-TANK-KP | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK020_000102* | 497,501 | - | - | (497,501) | - |
| | | PK020_000144* | 313,210 | 157,660 | - | - | 470,870 |
| | | PK030_000045* | 111,900 | 93,300 | - | - | 205,200 |
| | | PK020_000157* | 208,500 | 35,000 | - | - | 243,500 |
| | | PK020_000191* | - | 925,990 | - | - | 925,990 |
| | | | 1,131,111 | 1,211,950 | - | (497,501) | 1,845,560 |
| 13.9 | UNDP FATA Economic Revitalization Programme (FERP) Stabilization Through Inclusive Livelihoods in the Tribal District Orakzai of Khyber Pakhtunkhwa (ST) | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK050_000013* | 3,882,187 | - | - | (3,882,187) | - |
| | | PK050_000022* | 162,000 | - | - | (162,000) | - |
| | | | 4,044,187 | - | - | (4,044,187) | - |
| 13.10 | VSO Communities and Authorities United for Resilience in Pakistan (CAURP) | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK050_000020* | 586,293 | - | - | (586,293) | - |
| | | | 586,293 | - | - | (586,293) | - |
| 13.11 | NDRMF & IRUSA Resilient and Adaptive Population in Disaster (RAPID) | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK050_000021* | 1,143,039 | - | - | - | 1,143,039 |
| 13.12 | IR Australia Earthquake Response in Mirpur, Pakistan Flood Emergency Response-Killa Saifullah | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK020_000117* | 211,500 | - | - | (211,500) | - |
| | | PK020_000168* | - | 304,359 | - | - | 304,359 |
| | | | 211,500 | 304,359 | - | (211,500) | 304,359 |
| 13.13 | IR South Africa Flood Emergency Response BLN-2022 (Sobhalpur) | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - inter project | Balance as at December 31 2022 |
| | | PK020_000195* | - | 775,540 | - | - | 775,540 |
| | | | - | 775,540 | - | - | 775,540 |

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| | Project Identification | Balance as at January 1 2022 | Grant received during the year | Deletion / write-off during the year | Adjustments - Inter project | Balance as at December 31 2022 |
|-------|--|---|---|---|---|---|
| | | (Rupees) | | | | |
| 13.14 | World Food Programme (WFP) Food for Assets (FFA) Cash Chaman Food for Assets (FFA) Cash Killa Abdullah | - | 152,000 | - | - | 152,000 |
| | | - | 152,000 | - | - | 152,000 |
| | | - | 304,000 | - | - | 304,000 |
| 13.15 | Disasters Emergency Committee Pakistan Floods Appeal-DEC | - | 4,124,140 | - | - | 4,124,140 |
| | | - | 4,124,140 | - | - | 4,124,140 |
| 13.16 | Shelter Box UK Pakistan Flood response 2022-Shelter Box UK | - | 2,722,630 | - | - | 2,722,630 |
| | | - | 2,722,630 | - | - | 2,722,630 |
| 13.17 | Catholic Relief Services CRS Emergency Relief & Early recovery response for flood affected households in Sindh & Balochistan | - | 943,060 | - | - | 948,060 |
| | | - | 948,060 | - | - | 948,060 |
| 13.18 | International Organisation for Migration (IOM) Community Social Cohesion and Social Action Project Activities in Khyber Newly Merged Tribal District Community Social Cohesion and Social Action Project Activities in Orakzai | - | 687,500 | - | - | 687,500 |
| | | - | 419,700 | - | - | 419,700 |
| | | - | 1,107,200 | - | - | 1,107,200 |
| 13.19 | Others Baluchistan Drought Response 2019 (Start Fund) Mirpur Earthquake Emergency Response (MEER) Chagal Blindness Control Programme (CBCP) Flood Emergency Response Balochistan VOCAL-IV- Multi Donor Flood Emergency Response Sindh 2022 | 846,071 500,900 193,826 - - - 1,540,797 | - - - 4,763,561 183,330 2,076,974 7,023,865 | - - - - - - (1,540,797) | (846,071) (500,900) (193,826) - - - (1,540,797) | - - - 4,763,561 183,330 2,076,974 7,023,865 |
| | | 159,324,840 | 41,612,867 | (2,225,991) | - | 198,711,516 |

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14 RESTRICTED DONORS' FUND / GRANT

| Note | Balance as at January 1 2022 | Received during the year | Transferred to deferred grant | Other operating income | Operation support expenditures | Project expenditures | Grant income recognized for the year as per expenditure incurred | Other comprehensive income | Adjustments * | Balance as at December 31 2022 | (Equivalent GBP) December 31 2022 |
|-------|------------------------------|--------------------------|-------------------------------|------------------------|--------------------------------|----------------------|--|----------------------------|---------------|--------------------------------|-----------------------------------|
| 14.1 | 85,949,882 | 736,149,829 | 4,696,046 | 78,448,105 | - | 1,119,414,276 | 1,119,414,276 | (31,848,483) | 10,105,882 | (244,275,159) | (887,903) |
| 14.2 | 91,720,822 | 422,657,741 | 4,009,728 | 1,397 | - | 485,052,090 | 485,052,090 | - | (1,068,293) | 23,256,438 | 84,539 |
| 14.3 | 101,374,145 | 85,409,309 | 1,706,216 | 40,759,862 | - | 131,182,171 | 131,182,171 | - | 4,730,796 | 99,386,315 | 361,279 |
| 14.4 | (39,568,838) | 327,964,650 | 8,944,016 | 13,500 | - | 446,691,277 | 445,691,277 | - | 22,903,357 | (144,316,724) | (524,605) |
| 14.5 | 77,310,401 | 269,099,339 | 2,920,874 | - | - | 267,812,250 | 267,812,250 | - | (4,259,834) | 71,416,742 | 259,607 |
| 14.6 | (580,311) | 219,100,249 | 844,000 | 150,816,102 | - | 397,125,792 | 397,125,792 | - | 996,580 | (27,637,172) | (100,464) |
| 14.7 | 18,051,133 | 117,637,351 | 1,211,950 | - | - | 148,884,587 | 143,884,587 | - | (2,223,097) | (16,631,150) | (60,456) |
| 14.9 | 11,219,494 | 8,875,020 | - | - | - | 3,623,819 | 3,623,819 | - | (11,064,433) | 5,406,252 | 19,652 |
| 14.10 | (14,852,261) | 16,456,745 | - | - | - | - | - | - | - | 1,604,484 | 5,832 |
| 14.11 | (27,185,533) | 50,063,854 | - | - | - | 76,291,969 | 76,291,969 | - | - | (13,413,026) | (48,760) |
| 14.12 | - | - | 304,359 | - | - | 2,972,440 | 2,972,440 | - | - | (3,276,799) | (11,911) |
| 14.13 | - | 50,304,245 | 775,540 | - | - | 58,574,613 | 58,574,613 | - | (954,092) | - | - |
| 14.14 | (4,175,160) | 45,976,703 | 304,000 | - | - | 83,446,929 | 83,446,929 | - | - | (41,940,386) | (152,490) |
| 14.15 | - | 10,236,724 | - | - | - | 10,265,279 | 10,265,279 | - | (31,446) | - | - |
| 14.16 | - | - | - | - | - | 30,426,190 | 30,426,190 | - | - | (30,426,190) | (110,602) |
| 14.17 | - | 146,421,843 | 4,124,140 | - | - | 73,782,642 | 73,782,642 | - | - | (77,906,782) | (283,190) |
| 14.18 | - | - | 2,722,630 | 104,566,762 | - | 271,072,792 | 271,072,792 | - | - | (22,906,827) | (82,903) |
| 14.19 | - | 8,000,000 | - | - | - | 8,000,000 | 8,000,000 | - | - | - | - |
| 14.20 | - | 27,374,922 | - | - | - | 29,352,413 | 29,352,413 | - | - | (1,977,491) | (7,188) |
| 14.21 | - | 84,849,925 | - | - | - | 107,755,652 | 107,755,652 | - | - | (22,906,727) | (83,904) |
| 14.22 | - | 69,708,048 | 948,060 | - | - | 71,181,929 | 71,181,929 | - | - | (2,421,941) | (8,804) |
| 14.23 | - | 35,424,207 | 1,107,200 | - | - | 34,317,007 | 34,317,007 | - | - | - | - |
| 14.24 | (14,602,123) | 559,802,620 | 7,023,866 | 33,357 | - | 354,934,472 | 354,934,472 | - | (77,293) | 183,289,223 | 666,270 |
| | 284,767,661 | 3,341,573,804 | 41,612,667 | 376,629,665 | - | 4,213,160,649 | 4,213,160,649 | (31,848,483) | 19,064,118 | (265,586,551) | (965,431) |
| | 359,277,060 | 1,875,403,239 | 33,504,501 | 87,154,850 | 16,342,000 | 1,990,793,809 | 1,990,793,809 | (4,428,007) | - | 284,767,661 | 1,203,989 |

* These represent the closure of outstanding fund balance of respective donors' balances and ultimately net balance closed to Administration and General / in kind

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15 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

The Company has no known Significant contingencies at end of the year.

COMMITMENTS

| | | 2022 | | 2021 | |
|----|--|------------------|------------------|------------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| | Commitments | 643,647,041 | 2,339,718 | 59,896,719 | 253,242 |
| 16 | OTHER OPERATING INCOME | Note | | | |
| | Income from financial assets | | | | |
| | Murabaha Income | | | | |
| | Income from Microfinance Pool fund | 36,277,587 | 144,218 | 35,416,188 | 157,854 |
| | | 36,277,587 | 144,218 | 35,416,188 | 157,854 |
| | Income from assets other than financial assets | | | | |
| | Vehicle usage charge | 16.2 26,055,000 | 103,579 | 20,876,333 | 93,048 |
| | Profit on bank accounts | 16.3 6,734,152 | 26,771 | 2,823,728 | 12,586 |
| | In Kind Donation | 16.4 256,366,854 | 1,019,164 | | |
| | Other income | 16.5 50,172,715 | 199,457 | 28,050,185 | 125,023 |
| | | 339,328,721 | 1,348,971 | 51,750,246 | 230,657 |
| | Exchange gain / (loss) | 23,357 | 93 | (11,784) | (53) |
| | | 375,629,665 | 1,493,282 | 87,154,650 | 388,458 |

16.1 Other operating income is credited to restricted fund.

16.2 Vehicle usage charge represents vehicles running cost of the Company charged to the projects.

16.3 Profit on bank accounts is net of income tax of Rs 837,884 (2021 : Rs. 350,209), Deposit accounts carry mark-up ranging from 4.23% to 7.04% (2021: 2.06% to 3.16%) per annum.

16.4 In Kind Donation is donations received from donor in form of goods other than cash.

16.5 Other income represents income for project management, sales proceeds on asset and tender income

| | | 2022 | | 2021 | |
|----|--|---------------|------------------|--------------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 17 | OPERATION SUPPORT EXPENDITURES | Note | | | |
| | Salaries, wages and other benefits | 69,894,988 | 277,861 | 52,670,319 | 234,758 |
| | Gratuity expenses | 13,144,468 | 52,255 | 8,277,092 | 36,892 |
| | Repairs and maintenance | 1,368,744 | 5,441 | 85,945 | 383 |
| | Rent, rates and taxes | 8,170,101 | 32,480 | 7,681,274 | 34,236 |
| | Communication and periodicals | 1,000,000 | 3,975 | 1,193,120 | 5,318 |
| | Utilities | 1,268,920 | 5,044 | 1,121,970 | 5,001 |
| | Printing and stationery | 981,921 | 3,904 | 363,367 | 1,620 |
| | Advertisement | 91,591 | 364 | 441,500 | 1,968 |
| | Bank charges | 419,337 | 1,667 | 305,205 | 1,360 |
| | Entertainment | 4,021,921 | 15,989 | 3,212,934 | 14,320 |
| | Fuel expenses | 35,118,179 | 139,609 | 5,981,498 | 26,560 |
| | Postage and Courier | 590 | 2 | 36,698 | 164 |
| | Travel expenses | 8,083,328 | 32,135 | 787,849 | 3,512 |
| | Legal and professional charges | 3,976,550 | 15,808 | 2,828,351 | 12,606 |
| | Project review and operations | 1,318,480 | 5,242 | 204,038 | 909 |
| | Staff training | 3,253,777 | 12,935 | 2,200,742 | 9,810 |
| | Statutory and projects audit fees | 1,450,000 | 5,764 | 1,101,668 | 4,910 |
| | Loss on disposal of property and equipment | 60,351 | 240 | 753,218 | 3,357 |
| | Gross Operational Support Expenditures | 153,623,247 | 610,716 | 89,246,787 | 397,784 |
| | Project Support Expenditures Cross charged to Projects | (153,623,247) | (610,716) | (70,904,787) | (316,031) |
| | Net Operational Support Expenditures during the year | - | - | 18,342,000 | 81,753 |

17.1 This represents the amount cross charged from gross operational support expenditure to the respective eligible projects as per the Company's project support cross charging policy

| | | 2022 | | 2021 | |
|------|---|-----------|------------------|-----------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 17.2 | Auditors' Remuneration | Note | | | |
| | Audit Fees | 1,000,000 | 3,975 | 1,000,000 | 4,457 |
| | Out of Pocket Expenses | 150,000 | 596 | 101,668 | 453 |
| | | 1,150,000 | 4,571 | 1,101,668 | 4,910 |
| | Other Services charged to Project Support | 300,000 | 1,193 | - | - |
| | Other Services | 859,900 | 3,418 | 775,160 | 3,455 |
| | | 2,009,900 | 7,989 | 1,876,828 | 8,365 |

17.2.1 This include fee of project audits conducted during the year. This amount is charged to project expenditure in note 18.

| | | 2022 | | 2021 | |
|----|------------------------------------|---------------|------------------|---------------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| 18 | PROJECT EXPENDITURES | | | | |
| | Salaries, wages and other benefits | 557,167,646 | 2,214,972 | 319,067,902 | 1,422,125 |
| | Provision for Gratuity | 34,366,281 | 136,620 | 26,193,715 | 116,749 |
| | Direct project expenses | 3,398,383,352 | 13,509,979 | 1,506,217,393 | 6,713,395 |
| | Project running expenses | 223,243,370 | 887,485 | 129,313,799 | 576,367 |
| | | 4,213,160,649 | 16,749,056 | 1,980,792,809 | 8,828,636 |

Donorwise breakup of Project expenditures:

| | | 2022 | | 2021 | |
|--|---|--------------------|------------------|-------------|------------------|
| | | (Rupees) | (Equivalent GBP) | (Rupees) | (Equivalent GBP) |
| | Note | | | | |
| | Islamic Relief Worldwide | 18.1 1,119,414,276 | 4,450,135 | 807,883,849 | 3,600,837 |
| | Islamic Relief United States of America | 18.2 486,052,090 | 1,932,259 | 204,904,861 | 913,288 |
| | Islamic Relief United Kingdom | 18.3 131,182,171 | 521,504 | 192,737,306 | 859,053 |
| | Islamic Relief Canada | 18.4 446,681,277 | 1,775,783 | 125,193,600 | 558,003 |
| | Swedish International Development Agency (SIDA) | 18.5 267,812,290 | 1,064,665 | 260,079,704 | 1,159,206 |
| | United Nations Children's Emergency Fund (UNICEF) | 18.6 397,125,792 | 1,578,739 | 42,636,988 | 190,038 |
| | Islamic Relief Germany | 18.7 148,884,587 | 591,878 | 30,921,114 | 137,820 |
| | United Nations Development Programme (UNDP) | 18.8 3,623,819 | 14,406 | 86,011,423 | 383,363 |
| | United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) | 18.10 - | - | 58,907,394 | 262,557 |
| | National Disaster and Risk Management (NDRMF) & Islamic Relief United States of America | 18.11 76,291,989 | 303,292 | 76,414,219 | 340,588 |
| | Islamic Relief Australia | 18.12 2,972,440 | 11,817 | 7,083,108 | 31,570 |
| | Islamic Relief South Africa | 18.13 58,574,613 | 232,858 | - | - |
| | World Food Programme (WFP) | 18.14 83,446,929 | 331,737 | 4,175,160 | 18,610 |
| | Islamic Relief Belgium | 18.15 10,265,279 | 40,809 | - | - |
| | Islamic Relief Netherlands | 18.16 30,426,190 | 120,957 | - | - |
| | Disasters Emergency Committee (DEC) | 18.17 73,782,642 | 293,317 | - | - |
| | Shelter Box UK | 18.18 271,072,792 | 1,077,626 | - | - |
| | Sightsavers | 18.19 8,000,000 | 31,803 | - | - |
| | Muslim Aid | 18.20 29,352,413 | 116,688 | - | - |
| | Tzu Chi Foundation | 18.21 107,755,652 | 428,373 | - | - |
| | Catholic Relief Services CRS | 18.22 71,181,929 | 282,978 | - | - |
| | International Organisation for Migration (IOM) | 18.23 34,317,007 | 136,424 | - | - |
| | Others | 18.24 354,934,472 | 1,411,007 | 83,844,083 | 373,700 |

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| | | | |
|---------------|------------|---------------|-----------|
| 4,213,160,649 | 16,749,056 | 1,980,792,809 | 8,828,636 |
|---------------|------------|---------------|-----------|

| Sl. No. | Project Name | 2022 | | | 2021 | | | Total | Project running expenses | Direct project expenses | Gratuity | Salaries, wages and other benefits | Total | Project running expenses | Direct project expenses | Gratuity | Salaries, wages and other benefits | Total | Project running expenses | Direct project expenses | Gratuity | Salaries, wages and other benefits | Total |
|---------|---|--|------------------------------------|-------------------------|--------------------------|------------------|------------------------------------|-------|--------------------------|-------------------------|----------|------------------------------------|-------|--------------------------|-------------------------|----------|------------------------------------|-------|--------------------------|-------------------------|----------|------------------------------------|-------|
| | | Provisional plan | Salaries, wages and other benefits | Direct project expenses | Project running expenses | Provisional plan | Salaries, wages and other benefits | | | | | | | | | | | | | | | | |
| 16.1 | Islamic Relief Worldwide Orphans (Adm) OOE Orphans One to One Orphans Project ICT Project Office Staffing Cost Widowization 2021 Gift for Children OTO Rumadan 2022 - Pakistan Eit U Fair Project FY 2022 Orphan 2022 - Pakistan Widowization 2022 | PK400_000007* PK410_000001* PK410_000002* PK410_000003* PK410_000004* PK410_000005* PK410_000006* PK410_000007* PK410_000008* PK410_000009* PK410_000010* PK410_000011* PK410_000012* PK410_000013* PK410_000014* PK410_000015* PK410_000016* PK410_000017* PK410_000018* PK410_000019* PK410_000020* PK410_000021* PK410_000022* PK410_000023* PK410_000024* PK410_000025* PK410_000026* PK410_000027* PK410_000028* PK410_000029* PK410_000030* PK410_000031* PK410_000032* PK410_000033* PK410_000034* PK410_000035* PK410_000036* PK410_000037* PK410_000038* PK410_000039* PK410_000040* PK410_000041* PK410_000042* PK410_000043* PK410_000044* PK410_000045* PK410_000046* PK410_000047* PK410_000048* PK410_000049* PK410_000050* PK410_000051* PK410_000052* PK410_000053* PK410_000054* PK410_000055* PK410_000056* PK410_000057* PK410_000058* PK410_000059* PK410_000060* PK410_000061* PK410_000062* PK410_000063* PK410_000064* PK410_000065* PK410_000066* PK410_000067* PK410_000068* PK410_000069* PK410_000070* PK410_000071* PK410_000072* PK410_000073* PK410_000074* PK410_000075* PK410_000076* PK410_000077* PK410_000078* PK410_000079* PK410_000080* PK410_000081* PK410_000082* PK410_000083* PK410_000084* PK410_000085* PK410_000086* PK410_000087* PK410_000088* PK410_000089* PK410_000090* PK410_000091* PK410_000092* PK410_000093* PK410_000094* PK410_000095* PK410_000096* PK410_000097* PK410_000098* PK410_000099* PK410_000100* PK410_000101* PK410_000102* PK410_000103* PK410_000104* PK410_000105* PK410_000106* PK410_000107* PK410_000108* PK410_000109* PK410_000110* PK410_000111* PK410_000112* PK410_000113* PK410_000114* PK410_000115* PK410_000116* PK410_000117* PK410_000118* PK410_000119* PK410_000120* PK410_000121* PK410_000122* PK410_000123* PK410_000124* PK410_000125* PK410_000126* PK410_000127* PK410_000128* PK410_000129* PK410_000130* PK410_000131* PK410_000132* PK410_000133* PK410_000134* PK410_000135* PK410_000136* PK410_000137* PK410_000138* PK410_000139* PK410_000140* PK410_000141* PK410_000142* PK410_000143* PK410_000144* PK410_000145* PK410_000146* PK410_000147* PK410_000148* PK410_000149* PK410_000150* PK410_000151* PK410_000152* PK410_000153* PK410_000154* PK410_000155* PK410_000156* PK410_000157* PK410_000158* PK410_000159* PK410_000160* PK410_000161* PK410_000162* PK410_000163* PK410_000164* PK410_000165* PK410_000166* PK410_000167* PK410_000168* PK410_000169* PK410_000170* PK410_000171* PK410_000172* PK410_000173* PK410_000174* PK410_000175* PK410_000176* PK410_000177* PK410_000178* PK410_000179* PK410_000180* PK410_000181* PK410_000182* PK410_000183* PK410_000184* PK410_000185* PK410_000186* PK410_000187* PK410_000188* PK410_000189* PK410_000190* PK410_000191* PK410_000192* PK410_000193* PK410_000194* PK410_000195* PK410_000196* PK410_000197* PK410_000198* PK410_000199* PK410_000200* PK410_000201* PK410_000202* PK410_000203* PK410_000204* PK410_000205* PK410_000206* PK410_000207* PK410_000208* PK410_000209* PK410_000210* PK410_000211* PK410_000212* PK410_000213* PK410_000214* PK410_000215* PK410_000216* PK410_000217* PK410_000218* PK410_000219* PK410_000220* PK410_000221* PK410_000222* PK410_000223* PK410_000224* PK410_000225* PK410_000226* PK410_000227* PK410_000228* PK410_000229* PK410_000230* PK410_000231* PK410_000232* PK410_000233* PK410_000234* PK410_000235* PK410_000236* PK410_000237* PK410_000238* PK410_000239* PK410_000240* PK410_000241* PK410_000242* PK410_000243* PK410_000244* PK410_000245* PK410_000246* PK410_000247* PK410_000248* PK410_000249* PK410_000250* PK410_000251* PK410_000252* PK410_000253* PK410_000254* PK410_000255* PK410_000256* PK410_000257* PK410_000258* PK410_000259* PK410_000260* PK410_000261* PK410_000262* PK410_000263* PK410_000264* PK410_000265* PK410_000266* PK410_000267* PK410_000268* PK410_000269* PK410_000270* PK410_000271* PK410_000272* PK410_000273* PK410_000274* PK410_000275* PK410_000276* PK410_000277* PK410_000278* PK410_000279* PK410_000280* PK410_000281* PK410_000282* PK410_000283* PK410_000284* PK410_000285* PK410_000286* PK410_000287* PK410_000288* PK410_000289* PK410_000290* PK410_000291* PK410_000292* PK410_000293* PK410_000294* PK410_000295* PK410_000296* PK410_000297* PK410_000298* PK410_000299* PK410_000300* PK410_000301* PK410_000302* PK410_000303* PK410_000304* PK410_000305* PK410_000306* PK410_000307* PK410_000308* PK410_000309* PK410_000310* PK410_000311* PK410_000312* PK410_000313* PK410_000314* PK410_000315* PK410_000316* PK410_000317* PK410_000318* PK410_000319* PK410_000320* PK410_000321* PK410_000322* PK410_000323* PK410_000324* PK410_000325* PK410_000326* PK410_000327* PK410_000328* PK410_000329* PK410_000330* PK410_000331* PK410_000332* PK410_000333* PK410_000334* PK410_000335* PK410_000336* PK410_000337* PK410_000338* PK410_000339* PK410_000340* PK410_000341* PK410_000342* PK410_000343* PK410_000344* PK410_000345* PK410_000346* PK410_000347* PK410_000348* PK410_000349* PK410_000350* PK410_000351* PK410_000352* PK410_000353* PK410_000354* PK410_000355* PK410_000356* PK410_000357* PK410_000358* PK410_000359* PK410_000360* PK410_000361* PK410_000362* PK410_000363* PK410_000364* PK410_000365* PK410_000366* PK410_000367* PK410_000368* PK410_000369* PK410_000370* PK410_000371* PK410_000372* PK410_000373* PK410_000374* PK410_000375* PK410_000376* PK410_000377* PK410_000378* PK410_000379* PK410_000380* PK410_000381* PK410_000382* PK410_000383* PK410_000384* PK410_000385* PK410_000386* PK410_000387* PK410_000388* PK410_000389* PK410_000390* PK410_000391* PK410_000392* PK410_000393* PK410_000394* PK410_000395* PK410_000396* PK410_000397* PK410_000398* PK410_000399* PK410_000400* PK410_000401* PK410_000402* PK410_000403* PK410_000404* PK410_000405* PK410_000406* PK410_000407* PK410_000408* PK410_000409* PK410_000410* PK410_000411* PK410_000412* PK410_000413* PK410_000414* PK410_000415* PK410_000416* PK410_000417* PK410_000418* PK410_000419* PK410_000420* PK410_000421* PK410_000422* PK410_000423* PK410_000424* PK410_000425* PK410_000426* PK410_000427* PK410_000428* PK410_000429* PK410_000430* PK410_000431* PK410_000432* PK410_000433* PK410_000434* PK410_000435* PK410_000436* PK410_000437* PK410_000438* PK410_000439* PK410_000440* PK410_000441* PK410_000442* PK410_000443* PK410_000444* PK410_000445* PK410_000446* PK410_000447* PK410_000448* PK410_000449* PK410_000450* PK410_000451* PK410_000452* PK410_000453* PK410_000454* PK410_000455* PK410_000456* PK410_000457* PK410_000458* PK410_000459* PK410_000460* PK410_000461* PK410_000462* PK410_000463* PK410_000464* PK410_000465* PK410_000466* PK410_000467* PK410_000468* PK410_000469* PK410_000470* PK410_000471* PK410_000472* PK410_000473* PK410_000474* PK410_000475* PK410_000476* PK410_000477* PK410_000478* PK410_000479* PK410_000480* PK410_000481* PK410_000482* PK410_000483* PK410_000484* PK410_000485* PK410_000486* PK410_000487* PK410_000488* PK410_000489* PK410_000490* PK410_000491* PK410_000492* PK410_000493* PK410_000494* PK410_000495* PK410_000496* PK410_000497* PK410_000498* PK410_000499* PK410_000500* PK410_000501* PK410_000502* PK410_000503* PK410_000504* PK410_000505* PK410_000506* PK410_000507* PK410_000508* PK410_000509* PK410_000510* PK410_000511* PK410_000512* PK410_000513* PK410_000514* PK410_000515* PK410_000516* PK410_000517* PK410_000518* PK410_000519* PK410_000520* PK410_000521* PK410_000522* PK410_000523* PK410_000524* PK410_000525* PK410_000526* PK410_000527* PK410_000528* PK410_000529* PK410_000530* PK410_000531* PK410_000532* PK410_000533* PK410_000534* PK410_000535* PK410_000536* PK410_000537* PK410_000538* PK410_000539* PK410_000540* PK410_000541* PK410_000542* PK410_000543* PK410_000544* PK410_000545* PK410_000546* PK410_000547* PK410_000548* PK410_000549* PK410_000550* PK410_000551* PK410_000552* PK410_000553* PK410_000554* PK410_000555* PK410_000556* PK410_000557* PK410_000558* PK410_000559* PK410_000560* PK410_000561* PK410_000562* PK410_000563* PK410_000564* PK410_000565* PK410_000566* PK410_000567* PK410_000568* PK410_000569* PK410_000570* PK410_000571* PK410_000572* PK410_000573* PK410_000574* PK410_000575* PK410_000576* PK410_000577* PK410_000578* PK410_000579* PK410_000580* PK410_000581* PK410_000582* PK410_000583* PK410_000584* PK410_000585* PK410_000586* PK410_000587* PK410_000588* PK410_000589* PK410_000590* PK410_000591* PK410_000592* PK410_000593* PK410_000594* PK410_000595* PK410_000596* PK410_000597* PK410_000598* PK410_000599* PK410_000600* PK410_000601* PK410_000602* PK410_000603* PK410_000604* PK410_000605* PK410_000606* PK410_000607* PK410_000608* PK410_000609* PK410_000610* PK410_000611* PK410_000612* PK410_000613* PK410_000614* PK410_000615* PK410_000616* PK410_000617* PK410_000618* PK410_000619* PK410_000620* PK410_000621* PK410_000622* PK410_000623* PK410_000624* PK410_000625* PK410_000626* PK410_000627* PK410_000628* PK410_000629* PK410_000630* PK410_000631* PK410_000632* PK410_000633* PK410_000634* PK410_000635* PK410_000636* PK410_000637* PK410_000638* PK410_000639* PK410_000640* PK410_000641* PK410_000642* PK410_000643* PK410_000644* PK410_000645* PK410_000646* PK410_000647* PK410_000648* PK410_000649* PK410_000650* PK410_000651* PK410_000652* PK410_000653* PK410_000654* PK410_000655* PK410_000656* PK410_000657* PK410_000658* PK410_000659* PK410_000660* PK410_000661* PK410_000662* PK410_000663* PK410_000664* PK410_000665* PK410_000666* PK410_000667* PK410_000668* PK410_000669* PK410_000670* PK410_000671* PK410_000672* PK410_000673* PK410_000674* PK410_000675* PK410_000676* PK410_000677* PK410_000678* PK410_000679* PK410_000680* PK410_000681* PK410_000682* PK410_000683* PK410_000684* PK410_000685* PK410_000686* PK410_000687* PK410_000688* PK410_000689* PK410_000690* PK410_000691* PK410_000692* PK410_000693* PK410_000694* PK410_000695* PK410_000696* PK410_000697* PK410_000698* PK410_000699* PK410_000700* PK410_000701* PK410_000702* PK410_000703* PK410_000704* PK410_000705* PK410_000706* PK410_000707* PK410_000708* PK410_000709* PK410_000710* PK410_000711* PK410_000712* PK410_000713* PK410_000714* PK410_000715* PK410_000716* PK410_000717* PK410_000718* PK410_000719* PK410_000720* PK410_000721* PK410_000722* PK410_000723* PK410_000724* PK410_000725* PK410_000726* PK410_000727* PK410_000728* PK410_000729* PK410_000730* PK410_000731* PK410_000732* PK410_000733* PK410_000734* PK410_000735* PK410_000736* PK410_000737* PK410_000738* PK410_000739* PK410_000740* PK410_000741* PK410_000742* PK410_000743* PK410_000744* PK410_000745* PK410_000746* PK410_000747* PK410_000748* PK410_000749* PK410_000750* PK410_000751* PK410_000752* PK410_000753* PK410_000754* PK410_000755* PK410_000756* PK410_000757* PK410_000758* PK410_000759* PK410_000760* PK410_000761* PK410_000762* PK410_000763* PK410_000764* PK410_000765* PK410_000766* PK410_000767* PK410_000768* PK410_000769* PK410_000770* PK410_000771* PK410_000772* PK410_000773* PK410_000774* PK410_000775* PK410_000776* PK410_000777* PK410_000778* PK410_000779* PK410_000780* PK410_000781* PK410_000782* PK410_000783* PK410_000784* PK410_000785* PK410_000786* PK410_000787* PK410_000788* PK410_000789* PK410_000790* PK410_000791* PK410_000792* PK410_000793* PK410_000794* PK410_000795* PK410_000796* PK4 | | | | | | | | | | | | | | | | | | | | | |

| ID | Donor | Project Title | 2021 (Recess) | | | 2022 (Equivalent GBP) | | | 2023 (Recess) | | | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses | Total | Project running expenses | Gratuity | Direct project expenses |
|----|-------|---------------|---------------|--|--|-----------------------|--|--|---------------|--|--|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|
|----|-------|---------------|---------------|--|--|-----------------------|--|--|---------------|--|--|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|-------|--------------------------|----------|-------------------------|

| | | 2022 (Rupees) | | 2022 (Equivalent GBP) | | 2021 (Rupees) | | 2021 (Equivalent GBP) | | | |
|-------|---|---|-----------|-----------------------------|-----------------------------|------------------|--|-----------------------------|----------------------------|-----------------------------|------------|
| | | Salaries, gratuities and other benefits | Gratuity | Direct project expenses | Project running expenses | Total | Salaries, wages and other benefits | Gratuity | Direct project expenses | Project running expenses | Total |
| 18.13 | United Nations Development Programme (UNDP) Stabilisation Through Inclusive Livelihoods in the Tribal District Of FATA, Pakistan 342 Sub-Project Disbursement to Small Business Holders PK0250_0000451 | 852,558 | 2,871,200 | 3,023,819 | 14,406 | 9,813,977 | 8,853,877 | 176,873 | 81,660,250 | 12,161,533 | 93,337,326 |
| | | 952,559 | 2,871,200 | 3,023,819 | 14,406 | 9,813,977 | 8,853,877 | 176,873 | 81,660,250 | 12,161,533 | 93,337,326 |
| 18.14 | United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) Communities with Disasters (with Women Engagement) PK0250_0000277 | | | | | | 4,453,278 | | 47,990,875 | 8,460,990 | 55,905,343 |
| | | | | | | | 4,453,278 | | 47,990,875 | 8,460,990 | 55,905,343 |
| 18.15 | National Disaster and Risk Management (NDRMP) & Islamic Relief United States of America Resilient and Adaptive Population in Disaster (RAPD) PK0250_0000291 | 2,587,774 | 6,798 | 70,884,013 | 2,854,684 | 76,291,388 | 7,458,182 | 457,324 | 60,548,087 | 1,920,378 | 78,413,218 |
| 18.16 | Islamic Relief Australia Waterlogging Support to Leaps Valley in AUK Sole Water for Female Educational Institutions Flood Emergency Response-Kas Saltnahs PK0250_0001487 | 613,257 | 34,689 | 2,213,451 | 65,373 | 2,927,440 | 11,817 | | 4,892,040 | 55,516 | 6,185,335 |
| | | 513,257 | 34,689 | 2,213,451 | 65,373 | 2,927,440 | 11,817 | | 4,892,040 | 55,516 | 6,185,335 |
| 18.17 | Islamic Relief South Africa Flood Emergency Response BJA-2022 (Sashehu) PK0250_0001564 | 5,387,872 | 3,244,301 | 90,357,293 | 1,955,147 | 98,374,613 | 232,648 | | | | |
| | | 5,387,872 | 3,244,301 | 90,357,293 | 1,955,147 | 98,374,613 | 232,648 | | | | |
| 18.18 | World Food Programme (WFP) Food for Assets (FFA) Cash Assistance Food for Assets | | | | | | | | | | |

19 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Islamic Relief - Worldwide, all affiliates of the Islamic Relief - Worldwide, directors, country director, key management personnel and entities over which the directors are able to exercise significant influence. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive and directors is disclosed in note 20 to the financial statements.

The following transactions were carried out during the year with related parties:

| | Basis of Association | 2022 (Rupees) | 2022 (Equivalent GBP) | 2021 (Rupees) | 2021 (Equivalent GBP) |
|---|---------------------------------|----------------------|-----------------------------|----------------------|-----------------------------|
| Donations received from: | | | | | |
| Associated companies | | | | | |
| Islamic Relief Worldwide and affiliates | Common key management personnel | 1,642,782,978 | 6,530,742 | 1,535,534,423 | 6,844,065 |
| Islamic Relief Sweden | Common key management personnel | 269,099,339 | 1,069,781 | - | - |
| Islamic Relief Germany | Common key management personnel | 117,637,351 | 467,657 | 3,546,903 | 15,809 |
| | | <u>2,029,519,668</u> | <u>8,068,180</u> | <u>1,539,081,326</u> | <u>6,859,874</u> |
| Expenses incurred for: | | | | | |
| Associated companies | | | | | |
| Islamic Relief Worldwide and affiliates | Common key management personnel | 23,091,053 | 91,796 | 5,808,000 | 25,887 |
| | | <u>23,091,053</u> | <u>91,796</u> | <u>5,808,000</u> | <u>25,887</u> |

19.1 Islamic Relief has no shareholding in the above mentioned companies.

19.2 Following are the details of the related parties incorporated outside Pakistan with whom the Company had agreement in place during the year

| | Country of Incorporation | Registered Address |
|--------------------------|--------------------------|---|
| Islamic Relief Worldwide | United Kingdom | 19 Rea Street South digbeth Birmingham B5 6LB United Kingdom |
| Islamic Relief Sweden | Sweden | Sundbybergsvägen 1C, 171 73 Solna, Stockholm |
| Islamic Relief Germany | Germany | Max-Planck-Str. 42 50858 Cologne Germany |

20 REMUNERATION OF DIRECTORS, COUNTRY DIRECTOR AND KEY MANAGEMENT PERSONNEL

No amount was paid or charged to the Company in respect of remuneration and other benefits of Directors and Country Director of the Company.

The aggregate amount charged in the financial statements for remuneration, including all benefits, to Key staff of the Company is as follows:

| | 2022 (Rupees) | 2022 (Equivalent GBP) | 2021 (Rupees) | 2021 (Equivalent GBP) |
|--|--------------------|-----------------------------|-------------------|-----------------------------|
| Managerial remuneration | 56,751,594 | 225,611 | 44,991,279 | 200,532 |
| Coordinators remuneration | 49,189,023 | 195,547 | 46,357,820 | 206,622 |
| Eid bonus | 1,198,000 | 4,763 | 626,000 | 2,790 |
| Company's contribution to Gratuity funds | 8,824,853 | 35,082 | 7,612,425 | 33,930 |
| | <u>115,963,470</u> | <u>461,003</u> | <u>99,587,524</u> | <u>443,874</u> |
| Number of employees | 49 | 49 | 45 | 45 |

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

21.1 Financial assets and liabilities

December 31, 2022

Financial assets at amortised cost

| | (Rupees) | (Equivalent GBP) |
|--------------------------------|--------------------|------------------|
| Maturity up to one year | | |
| Micro credit financing | 89,368,706 | 324,864 |
| Advances | 6,156,625 | 22,380 |
| Deposits and other receivables | 32,178,704 | 116,973 |
| Cash and Bank balances | 418,641,991 | 1,521,804 |
| | <u>546,346,025</u> | <u>1,986,021</u> |

Financial liabilities at amortised cost

| | (Rupees) | (Equivalent GBP) |
|--------------------------|--------------------|------------------|
| Maturity up to one year | | |
| Trade and other payables | 723,188,806 | 2,628,860 |
| | <u>723,188,806</u> | <u>2,628,860</u> |

December 31, 2021

Financial assets at amortised cost

| | (Rupees) | (Equivalent GBP) |
|--------------------------------|--------------------|------------------|
| Maturity up to one year | | |
| Micro credit financing | 82,660,033 | 349,484 |
| Advances | 5,307,711 | 22,441 |
| Deposits and other receivables | 9,956,149 | 42,094 |
| Cash and Bank balances | 446,455,065 | 1,887,599 |
| | <u>544,378,957</u> | <u>2,301,618</u> |

Financial liabilities at amortised cost

| | Other financial liabilities (Rupees) | (Equivalent GBP) |
|--------------------------|---|------------------|
| Maturity up to one year | | |
| Trade and other payables | 164,234,280 | 694,378 |
| | <u>164,234,280</u> | <u>694,378</u> |

21.2 Credit quality of financial assets

The credit quality of companies financial assets have been assessed below by reference to external credit rating of counterparties determined by the JCR - VIS Credit Rating Company Limited (JCR - VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

| | Rating | 2022 | 2021 |
|--|--------|--------------------|--------------------|
| | | (Rupees) | |
| Micro credit financing | | | |
| Counterparties without external credit ratings | | <u>89,368,706</u> | <u>82,660,033</u> |
| Advances | | | |
| Counterparties without external credit ratings | | <u>6,156,625</u> | <u>5,307,711</u> |
| Deposits and other receivables | | | |
| Counterparties without external credit ratings | | <u>32,178,704</u> | <u>9,956,149</u> |
| Cash and Bank balances | | | |
| Counterparties with external credit ratings | | | |
| | AA+ | 269,154,820 | 278,351,188 |
| | AAA | 140,752,451 | 168,089,127 |
| | A | 8,734,720 | 4,750 |
| | | <u>418,641,991</u> | <u>446,455,065</u> |

21.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The internal auditor oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal auditor undertakes adhoc reviews of risk management controls and procedures, the results of which are reported to Islamic Relief Worldwide.

21.4 Concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from micro credit loans, advances, deposits and cash and bank balances which are being carried at amortised cost. The carrying amount of financial assets represents the maximum credit exposure. The Company attempts to control credit risk by continually assessing the credit worthiness of the counterparties. The Company establishes an allowance for impairment that represents its estimate of expected credit losses in respect of micro credit loans. While advances, deposits and cash and bank balances are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The Company applies the IFRS 9 general approach to measuring expected credit losses which uses a lifetime expected loss allowance for microcredit loans.

To measure the expected credit losses, micro credit loans are based on the days past due. The expected loss rates are based on the payment profiles of loans over a period of 72 month before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the loans. The Company has identified the Inflation rate and the unemployment rate of Pakistan to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Geographically there is no concentration of credit risk.

On that basis, the loss allowance as at December 31, 2022 was determined for micro credit loans as follows:

| | Current | More than 30 days past due | More than 90 days past due | Total |
|---|----------------|-------------------------------|-------------------------------|------------|
| | Rupees in '000 | | | |
| December 31, 2022 | | | | |
| Gross carrying amount of micro credit loans | 91,883,275 | 169,662 | 1,664,754 | 93,717,691 |
| Loss Allowance | 2,903,463 | 9,005 | 1,434,385 | 4,346,854 |
| December 31, 2021 | | | | |
| Gross carrying amount of micro credit loans | 81,671,960 | 7,834,270 | 4,168,554 | 93,674,784 |
| Loss Allowance | 2,764,577 | 269,961 | 4,134,554 | 7,169,093 |

21.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's 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's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date, to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows and also include the impact of estimated future interest payments

| December 31, 2022 | Carrying amount | Within 1 year | 1 to 5 years | More than 5 years |
|--------------------------|--------------------|--------------------|--------------|-------------------|
| | | (Rupees) | | |
| Trade and other payables | 723,188,806 | 723,188,806 | - | - |
| | <u>723,188,806</u> | <u>723,188,806</u> | <u>-</u> | <u>-</u> |
| December 31, 2021 | | | | |
| Trade and other payables | 164,234,280 | 164,234,280 | - | - |
| | <u>164,234,280</u> | <u>164,234,280</u> | <u>-</u> | <u>-</u> |

21.6 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and is not materially exposed to interest rate risk.

Foreign currency risk

The Company's financial assets amounting to Rs.146,793 equivalent to 615 Euros (2021:Rs.123,436 equivalent to 614 Euros) are exposed to foreign exchange rate risk. Foreign currency risk arises due to financial assets denominated in foreign currencies in the financial statements.

Foreign currency sensitivity

Management runs a sensitivity analysis (what-if-analysis) in case the EURO currency appreciates versus the functional currency by 10%.

Due to revaluation of monetary assets, the foreign exchange (gain) / loss on the income and expenditure account would have been as follows:

Exposure to currency risk

| | 2022 | 2021 |
|--|---|--------|
| | Gross exposure on income and expenditure account (Rupees) | |
| Monetary assets exposed to currency risk | | |
| Financial Assets (EURO) | 14,679 | 12,344 |

A 10% depreciation of EURO versus the functional currency would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

The following significant exchange rates were applied during the year:

| | Average rate | | Reporting date spot rate | |
|------|--------------|--------|--------------------------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| EURO | 220.11 | 192.98 | 239.13 | 201.08 |

21.6.1 Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to interest rate risk.

Signature

21.7 Fair values

The fair values of financial assets and liabilities approximate their carrying values.

21.8 Fund management

The Board of Directors monitors the Company's performance along with fund required for sustainable operations of the Company. There were no changes to the Company's approach to the fund management during the year. The Company is not subject to externally imposed funding requirements.

21.9 Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

| | 2022 | 2021 |
|--|------|------|
| 22 NUMBER OF EMPLOYEES | | |
| Number of employees of the Company at the reporting date | 579 | 430 |
| Average number of employees during the year | 472 | 328 |

23 GENERAL

23.1 Figures have been rounded off to the nearest Pak Rupee and Great British Pound.

24 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 28th April 2023

Signature

Signature
CHIEF EXECUTIVE

Signature
DIRECTOR



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