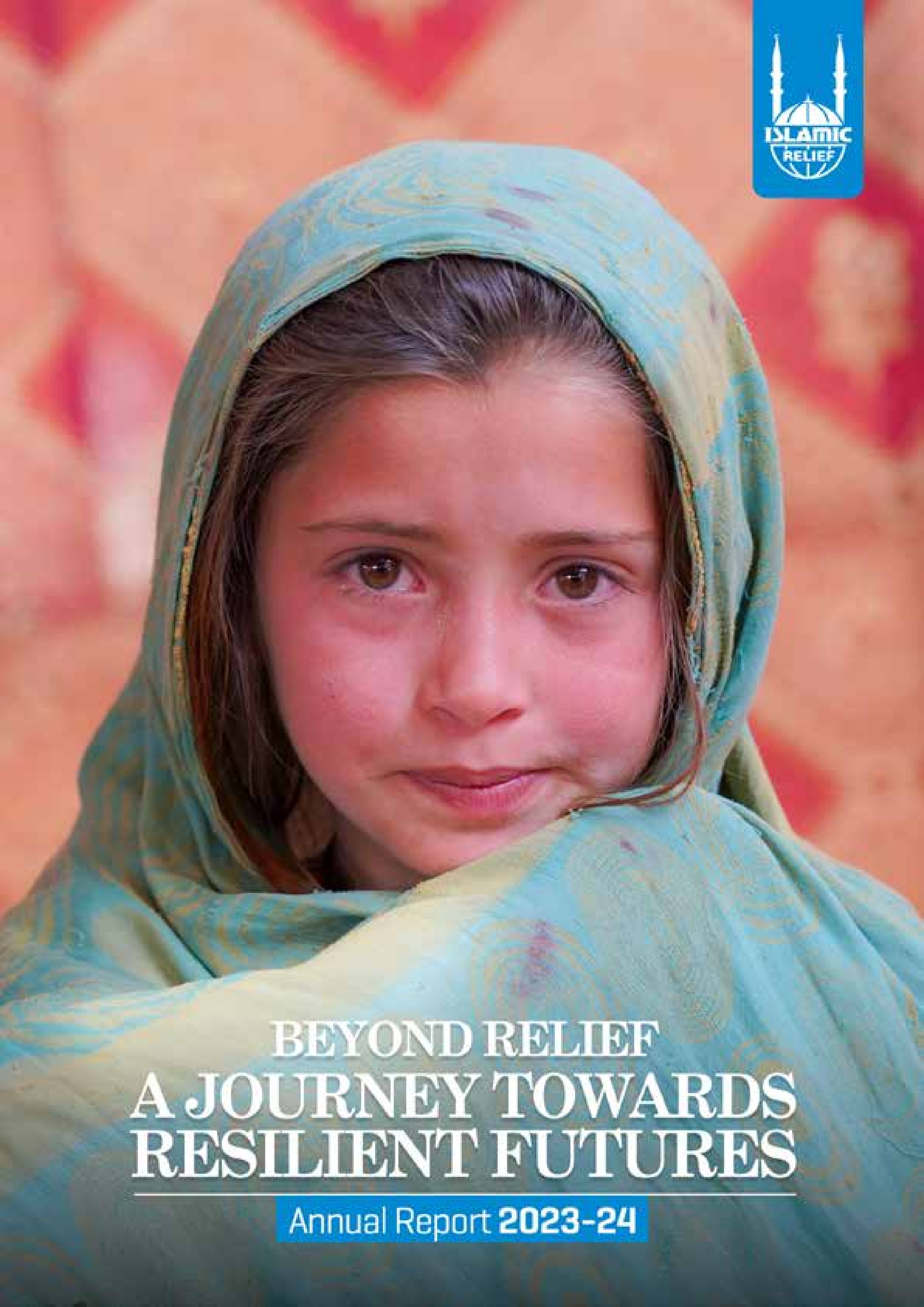

BEYOND RELIEF
A JOURNEY TOWARDS RESILIENT FUTURES

Annual Report **2023-24**

O U R   V A L U E S

OUR VALUES
إحسان
EXCELLENCE
إخلاص
SINCERITY
عدل
SOCIAL JUSTICE
رحمة
COMPASSION
أمانة
CUSTODIANSHIP

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FOREWORD

As I write these words, I am reminded of a conversation I had with Amina, a mother of three from Dadu in Sindh, whose home was swept away in the catastrophic floods of 2022. Standing amid the ruins of what was once her family's sanctuary, she asked me a question that has since echoed in every decision we've made: "Will you help us build back stronger, not just build back?"

That simple yet profound inquiry encapsulates the essence of our journey through 2023 and 2024, a period that has tested our resolve, strengthened our partnerships, and ultimately redefined what it means to serve the resilient people of Pakistan.

The floods of 2022 left an indelible mark on this nation's landscape and our collective consciousness. What began as an emergency response evolved into something far more transformative: following the Resilient Recovery, Rehabilitation, and Reconstruction Framework (4RF), a commitment to long-term rehabilitation that honors both the immediate needs of affected communities and their aspirations for a more resilient future. Over these two years, we've witnessed the extraordinary strength of the human spirit as families like Amina's have not merely survived but found ways to thrive amid uncertainty.

Our rehabilitation efforts have reached over two million individuals across Sindh, Punjab, Balochistan, and Khyber Pakhtunkhwa and we aim to continue until the dignity is restored. But numbers, while important, tell only part of the story. The real narrative lies in the women's small businesses we've established that are now generating sustainable incomes, the flood-resistant homes built using innovative local materials, and the early warning systems that communities themselves now operate and maintain.

Climate change remains the defining challenge of our time, and Pakistan, contributing less than one percent to global emissions yet bearing the brunt of climate catastrophes---stands at the frontline of this crisis. Our climate adaptation programs have evolved from reactive measures to proactive solutions. We've partnered with local communities to develop drought-resistant agricultural practices, established solar-powered irrigation systems, and trained over 1000 community champions in climate resilience strategies. Each initiative is rooted in the understanding that those most affected by climate change must be at the center of the solutions.

The strength of our impact has been amplified through strategic partnerships that transcend traditional boundaries. Our collaboration with financial institutions and corporates has brought innovative solutions to remote areas, while partnerships with local religious leaders have ensured our programs respect cultural sensitivities and reach the most marginalized.

Perhaps most revolutionarily, I am excited to tell you about our digital fundraising initiatives that garnered immense support. Through real-time updates, and transparent impact tracking, we've created a new paradigm where donors become partners in transformation rather than distant benefactors.

Yet as I reflect on our achievements, I'm equally mindful of the challenges that lie ahead. Due to the global crunch in funding by the governments along with the prevailing issues of rising food insecurity, increasing frequency of extreme weather events, and persistent inequalities demand that we remain vigilant, innovative, and deeply connected to the communities we serve.

What fills me with hope is not just what we've accomplished, but how we've accomplished it, with integrity, compassion, and an unwavering belief in the dignity and potential of every person we serve.

As we look toward the future, we carry with us the lessons learned from Amina and thousands like her: that true development is not something we do for communities, but something we do with them. That building back stronger means building back together. And that in the face of seemingly insurmountable challenges, hope is not just an emotion; it's a strategy.

The pages that follow detail our work, but behind every statistic, every program description, every photograph, lies a human story of courage, resilience, and transformation. These are the stories that drive us forward, and these are the stories that make every challenge worth facing.

Thank you to our donors and partners including UNDP, UNICEF, FCDO, IOM, Barrick Gold, Government of Norway and Sweden and most importantly, to the communities who have taught us that the most powerful force for change is not charity, but solidarity.

With gratitude and determination,

Asif Ali Sherazi

Country Director,

Islamic Relief Pakistan

OUR IMPACT 2023-2024

NO. OF PEOPLE REACHED IN 2024: **2.2 MILLION**

NO. OF DISTRICTS **18**

NO. OF MOUS: **12**

41,910 children accessed education

180,325 women overcame challenges

516,482 people have clean water at their doorsteps

56,231 farmers are climate adaptive

7,181 Renewable Energy Source

20,077 new businesses setup

12 new partnerships established

THEMATIC AREAS

Recovery and Rehabilitation

Building Back Stronger & Better

In the aftermath of Pakistan's devastating 2022 monsoon floods that **affected over 33 million** people across Sindh, Balochistan, and Khyber Pakhtunkhwa, Islamic Relief Pakistan launched an ambitious rebuilding and rehabilitation programme that extends far beyond immediate relief to create lasting resilience against future climate threats. Our comprehensive recovery initiative addressed the massive destruction where over 1.8 million houses were damaged or destroyed across the three provinces, with Sindh bearing the heaviest impact, while simultaneously rebuilding critical infrastructure including health facilities, water systems, and community centres. We pioneered the construction of disaster-resilient structures and climate-friendly shelters in Sindh and Balochistan, incorporating innovative building techniques and materials that can withstand future flooding while reducing environmental impact. Beyond housing reconstruction, our multi-faceted approach includes rehabilitating water and sanitation systems, providing cash grants for livelihood restoration, establishing psychosocial support facilities, and implementing climate adaptation projects in partnership with local communities. The programme's emphasis on "building back better" integrates disaster risk reduction measures, elevated foundations, improved drainage systems, and community-based early warning mechanisms to enhance resilience against recurring climate-induced disasters. Through capacity-building initiatives, we trained local masons and community members in flood-resilient construction techniques, ensuring sustainable knowledge transfer and long-term preparedness that will protect vulnerable populations from the increasingly frequent and severe climate events that threaten Pakistan's most at-risk communities. Our response time for humanitarian programmes is within 72 hours for emergencies.

Empowered

1.36 million

empowered through recovery and rehabilitation support

ZULFIQAR'S JOURNEY FROM CRISIS TO STABILITY

Life as a daily wager is always difficult. Some days, they earn just enough to feed their children, while on others, they have nothing at all. This is the story of many daily wagers and also of Zulfiqar Ali.

Zulfiqar is the sole bread earner for his family, which includes his wife and six children, living in the small village of Gharhi in Sindh. Every day, he leaves his home in search of work to provide for his family. In his old age, however, it has become a struggle to continue doing physical labour for long hours.

> "I work every day, but it's getting harder for me to do hard physical labour work. I'm always worried about my children's future and well-being. Our home was destroyed during the floods, and we were unable to rebuild it because of lack of resources
>
> *Zulfiqar shared*

In the devastating floods of 2022, thousands like Zulfiqar lost their homes and were forced to live in makeshift shelters.

> "The amount I earn only covers our bare minimum needs. Rebuilding our home

> was impossible without support. But thanks to the continued assistance from Islamic Relief, we've been able to survive those hardships and now, with the cash grants they provided, we have rebuilt our home.

Zulfiqar and his family now live in a safe and secure home, protected from the harshness of the weather, and with a sense of stability for their children. Since the floods of 2022, Islamic Relief has been present on the ground, responding to urgent needs and helping communities rebuild both their homes and their livelihoods through multipurpose cash grants.

Climate Change & Advocacy

Taking Actions Today for a Climate Just Tomorrow

Pakistan's frontline battle against climate change demands innovative yet practical solutions. Our climate-smart initiatives have introduced drought-resilient seed varieties to **over 20,000 farming families**, while solar-powered irrigation systems now sustain agriculture in water-scarce regions. We have established 45 community climate action groups that practise regenerative farming techniques, reducing input costs by 40% while increasing yields. Beyond field-level interventions, our advocacy efforts have influenced national policy discussions on climate change, along with three commissioned research reports exploring the current landscape in depth. Each solar panel installed, every climate-resilient crop planted, and every policy brief submitted represents our commitment to ensuring that those least responsible for climate change are best equipped to adapt to its realities.

Islamic Relief is contributing towards creating more sustainable solutions through air, water, soil health, biodiversity, forest conservation, and climate adaptation and mitigation programmes. We are actively pursuing funding and partnerships for just climate action, deployed equally between mitigation and adaptation. Our efforts are strengthening preparedness for crises and emergencies, repurposing agricultural expenditure towards sustainability and mainstreaming climate-smart agricultural practices. We have improved water security for farming communities in Sindh, Balochistan, and Khyber Pakhtunkhwa to date through innovative models, climate-resilient seed varieties, and new practices.

Our climate action is helping harness clean energy, build sustainable communities, preserve forests, and ensure responsible land use. We are evolving our work in both urban and rural areas to make people more resilient to climate risks. In addition to this, our efforts are equipping policymakers with strategic recommendations to address the interlinked challenges of climate and development priorities.

497,347

individuals engaged in climate advocacy initiatives

GHULAM SAKINA'S GREEN TURNAROUND

In the flood-ravaged village of Mehar Channa, Union Council Syedpur, District Dadu, 38-year-old Ghulam Sakina faced the harsh realities of life with resilience. A mother of four and wife to an unskilled daily wager, she struggled to make ends meet, relying on sewing work and her husband's limited income. Their home, a modest mud structure, offered little protection against poverty and natural disasters.

When floods struck her village, Ghulam Sakina and her family were forced to flee their home and seek refuge on higher ground.

> "We left everything behind just to save our lives. There was water everywhere—our fields were destroyed, and our home was no longer safe
>
> *she recalled.*

Life after the floods became even more uncertain. The family had limited access to clean drinking water, no health facility in their own village, and depended on handpumps and distant clinics for basic needs. Electricity was unreliable, and irrigation for farming remained an unfulfilled dream.

It was in this critical time that Islamic Relief Pakistan selected Ghulam Sakina as part of its Integrated Initiative for Disaster-Affected Communities (IDRAC). Through this programme, she received training and support in kitchen gardening, along with a package of vegetable seeds including coriander, onion, spinach, radish, tomato, and cucumber.

> "I never imagined that such a small patch of land could make such a big difference. I learned techniques I never knew before, and now my garden is flourishing. It gives us fresh vegetables

Her small garden quickly transformed into a valuable food source.

> "Now, we eat fresh, home-grown vegetables every day. I feel proud that I can feed my children something healthy,"
>
> *she shared with a smile.*

Not only has the garden improved her family's nutrition and food security, but it has also empowered her with knowledge and confidence. With continued efforts, she has already saved money and plans to expand her garden and invest in her children's education. Her long-term hopes include access to proper healthcare, safe and reliable schooling, electricity, and a secure home.

Protection and Inclusion

True Progress Leaves No One Behind

True development leaves no one behind, a principle that guides every intervention we design and implement. Our protection framework prioritises the most vulnerable, with specialised programmes addressing gender-based violence, child protection, and disability inclusion. Through community dialogue sessions and engagement with religious leaders, we have helped prevent child marriages while offering alternative pathways through education and skills training.

Gender is central to our development and humanitarian efforts across Pakistan. We have laid out clear strategic objectives to achieve gender equality by ending gender-based violence, expanding economic opportunities, and building women as leaders. Our work focuses on investing in women and girls, while also addressing the disadvantages faced by men and boys and the vulnerabilities that arise from the intersection of gender with poverty, disability, and other characteristics.

Together with our partners, we are tackling challenges at the forefront of gender equality and women's empowerment, including healthcare, childcare, economic inclusion, the entry of women into higher-skilled roles, gender-based violence, fiscal policy and budgetary reforms. Safe spaces for women have become catalysts for change, where survivors become advocates and isolated individuals find their voice. Gender-responsive programming ensures that women comprise 60% of our programme beneficiaries, while accessibility standards ensure persons with disabilities can fully participate in all activities. This is not just about inclusion – it is about recognising that our communities are strongest when everyone has the opportunity to contribute.

Preventing Child Marriages Through Interfaith Collaboration

In collaboration with UNICEF, a two-year project focused on the prevention of child marriages and the protection of children from violence, abuse, exploitation, and neglect across Pakistan is implemented. This initiative adopts a unique faith-based approach, engaging religious leaders and institutions to influence social norms that contribute to child marriage. The project is being implemented across Pakistan. Interfaith Child Protection Forums (ICPFs) at both national and provincial levels are formed. These forums bring together over 125 faith leaders from diverse religions and sects.

143,250
beneficiaries across Pakistan

WHEELS OF DIGNITY
RRESTORING MOBILITY FOR ISLAM KHATOON

In the remote village of Haji Ali Khan Bughio, located in Tehsil Mehar, Union Council Littan, 65-year-old Islam Khatoon had spent her life battling not only poverty, but immobility. Born with a physical disability, she had always relied on others to move from one place to another, whether to visit the market, reach a latrine, or simply attend to her small home shop.

> "I've lived my whole life in one room, not because I wanted to, but because I couldn't go anywhere. Even to relieve myself or check on my livestock, I needed someone to take me,
>
> *said Islam Khatoon*

Despite these challenges, Islam Khatoon remained active and motivated. She supported her family of nine children by running a small home-based confectionery shop and selling milk, butter, and curd from her livestock. But without a wheelchair, expanding her work or even restocking her goods was nearly impossible.

Her life took a transformational turn when Islamic Relief Pakistan, through its Resilient Initiatives to Support in Emergency (RISE) – Swedish International Development Agency (SIDA) project, identified her as a beneficiary under the Wheelchair Distribution for Persons with Disabilities (PWDs) initiative. Following a thorough assessment, she was provided with a customised wheelchair, marking a significant turning point in her life.

> "This wheelchair has changed everything for me. Now, I go from house to house selling my products. I feel independent for the first time in years

Before receiving the wheelchair, her husband was her primary caretaker. But now, she proudly says:

> "I don't feel like a burden anymore. My wheelchair is my support. It's my legs.

Living in a modest home only partially functional with huts shared with animals, Islam Khatoon continues to face poverty with resilience and dignity. The wheelchair hasn't just helped her move, it has helped her rebuild her life.

Youth Led Empowerment

Powering Change Through Young Leaders

In 2023 and 2024, Islamic Relief Pakistan's youth-centred initiatives continued to serve as a catalyst for empowerment, recognising young people as pivotal drivers of social transformation and sustainable development. Our programmes were designed to harness the potential of youth aged 15 to 29 by equipping them with the tools, knowledge, and opportunities needed to thrive in an increasingly complex world.

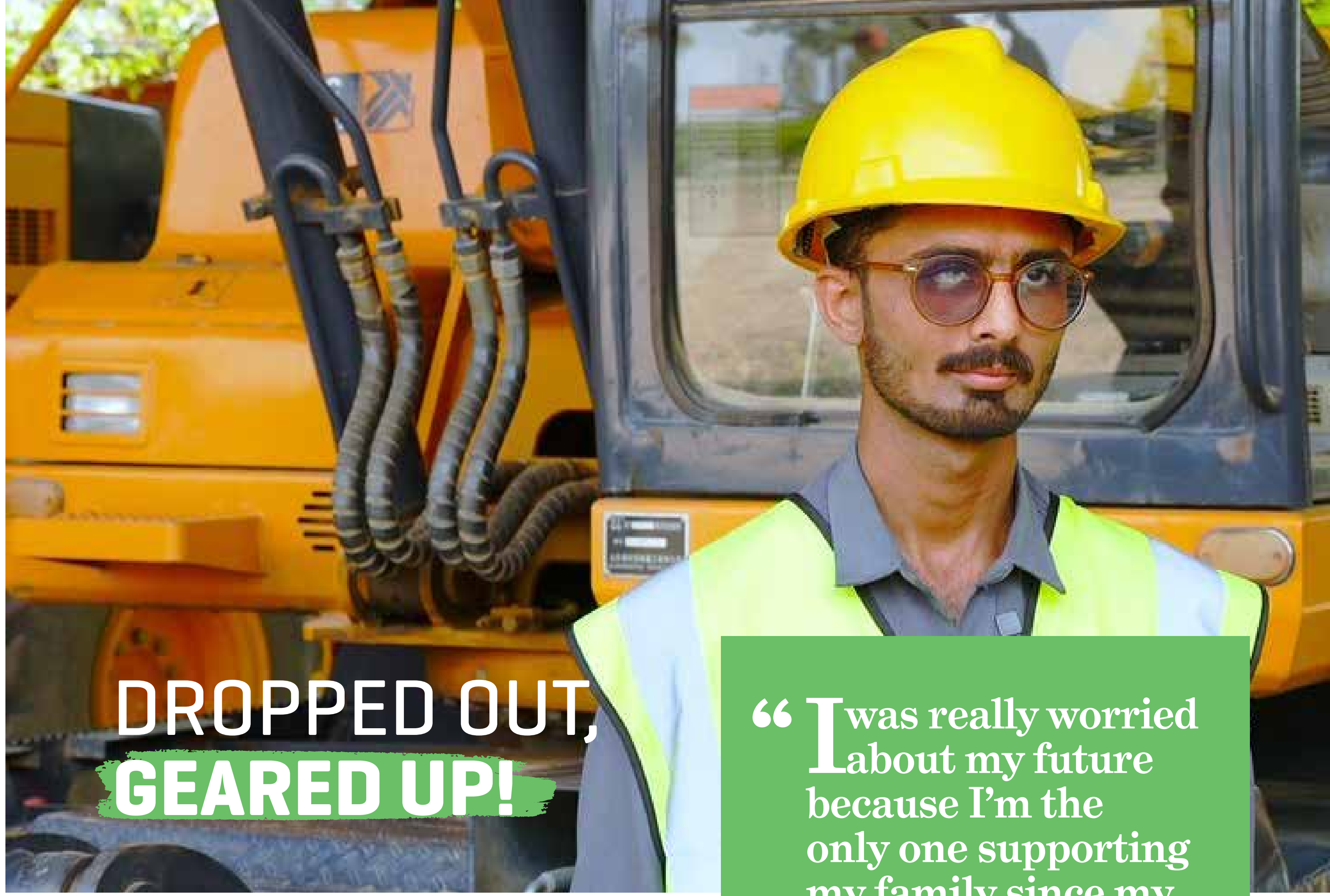
Through a wide range of comprehensive skills development initiatives, vocational training programmes, and leadership capacity-building workshops, we reached thousands of young individuals across Pakistan. These interventions focused not only on technical and professional skills but also on critical life competencies, such as communication, problem-solving, resilience, and decision-making. Our goal was to prepare youth not just for employment but for active, meaningful participation in society.

A cornerstone of our youth programming was digital literacy, ensuring that participants could confidently navigate the digital economy and access emerging opportunities. Moreover, recognising the vital importance of civic engagement, our initiatives encouraged young people to take ownership of their roles as active citizens. A special emphasis was placed on reaching marginalised youth from rural and underprivileged areas, who often face systemic barriers to education, employment, and inclusion. Tailored interventions, local partnerships, and community-based outreach helped ensure that our support reached those who needed it most, amplifying impact at the grassroots level.

The cumulative impact of our efforts extended beyond individual success stories. By nurturing a generation of socially conscious, skilled, and confident youth, we contributed to the broader vision of building resilient, inclusive, and prosperous communities across Pakistan. These young leaders are now championing change in their homes, schools, workplaces, and local governance structures proving that with the right support, the youth of today can shape a stronger tomorrow.

244,191

mobilized & mentored youth to become agents of change



DROPPED OUT, GEARED UP!

Ali Raza, a young resident of Dhoke Elahi Baksh in Rawalpindi, transformed his life through vocational training offered under the WASYLA project. After losing his father at a young age, Ali was forced to discontinue his education after matriculation due to financial hardship. With limited qualifications, he struggled to secure stable employment, yet remained determined to support his family.

His journey took a positive turn when Islamic Relief formed a community organisation in his locality. Ali became an active member and was soon selected for a three-month Heavy Machinery Operations training course. Determined to make the most of the opportunity, he successfully trained on a variety of machines including excavators, backhoes, and bulldozers.

His dedication did not go unnoticed. Impressed by his skills and work ethic, an instructor at National Logistics Corporation (NLC) Mandra referred him for an internship at a well-regarded company setting him on a promising career path.

> **"I was really worried about my future because I'm the only one supporting my family since my father passed away,**
>
> *Ali shared.*

> **"This opportunity has opened many doors for me. I can now even imagine a future beyond Pakistan.**

Economic Empowerment

Turning Potential into Prosperity

At Islamic Relief Pakistan, we believe that economic empowerment is one of the most dignified and sustainable forms of humanitarian support. In 2023–2024, our comprehensive livelihoods programmes created meaningful pathways to economic stability for thousands of families across Pakistan.

Through a combination of skills development, asset provision, financial inclusion, and market linkage support, we equipped over 12,000 individuals with the tools to build their own futures. Our training initiatives spanned a diverse range of competencies from traditional crafts like embroidery and tailoring to modern digital services. Beneficiaries not only gained technical expertise but also received trainings ensuring that skills translated into income-generating ventures.

A key highlight of our efforts has been the success of women-led cooperatives, which now generate a collective monthly income of over PKR 2.5 million. These cooperatives provide not only financial independence for women but are also bringing the social change in traditionally underserved areas. Our livestock distribution programme also made a significant impact, providing goats, poultry, and other small livestock to 1,800 families. These animals serve as a dual asset providing both a sustainable source of nutrition and a steady stream of income through milk, eggs, or offspring sales.

To further support small-scale entrepreneurs and marginalised households, Islamic Relief partnered

306,376
people strengthened through economic initiatives

with microfinance institutions to expand access to capital. Through these partnerships, we facilitated the disbursement of over PKR 150 million in small loans, empowering individuals to start or scale their own businesses. The programme boasts a remarkable 96% repayment rate, demonstrating not only the effectiveness of our financial inclusion model but also the responsibility and determination of our right-holders.

Each new business launched, every skill accredited, and every link forged with local markets represents more than just economic progress. It marks a step towards resilient communities.

A JOURNEY FROM DESPAIR TO DIGNITY

Lachma, a widowed mother of three from Village Chutto Mirwani, UC Fareedabad, District Dadu, faced immense hardship after flash floods destroyed her home-based bangle and cosmetics business, her only source of livelihood. After the passing of her husband, she relied on her parents and struggled to meet basic needs, especially when her daughter fell critically ill during the disaster.

> “Years of effort were erased within days. I had nothing left

To continue her daughter's treatment, she borrowed PKR 10,000 from her brother. Her situation began to improve when Islamic Relief Pakistan , through its Multiple Purpose Cash Grant (MPCG) initiative, provided her with PKR 25,000 in support. Lachma used this assistance to repay part of her debt, purchase Eid clothes for her children, fund medical expenses, and restart her small business.

As a result, she regained financial stability and has now saved an additional PKR 10,000 from her renewed business. This will be reinvested to further grow her trade and support her children's education.

> “I never thought I would smile again,” she added. “Now, I wake up every day with purpose. I feel proud to be able to provide for my children.

THE GIFT THAT NOURISHED A FAMILY

In the village of Muhammad Ali Solani in Thatta, Sindh, a woman's life took a heartbreaking turn when her husband was diagnosed with cancer. In the months that followed, she sold everything the family owned, their savings, gold, and even essential household items, to pay for her husband's treatment.

With a heavy heart, she began seeking help from the villagers, not for herself, but to save her husband's life. Sadly, her husband could not survive. After his passing, it became increasingly difficult for Gohar to manage her life and take care of her children's well-being.

That's when Islamic Relief stepped in and gifted her a cow, a gesture that marked a turning point in her life. Gohar began selling milk to cover her daily expenses and was also able to provide fresh milk to her children.

“Milk was the most important thing for my young children, and we were not able to afford it”

she shared.

The cow recently gave birth to a calf, and a portion of the milk is set aside for the young calf. With this gift, not only has the family's nutrition improved, they now enjoy milk, butter, and ghee, once luxuries.

From the earnings she makes by selling milk, Gohar carefully budgets her income to ensure her cow remains healthy and her family's needs are met. She sets aside a portion of her earnings to buy fresh fodder and water for the cow, keeping it well-fed and productive. The remaining income goes toward her household expenses, buying flour, vegetables, and other essentials for her children. With this steady source of income, she no longer has to rely entirely on the goodwill of her neighbors, and for the first time in years, she can plan ahead and meet her family's daily needs.

“We used to drink black tea because there was no milk, and consuming milk was a dream for us. Now, I thank Allah every day, this support brought life back to my family.

WATER ACCESS

Every Drop Counts, Every Life Matters

Access to safe, clean water is not merely a development goal, it is a fundamental human right and sustainable progress. At Islamic Relief Pakistan, water security has remained a core priority throughout 2023 and 2024, and will continue to guide our work as climate change, population pressures, and environmental degradation increasingly strain water resources across the region.

In response to these challenges, we are intensifying our efforts in collaboration with strategic partners including government bodies, civil society, and the private sector to implement integrated, climate-resilient water solutions. Recognising the urgent need for long-term, scalable interventions. Water is life and securing equitable access to it has the power to transform entire communities. In 2023–2024, our water programmes reached over ***85,000 families,*** providing clean water through the installation of solar-powered tube wells, hand pumps, and community filtration systems in underserved and drought-prone areas across Pakistan. These systems are not only environmentally friendly, but they also reduce the burden on women and children who often travel long distances to fetch water.

Yet our approach goes far beyond infrastructure. True water security requires community ownership, education, and long-term planning. To that end, we have trained over 2,100 community members in sustainable water management techniques including water conservation, rainwater harvesting, and system maintenance, equipping them with the skills to preserve and manage water resources effectively.

A cornerstone of our work is the establishment of community-based water management organisations. These locally led groups are democratically structured and trained to oversee the operation and upkeep of water infrastructure, mediate access, and ensure equitable distribution. Understanding that the future of water stewardship lies in the hands of the next generation, we have also integrated school-based hygiene education programmes into our water initiatives. These efforts teach children the importance of clean water, handwashing, and personal hygiene turning them into informed advocates for change in their households and communities.

Key achievements include the construction of 51 water storage reservoirs and 82 water ponds, rehabilitation of 22 traditional karezes and 43 irrigation channels, and installation of 45 solar-operated RO filtration Plants. To enhance drinking water access, IRP has implemented 182 solarized and over 410 rehabilitated or newly constructed drinking water supply schemes. 54 drip irrigation systems, 25 flood protection structures and one wastewater treatment plant was also established in Balochistan. 46 communal and 763 household-level rainwater harvesting systems were constructed in AJK and KP, distributed 600 household water filters in Balochistan and Sindh, and provided over 10,000 household water storage tanks with accessories.

582,642
people have access to clean drinking water

FROM FLOODS TO FULFILLMENT

Nabila, an eight-year-old girl in Class 2, lives in a small village in the flood-affected region of Sindh. Her father, Mehmood, works as an agricultural labour, while her mother, Hameeda, struggles to meet the family's needs amidst scarce resources. The devastating floods of 2022 turned their lives upside down, leaving them without adequate shelter and cutting off access to safe drinking water.

Nabila's daily life was marked by hardship. She had to walk over 1,200 metres to fetch water, often queuing for hours just to fill a small container. This exhausting routine not only stole precious time meant for school and play but also exposed her to serious health risks. Drinking unclean water led to frequent illnesses, causing her to miss classes and endure suffering no child should have to face.

> **“I used to get tired and miss school because I had to bring water from so far,**
> *Nabila recalls.*

With the support of Islamic Relief Pakistan, Nabila's story began to transform. A one-room shelter with a washroom was built for her family, and a clean water source, including a hand pump, pond, and filtration plant, was installed near their home. This simple yet life-changing intervention brought immense relief.

Now, Nabila can attend school regularly, remain healthy, and enjoy her childhood like any other eight-year-old.

> **“Now I get water near my house, and I don't miss school anymore**
> *she says with a smile.*

WHEN WATER RETURNED, LIFE FOLLOWED

In the parched village of Killi Bado Muhammad Hassan in Kharan, Balochistan, the harsh grip of climate change left families struggling to survive. Among them was 36-year-old Ghulam Shah, a dedicated farmer and the head of a large extended family of 12. For years, Ghulam endured the devastating effects of sandy soil and recurring drought. His land could barely retain water, crop yields plummeted, and his family's only source of livelihood teetered on the brink of collapse.

> “We had no proper source of clean drinking water & we used to fetch water from faraway places, and even that wasn't enough to support our crops.

The severe drought forced many families to abandon the village, unable to sustain their livestock or meet even the most basic needs. But Ghulam stayed behind.

> “This is our home. I couldn't leave everything behind.

That's when Islamic Relief Pakistan intervened. Through community engagement and capacity building, the team introduced climate-smart water management strategies to farmers like Ghulam. A dedicated water pond was constructed, helping to retain water and improve irrigation in the sandy soil.

> “Now I can store water and irrigate my fields. My crops are growing again. For the first time in years, I feel financially stable and optimistic about the future.

says Ghulam with visible relief.

ORPHAN SPONSORSHIP

Where Care Meets Potential

Behind every sponsored orphan is a story of untapped potential a life that, with the right care and opportunity, can rise above adversity to thrive. At Islamic Relief Pakistan, we believe that supporting orphans is not just about meeting immediate needs, but about investing in the long-term development and dignity of children who have lost one or both parents.

Our holistic orphan sponsorship programme currently supports over **6,000 children** across Pakistan. Going beyond basic financial assistance, our model is designed to provide comprehensive care tailored to each child's unique needs. Through a carefully coordinated framework, we address their educational, health, emotional, and social well-being, ensuring they are not only protected but also empowered to reach their full potential.

Each child in our programme is paired with a dedicated case worker, a compassionate professional who acts as a bridge between the child, their family, and essential services. These case workers closely monitor school attendance and academic progress, facilitate access to healthcare, and provide regular psychosocial support through one-on-one counselling and group sessions. This personalised approach ensures that vulnerable children are not left to navigate life alone, but are guided and supported at every step.

Education remains at the heart of our vision. Our support doesn't stop at school enrolment; it extends to higher education scholarships, which have enabled 340 young individuals to pursue university degrees. Many of whom are the first in their families to reach that milestone. These scholarships are not just a means to education they are a gateway to social mobility, self-confidence, and leadership.

To nurture not only academic growth but also moral development, our programme includes character-building initiatives rooted in universal values such as empathy, responsibility, honesty, and service. These help shape children into confident, compassionate citizens who are not only prepared to succeed but also to contribute meaningfully to their communities. One of the most heartwarming aspects of our programme is the connection between sponsors and children. Regular letters, updates, and photographs help bridge geographical and cultural distances, fostering relationships that are deeply meaningful on both sides. For many children, their sponsor becomes more than just a financial supporter, they are a source of encouragement, care, and emotional strength. This is not merely sponsorship. It is an extension of family across boundaries and a shared commitment to uplift and protect the next generation

Since 1994, Islamic Relief has sponsored more than

20,000

orphans across Pakistan

THE LITTLE GIRL WITH BIG DREAMS

"My husband was a kind and loving man, my pillar of strength," her mother recalls. "When he passed away, it felt like my world had crumbled. But Islamic Relief brought back the happiness that I had lost.

Eman, a 4-year-old from AJK, Pakistan, lost her father before she even had the chance to know him. At just three months old, she became an orphan, and her mother was left alone to raise four daughters. Struggling to provide even the basics, education seemed like a distant dream for her children. Life felt hopeless.

But then, Islamic Relief stepped in and sponsored Eman's education and other basic necessities. Today, Eman and her mother have found a sense of relief and renewed optimism.

Eman is a determined little girl, with dreams of becoming a doctor. Her attention to detail from her hairstyle to her clothes keeps her mother on her toes. Even at her young age, she knows what she wants and isn't afraid to ask for it.

Eman is now in primary school. Through the support of Islamic Relief, she and her family have found hope in a time of despair, and her mother is determined to fulfil every wish, ensuring Eman never feels the void of her father's absence.

"I don't see myself as disabled. I just want to finish my education as soon as possible so I can support my family, help my mother, and share the expenses.

TURNING CHALLENGES INTO RESILIENCE

Born with a leg disability and orphaned at a young age, Rabeel from Rawalpindi was sponsored through our Orphan Sponsorship Programme. Despite her physical challenges, she remained focused on her education and demonstrated remarkable determination.

Inspired by her resilience and commitment, she was selected as a Youth Ambassador in 2023. In this role, she completed leadership and mentorship training. With support from Islamic Relief USA complimentary funds, she received an electric wheelchair in 2023, enabling her to attend university more comfortably.

Rabeel is now pursuing a BS in Psychology and is on the path to fulfilling her dream of becoming a psychologist.

SEASONAL GIVINGS

Faith in Action, Compassion in Every Step

Islamic Relief Pakistan's seasonal programmes during Ramadan and Qurbani serve as powerful demonstrations of faith in action where compassion delivers support to those in greatest need. These sacred periods in the Islamic calendar not only call for spiritual reflection, but also present vital opportunities to ensure that no one is left behind in the fight against hunger and poverty.

In Ramadan, our food distribution initiative reached over **25,000 vulnerable families** across Pakistan. Specially prepared staple parcels were designed to support both iftar and sehri meals, providing sufficient nutrition for the entire month. Priority was given to widows, orphans, the elderly, and daily wage earners, many of whom continue to struggle with the economic shocks of inflation, unemployment, and rising food insecurity. In remote and disaster-affected regions, our teams worked closely with local partners and community networks to identify and reach households most in need ensuring that Ramadan remained a time of dignity and comfort, even for those facing the harshest realities.

Meanwhile, during Eid al-Adha, our Qurbani programme mobilised resources at scale to bring the joy of Eid to those who rarely experience it. Through a transparent and Shariah-compliant process, Islamic Relief Pakistan facilitated the sacrifice of animals and distribution of over **45,000 meat packs.** Beneficiaries were located in remote, conflict-affected, and food-insecure areas of Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, and Azad Jammu & Kashmir regions where access to fresh meat is rare and often unaffordable.

What sets our programme apart is its efficient cold chain system, which ensured the meat was cleaned, hygienically packed, frozen, and delivered within 48 hours of sacrifice. This level of operational excellence not only upheld food safety standards but also guaranteed that families received fresh, high-quality meat, a rare and valued source of nutrition in their diets.

Islamic Relief's winterization program is a seasonal initiative designed to support vulnerable communities during harsh winters. In 2023, the program was implemented in Balochistan, in the districts of Kila Saifullah and Pishin, and in districts of Khyber and Upper Dir in Khyber Pakhtunkhwa province. In 2023 5,668 winter kits were distributed, benefiting around 9,387 individuals. In 2024, the program expanded covering district neelum in Azad Jammu & Kashmir, districts Dadu, Qambar Shahdadkot and Mirpurkhas in Sindh, and Quetta and Mastung in Balochistan. In 2024 1,140 winter kits were distributed, reaching approximately 10,743 individuals. These kits helped families withstand extreme cold and recover from the compounded hardships of flooding and winter weather.

ONE MEAT PACK BRINGING JOY TO A FLOOD-AFFECTED FAMILY

In the quiet village of Adil Sipra in Parova, DI Khan, 47-year-old Afzal Bibi lives with her three sons in a modest one-room shelter provided by Islamic Relief Pakistan Life hasn't been easy. After losing her husband in the devastating 2022 floods, Afzal has carried the weight of survival alone juggling day labour and household chores just to keep food on the table.

> **"I take care of my neighbours' cattle and get milk in return. I sell some in nearby shops and exchange the rest for groceries,**
>
> *she shares.*

Whatever food we manage to get at the end of the day, we are thankful for it.

The current living conditions for Afzal Bibi reflected extreme poverty: no regular access to healthcare, no schooling for the children, and limited food security.

> **"Islamic Relief is the only organisation that visited during the floods. They initially, provided us with basic necessity aid. Recently they have provided me with a shelter and we have finally moved to our shelter from tent after two years**

Yet, amidst hardship, Eid al-Adha still brings a sense of celebration.

> **"It's the one time we stitch new clothes and wear them for the whole year. But no one in our neighbourhood can afford to share Qurbani meat, so we rely on organisations like Islamic Relief.**

For a family that had endured years of grief and displacement, it was a small but deeply meaningful moment of normalcy and happiness.

FASTING WITH FAITH, **BREAKING BREAD WITH GRATITUDE**

In the remote and underdeveloped District Nasirabad, Balochistan, where dusty roads wind through barren fields and opportunities are scarce, Abdul Hakeem wakes up each day to the same daunting reality of survival.
Life has never been easy there, but for Abdul Hakeem, the devastating floods of 2022 took away even the little he had managed to build over the years.

> “I lost everything in the floods. My home, my livestock, everything washed away in front of me. Since then, every day has been a test of patience.

Even Ramadan, a time of hope and blessings, became yet another chapter of hardship for his family.

> “Just like the rest of the year, Ramadan too passes with difficulty. But despite our struggles, we never let go the spirit of Ramadan. We observe it with our hearts

This year, however, was different.

> “Islamic Relief came to our door, and that meant so much to me and my family. They brought us a Ramadan ration package and it had everything we needed for sehri and iftar, and it was enough for 1.5 months

His children, who had grown accustomed to muted celebrations, could finally feel the joy of Ramadan again. For Abdul Hakeem, the package was more than just food. It was a symbol of compassion and humanity reaching even the most forgotten corners of the world.

PARTNERSHIPS

In the face of escalating climate challenges and widening social inequalities, Islamic Relief Pakistan has actively forged strategic partnerships across government institutions, academic bodies, humanitarian agencies, and the private sector. These collaborations ranging from climate resilience and sustainable agriculture to education, water reforms, youth empowerment, and child protection reflect our commitment to long-term, systemic change. By aligning efforts with local and international stakeholders, we are creating pathways for shared learning, joint advocacy, and coordinated action that uplift vulnerable communities and promote a more just, climate-resilient future for all.

TOGETHER FOR EVERY CHILD: **ISLAMIC RELIEF & UNICEF UNITE**

Islamic Relief Pakistan has joined hands with UNICEF Pakistan to uplift the lives of children in Pakistan's most marginalized districts. This strategic alliance aims to ensure every child enjoys their right to education, health, safety, and dignity. By combining resources and on-ground expertise, the partnership focuses on scaling up essential services, safeguarding childhoods, and nurturing the next generation of changemakers.

CLIMATE-READY SINDH: **A PARTNERSHIP FOR SUSTAINIBILITY**

Islamic Relief Pakistan and the Directorate of Climate Change, Sindh, have formalized a joint commitment to address the pressing challenges of climate change. This collaboration focuses on knowledge exchange, capacity building, and sustainable practices that empower vulnerable communities to adapt to climate threats while advocating for stronger environmental governance.

REBUILDING BALOCHISTAN, **TOGETHER**

In 2022 flooding, 32 districts of Balochistan were badly destroyed. According to the Balochistan Flood Recovery Plan by the Government of Balochistan, the province incurred estimated damage of PKR 349 billion ($1.625 billion), with an additional PKR 49 billion ($2.286 billion) required for reconstruction and rehabilitation efforts.

The World Bank funded Integrated Flood Resilience & Adaptation Project (IFRAP) is a strategic collaboration between the Housing Reconstruction Authority-Balochistan and IRP, aimed to supporting the sustainable and resilient housing reconstruction in district Naseerabad and Jaffarabad. IRP provided technical and operational support to conduct re-validation of the Post Disaster Needs Assessment data through MIS based app and housing reconstruction for the selected vulnerable households ensuring inclusivity, transparency and accountability. So far IRP has re-validated approximately 62,000 households and has successfully completed nearly 5,000 houses in both the targeted districts. In addition, planning for 8,700 houses reconstruction till June, 2026 has also finalized.

UNITED FOR A **GREENER FUTURE**

IR and ECO Science Foundation have signed a Memorandum of Understanding to jointly address the growing impacts of climate change in Pakistan. This partnership aims to promote sustainable development by advancing climate change education, fostering innovation, and encouraging the adoption of environmentally responsible practices. By combining expertise and resources, both organizations will work together on joint research initiatives and community-based projects that build resilience among vulnerable populations.

PARTNERSHIP FOR **SUSTAINABLE DEVELOPMENT**

Islamic Relief Pakistan has signed a Memorandum of Understanding with Qatar Charity Pakistan to jointly tackle the pressing challenges of climate change. This strategic partnership will focus on enhancing community resilience, promoting sustainable development, and integrating climate considerations into national and provincial policies.

PARTNERING FOR A SAFER, **CLIMATE RESILIENT PUNJAB**

Islamic Relief Pakistan and the Punjab Emergency Service Department have signed a Memorandum of Understanding to boost urban disaster preparedness and climate adaptation across the province. This partnership aims to build stronger, more resilient communities by enhancing response capacity and mitigating the growing risks posed by climate change and natural disasters.

ACCELERATING SDGS: **A COLLECTIVE MISSION FOR PAKISTAN**

Islamic Relief Pakistan and SDGs Academy Pakistan have come together to advance the Sustainable Development Goals. Through research, advocacy, and innovation, the partnership seeks to identify and bridge gaps in SDG implementation, contributing meaningfully to national development frameworks.

SECURING RIGHTS, **EMPOWERING COMMUNITIES**

In collaboration with Islamabad Traffic Police, Islamic Relief Pakistan is promoting community safety and inclusion through joint efforts in awareness, training, and youth engagement. This partnership supports vulnerable groups especially women, children, and persons with disabilities through safe environments and referral mechanisms.

INNOVATION MEETS **AGRICULTURE**

Islamic Relief Pakistan and Pakistan Agricultural Research Council (PARC) have signed a Memorandum of Understanding (MoU) to promote research and collaboration in agricultural, livestock and poultry production, marketing, value chains and exchange of research material. By aligning with local innovation, this partnership supports rural communities with tools and knowledge to thrive sustainably.

BREAKING THE CYCLE OF POVERTY, **TOGETHER**

IRP signed an MoU with Benazir Income Support Programme to enhance inclusive development and poverty reduction. With combined efforts, we aim to strengthen safety nets, ensure equitable resource distribution, and uplift the lives of Pakistan's most disadvantaged families.

YOUTH-LED CHANGE FOR **A GREENER TOMORROW**

Islamic Relief Pakistan and the University of Peshawar are shaping future climate leaders through joint research and academic partnerships. The MoU promotes youth engagement in climate advocacy, bridging the gap between research and action in vulnerable regions.

OUR FUNDRAISING JOURNEY

The digital revolution has fundamentally transformed how compassion crosses borders, and our digital fundraising initiatives are proving it right. Recognizing that generosity knows no geographical boundaries, we are enabling donors to support orphans locally while simultaneously extending their charitable reach to emergency relief efforts in Gaza.

Our digital transformation began with a simple recognition: Pakistani society's deep-rooted tradition of giving needed modern channels that matched the speed and scale of contemporary needs. Through strategic partnerships with fintech companies and payment gateways, we've created seamless donation experiences that work across multiple devices and payment methods, from mobile wallets to bank transfers.

The Gaza emergency response through our digital platform represents a powerful demonstration of Pakistani solidarity with global humanitarian crises. Within the first 48 hours of launching our Gaza emergency appeal, Pakistani donors contributed millions of rupees for medical supplies, hot meals, clean water, and emergency shelters. Our transparent reporting system ensures donors know exactly how their contributions are being utilized.

Our mobile-first strategy acknowledges Pakistan's digital landscape, where smartphone penetration exceeds 50% and mobile banking is rapidly expanding. Perhaps most significantly, our digital platform has nurtured a new generation of Pakistani philanthropists who view giving not as occasional charity but as ongoing social responsibility. Young professionals who might never have visited a physical donation center now engage regularly with our causes, creating sustainable funding streams that support long-term programming.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

A·F·FERGUSON&Co.

April 22, 2025
1020

The Board of Directors (the Board)
Islamic Relief - Pakistan
Islamabad

Dear Sirs

AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

We enclose eight copies of the financial statements of Islamic Relief (the Company) for the year ended December 31, 2024 with our report thereon initialled by us for identification purposes. We shall be pleased to sign our report, in present or amended form, after:

i) the financial statements have been approved by the Board and signed by the Chief Executive / Country Director and a Director authorized by the Board in this behalf;

ii) we have received the Board's specific approval for the items listed in Annexure I to this letter;

iii) we have reviewed the Directors' report presented to the Board along with the audited financial statements; and

iv) we have received satisfactory response in respect to the request for confirmation sent to parties listed in Annexure II.

v) We have seen consent letter from Islamic Relief Worldwide (IRW) to provide sufficient financial assistance to the Company for a period of a minimum twelve months from the date of approval of these financial statements.

vi) we have received a letter of representation on the lines of the enclosed draft duly signed by the Head of Finance and Chief Executive / Country Director of the Company.

2. Responsibilities of the auditors and the management in relation to the financial statements

The responsibilities of the independent auditors, in a usual examination of financial statements, are explained in the International Standard on Auditing – 200 "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing". While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of the financial statements is primarily that of the Company's management. The management's responsibilities include the maintenance of

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
74-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O.Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924; <www.pwc.com/pk>

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adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding the assets of the Company and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be construed to have disclosed all the errors or irregularities in relation to the financial statements.

3. Appropriate documentation of approved policies

In response to our inquiries for compliance with approved policies and governance guidelines, we have been apprised that whilst related policies are approved by the Board but the signed / non-editable version is not prepared for its onward dissemination to the all concerned. The absence of a non-editable / un-identifiable policy document elevates the risk of deviation from policy guidelines. We recommend that a formal signed set of the Company's approved policies is placed along related corporate records of the Company and same is clearly updated with date / BoD meeting reference for any amendments made thereto along effective date thereof. Further as per better and accepted practices, a non-editable version is placed at the internal website of the entity for ready reference and compliance by all the concerned.

4. Long drawn communication from the SECP

As an update to the letter dated April 25, 2017 issued by Securities and Exchange Commission of Pakistan (SECP) requiring Islamic Relief to dissolve the local entity due to alleged dual registration, we have been apprised by the management that due clarification has been extended to the SECP that Islamic Relief Worldwide (IRW) is registered under the laws of England which has signed the MoU with the Ministry of Interior, Government of Pakistan and it is a separate legal entity distinctive from the Company i.e., Islamic Relief Pakistan.

We have further been given to understand that the management has not yet received any further notice / communication from the SECP in respect of the aforesaid matter after extending related representations. The management asserts that the IRW and group management intends to continue operations of the Company in Pakistan with an expected continuous growth pattern in future years, thus the Company is assessed by the management as a going concern. The management has apprised that in cautious evaluation of foregoing, a legal opinion to this effect has also been obtained and based on same it is also opined that the Company's operations are likely to continue un-affected in future. We trust that the Board is aware of the aforesaid matters and is in agreement with the management's representation in this respect.

5. Deferred liability – Staff retirement benefit

We have been informed that the gratuity scheme as practiced at the Company is not approved under the Sixth Schedule to the Ordinance which if approved, would entail tax benefits to employees without increase to employee benefits / cost to the Company. We further noted that whilst the Company has been charging the gratuity expense to respective projects as per agreed terms with donors, the corresponding funds for the gratuity obligations are not separately earmarked / maintained. As a consequence of establishing a separate / recognized gratuity fund, with contribution being based on actuarial valuation, the fund shall be able to meet its certain obligations and earn return on its deposits resulting in savings to the Company with corresponding reduction in employer's contribution / costs. In this respect, we recommend that gratuity fund may be registered and approval of the tax authorities be obtained.

6. Corporate and secretarial compliances

6.1 The related regulatory filings made by the Company indicate that the Company has appointed a Company Secretary. Section 213 (2) of the Companies Act, 2017, requires that appointment contract for the Company Secretary should be maintained at the Company's registered office. However, we were not provided with any documentation for assessing the compliance thereof. We recommend that Company should align related regulatory filings / documentation management with related provision of Companies Act, 2017 to avoid any legal / financial implications.

6.2 We noted that the meetings of Audit and Finance Committee (AFC) and the Board of Trustees (BOT), both were held on December 19, 2024. However, Terms of Reference (ToR) mandate that AFC meetings must be held at least one month prior to BOT meetings to allow adequate time for review, discussion, and decision-making. We recommend that compliance with the ToRs should be monitored regularly for being appropriately followed to achieve envisioned objectives of effective corporate governance.

6.3 Article 44 of the Company's Articles of Association requires establishment of an executive committee to exercise such executive powers as may be delegated to it by the Board. However, we noted that a committee to this effect is yet to be established. The Company currently has Audit & Finance committee, which does not fulfil requirement of an Executive Committee as defined within the Articles. We recommend that the Company should take necessary steps to comply with its articles of association.

7. Provision for death compensation pool

We noted that as at year end, the Company is maintaining a death compensation pool of Rs. 17 million for employees for which a specified contribution is made by the Company. We noted that neither actuarial assessment is made for the Company's related obligation nor related funds are separately earmarked or invested. We recommend that the Company should conduct an actuarial valuation to accurately estimate the Company's financial obligation as well as related cost charging to relevant projects / donors along consideration for return on sums set apart in this respect.

8. Internal Audit (IA) Department

We noted that during the year the IA Department had not been operational at the Company level. The Company not only lacks a comprehensive Internal Audit Manual but also does not have an approved Internal Audit Plan. The absence of an operational internal audit function and guidelines impact internal control effectiveness, risk management and governance processes. We recommend that the Company should establish an adequately resourced functional IA Department and put in place policy guidelines to ensure effective oversight of the Company, duly responsive to the needs of local ecosystem, financial discipline and donors.

9. Operating fixed assets

We noted that certain items with assessed useful life of up to 1 year are being capitalized by the Company which is inconsistent with the principles of IAS 16 'Property Plant and Equipment'. We recommend that the relevant accounting policy be revisited for any updates required to align the same with the requirements of applicable accounting and reporting standards.

10. We may add that our normal audit procedures are designed primarily with a view to expressing our opinion on the year end financial statements as a whole and not to provide an independent assurance on the internal control structure. Further, an audit is undertaken on a test basis thus due to sampling and inherent limitation all items under a specific account head may not be subject to audit procedures. Accordingly, the matters identified in this letter represent only those which came to our notice during the course of the audit and same should not be construed to have included all the possible accounting and critical maters which a more extensive special examination might reveal.

11. We wish to place on record our appreciation of the cooperation and courtesy extended to us by the management and staff of the Company during the course of the audit.

Yours truly

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Annexure I

ISLAMIC RELIEF
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

List of the items requiring the Board's approval as referred to in our letter 1020 dated April 22, 2025.

		Rupees
i)	Additions to property and equipment	78,288,988
ii)	Property and equipment disposed off having cost of Rs. 2,002,185 and book value of Rs. 630,463 for	368,519
iii)	Microfinancing Pool Program Fund - Write offs	595,307
iv)	Microfinancing Pool Program Fund – Provision	1,403,978
v)	Payable under orphan disbursement scheme (ODS) as at year end	263,750,576
vi)	Gratuity scheme charge for the year – Income and expenditure	107,903,797
vii)	Gain on remeasurement of gratuity obligation – Other comprehensive income	44,337,448
viii)	Cost of fully depreciated assets in use at year end	151,996,867
ix)	Security deposit placed with Habib Metropolitan Bank for letter of guarantee issued in favor of the Integrated Flood Resilience and Adaptation Project (IFRAP).	36,880,656

x) Provision for gratuity as disclosed in note 13 to the financial statements;
xi) Balances and transactions with related parties as disclosed in note 20 to the financial statements;
xii) Inter project adjustments as referred in Note 14 and 15 to the financial statements;
xiii) Remuneration of executives as referred in note 22 to the financial statements;
xiv) Assumption used in respect of gratuity obligation valuation as disclosed in note 13 to the financial statements;
xv) Contingencies and commitments as disclosed in note 16 to the financial statements
xvi) Estimates and assumptions used in calculation of impairment of financial assets.

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Annexure II

ISLAMIC RELIEF
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

List of pending confirmations as referred to in our letter 1020 dated April 22, 2025:

Related Party Confirmation

- Islamic Relief Worldwide

Donor Confirmations

- United Nations Children's Emergency Fund (UNICEF) Co-Funded by Islamic Relief Partners
- International Organisation for Migration (IOM)
- Reko Diq Mining Company

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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, 2024, 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 material accounting policy information 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, 2024 and of the surplus and other comprehensive gain, 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
74-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O.Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924; <www.pwc.com/pk>

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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.

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- 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: April 30, 2025
UDIN: AR202410083FSLluUpGx

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

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
			(Note 5.14)		(Note 5.14)
ASSETS					
NON CURRENT ASSETS					
Property and equipment	6	197,843,417	563,411	199,112,679	557,677
CURRENT ASSETS					
Micro credit financing	7	48,129,319	137,061	124,174,398	347,789
Advances	8	19,296,737	54,952	24,392,469	68,319
Deposits, prepayments and other receivables	9	143,189,261	407,769	66,046,307	184,983
Inventory	10	50,813,375	144,704	207,973	582
Cash and bank balances	11	1,854,158,910	5,280,200	1,724,544,620	4,830,122
		2,115,587,602	6,024,686	1,939,365,767	5,431,795
		2,313,431,019	6,588,097	2,138,478,446	5,989,472
LIABILITIES AND FUNDS					
CURRENT LIABILITIES					
Accrued expenses and other payables	12	438,783,566	1,249,550	1,059,860,456	2,968,467
NON CURRENT LIABILITIES					
Deferred liability	13	195,474,883	556,666	212,489,907	595,144
Deferred grants	14	197,843,417	563,411	199,112,679	557,677
		393,318,300	1,120,077	411,602,586	1,152,821
RESTRICTED DONORS' FUND / GRANT	15	1,481,329,153	4,218,470	667,015,404	1,868,184
		2,313,431,019	6,588,097	2,138,478,446	5,989,472

CONTINGENCIES AND COMMITMENTS 16

The annexed notes 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE

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, 2024

	Note	2024 (Rupees)	2024 (Equivalent GBP) (Note 5.14)	2023 (Rupees)	2023 (Equivalent GBP) (Note 5.14)
INCOME					
Grant income recognised	15	**8,033,563,051**	**22,521,683**	7,526,464,761	21,816,296
Amortization of deferred grant	14	**78,927,787**	**221,271**	51,066,098	148,021
		8,112,490,838	**22,742,954**	7,577,530,859	21,964,317
EXPENDITURE					
Project expenditure	19	**8,033,563,051**	**22,521,683**	7,526,464,761	21,816,296
Depreciation	6	**78,927,787**	**221,271**	51,066,098	148,021
Operational support expenditure	18	-	-	-	-
		8,112,490,838	**22,742,954**	7,577,530,859	21,964,317
SURPLUS/ (DEFICIT) FOR THE YEAR		-	-	-	-

The annexed notes 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 (Rupees)	2024 (Equivalent GBP) (Note 5.14)	2023 (Rupees)	2023 (Equivalent GBP) (Note 5.14)
SURPLUS/ (DEFICIT) FOR THE YEAR		-	-	-	-
OTHER COMPREHENSIVE INCOME					
ITEMS THAT WILL NOT BE RECLASSIFIED TO INCOME AND EXPENDITURE					
Loss on remeasurement of staff retirement benefit	13	**44,337,448**	**124,298**	(56,929,064)	(165,015)
Currency translation difference		-	**67,401**	-	130,363
TOTAL COMPREHENSIVE (LOSS) / GAIN FOR THE YEAR		**44,337,448**	**191,699**	(56,929,064)	(34,652)

The annexed notes 1 to 25 form an integral part of these financial statements.

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, 2024

	Note	(Rupees)	(Equivalent GBP) (Note 5.14)
Balance as at January 1, 2023		(265,586,551)	(965,431)
Movement during the year			
- Receipts		8,292,802,253	24,037,611
- Local Fund Raising		6,389,476	18,521
- Transferred to deferred grant	14	(194,117,643)	(562,672)
- Other operating income	17	376,496,993	1,091,318
- Project expenditure	19	(7,526,464,761)	(21,816,296)
- Adjustments		34,424,701	99,784
		989,531,019	2,868,266
Comprehensive income			
Surplus / (Deficit) for the year		-	-
Other comprehensive loss for the year	13	(56,929,064)	(34,652)
Balance as at December 31, 2023		667,015,404	1,868,184
Balance as at January 1, 2024		**667,015,404**	**1,868,184**
Movement during the year			
- Receipts	15	**7,538,548,132**	**21,133,934**
- Local Fund Raising	15	**26,034,075**	**72,985**
- Received In Kind during the year	15	**1,016,013,668**	**2,848,342**
- Transferred to deferred grant	14	**(78,288,989)**	**(219,479)**
- Other operating income	17	**245,169,226**	**687,319**
- Project expenditure	19	**(8,033,563,051)**	**(22,521,684)**
- Adjustments		**56,063,240**	**157,170**
		769,976,301	**2,158,587**
Comprehensive income			
Surplus / (Deficit) for the year		-	-
Other comprehensive (loss) / gain for the year	13	**44,337,448**	**191,699**
Balance as at December 31, 2024		**1,481,329,153**	**4,218,470**

The annexed notes 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

ISLAMIC RELIEF

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
		(Note 5.13)		(Note 5.13)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Grant received during the year		**7,486,293,219**	**20,987,440**	8,105,074,086	23,493,460
Project expenditure and other expenses		**(7,676,489,256)**	**(21,520,645)**	(7,011,573,769)	(20,323,827)
Net cash generated / (used in) from operating activities		**(190,196,037)**	**(533,205)**	1,093,500,317	3,169,633
CASH FLOWS FROM INVESTING ACTIVITIES					
Micro credit financing		**74,641,101**	**209,253**	(33,012,044)	(95,689)
Proceeds from other operating income		**245,169,226**	**687,318**	244,588,606	708,967
Purchase of property and equipment	6	**(78,288,988)**	**(219,479)**	(194,117,643)	(562,672)
Proceeds from disposal of property and equipment		-	-	825,750	2,394
Net cash generated from investing activities		**241,521,339**	**677,092**	18,284,669	53,000
CASH FLOWS FROM FINANCING ACTIVITIES					
Grant received for property and equipment	14	**78,288,988**	**219,479**	194,117,643	562,671
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**129,614,290**	**363,366**	1,305,902,629	3,785,304
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**1,724,544,620**	**4,830,122**	418,641,991	1,521,804
Effect of foreign currency exchange loss on cash and cash equivalents		-	**86,712**	-	(476,986)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11	**1,854,158,910**	**5,280,200**	1,724,544,620	4,830,122

The annexed notes 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE

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, 2024

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 (now Companies Act, 2017) . 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 Individual and 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)/2022 dated November 29, 2022, 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 16 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 Muzafarabad	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 136, Near Indus Girls College Sachal Colony, Larkana.
Field Office Haveli	Opposite NADRA office bypass road Kahuta, Tehsil and District Haveli.
Field Office Harnai	Saeed Abad near DHQ Hospital Quetta road, Harnai.
Field Office Kharan	Girls College Road near Commissioner House, Kharan.
Field Office Noshki	House 1, Shaheed Master Muhammad Azeem Street, Anam Bostan Road Killi Qazi Abad, Noshki.
Field Office Wah	Plot 63, Lane 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, District Qila Saifullah.
Field Office Kalat	Farooqia Town Near Motorway Police Office, District Kalat.
Field Office Dera Allah Yar	Zero Point, Azam Town, Quetta Road, District Jaffarabad.
Field Office Bannu	House 68, Street 2, Block B, Phase 1, Bannu Township, Bannu.
Field Office D. I. Khan	Ex Base Commissioner House opposite Ziyarat Abdul Latif Near Circuit House Kacheri Road, Dera Ismail Khan.
Field Office Mirpurkhas	Bungalow A-8, Gulistan e Mustafa Opposite City Banquet Hall Main Bypass Road, Mirpurkhas.
Field Office Satelite Town Rawalpindi	House 97B, B Block Near Umar Clinic, Satellite Town, Rawalpindi.

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 (IFRSs) 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 IFRSs, 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 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS18	Presentation and disclosure in financial statements (Amendments)	January 1, 2027

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 Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan, for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: discloures
IFRIC 12	Service concession arrangements

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

IFRIC 12 Service concession arrangements

3.4 There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

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 expense and impairment.

b) Expected Credit Losses

The company reviews the Expected Credit Loss (ECL) assessment which is based on the historical credit loss experience over the life of the micro credit loans and other receivables and adjusted, if required. The ECL assessment is reviewed by the management on a annual basis.

c) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting 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 *Leases* 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.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted the amendment to IFRS regarding disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements from July 1, 2023 onwards. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 statement of income and expenditure for the period in which the asset is derecognized.

Depreciation is calculated on the straight line method and charged to the statement of income and expenditure 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	12.5
Office equipment	12.5
Communication equipment/Computers	33.33
Project equipment	12.5
All assets below Rs. 100,000	100

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 statement of 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 statement of income and expenditure.

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

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 purchaser buys certain goods / commodities and provides the same to purchasers 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 *Financial Instruments* general approach to measure the expected credit losses (ECL) on microcredit financing. It assesses on a forward-looking basis the expected credit losses associated with microcredit loans, calculating a lifetime expected credit loss for its recognized microcredit loans at least annually.

5.4 Advances, deposits, prepayments and other receivables

These assets 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 and other receivables, applying the simplified approach for calculating lifetime expected credit losses for these assets recognized at least annually.

5.5 Inventory

In-kind donations are reflected in financial statements at their fair value. In-kind donations received are recognized as restricted grant and distributions made are charged to relevant project as expense. Any remaining balance at year end is recorded as per requirements of IAS 2 'Inventories' at lower of cost or NRV.

5.6 Cash and cash equivalents

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

5.7 Accrued expenses and other payables

Accrued expenses 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.

5.8 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 statement of financial position in respect of defined benefit plans, is the present value of the defined benefit obligations at reporting date. 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, 2024. 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. Interest expense related to gratuity scheme is recognised in income and expenditure account.

5.9 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.

5.10 Restricted donors' fund / grant

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

5.11 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.

5.12 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.

5.13 Taxation

The Company holds status of a not for profit organization under the Income Tax Ordinance, 2001 (the 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.

5.14 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 Pakistani Rupee (PKR). Presentation currency is Pound Sterling (GBP) which is the functional currency of the Parent Organization.

Foreign currency transactions and translation

Rupees statements

Pakistani 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 reporting date. All exchange gains / (losses) are credited / (debited) to the restricted donors' fund / grant.

GBP statements

All assets and liabilities are translated from their functional currency into GBP at the exchange rate prevailing on the reporting date, whilst the statement of income and expenditure items are translated at the average rate of exchange for the reporting period. Resulting translation differences are taken directly to other comprehensive income.

For this purpose statement of financial position items have been translated into GBP at December 31, 2024 exchange rate of GBP 1 = PKR 351.153 (2023: GBP 1 = PKR 357.040) and the statement of income and expenditure items have been translated into GBP at average exchange rate of GBP 1 = PKR 356.703 (2023: GBP 1 = PKR 344.993).

5.15 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 losses 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 profit or loss (FVTPL);
c) Fair value through other comprehensive income (FVTOCI).

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 statement of income and expenditure 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 purchase and sale 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

Upon initial recognition, the Company measures a financial asset (other than asset carried at FVTPL) at its fair value plus transaction costs directly attributable to the acquisition of the financial asset. However, transaction costs of financial assets carried at FVTPL are expensed in the statement of income and expenditure during the year.

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 the statement of income and 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 and 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 and 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 statement of income and expenditure.

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 and 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
- Bank balances

Significant increase in credit risk

The Company considers 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;
- act
- sig
- 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 or prolonged illness

Irrespective of the above analysis, in case of micro credit loans, the Company considers that default has occurred when a 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.

(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
- Amortized cost

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) **Amortized cost**

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 and 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 statement of income and expenditure.

(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.

5.16 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:

i. fixed payments, including in-substance fixed payments, less any lease incentive receivable;
ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
iii. amounts expected to be payable under a residual value guarantee; and
iv. 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 option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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 statement of income and expenditure 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 *Leases*, 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 statement of income and expenditure, expense relating to short term leases during the year is Rs. 68,557,792 (2023: Rs. 42,669,113).

(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.

(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 *Revenue from contracts with customers*.

6 PROPERTY AND EQUIPMENT

	Vehicles	Furniture and fittings	Office equipment	Communication equipment/ Computers	Project equipment	Total
			(Rupees)			
As at January 1, 2023						
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)
	4,271,440	3,131,074	4,865,915	39,819,229	4,235,211	56,322,869
Year ended December 31, 2023						
Opening book value	4,271,440	3,131,074	4,865,915	39,819,229	4,235,211	56,322,869
Additions	125,138,637	1,748,059	13,641,477	53,589,470	-	194,117,643
Adjustment of Cost	-	(15,763,827)	(178,769)	25,165,249	(9,222,653)	-
Adjustment of Accumulated Depreciation	-	15,957,344	1,900,245	(23,506,531)	5,648,942	-
Transfers - net	-	193,517	1,721,476	1,658,718	(3,573,711)	-
Disposals						
Cost	-	(233,078)	(850,624)	(2,432,441)	(96,645)	(3,612,788)
Accumulated depreciation	-	233,078	850,624	2,170,706	96,645	3,351,053
	-	-	-	(261,735)	-	(261,735)
Depreciation charge	(16,555,837)	(721,867)	(1,941,106)	(31,755,413)	(91,875)	(51,066,098)
	112,854,240	4,350,783	18,287,762	63,050,269	569,625	199,112,679
As at January 1, 2024						
Cost	183,234,075	6,096,931	30,512,592	168,288,917	1,083,855	389,216,370
Accumulated depreciation	(70,379,835)	(1,746,148)	(12,224,830)	(105,238,648)	(514,230)	(190,103,691)
	112,854,240	4,350,783	18,287,762	63,050,269	569,625	199,112,679
Year ended December 31, 2024						
Opening book value	**112,854,240**	**4,350,783**	**18,287,762**	**63,050,269**	**569,625**	**199,112,679**
Additions	**35,917,000**	**3,474,100**	**11,602,537**	**26,295,351**	**-**	**78,288,988**
Disposals						
Cost	**(592,925)**	**-**	**-**	**(1,359,335)**	**(49,925)**	**(2,002,185)**
Accumulated depreciation	**581,559**	**-**	**-**	**740,238**	**49,925**	**1,371,722**
	(11,366)	**-**	**-**	**(619,097)**	**-**	**(630,463)**
Depreciation charge	**(30,140,660)**	**(779,840)**	**(3,456,434)**	**(44,459,716)**	**(91,137)**	**(78,927,787)**
	119,619,214	**7,045,043**	**26,433,865**	**44,266,807**	**478,488**	**197,843,417**
As at December 31, 2024						
Cost	**219,558,150**	**9,571,031**	**42,115,129**	**193,224,933**	**1,033,930**	**465,503,173**
Accumulated depreciation	**(99,938,936)**	**(2,525,988)**	**(15,681,264)**	**(148,958,126)**	**(555,442)**	**(267,659,756)**
	119,619,214	7,045,043	26,433,865	44,266,807	478,488	197,843,417
Rate of depreciation	20%	12.5%	12.5%	33.3%	12.5%	

	Vehicles	Furniture and fittings	Office equipment	Communication equipment/ Computers	Project equipment	Total
			(Equivalent GBP)			
As at January 1, 2023						
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)
	15,527	11,382	17,688	144,747	15,395	204,739
Year ended December 31, 2023						
Opening book value	15,527	11,382	17,688	144,747	15,395	204,739
Additions	362,728	5,067	39,541	155,335	-	562,671
Adjustment of Cost	-	(16,209)	(184)	25,876	(9,483)	-
Adjustment of Accumulated Depreciation	-	16,408	1,954	(24,171)	5,809	-
Transfers - net	-	199	1,770	1,705	(3,674)	-
Disposals						
Cost	-	(676)	(2,466)	(7,051)	(280)	(10,473)
Accumulated depreciation	-	676	2,466	6,292	280	9,714
	-	-	-	(759)	-	(759)
Depreciation charge	(47,989)	(2,092)	(5,827)	(92,047)	(266)	(148,021)
Currency translation difference	(14,183)	(2,171)	(381)	(30,684)	(13,534)	(60,953)
	316,083	12,186	51,221	176,592	1,595	557,677
As at January 1, 2024						
Cost	754,930	98,845	135,377	560,316	43,087	1,592,555
Accumulated depreciation	(438,847)	(86,659)	(84,156)	(383,724)	(41,492)	(1,034,878)
	316,083	12,186	51,221	176,592	1,595	557,677
Year ended December 31, 2024						
Opening book value	**316,083**	**12,186**	**51,221**	176,592	**1,595**	**557,677**
Additions	**103,495**	**9,739**	**32,527**	73,718	-	**219,479**
Disposals						
Cost	**(1,662)**	-	-	(3,811)	**(140)**	**(5,613)**
Accumulated depreciation	**1,630**	-	-	2,075	**140**	**3,845**
	(32)	-	-	(1,736)	-	**(1,768)**
Depreciation charge	**(84,498)**	**(2,186)**	(9,690)	(124,641)	(255)	**(221,270)**
Currency translation difference	**5,599**	324	1,219	2,128	23	**9,293**
	340,647	**20,063**	75,277	126,061	**1,363**	**563,411**
As at December 31, 2024						
Cost	**862,362**	**108,908**	169,123	632,351	42,970	**1,815,714**
Accumulated depreciation	**(521,715)**	**(88,845)**	(93,846)	(506,290)	(41,607)	**(1,252,303)**
	340,647	20,063	75,277	126,061	**1,363**	**563,411**
Rate of depreciation	20%	12.5%	12.5%	33.3%	12.5%	

6.1 All assets are purchased from the funds donated by various donors as disclosed in note 14.

		2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
6.2	The cost of fully depreciated assets still in use is as follows:				
	Vehicles	**51,522,538**	**146,724**	50,932,438	185,144
	Furniture and fittings	**5,097,097**	**14,515**	11,223,113	40,797
	Office equipment	**13,475,823**	**38,376**	4,490,865	16,325
	Communication equipment / Computers	**81,544,409**	**232,219**	21,103,214	76,712
	Project equipment	**357,000**	**1,017**	4,034,308	14,665
		151,996,867	**432,851**	91,783,938	333,643
7	**MICRO CREDIT FINANCING**				
	Microfinance pool fund - note 7.1	**48,129,319**	**137,061**	124,174,398	347,789
7.1	**Microfinance Pool fund**				
7.1.1	Considered good	**48,129,319**	**137,061**	124,174,398	347,789
	Considered doubtful	**1,375,274**	**3,916**	566,603	1,587
	Principal amount receivable - note 7.1.2	**49,504,593**	**140,977**	124,741,001	349,376
	Provision for doubtful debts - note 7.1.3	**(1,375,274)**	**(3,916)**	(566,603)	(1,587)
		48,129,319	**137,061**	124,174,398	347,789
7.1.2	Principal amount receivable				
	Balance as at January 1	**124,741,001**	**349,376**	92,392,085	335,854
	Disbursements	**103,119,620**	**289,091**	226,649,632	656,969
	Recoveries	**(177,760,721)**	**(498,343)**	(193,637,588)	(561,280)
	Write-off	**(595,307)**	**(1,669)**	(663,128)	(1,922)
	Currency translation difference	**-**	**2,522**	-	(80,245)
	Balance as at December 31	**49,504,593**	**140,977**	124,741,001	349,376
7.1.3	Movement in provision				
	Balance as at January 1	**566,603**	**1,587**	3,023,379	10,990
	Charge / (reversal) for the year	**1,403,978**	**3,936**	(1,793,648)	(5,199)
	Write-off	**(595,307)**	**(1,669)**	(663,128)	(1,922)
	Currency translation difference	**-**	**62**	-	(2,282)
	Balance as at December 31	**1,375,274**	**3,916**	566,603	1,587

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 300,000 provided to individuals assessed as deserving individuals. Murabahah carries profit ranging from 11% to 44% per annum with repayment due within six months to twenty-four months from the disbursement date (2023: 20% to 22%).

	2024		2023	
	(Rupees)	**(Equivalent GBP)**	(Rupees)	(Equivalent GBP)
8 ADVANCES				
Considered good				
Advances to / for				
Suppliers	**5,828,829**	**16,599**	6,831,886	19,135
Employees	**13,467,908**	**38,353**	13,213,331	37,008
Implementing Partners	**-**	**-**	4,347,252	12,176
	19,296,737	**54,952**	24,392,469	68,319
9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES				
Security deposits - note 9.1	**43,020,480**	**122,512**	6,457,858	18,087
Prepayments	**6,632,250**	**18,887**	9,023,811	25,274
Receivable from IRW - note 9.2	**93,536,531**	**266,370**	50,564,638	141,622
	143,189,261	**407,769**	66,046,307	184,983

9.1 This includes amount of Rs. 36,880,656; GBP. 105,027 representing a 110% cash collateral margin held as security deposit by Habib Metropolitan Bank Limited against a letter of guarantee issued in favor of the Integrated Flood Resilience and Adaptation Project (IFRAP).

9.2 This includes amount receivable from Head Office Islamic Relief Worldwide (IRW) of Rs. 93,536,531; GBP. 266,370 (2023: Rs. 50,564,638; GBP. 141,622).

9.3 The maximum amount due from the related party at the end of any month during the year was Rs. 93,536,531; GBP. 266,370 (2023: Rs. 50,564,638; GBP. 141,622).

	2024		2023	
	(Rupees)	**(Equivalent GBP)**	(Rupees)	(Equivalent GBP)
10 INVENTORY				
Donation-in-kind - note 10.1	**50,813,375**	**144,704**	207,973	582

10.1 This amount reflects stock-in-kind inventory, received under the Flood Recovery Program-BLN from United Nations Development Programme (UNDP), that remained undistributed at the close of the reporting period.

	2024		2023	
	(Rupees)	**(Equivalent GBP)**	(Rupees)	(Equivalent GBP)
11 CASH AND BANK BALANCES				
With banks				
In current accounts				
Local currency - note 11.1	**1,549,409,141**	**4,412,345**	1,076,394,990	3,014,778
Foreign currency	**177,437**	**505**	188,966	529
	1,549,586,578	**4,412,851**	1,076,583,956	3,015,307
In saving / deposit accounts				
Local currency - note 11.2	**304,572,332**	**867,349**	647,960,664	1,814,815
	1,854,158,910	**5,280,200**	1,724,544,620	4,830,122

11.1 The above balances include amounts restricted for specific projects. Specifically, Rs. 51,246,167; GBP. 145,937 (2023: Rs. 84; GBP. 0.24) held in Meezan Bank account and Rs. 52,527,522; GBP. 149,586 (2023: Rs. nil; GBP. nil) held in Askari Bank account are designated for the RAPID-II project and the CAFSS project respectively.

11.2 Saving / deposit accounts carry mark-up ranging from 5.87% to 11.01% (2023: 7.3% to 11.25%) per annum.

	2024		2023	
	(Rupees)	**(Equivalent GBP)**	(Rupees)	(Equivalent GBP)
12 ACCRUED EXPENSES AND OTHER PAYABLES				
Payable to suppliers	**80,934,066**	**230,481**	687,454,050	1,925,428
Payable to beneficiaries	**9,809,147**	**27,934**	41,421,616	116,014
Payable to Orphans Disbursement Scheme (ODS) beneficiaries	**263,750,576**	**751,098**	233,514,997	654,031
Payable for death compensation	**17,358,000**	**49,431**	10,425,000	29,198
Accrued expenses	**2,985,216**	**8,501**	2,703,444	7,572
Retention money	**23,965,801**	**68,249**	19,572,271	54,818
Withholding tax payable	**33,534,761**	**95,499**	63,369,078	177,485
Audit fee payable	**6,446,000**	**18,357**	1,400,000	3,921
	438,783,566	**1,249,550**	1,059,860,456	2,968,467

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13 DEFERRED LIABILITY

The latest actuarial valuations of the Company's defined benefit obligation - gratuity was conducted as at December 31, 2024 using the projected unit credit method. Details of the obligations of staff retirement benefits are as follows:

	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
a) The amount recognized in the statement of financial position				
Present value of defined benefit obligation - gratuity	195,474,883	556,666	212,489,907	595,144
b) Changes in the present value of defined benefit obligation				
Balance as at January 1	212,489,907	595,144	136,709,754	496,953
Current service cost	82,563,336	231,462	59,346,103	172,021
Interest expense	25,340,461	71,041	14,955,882	43,351
	107,903,797	302,503	74,301,985	215,372
(Gain)/loss on remeasurement	(44,337,448)	(124,298)	56,929,064	165,015
Benefits paid	(80,581,373)	(225,906)	(55,450,896)	(160,731)
Currency translation difference	-	9,223	-	(121,465)
Balance as at December 31	195,474,883	556,666	212,489,907	595,144
c) Charge for the year				
Statement of Income and expenditure				
Current service cost	82,563,336	231,462	59,346,103	172,021
Interest expense	25,340,461	71,041	14,955,882	43,351
	107,903,797	302,503	74,301,985	215,372
Statement of Comprehensive Income				
(Gain)/loss on remeasurement	(44,337,448)	(124,298)	56,929,064	165,015

d) Significant actuarial assumptions at the reporting date

	2024	2023
Discount rate	15.50%	14.50%
Expected rate of salary growth	12.25%	15.50%
Average duration of the obligation	8 years	8 years
Expected mortality rate	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
Expected withdrawal rate	Age based	Age based
Retirement assumption	Age 60	Age 60

e) Sensitivity Analysis

Sensitivity analysis is computed 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 and is depicted below as to what the present value of defined benefit obligation would be as a result to change in each of the following assumptions:

	Increase in assumption	Decrease in assumption
	(Rupees)	(Rupees)
1% Discount rate	171,563,685	201,051,390
1 % Salary increase rate	202,950,386	169,561,702
10 % Withdrawal rate	184,496,499	186,080,630
1 Year mortality age	185,305,925	185,241,426
	(Equivalent GBP)	(Equivalent GBP)
1% Discount rate	488,572	572,548
1 % Salary increase rate	577,954	482,871
10 % Withdrawal rate	525,402	529,913
1 Year mortality age	527,707	527,523

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14 DEFERRED GRANTS

	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Grant for capital expenditure				
As at January 1				
Cost	389,216,371	1,592,553	108,711,516	1,101,307
Accumulated amortization	(190,103,692)	(1,034,876)	(142,388,647)	(896,568)
	199,112,679	557,677	56,322,869	204,739
Opening book value	199,112,679	557,677	56,322,869	204,739
Transferred from restricted donors' fund / grant	78,288,588	219,479	194,117,043	562,072
Deletions				
Cost	(2,002,185)	(5,613)	(3,612,788)	(10,472)
Accumulated amortization	1,371,722	3,845	3,351,053	9,713
	(630,463)	(1,768)	(261,735)	(759)
Amortization charge for the year	(78,927,787)	(221,271)	(51,066,098)	(148,021)
Currency translation difference	-	9,294	-	(60,954)
	197,843,417	563,411	199,112,679	557,677
As at December 31				
Cost	465,503,174	1,815,713	389,216,371	1,592,553
Accumulated amortization	(267,659,757)	(1,252,301)	(190,103,692)	(1,034,876)
	197,843,417	563,411	199,112,679	557,677

Donor / Project wise movement of deferred grants gross balance

	Project Identification ID	Balance as at January 1, 2024	Transferred from restricted donors' fund / grant	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2024
		(Rupees)				
14.1 Islamic Relief Worldwide						
Administration and General / In-kind	HQ1101126*	141,120,505	1,106,996	(942,750)	104,805,884	246,090,635
- Sponsorship	HQ4101159*	1,315,430	-	-	-	1,315,430
- Core Admin	HQ4001146*	15,140,935	3,009,674	-	-	18,150,609
ICT support Project	HQ0051132*	1,980,613	445,060	(238,715)	-	2,185,958
Fleet Management	HQ0501101*	30,138,137	1,699,200	-	-	31,837,337
Intercompany	HQ0051120*	607,390	(207,060)	(607,390)	(400,330)	(607,390)
Strengthening Response Capacity & Institutional Development for Excellence (STRIDE)	HQ4111155*	447,203	-	-	(447,203)	-
Qurbani 2024 - Pakistan	HQ3101157*	-	(3,347,293)	-	3,347,293	-
General Emergency Fund	HQ0301114*	-	-	-	-	-
Office Shifting Cost	PK001_000001*	1,047,500	-	-	(1,047,500)	-
		191,797,713	2,706,577	(1,789,855)	106,258,144	298,972,579

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		Project Identification ID	Balance as at January 1, 2024	Transferred from restricted donors' fund / grant	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2024
					(Rupees)		
14.2	**Islamic Relief United States of America**						
	Resilient Initiative for Development and Adaptation (RIDA) in Khyber District of	HQ0201485*	1,770,300	-	-	-	1,770,300
	Action for Drought Adaptive Practices and Transformation (ADAPT) in	HQ0201484*	2,680,539	-	-	-	2,680,539
	Climate Sensitive Livelihood Modelling (CSLM)	HQ0201505*	6,548,943	250,394	(29,000)	(6,799,337)	(29,000)
	Sustainable Initiative for Development in Kashmir, AJK (SIDK)	HQ0201650*	1,310,225	-	-	(1,310,225)	-
	Sustainable Water resources and Livelihood Initiative (SWRLI)	HQ0201684*	3,392,924	126,000	-	(3,518,924)	-
	Caring Communities for Children	HQ0201454*	2,951,994	532,000	-	(3,483,994)	-
	Strengthening Response Capacity and Institutional Development for excellences - (STRIDE-II) USA	HQ0301104*	899,190	-	-	(899,190)	-
	Integrated Initiatives for Disaster-affected Communities (IDRAC)	HQ0202007*	47,526,730	401,336	-	(47,928,066)	-
	WASYLA	HQ0202003*	44,690,652	3,200,318	-	-	47,890,970
	Scaling-up Extreme Poverty Graduation and Climate Change Resilience in Disaster Vulnerable Communities in Asia	HQ0202290*	-	48,750,008	-	-	48,750,008
			111,771,497	53,260,056	(29,000)	(63,939,736)	101,062,817
14.3	**Islamic Relief United Kingdom**						
	Micro financing Pool Program Fund	HQ0202175*	6,662,831	-	-	-	6,662,831
	Sustainable Transformation towards Resilient Watermanagement and Economy (STRIWE)	HQ0201528*	922,597	-	-	(922,597)	-
	Provision of Drinking Water Facilities in Balochistan	HQ0201956*	331,700	-	-	(331,700)	-
	Women Initiative for Skills Enhancement (WISE	HQ0201930*	319,315	-	-	(319,315)	-
	Flood Emergency Response Sindh & Balochistan 2022	HQ0202110*	5,606,080	-	-	(5,606,080)	-
	Early Recovery Sindh Response 2022	HQ0202111*	216,000	2,232,300	-	(2,448,300)	-
	Pakistan Floods Recovery Shelter Programme	HQ0202148*	-	-	-	-	-
	Graduating with resilience initiatives to Tackle poverty (GRIP)	HQ0202476*	-	4,017,300	-	-	4,017,300
	Rehabilitation of the Flood Effectees at Thatta (REFET)	HQ0202192*	-	2,593,000	-	-	2,593,000
			14,058,523	8,842,600	-	(9,627,992)	13,273,131
14.4	**Islamic Relief Canada**						
	Women Led Total Sanitation and Livelihood (WLTSL)	PK020_000099*	782,977	-	-	(782,977)	-
	Sustainable Livelihood and Water assistance (SALWA) in Pakistan	PK020_000105*	1,254,956	-	-	(1,254,956)	-
	Transformation and Adaptation against Clime Variability Affected-Areas (TACVA)	HQ0201392*	8,845,020	-	-	-	8,845,020
	Empowering Widows In Need II (EWIN II)	PK020_000156*	1,498,735	-	-	(1,498,735)	-
	North Waziristan Initiative for Economic Uplifting (NWIE)	PK020_000148*	349,500	-	-	(349,500)	-
	2022 Shelter, WASH, and Cash Programming Response for Earthquake-Affected Families in Balochistan	PK020_000169*	371,000	-	-	(371,000)	-
	Water and Livelihood Inclusive Initiative (WALI) in Kashmir	HQ0201674*	2,210,598	-	-	(2,210,598)	-
	Green Actions for Protecting Biodiversity (GAP)	PK020_000164*	223,975	-	-	(223,975)	-
	Shelter for Harnai Earthquake-affected Localities with Target of Environmental Resilience -SHELTER	HQ0201828*	1,084,818	-	-	(1,084,818)	-
	IMF Qurbani Plus	HQ0201836*	302,600	-	-	(302,600)	-
	Flood Emergency Response Sindh 2022	HQ0201919*	411,330	-	-	(411,330)	-
	2022 NFIs,WASH, and Cash Programming Response for Flood – Affected Families in Balochistan and Sindh	HQ0201968*	3,061,470	-	-	(3,061,470)	-
	2022 FSL & Protection Flood-Response in Pakistan	HQ0201976*	3,138,129	-	-	-	3,138,129
	Responsive Action for Building Lives in Pakistan (RABI)	HQ0202172*	6,489,900	-		-	6,489,900
	Rajanpur Integrated Development Endeavour (RIDE)	HQ0202478*	-	1,064,000		-	1,064,000
			30,025,008	1,064,000	-	(11,551,959)	19,537,049

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		Project Identification ID	Balance as at January 1, 2024	Transferred from restricted donors' fund / grant	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2024
					(Rupees)		
14.5	**Swedish International Development Agency**						
	Resilient Action for Inclusive Response in Pakistan (RAIR)	PK020_000161*	1,709,965	-	-	(1,709,965)	-
	Emergency Action with Resilient Niches -EARN	HQ0201625*	5,541,339	-	-	(5,541,339)	-
	Resilient integrated Support in emergency	HQ0202123*	5,602,842	3,123,620	-	-	8,726,462
	Resilient Initiatives to Support in Emergency (RISE – II), Pakistan	HQ0202408*	-	4,426,500	-	-	4,426,500
			12,854,146	7,550,120	-	(7,251,304)	13,152,962
14.6	**United Nations Children's Emergency Fund (UNICEF)**						
	Flood Emergency Response Sindh-UNICEF	PK050_000044*	844,000	-	-	(844,000)	-
	Provision of WASH services for 200,000 flood affected people in district Dadu and Kamabar Shahdadkot	HQ0501170*	848,500	-	-	-	848,500
	Caring Communities for Children	HQ0501111*	-	506,275	-	-	506,275
			1,692,500	506,275	-	(844,000)	1,354,775
14.7	**Islamic Relief Germany**						
	Protection of Children At Risk-(POCAR 2-IR GERMANY)	HQ0201410*	470,870	-	-	-	470,870
	Strengthening Response Capacity and Institutional Development for excellences - (STRIDE-II) Germany	HQ0301113*	1,001,200	-	-	-	1,001,200
	Voices Organized for Climate Advocacy and Lobbying (VOCAL III)	PK020_000157*	243,500	-	-	(243,500)	-
	Flood Emergency Response-TANK-KP	PK020_000191*	925,990	-	-	(925,990)	-
			2,641,560	-	-	(1,169,490)	1,472,070
14.8	**United Nations Development Programme (UNDP)**						
	Community-led Flood Restoration in Dera Ismail Khan, Tank, and Swat districts in Khyber Pakhtunkhwa Province of Pakistan	HQ0501110*	2,772,000	238,000	-	-	3,010,000
	Flood Recovery Program	HQ0501171*	421,500	-	-	-	421,500
			3,193,500	238,000	-	-	3,431,500
14.9	**NDRMF & IRUSA**						
	Resilient and Adaptive Population in Disaster (RAPID)	PK050_000021*	1,143,039	-	-	(1,143,039)	-
14.10	**Islamic Relief Australia**						
	Flood Emergency Response-Killa Saifullah	PK020_000188*	304,359	-	-	(304,359)	-
			304,359	-	-	(304,359)	-
14.11	**Islamic Relief South Africa**						
	Flood Emergency Response BLN-2022 (Sobhatpur)	PK020_000195*	775,540	-	-	(775,540)	-
			775,540	-	-	(775,540)	-

		Project Identification ID	Balance as at January 1, 2024	Transferred from restricted donors' fund / grant	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2024
			(Rupees)				
14.12	**World Food Programme (WFP)**						
	Food for Assets (FFA) Cash Chaman	PK050_000031*	152,000	-	-	(152,000)	-
	Food for Assets (FFA) Cash Killa Abdullah	PK050_000032*	152,000	-	-	(152,000)	-
			304,000	-	-	(304,000)	-
14.13	**Disasters Emergency Committee**						
	Pakistan Floods Appeal-DEC	HQ0201960*	4,259,140	-	-	-	4,259,140
	Community Assistance for Recovery in Emergencies (CARE)-DEC Pakistan Floods Appea	HQ0202170*	-	480,000	-	-	480,000
			4,259,140	480,000	-	-	4,739,140
14.14	**Shelter Box UK**						
	Pakistan Flood response 2022-Shelter Box UK	HQ0201949*	5,049,120	-	(183,330)	-	4,865,790
			5,049,120	-	(183,330)	-	4,865,790
14.15	**Catholic Relief Services CRS**						
	Emergency Relief & Early recovery response for flood affected households in Sindh & Balochistan	PK050_000039*	948,060	-	-	(948,060)	-
			948,060	-	-	(948,060)	-
14.16	**International Organisation for Migration (IOM)**						
	Community Social Cohesion and Social Action Project Activities in Khyber Newly Merged Tribal District	PK050_000035*	687,500	-	-	(687,500)	-
	Community Social Cohesion and Social Action Project Activities in Orakzai	PK050_000036*	419,700	-	-	(419,700)	-
	WASH and Shelter Project for Afghan Nationals and Host Communities (WASAH	HQ0501206*	-	-	-	-	-
			1,107,200	-	-	(1,107,200)	-
14.17	**Islamic Relief Switzerland**						
	Provision of Installation of Portable Water Filter Plant for Flood Affected Communities of Jaffarabad	HQ0202059*	-	-	-	-	-
			-	-	-	-	-
14.18	**Islamic Relief South Africa**						
	Empower Women in Need	HQ0202356*	-	207,060	-	-	207,060
			-	207,060	-	-	207,060
14.19	**Norwegian Ministry Of Foreign Affairs**						
	Climate Adaptive Actions for food security (CAAFS)	HQ0501112*	-	2,821,000	-	-	2,821,000
			-	2,821,000	-	-	2,821,000
14.20	**World Bank**						
	Integrated Flood Resilience and Adaptation Project (IFRAP)	HQ0501200*	-	-	-	-	-
			-	-	-	-	-
14.21	**Others**						
	Flood Emergency Response Balochistan	PK020_000186*	4,763,561	-	-	(4,763,561)	-
	VOCAL-IV- Multi Donor	HQ0201803*	371,330	-	-	(371,330)	-
	Flood Emergency Response Sindh 2022	PK020_000198*	2,076,974	-	-	(2,076,974)	-
	Combat Avoidable Cataract Blindness at Chagai (CACBC)	HQ0202051*	79,600	-	-	(79,600)	-
	Basic Life Amenities Restored for the Floods Affected Communities	HQ0202400*	-	613,300	-	-	613,300
			7,291,465	613,300	-	(7,291,465)	613,300
			389,216,371	78,288,988	(2,002,185)	-	465,503,174

15 RESTRICTED DONORS' FUND / GRANT

	Note	Balance as at January 1, 2024	Received during the year	Fund Raising	Received in kind during the year	Transferred to deferred grant (Note 14)	Other operating income (Note 17)	Project expenditure for the year (Note 19)	Grant income recognized for the year	Other comprehensive gain	Adjustments *	Balance as at December 31, 2024	Balance as at December 31, 2024
		Rupees											Equivalent GBP
Islamic Relief Worldwide	15.1	(254,859,231)	2,040,227,508	747,093	-	2,706,577	301,283,304	1,655,604,468	1,655,604,468	44,237,448	55,735,950	231,132,035	658,209
Islamic Relief United States of America	15.2	211,312,594	1,736,005,537	-	-	53,390,057	-	1,560,567,814	1,560,567,814	-	16,570,993	348,061,253	994,043
Islamic Relief United Kingdom	15.3	369,650,087	1,001,228,734	-	-	8,842,600	42,897,451	860,667,168	860,667,168	-	5,813,402	550,066,766	1,566,524
Islamic Relief Canada	15.4	705,423	520,597,254	-	-	1,064,000	-	610,183,752	610,183,752	-	(20,383,679)	(107,128,954)	(305,078)
Swedish International Development Agency (Through Islamic Relief Sweden)	15.5	322,652,494	936,739,337	-	-	7,550,120	-	1,080,420,448	1,080,420,448	-	(10,911,216)	162,710,047	463,359
United Nations Children's Emergency Fund (UNICEF) Co-Funded by Islamic Relief Partners	15.6	8,607,705	110,257,745	-	-	306,275	-	106,022,873	106,022,873	-	-	12,576,107	35,814
Islamic Relief Germany	15.7	(5,134,740)	74,300,026	-	-	-	-	12,496,415	12,496,415	-	-	56,672,871	161,391
United Nations Development Programme (UNDP)	15.8	(24,294,069)	326,526,204	-	1,618,013,668	234,000	-	1,137,940,705	1,137,940,705	-	-	182,067,158	518,484
National Disaster and Risk Management (NDRMF)	15.9	(15,316,190)	308,674,085	-	-	-	-	252,272,860	252,272,860	-	-	41,085,035	117,000
Islamic Relief Australia	15.10	21,093,033	18,519,755	-	-	-	-	47,998,278	47,998,278	-	-	(8,385,490)	(23,909)
World Food Programme (WFP)	15.11	(16,283,744)	5,193,787	-	-	-	-	-	-	-	-	(11,089,957)	(31,582)
Disasters Emergency Committee (DEC)	15.12	12,794,303	216,395,785	-	-	480,000	-	234,508,083	234,508,083	-	6,794,995	-	-
Shelter Box UK	15.13	(1,873,250)	-	-	-	-	-	(1,873,250)	(1,873,250)	-	-	-	-
Tzu Chi Foundation	15.14	1,568,518	-	-	-	-	-	1,568,518	1,568,518	-	-	-	-
International Organisation for Migration (IOM)	15.15	-	8,300,000	-	-	-	-	6,048,507	6,048,507	-	-	2,251,493	6,412
Islamic Relief Switzerland	15.16	(5,449,244)	11,650,753	-	-	-	-	6,201,509	6,201,509	-	-	-	-
Islamic Relief Ireland	15.17	-	-	-	-	-	-	5,434,136	5,434,136	-	-	(5,434,136)	(15,475)
Islamic Relief South Africa	15.18	-	21,092,992	-	-	207,060	-	20,884,392	20,884,392	-	(635)	-	-
Norwegian Ministry Of Foreign Affairs	15.19	(26,265)	126,721,335	-	-	2,821,000	-	76,871,028	76,871,028	-	-	47,000,042	133,853
German Corporation for International Cooperation (GIZ)	15.20	34,941,608	-	-	-	-	-	16,482,445	16,482,445	-	-	18,459,163	52,567
World Bank	15.21	-	-	-	-	-	-	49,539,211	49,539,211	-	-	(49,539,211)	(141,076)
Foreign, Commonwealth and Development Office	15.22	-	-	-	-	-	-	295,758	295,758	-	-	(295,758)	(842)
Roko Dig Mining Company	15.23	-	6,678,650	-	-	-	-	122,985	122,985	-	-	6,555,665	18,669
Local Fundraising	15.24	2,004,106	-	25,286,985	-	-	-	-	-	-	(278,563)	27,012,528	76,925
Others	15.25	5,401,325	62,452,532	-	-	613,300	(11,529)	93,324,830	93,324,830	-	2,542,262	(22,462,540)	(63,619)
		667,015,404	7,538,548,132	26,034,075	1,618,013,668	78,288,989	345,105,226	9,033,563,651	9,033,563,651	44,237,448	56,063,240	1,481,329,153	4,218,470
2023		(265,586,551)	8,292,860,253	6,389,475	131,908,387	194,117,642	244,568,606	7,526,464,761	7,526,464,761	(15,129,054)	34,424,701	667,015,404	1,868,184

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

16 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There are no known material contingencies as at December 31, 2024 (2023: Nil).

COMMITMENTS

	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Outstanding purchase order and contractual commitments	353,600,682	1,006,970	558,976,099	1,565,586

17 OTHER OPERATING INCOME

	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Income from financial assets				
Murabaha Income				
Income from microfinance pool fund	40,398,882	113,256	39,944,778	115,784
	40,398,882	113,256	39,944,778	115,784
Income from assets other than financial assets				
Vehicle usage charge - note 17.2	41,325,000	115,853	38,250,000	110,872
Profit on bank accounts - note 17.3	36,222,085	101,547	8,348,928	24,200
Project management fees - note 17.4	116,374,183	326,249	155,528,371	450,816
Other income - note 17.5	10,860,605	30,447	2,474,355	7,172
	204,781,873	574,096	204,601,654	593,060
Translation (loss) / gain on foreign currency bank balance	(11,529)	(32)	42,173	122
	245,169,226	687,320	244,588,606	708,966

17.1 Other operating income is credited to restricted donors' fund / grant.

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

17.3 Deposit accounts carry mark-up ranging from 5.87% to 11.01% (2023: 7.3% to 11.25%) per annum.

17.4 Project management fees represents amount charged to different projects as management fees.

17.5 Other income represents gain on sale of property and equipment and tender income.

18 OPERATIONAL SUPPORT EXPENDITURE

	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Salaries, wages and other benefits	196,617,529	551,207	118,886,531	344,606
Provision for gratuity	54,944,903	154,038	21,054,457	61,029
Rent, rates and taxes	20,534,693	57,568	18,563,900	53,761
Communication and periodicals	-	-	54,599	158
Utilities	10,400,607	29,158	11,092,333	32,152
Advertisement	23,718	66	49,560	144
Bank charges	936,926	2,627	311,255	902
Entertainment	698,609	1,959	589,757	1,709
Fuel expenses	1,290,228	3,617	703,526	2,039
Travel expenses	328,934	922	1,543,542	4,474
Legal and professional charges	4,051,814	11,359	3,596,131	10,424
Project review and operations	1,977,189	5,543	1,593,547	4,619
Staff training	7,100,475	19,906	10,216,283	29,613
Statutory and projects audit fees - note 18.2	3,078,000	8,629	2,030,000	5,884
Gross Operational Support Expenditure	301,983,625	846,597	190,275,421	551,535
Operational support expenditure cross charged to projects - note 18.1	(301,983,626)	(846,597)	(190,275,421)	(551,535)
	-	-	-	-

18.1 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.

18.2 Auditors' remuneration

	Note	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Audit fees		2,000,000	5,607	1,400,000	4,058
Other services		700,000	1,962	400,000	1,159
Out of pocket expenses		378,000	1,060	230,000	667
		3,078,000	8,629	2,030,000	5,884
Other services charged to project expenditure	18.2.1	1,200,000	3,364	-	-
		4,278,000	11,993	2,030,000	5,884

18.2.1 This is composed of fee for project audits conducted during the year. This amount is charged to project expenditure in note 19.

19 PROJECT EXPENDITURE

	Note	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Salaries, wages and other benefits		1,332,005,066	3,734,208	1,127,441,604	3,268,015
Provision for gratuity		67,169,862	188,307	95,541,351	276,937
Direct project expenses		6,260,731,805	17,551,642	5,989,800,574	17,362,104
Project running expenses		373,656,318	1,047,526	313,681,232	909,240
		8,033,563,051	22,521,683	7,526,464,761	21,816,296
Donorwise breakup of Project expenditure:					
Islamic Relief Worldwide	19.1	1,855,604,468	5,202,094	1,681,544,572	4,874,145
Islamic Relief United States of America	19.2	1,560,567,814	4,374,971	1,415,755,446	4,103,724
Islamic Relief United Kingdom	19.3	860,667,188	2,412,837	1,322,496,638	3,833,402
Islamic Relief Canada	19.4	610,163,752	1,710,563	1,032,088,331	2,991,617
Swedish International Development Agency (Through Islamic Relief Sweden)	19.5	1,080,420,448	3,028,903	794,570,245	2,303,151
United Nations Children's Emergency Fund (UNICEF)	19.6	106,022,973	297,230	293,888,256	851,868
Islamic Relief Germany	19.7	12,498,415	35,038	40,333,985	116,913
United Nations Development Programme (UNDP)	19.8	1,137,940,705	3,190,159	273,016,943	791,371
National Disaster and Risk Management (NDRMF)	19.9	252,272,860	707,234	15,316,150	44,396
Islamic Relief Australia	19.10	47,998,278	134,560	33,455,636	96,975
Islamic Relief South Africa	19.11	20,884,392	58,548	-	-
Disasters Emergency Committee (DEC)	19.12	234,506,083	657,426	208,030,646	603,000
Shelter Box UK	19.13	(1,873,250)	(5,252)	4,034,104	11,693
Tzu Chi Foundation	19.14	1,568,516	4,397	69,428,776	201,247
International Organisation for Migration (IOM)	19.15	6,048,507	16,957	-	-
Islamic Relief Maurautius and Malaysia	19.16	-	-	32,380,679	93,859
Islamic Relief Switzerland	19.17	6,201,509	17,386	22,376,699	64,861
Islamic Relief Ireland	19.18	5,434,136	15,234	-	-
Norwegian Ministry Of Foreign Affairs	19.19	76,871,028	215,504	26,265	76
German Corporation for International Cooperation (GIZ)	19.20	16,482,445	46,208	-	-
Reko Diq Mining Company	19.21	122,985	138,881	-	-
World Bank	19.22	49,539,211	345	-	-
Foreign, Commonwealth and Development Office	19.23	295,758	829		
Local Fundraising	19.24	-	-	4,368,745	12,663
Others	19.25	93,324,830	261,632	283,354,602	821,335
		8,033,563,051	22,521,684	7,526,464,761	21,816,296

[illegible]

20 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 21 to these financial statements.

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

	Basis of Association	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Islamic Relief Worldwide and affiliates	Common key management personnel				
Donations received during the year		**5,353,321,623**	**15,007,764**	6,337,073,249	18,368,713
Balances due to / (from) at reporting date	-	**1,009,324,469**	**2,874,314**	341,423,545	956,262
Expense incurred on behalf of Islamic Relief Worldwide during the year		**89,713,705**	**251,508**	27,473,585	79,635
Islamic Relief Sweden	Common key management personnel				
Donations received during the year		**938,739,337**	**2,631,708**	1,059,783,113	3,071,899
Balances due to / (from) at reporting date	-	**162,710,047**	**456,149**	322,852,494	935,824
Islamic Relief Germany	Common key management personnel				
Donations received during the year		**74,306,026**	**208,313**	80,811,023	234,240
Balances due to / (from) at reporting date	-	**56,672,871**	**158,879**	(5,134,740)	(14,884)

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

20.2 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

21 REMUNERATION OF DIRECTORS, COUNTRY DIRECTOR AND KEY MANAGEMENT PERSONNEL

Key management personnel comprises country director, manager finance, company secretary, executive directors and head of departments of the Company.

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 management personnel of the Company is as follows:

	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Managerial remuneration	**84,268,679**	**236,243**	67,173,099	194,709
Eid bonus	**5,555,316**	**15,574**	4,756,571	13,787
Company's contribution to gratuity fund	**5,698,055**	**15,974**	5,877,646	17,037
	95,522,050	**267,791**	77,807,316	225,533
Number of key staff	**13**	**13**	13	13

22 EXECUTIVE REMUNERATION

	2024 (Rupees)	2024 (Equivalent GBP)	2023 (Rupees)	2023 (Equivalent GBP)
Executive Remuneration	**550,918,778**	**1,544,473**	398,003,040	1,153,656
Eid Bonus	**35,680,966**	**100,030**	25,777,181	74,718
Medical Allowance	**25,482,002**	**71,437**	20,127,984	58,343
Company's contribution to gratuity fund	**100,217,982**	**280,956**	72,400,984	209,862
	712,299,728	**1,996,896**	516,309,189	1,496,580
Number of executives	**227**	**227**	167	167

22.1 Executive means an employee whose annual basic salary exceeds Rs. 1,200,000 (2023: Rs. 1,200,000) during the year.

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

23.1 Financial assets and liabilities

2024	(Rupees)	(Equivalent GBP)
Financial assets at amortised cost		
Maturity up to one year		
Micro credit financing (Stage-1)	47,426,621	135,060
Advances	13,467,908	38,353
Deposits and other receivables	136,557,011	388,882
Cash and bank balances	1,854,158,910	5,280,200
	2,051,610,450	5,842,495
Maturity after one year		
Micro credit financing	702,698	2,001
	702,698	2,001
Financial liabilities at amortised cost		
Maturity up to one year		
Accrued expenses and other payables	405,248,805	1,154,051
	405,248,805	1,154,051
2023		
Financial assets at amortised cost		
Maturity up to one year		
Micro credit financing (Stage-1)	119,026,786	333,372
Advances	13,213,331	37,008
Deposits and other receivables	57,230,469	160,291
Cash and bank balances	1,724,544,620	4,830,122
	1,914,015,206	5,360,793
Maturity after one year		
Micro credit financing	5,147,612	14,417
	5,147,612	14,417
Financial liabilities at amortised cost		
Maturity up to one year		
Accrued expenses and other payables	996,491,378	2,790,982
	996,491,378	2,790,982

23.2 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) and Pakistan Credit Rating Agency (PACRA). 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	2024	2023
		(Rupees)	
Micro credit financing (Stage-1)			
Counterparties without external credit ratings		48,129,319	124,174,398
Advances			
Counterparties without external credit ratings		13,467,908	13,213,331
Deposits and other receivables			
Counterparties without external credit ratings		99,606,355	57,230,469
Counterparties with external credit ratings	AA+	36,950,656	-
		136,557,011	57,230,469
Bank balances			
Askari Bank Limited	AA+	1,018,763,618	1,019,953,446
Meezan Bank Limited	AAA	361,948,759	649,336,691
Habib Bank Limited	AAA	29,474	18,270
National Bank of Pakistan	AAA	9,149,691	20,901,983
Mobilink Microfinance Bank Limited	A	43,426,721	34,334,230
Habib Metropolitan Bank Limited	AA+	420,840,647	-
		1,854,158,910	1,724,544,620

23.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:
(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework, and they are 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 adhere 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.

23.4 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 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 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 December 31, 2024 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 this basis, the loss allowance as at reporting date is determined for micro credit loans as follows:

	Current	More than 30 days past due	More than 90 days past due	More than 1 year past due	Total
			(Rupees)		
2024					
Gross carrying amount of micro credit loans (Stage-1)	48,249,905	222,732	844,189	187,766	49,504,592
Loss Allowance	716,504	2,629	468,375	187,766	1,375,274
2023					
Gross carrying amount of micro credit loans (Stage-1)	123,711,427	252,988	563,485	213,103	124,741,001
Loss Allowance	-	117,833	235,667	213,103	566,603

23.5 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.

	Carrying amount	Within 1 year	1 to 5 years	More than 5 years
2024				
Financial liabilities at amortised cost				
Accrued expenses and other payables				
Rupees	405,248,805	405,248,805	-	-
Equivalent GBP	1,249,550	1,249,550	-	-
2023				
Financial liabilities at amortised cost				
Accrued expenses and other payables				
Rupees	1,059,860,456	1,059,860,456	-	-
Equivalent GBP	2,968,467	2,968,467	-	-

23.6 **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. 177,437 equivalent to 614 Euros (2023: Rs. 188,968 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

	2024	2023
	Gross exposure on statement of comprehensive income (Rupees)	
Monetary assets exposed to currency risk		
Foreign currency bank balance (Euro)	17,744	18,897

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 exchange rates were applied during the year with respect to translation of above mentioned financial assets.

	Average rate		Reporting date spot rate	
	2024	2023	2024	2023
Euro to PKR	298.442	273.480	289.051	307.632

22.6.1 **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.

23.7 **Fair values**

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

23.8 **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.

24 **NUMBER OF EMPLOYEES**

	2024	2023
Number of employees of the Company at the reporting date	**553**	729
Average number of employees during the year	**658**	658

25 **GENERAL**

25.1 Figures have been rounded off to the nearest Pakistani Rupee and Pound Sterling.

25.2 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on 23 - April - 2025.

CHIEF EXECUTIVE

DIRECTOR

Bibliography

IRP: Islamic Relief Pakistan

UNDP: United Nations Development Programme

UNICEF: United Nations International Children's Emergency Fund

FCDO: Foreign, Commonwealth and Development Office

IOM: International Organization for Migration

MoU: Memorandum of Understanding

IDRAC: Integrated Initiative for Disaster-Affected Communities

SIDA: Swedish International Development Agency

PWDs: Person with Disabililties

RISE: Resilient Initiatives to Support in Emergency

WASYLA: Women Aligned for Sustainable Youth-Centred Livelihood Action

NLC: National Logistics Corporation

MPCG: Multi Purpose Cash Grant

IRUSA: Islamic Relief United States of America

PARC: Pakistan Agricultural Research Council

4RF: Resilient Recovery, Rehabilitation, and Reconstruction Framework

Our Valued Partners

Islamic Relief Pakistan
IRM Complex, 07, Sunrise Avenue,
Park Road, Near COMSATS
University, Islamabad
Pakistan

Tel: +92 51 2114212 - 17

www.islamic-relief.org.pk