

ISLAMIC RELIEF
AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023



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, 2023, the statement of income and expenditure, the statement of comprehensive income, the statement of movement in restricted donor's fund / grant, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of movement in restricted donor's fund / grant and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the surplus and other comprehensive loss, the changes in restricted donor's fund / grant and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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.

Signature



- 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: June 14, 2024

UDIN: AR202310083xnYGpCHd0

ISLAMIC RELIEF

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

STATEMENT OF FINANCIAL POSITION**AS AT DECEMBER 31, 2023**

	Note	2023 (Rupees)	(Equivalent GBP)	2022 (Rupees)	(Equivalent GBP)
			(Note 5.13)		(Note 5.13)
ASSETS					
NON CURRENT ASSETS					
Property and equipment	6	199,112,679	557,677	56,322,869	204,739
CURRENT ASSETS					
Micro credit financing	7	124,174,398	347,789	89,368,706	324,864
Advances	8	24,392,469	68,319	48,863,376	177,623
Deposits, prepayments and other receivables	9	66,254,280	185,565	37,437,937	136,091
Cash and bank balances	10	1,724,544,620	4,830,122	418,641,991	1,521,804
		1,939,365,767	5,431,795	594,312,010	2,160,382
		<u>2,138,478,446</u>	<u>5,989,472</u>	<u>650,634,879</u>	<u>2,365,121</u>
LIABILITIES AND FUNDS					
CURRENT LIABILITIES					
Accrued expenses and other payables	11	1,059,860,456	2,968,467	723,188,806	2,628,860
NON CURRENT LIABILITIES					
Deferred liability	12	212,489,907	595,144	136,709,754	496,953
Deferred grant	13	199,112,679	557,677	56,322,870	204,739
		411,602,586	1,152,821	193,032,624	701,692
RESTRICTED DONORS' FUND / GRANT	14	<u>667,015,404</u>	<u>1,868,184</u>	<u>(265,586,551)</u>	<u>(965,431)</u>
		<u>2,138,478,446</u>	<u>5,989,472</u>	<u>650,634,879</u>	<u>2,365,121</u>
CONTINGENCIES AND COMMITMENTS 15					

The annexed notes 1 to 24 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, 2023**

	Note	2023 (Rupees)	(Equivalent GBP) (Note 5.13)	2022 (Rupees)	(Equivalent GBP) (Note 5.13)
INCOME					
Grant income recognised	14	7,526,464,761	21,816,296	4,213,160,649	16,749,056
Amortization of deferred grant	13	51,066,098	148,021	22,759,408	90,478
		<u>7,577,530,859</u>	<u>21,964,317</u>	<u>4,235,920,057</u>	<u>16,839,534</u>
EXPENDITURE					
Project expenditure	18	7,526,464,761	21,816,296	4,213,160,649	16,749,056
Depreciation	6	51,066,098	148,021	22,759,408	90,478
Operational support expenditure	17	-	-	-	-
		<u>7,577,530,859</u>	<u>21,964,317</u>	<u>4,235,920,057</u>	<u>16,839,534</u>
SURPLUS/ (DEFICIT) FOR THE YEAR		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Signature

Signature
CHIEF EXECUTIVE

Signature
DIRECTOR

ISLAMIC RELIEF

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Note	2023 (Rupees)	(Equivalent GBP) (Note 5.13)	2022 (Rupees)	(Equivalent GBP) (Note 5.13)
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	12	(56,929,064)	(165,015)	(31,848,483)	(126,611)
Currency translation difference		-	130,363	-	94,253
TOTAL COMPREHENSIVE (LOSS) / GAIN FOR THE YEAR		<u>(56,929,064)</u>	<u>(34,652)</u>	<u>(31,848,483)</u>	<u>(32,358)</u>

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Signature

Signature
CHIEF EXECUTIVE

Signature
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, 2023

	Note	(Rupees)	(Equivalent GBP) (Note 5.13)
Balance as at January 1, 2022		284,767,661	1,203,989
Movement during the year			
- Receipts		3,341,573,804	13,284,138
- Transferred to deferred grant	13	(41,612,667)	(165,428)
- Other operating income	16	375,629,665	1,493,283
- Project expenditure	18	(4,213,160,649)	(16,749,056)
- Adjustments		19,064,118	-
		(518,505,729)	(2,137,063)
Comprehensive income			
Surplus / (Deficit) for the year		-	-
Other comprehensive loss for the year	12	(31,848,483)	(32,357)
Balance as at December 31, 2022		<u>(265,586,551)</u>	<u>(965,431)</u>
Balance as at January 1, 2023		(265,586,551)	(965,431)
Movement during the year			
- Receipts	14	8,292,802,253	24,037,611
- Local Fund Raising	14	6,389,476	18,521
- Transferred to deferred grant	13	(194,117,643)	(562,672)
- Other operating income	16	376,496,993	1,091,318
- Project expenditure	18	(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) / gain for the year	12	(56,929,064)	(34,652)
Balance as at December 31, 2023		<u>667,015,404</u>	<u>1,868,184</u>

The annexed notes 1 to 24 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, 2023**

	Note	2023 (Rupees)	(Equivalent GBP)	2022 (Rupees)	(Equivalent GBP)
		(Note 5.13)		(Note 5.13)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Grant received during the year		8,105,074,086	23,493,460	3,318,913,106	13,194,053
Project expenditure and other expenses		(7,011,573,769)	(20,323,827)	(3,462,166,707)	(13,763,544)
Net cash generated / (used in) from operating activities		1,093,500,317	3,169,633	(143,253,601)	(569,491)
CASH FLOWS FROM INVESTING ACTIVITIES					
Micro credit financing		(33,012,044)	(95,689)	(3,934,433)	(15,641)
Proceeds from other operating income		244,588,606	708,967	119,202,460	473,878
Purchase of property and equipment	6	(194,117,643)	(562,672)	(41,612,667)	(165,428)
Proceeds from disposal of property and equipment		825,750	2,394	172,500	686
Net cash generated from investing activities		18,284,669	53,000	73,827,860	293,495
CASH FLOWS FROM FINANCING ACTIVITIES					
Grant received for property and equipment	13	194,117,643	562,671	41,612,667	165,428
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,305,902,629	3,785,304	(27,813,074)	(110,568)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		418,641,991	1,521,804	446,455,065	1,887,538
Effect of foreign currency exchange loss on cash and cash equivalents		-	(476,986)	-	(255,166)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10	1,724,544,620	4,830,122	418,641,991	1,521,804

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

S. J. J.


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, 2023

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Islamic Relief (the Company) was incorporated in Pakistan on December 8, 1994 as a guarantee limited company, under the provisions of section 42 of the repealed Companies Ordinance, 1984. The Company is also representative in Pakistan of Islamic Relief Worldwide (Parent organization) whose headquarters are in Birmingham, United Kingdom (UK). The main sources of income of the Company are donations received from individuals and institutions in Europe, America, Canada through Parent organization and through local 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 11 Field Offices as listed below located in the mentioned areas:

Area Office Peshawar	Baitul Maal Street No. 2 near Masjid Mukaram Khan, Railway Lane, Pawakay, Peshawar.
Area Office Quetta	Plot # 37-A Jinnah Town near Pearl Institute Samungli Road, Quetta.
Area Office Rawalpindi	House 293-A, Green House, Main Peshawar Road, Rawalpindi.
Area Office Karachi	House 307, PIA Housing Society, Block 9 Gulistan-e-Johar, Karachi.
Area Office Muzaffarabad	House 151, Street 17 Upper Chatter Housing Scheme, Muzaffarabad.
Field Office Kohat	House 38 A, Sector A-1 Phase-2 KDA, Kohat.
Field Office Bagh	Near Police Station, Sudhan Gali Road, Bagh.
Field Office Larkana	House 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 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025

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 17	Insurance Contracts

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

IFRIC 12	Service concession arrangements
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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.

Signature

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) Provision for doubtful microcredit financing, advances and other receivables

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

c) Impairment of non-financial assets

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

g) 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 quarterly basis



5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of measurement

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

5.2 Property and equipment

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the 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 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. The Company has revised the depreciation policy for the first year depreciation charge of property and equipment. Previously full year's depreciation was charged in the year of addition, while none in the year of disposal.

Further, The Company has also made reassessment of depreciation rates for property and equipment during the year. Depreciation rates have been revised as follows:

	Existing Rate	Revised Rate
Furniture and fittings	10%	12.5%
Office equipment	10%	12.5%
Communication equipment/Computers	20%	33.3%
Project equipment	10%	12.5%

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These changes in accounting estimate have been accounted for prospectively as per IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Had the depreciation rates and depreciation policy not changed, the book value of property and equipment would have been lower by Rs. 8,764,771 (GBP: 24,548).

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. Additionally, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined, and impairment loss is recognized for the difference between the recoverable amount and the carrying value.

5.4 Advances, deposits, prepayments and other receivables

These 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, prepayments, and other receivables, applying the general approach for calculating lifetime expected credit losses for these assets recognized at least annually. Additionally, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined, and impairment loss is recognized for the difference between the recoverable amount and the carrying value.

5.5 Cash and cash equivalents

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

5.6 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.

5.7 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all eligible employees completing the minimum qualifying period of service. The liability recognized in the 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, 2023. 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.

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5.8 Deferred capital grant

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

5.9 Restricted donors' fund / grant

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

5.10 Income recognition

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

5.11 Provisions

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

5.12 Taxation

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

5.13 Functional and presentation currency

Items included in these financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency), which is the Pakistani Rupee (PKR). Presentation currency is Pound Sterling (GBP) which is the functional currency of 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.

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For this purpose Statement of Financial Position items have been translated into GBP at December 31, 2023 exchange rate of GBP 1 = PKR 357.040 (2022: GBP 1 = PKR 275.096) and the statement of income and expenditure items have been translated into GBP at average exchange rate of GBP 1 = PKR 344.993 (2022: GBP 1 = PKR 251.546).

5.14 Financial instruments

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

(i) Financial Assets

Classification

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

- a) Amortized cost where the effective interest rate method will apply;
- b) Fair value through 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.

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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

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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;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

Definition of default

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

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

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(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.

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5.15 Leases

(a) Accounting as Lessee

Lease liability

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

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

- 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

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. 42,669,113 (2022: Rs. 44,969,338).

(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*.

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6 PROPERTY AND EQUIPMENT

	Vehicles	Furniture and fittings	Office equipment	Communication equipment/ Computers	Project equipment	Total
As at January 1, 2022			(Rupees)			
Cost	57,749,738	13,621,562	16,571,497	63,248,369	8,133,673	159,324,839
Accumulated depreciation	(52,391,398)	(12,250,320)	(11,795,046)	(39,659,248)	(5,698,866)	(121,794,878)
	<u>5,358,340</u>	<u>1,371,242</u>	<u>4,776,451</u>	<u>23,589,121</u>	<u>2,434,807</u>	<u>37,529,961</u>
Year ended December 31, 2022						
Opening book value	5,358,340	1,371,242	4,776,451	23,589,121	2,434,807	37,529,961
Additions	345,700	6,839,310	2,269,706	29,888,471	2,269,480	41,612,667
Disposals	-	-	-	-	-	-
Cost	-	(115,095)	(940,695)	(1,170,201)	-	(2,225,991)
Accumulated depreciation	-	115,095	913,944	1,136,601	-	2,165,640
	-	-	(26,751)	(33,600)	-	(60,351)
Depreciation charge	(1,432,600)	(5,079,478)	(2,153,491)	(13,624,763)	(469,076)	(22,759,408)
	<u>4,271,440</u>	<u>3,131,074</u>	<u>4,865,915</u>	<u>39,819,229</u>	<u>4,235,211</u>	<u>56,322,869</u>
As at 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)
	<u>4,271,440</u>	<u>3,131,074</u>	<u>4,865,915</u>	<u>39,819,229</u>	<u>4,235,211</u>	<u>56,322,869</u>
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
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)
	<u>112,854,240</u>	<u>4,350,783</u>	<u>18,287,762</u>	<u>63,050,269</u>	<u>569,625</u>	<u>199,112,679</u>
As at December 31, 2023						
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)
	<u>112,854,240</u>	<u>4,350,783</u>	<u>18,287,762</u>	<u>63,050,269</u>	<u>569,625</u>	<u>199,112,679</u>
Rate of depreciation in % 2023	20%	12.5%	12.5%	33.3%	12.5%	12.5%
Rate of depreciation in % 2022	20%	10.0%	10.0%	20.0%	10.0%	10.0%

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	Vehicles	Furniture and fittings	Office equipment	Communication equipment/ Computers	Project equipment	Total
As at January 1, 2022				(Equivalent GBP)		
Cost	407,818	71,306	96,262	348,057	49,935	973,378
Accumulated depreciation	(385,163)	(65,508)	(76,067)	(248,323)	(39,641)	(814,702)
	<u>22,655</u>	<u>5,798</u>	<u>20,195</u>	<u>99,734</u>	<u>10,294</u>	<u>158,676</u>
Year ended December 31, 2022						
Opening book value	22,655	5,798	20,195	99,734	10,294	158,676
Additions	1,374	27,189	9,023	118,819	9,022	165,427
Disposals	-	-	-	-	-	-
Cost	-	(458)	(3,740)	(4,652)	-	(8,850)
Accumulated depreciation	-	458	3,633	4,518	-	8,609
			(107)	(134)		(241)
Depreciation charge	(5,695)	(20,193)	(8,561)	(54,164)	(1,865)	(90,478)
Currency translation difference	(2,807)	(1,412)	(2,862)	(19,508)	(2,056)	(28,645)
	<u>15,527</u>	<u>11,382</u>	<u>17,688</u>	<u>144,747</u>	<u>15,395</u>	<u>204,739</u>
As at 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)
	<u>15,527</u>	<u>11,382</u>	<u>17,688</u>	<u>144,747</u>	<u>15,395</u>	<u>204,739</u>
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
Transfers - net	-	703	6,258	6,030	(12,991)	-
Disposals	-	-	-	(759)	-	(759)
Cost	-	(676)	(2,466)	(7,051)	(280)	(10,473)
Accumulated depreciation	-	676	2,466	6,292	280	9,714
Depreciation charge	(47,989)	(2,092)	(5,627)	(92,047)	(266)	(148,021)
Currency translation difference	(14,183)	(2,171)	(381)	(30,684)	(13,534)	(60,953)
	<u>316,083</u>	<u>12,186</u>	<u>51,221</u>	<u>176,592</u>	<u>1,595</u>	<u>557,677</u>
As at December 31, 2023						
Cost	754,930	41,542	134,727	651,794	9,562	1,592,555
Accumulated depreciation	(438,847)	(28,653)	(77,248)	(469,172)	(20,958)	(1,034,878)
	<u>316,083</u>	<u>12,186</u>	<u>51,221</u>	<u>176,592</u>	<u>1,595</u>	<u>557,677</u>
Rate of depreciation in % 2023	20%	12.5%	12.5%	33.3%	12.5%	12.5%
Rate of depreciation in % 2022	20%	10.0%	10.0%	20.0%	10.0%	10.0%

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

	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
6.2 The cost of fully depreciated assets still in use is as follows:				
Vehicles	50,932,438	142,652	50,932,438	185,144
Furniture and fittings	14,925,651	41,804	11,223,113	40,797
Office equipment	9,546,637	26,738	4,490,865	16,325
Communication equipment / Computers	34,890,363	97,721	21,103,214	76,712
Project equipment	377,000	1,056	4,034,308	14,665
	<u>110,672,089</u>	<u>309,971</u>	<u>91,783,938</u>	<u>333,643</u>

7 MICRO CREDIT FINANCING

Unsecured

Microfinance Pool fund - Note 7.1

	124,174,398	347,789	89,368,706	324,864
	<u>124,174,398</u>	<u>347,789</u>	<u>89,368,706</u>	<u>324,864</u>

7.1 Microfinance Pool fund

7.1.1 Considered good	124,174,398	347,789	89,368,706	324,864
Considered doubtful	566,603	1,587	3,023,379	10,990
Principal amount receivable - note 7.1.2	124,741,001	349,376	92,392,085	335,854
Provision for doubtful debts - note 7.1.3	(566,603)	(1,587)	(3,023,379)	(10,990)
	<u>124,174,398</u>	<u>347,789</u>	<u>89,368,706</u>	<u>324,864</u>

7.1.2 Principal amount receivable

Balance as at January 1	92,392,085	335,854	89,829,126	379,795
Disbursements	226,649,632	656,969	171,490,930	681,747
Recoveries	(193,637,588)	(561,280)	(167,556,497)	(666,106)
Write-off	(663,128)	(1,922)	(1,371,474)	(5,452)
Currency translation difference	-	(80,245)	-	(54,130)
Balance as at December 31	<u>124,741,001</u>	<u>349,376</u>	<u>92,392,085</u>	<u>335,854</u>

7.1.3 Movement in Provision

Balance as at January 1	3,023,379	10,990	7,169,093	30,311
Reversal for the year	(1,793,648)	(5,199)	(2,774,240)	(11,029)
Write-off	(663,128)	(1,922)	(1,371,474)	(5,452)
Currency translation difference	-	(2,282)	-	(2,840)
Balance as at December 31	<u>566,603</u>	<u>1,587</u>	<u>3,023,379</u>	<u>10,990</u>

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 20% to 22% per annum with repayment due within six to twenty-four months from the disbursement date. In addition the Company grants Qarz-e-Hasna in special cases ranging from Rs 10,000 to Rs 25,000 with maximum repayment period of ten months.

	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
8 ADVANCES				
Considered good				
Advances to / for				
Suppliers	6,831,886	19,135	40,062,718	145,632
Employees	13,213,331	37,008	6,156,625	22,380
Implementing Partners	4,347,252	12,176	1,750,635	6,364
Expenses	-	-	893,397	3,248
	<u>24,392,469</u>	<u>68,319</u>	<u>48,863,376</u>	<u>177,623</u>

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	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES				
Security deposits	6,457,858	18,087	3,229,316	11,739
Prepayments	9,023,811	25,274	5,259,234	19,118
Other receivables - note 9.1	50,772,611	142,204	28,949,388	105,234
	<u>66,254,280</u>	<u>185,565</u>	<u>37,437,937</u>	<u>136,091</u>

9.1 This includes amount receivable from Head Office Islamic Relief Worldwide of Rs. 50,564,638 (2022: Rs. 28,949,388).

9.2 The maximum amount due from the related party at the end of any month during the year was Rs. 50,564,638 (2022: Rs. 28,949,388).

	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
10 CASH AND BANK BALANCES				
With banks				
In current accounts				
Local currency	1,076,394,990	3,014,778	298,645,265	1,085,604
Foreign currency	188,966	529	146,793	534
	<u>1,076,583,956</u>	<u>3,015,307</u>	<u>298,792,058</u>	<u>1,086,138</u>
In saving / deposit accounts				
Local currency - note 10.1 & 10.2	647,960,664	1,814,815	119,849,933	435,666
	<u>1,724,544,620</u>	<u>4,830,122</u>	<u>418,641,991</u>	<u>1,521,804</u>

10.1 Balances in these accounts includes Rs. 212,489,907 (2022: Rs. 97,226,755) held on account of employees' unfunded gratuity scheme.

10.2 Saving / Deposit accounts carry mark-up ranging from 7.3% to 11.25% (2022: 4.23% to 7.04%) per annum.

	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
11 ACCRUED EXPENSES AND OTHER PAYABLES				
Payable to suppliers	687,454,050	1,925,428	528,240,118	1,920,203
Payable to beneficiaries	41,421,616	116,014	6,427,412	23,364
Payable to Orphans Disbursement Scheme (ODS) beneficiaries	233,514,997	654,031	149,826,261	544,633
Payable for Death compensation	10,425,000	29,198	3,071,000	11,163
Accrued expenses	2,703,444	7,572	9,090,727	33,046
Retention money	19,572,271	54,818	1,647,632	5,989
Withholding tax payable	63,369,078	177,485	23,585,655	85,736
Audit fee payable	1,400,000	3,921	1,300,000	4,726
	<u>1,059,860,456</u>	<u>2,968,467</u>	<u>723,188,806</u>	<u>2,628,860</u>

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12 DEFERRED LIABILITY

The latest actuarial valuations of the Company's defined benefit obligation - gratuity was conducted as at December 31, 2023 using the projected unit credit method. Details of the obligations of staff retirement benefits are as follows:

	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
a) The amount recognized in the statement of financial position				
Present value of defined benefit obligation - gratuity	<u>212,489,907</u>	<u>595,144</u>	<u>136,709,754</u>	<u>496,953</u>
b) Changes in the present value of defined benefit obligation				
Balance as at January 1	136,709,754	496,953	102,235,444	432,248
Current service cost	59,346,103	172,021	28,789,705	114,451
Interest expense	14,955,882	43,351	9,586,147	38,109
	<u>74,301,985</u>	<u>215,372</u>	<u>38,375,852</u>	<u>152,560</u>
Loss on remeasurement	56,929,064	165,015	31,848,483	126,611
Benefits paid	(55,450,896)	(160,731)	(35,750,025)	(142,121)
Currency translation difference	-	(121,465)	-	(72,345)
Balance as at December 31	<u>212,489,907</u>	<u>595,144</u>	<u>136,709,754</u>	<u>496,953</u>
c) Charge for the year				
Statement of Income and expenditure				
Current service cost	59,346,103	172,021	20,928,586	114,451
Interest expense	14,955,882	43,351	7,595,846	38,109
	<u>74,301,985</u>	<u>215,372</u>	<u>28,524,432</u>	<u>152,560</u>
Statement of Comprehensive Income				
Loss on remeasurement	<u>56,929,064</u>	<u>165,015</u>	<u>31,848,483</u>	<u>126,611</u>
d) Significant actuarial assumptions at the reporting date	2023		2022	
Discount rate	14.50%		11.75%	
Expected rate of salary growth	15.50%		10.75%	
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 (Rupees)	Decrease in assumption (Rupees)
1% Discount rate	223,071,340	190,827,355
1 % Salary increase rate	224,465,313	189,267,521
10 % Withdrawal rate	205,260,968	206,443,344
1 Year mortality age	205,852,324	205,841,279
	(Equivalent GBP)	(Equivalent GBP)
1% Discount rate	646,597	553,134
1 % Salary increase rate	650,638	548,613
10 % Withdrawal rate	594,972	598,399
1 Year mortality age	596,686	596,654

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	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
DEFERRED GRANT				
Grant for capital expenditure				
As at January 1	198,711,516	1,101,307	159,324,840	973,376
Cost	(142,388,647)	(896,568)	(121,794,879)	(814,700)
Accumulated amortization	56,322,869	204,739	37,529,961	158,676
Opening book value	56,322,869	204,739	37,529,961	158,676
Transferred from restricted donors' fund / grant	194,117,643	562,672	41,612,667	165,429
Deletions	(3,612,788)	(10,472)	(2,225,991)	(8,849)
Cost	3,351,053	9,713	2,165,640	8,610
Accumulated amortization	(261,735)	(759)	(60,351)	(239)
Amortization charge for the year	(51,066,098)	(148,021)	(22,759,408)	(90,478)
Currency translation difference	-	(60,954)	-	(28,649)
As at December 31	199,112,679	557,677	56,322,870	204,739
Cost	389,216,371	1,592,553	198,711,516	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
Donor / Project wise movement of grants				
	Balance as at January 1, 2023	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2023
Project Identification ID		(Rupees)		
HQ1101126*	109,582,497			141,120,505
HQ4101159*	1,315,430	(3,612,788)	-	1,315,430
HQ4001146*	13,743,520	-	-	15,140,935
HQ0051132*	1,740,898	-	-	1,980,613
HQ0501101*	-	-	-	30,138,137
HQ0051120*	-	-	-	607,390
HQ4111155*	447,203	-	-	447,203
PK001_000001*	1,047,500	-	-	1,047,500
	127,877,048	(3,612,788)	-	191,797,713
	67,533,453			

13.1

Islamic Relief Worldwide
 Administration and General / In-kind
 - Sponsorship
 - Core Admin
 ICT support Project
 Fleet Management
 Intercompany
 Strengthening Response Capacity & Institutional Development for Excellence (STRIDE)
 Office Shifting Cost



Project Identification ID	Balance as at January 1, 2023	Transferred from restricted donors' fund / grant during the year	Deletion / write-off during the year (Rupees)	Adjustments - inter project	Balance as at December 31, 2023
13.2 Islamic Relief United States of America					
Resilient Initiative for Development and Adaptation (RIDA) in Khyber District of Action for Drought Adaptive Practices and Transformation (ADAPT) in Climate Sensitive Livelihood Modelling (CSLM)	1,770,300	-	-	-	1,770,300
Sustainable Initiative for Development in Kashmir, AJK (SIDK)	2,505,539	175,000	-	-	2,680,539
Sustainable Water resources and Livelihood Initiative (SWRLI)	5,458,396	1,090,547	-	-	6,548,943
Caring Communities for Children	1,310,225	-	-	-	1,310,225
Strengthening Response Capacity and Institutional Development for excellences - (STRIDE-II) USA	2,632,424	760,500	-	-	3,392,924
Integrated Initiatives for Disaster-affected Communities (IDRAC) WASYLA	2,647,794	304,200	-	-	2,951,994
	552,900	346,290	-	-	899,190
	-	47,526,730	-	-	47,526,730
	-	44,690,652	-	-	44,690,652
	16,877,578	94,893,919	-	-	111,771,497
13.3 Islamic Relief United Kingdom					
Micro financing Pool Program Fund	6,662,831	-	-	-	6,662,831
Sustainable Transformation towards Resilient Watermanagement and Economy (STRIVE)	922,597	-	-	-	922,597
Provision of Drinking Water Facilities in Balochistan	-	331,700	-	-	331,700
Women Initiative for Skills Enhancement (WISE)	-	319,315	-	-	319,315
Flood Emergency Response Sindh & Balochistan 2022	-	5,606,080	-	-	5,606,080
Early Recovery Sindh Response 2022	-	216,000	-	-	216,000
	7,585,428	6,473,095	-	-	14,058,523
13.4 Islamic Relief Canada					
Women Led Total Sanitation and Livelihood (WLTSL)	782,977	-	-	-	782,977
Sustainable Livelihood and Water assistance (SALWA) in Pakistan	1,254,956	-	-	-	1,254,956
Transformation and Adaptation against Climate Variability Affected-Areas (TACVA)	8,845,020	-	-	-	8,845,020
Empowering Widows in Need II (EWIN II)	1,498,735	-	-	-	1,498,735
North Waziristan Initiative for Economic Uplifting (NWIE)	349,500	-	-	-	349,500
2022 Shelter, WASH, and Cash Programming Response for Earthquake-Affected Families in Balochistan	371,000	-	-	-	371,000
Water and Livelihood Inclusive Initiative (WALI) in Kashmir	2,210,598	-	-	-	2,210,598
Green Actions for Protecting Biodiversity (GAP)	223,975	-	-	-	223,975
Shelter for Harnai Earthquake-affected Localities with Target of Environmental Resilience -SHELTER	1,084,818	-	-	-	1,084,818
IMF Qurbani Plus	-	302,600	-	-	302,600
Flood Emergency Response Sindh 2022	411,330	-	-	-	411,330
2022 NFIs, WASH, and Cash Programming Response for Flood - Affected Families in Balochistan and Sindh	1,748,000	1,313,470	-	-	3,061,470
2022 FSL & Protection Flood-Response in Pakistan	2,177,820	960,309	-	-	3,138,129
Responsive Action for Building Lives in Pakistan (RAB)	-	6,489,900	-	-	6,489,900
	20,958,729	9,066,279	-	-	30,025,008

	Project Identification ID	Balance as at January 1, 2023	Transferred from restricted donors' fund / grant during the year	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2023
(Rupees)						
13.5	Swedish International Development Agency Resilient Action for Inclusive Response in Pakistan (RAIR) Emergency Action with Resilient Niches -EARN Resilient Integrated Support in emergency	1,709,965	-	-	-	1,709,965
		2,560,374	2,980,965	-	-	5,541,339
		4,270,339	8,583,807	-	-	12,854,146
13.6	United Nations Children's Emergency Fund (UNICEF) Flood Emergency Response Sindh-UNICEF Provision of WASH services for 200,000 flood affected people in district Dadu and Kamabar Shahdadkot	844,000	-	-	-	844,000
		-	848,500	-	-	848,500
		844,000	848,500	-	-	1,692,500
13.7	Islamic Relief Germany Protection of Children At Risk-(POCAR 2-IR GERMANY) Strengthening Response Capacity and Institutional Development for excellences - (STRIDE-II) Germany Voices Organized for Climate Advocacy and Lobbying (VOCAL III) Flood Emergency Response-TANK-KP	470,870	-	-	-	470,870
		205,200	796,000	-	-	1,001,200
		243,500	-	-	-	243,500
		925,990	-	-	-	925,990
		1,845,560	796,000	-	-	2,641,560
13.8	United Nations Development Programme (UNDP) Community-led Flood Restoration in Dera Ismail Khan, Tank, and Swat districts in Khyber Pakhtunkhwa Province of Pakistan Flood Recovery Program	-	2,772,000	-	-	2,772,000
		-	421,500	-	-	421,500
		-	3,193,500	-	-	3,193,500
13.9	NDRMF & IRUSA Resilient and Adaptive Population in Disaster (RAPID)	1,143,039	-	-	-	1,143,039
		-	-	-	-	-
13.10	Islamic Relief Australia Flood Emergency Response-Killa Saifullah	304,359	-	-	-	304,359
		304,359	-	-	-	304,359
13.11	Islamic Relief South Africa Flood Emergency Response BLN-2022 (Sobhatpur)	775,540	-	-	-	775,540
		775,540	-	-	-	775,540

	Project Identification ID	Balance as at January 1, 2023	Transferred from restricted donors' fund / grant during the year	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2023
(Rupees)						
13.12	World Food Programme (WFP)					
	Food for Assets (FFA) Cash Chaman	152,000	-	-	-	152,000
	Food for Assets (FFA) Cash Killa Abdullah	152,000	-	-	-	152,000
		304,000	-	-	-	304,000
13.13	Disasters Emergency Committee					
	Pakistan Floods Appeal-DEC	4,124,140	135,000	-	-	4,259,140
		4,124,140	135,000	-	-	4,259,140
13.14	Shelter Box UK					
	Pakistan Flood response 2022-Shelter Box UK	2,722,630	2,326,490	-	-	5,049,120
		2,722,630	2,326,490	-	-	5,049,120
13.15	Catholic Relief Services CRS					
	Emergency Relief & Early recovery response for flood affected households in Sindh & Balochistan	948,060	-	-	-	948,060
		948,060	-	-	-	948,060
13.16	International Organisation for Migration (IOM)					
	Community Social Cohesion and Social Action Project Activities in Khyber Newly Merged Tribal District	687,500	-	-	-	687,500
	Community Social Cohesion and Social Action Project Activities in Orakzai	419,700	-	-	-	419,700
		1,107,200	-	-	-	1,107,200
13.17	Others					
	Flood Emergency Response Balochistan	4,763,561	-	-	-	4,763,561
	VOCAL-IV- Multi Donor	183,330	188,000	-	-	371,330
	Flood Emergency Response Sindh 2022	2,076,974	-	-	-	2,076,974
	Combat Avoidable Cataract Blindness at Chagai (CACBC)	-	79,600	-	-	79,600
	7,023,865	267,600	-	-	7,291,465	
	198,711,516	194,117,643	(3,612,788)	-	389,216,371	

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14 RESTRICTED DONORS' FUND / GRANT	Note	Balance as at January 1, 2023	Received during the year	Fund Raising	Transferred to deferred grant	Other operating income	Project expenditure for the year	Grant income recognized for the year	Other comprehensive loss	Adjustments *	Balance as at December 31, 2023	Balance as at December 31, 2023	Equivalent GBP
Islamic Relief Worldwide	14.1	(244,275,159)	1,585,554,033	70,000	67,533,453	201,661,449	1,681,544,572	1,681,544,572	(55,929,064)	8,108,535	(254,868,231)	(713,894)	
Islamic Relief United States of America	14.2	23,256,438	1,788,676,792	-	94,893,919	329,567	1,415,755,446	1,415,755,446	-	(70,300,837)	211,312,595	591,846	
Islamic Relief United Kingdom	14.3	99,386,315	1,551,686,714	-	6,473,095	43,291,566	1,322,496,638	1,322,496,638	-	3,265,107	368,659,969	1,032,547	
Islamic Relief Canada	14.4	(144,316,724)	1,172,085,333	-	9,066,279	15,000	1,032,066,332	1,032,066,332	-	14,074,425	705,423	1,976	
Swedish International Development Agency (Through Islamic Relief Sweden)	14.5	71,416,742	1,059,793,113	-	8,583,807	-	794,570,245	794,570,245	-	(5,193,309)	322,852,494	904,248	
United Nations Children's Emergency Fund (UNICEF) Co-Funded by Islamic Relief Partners	14.6	(27,637,172)	278,313,600	-	848,500	64,793,336	293,888,256	293,888,256	-	(11,865,303)	8,667,705	24,837	
Islamic Relief Germany	14.7	(16,631,150)	80,811,023	-	796,000	-	40,333,985	40,333,985	-	(28,184,528)	(5,134,740)	(14,381)	
United Nations Development Programme (UNDP)	14.8	5,406,282	230,952,199	-	3,193,500	18,570,772	273,016,943	273,016,943	-	(3,012,859)	(24,294,069)	(68,043)	
United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)	14.9	1,604,484	-	-	-	-	-	-	-	(1,604,484)	-	-	
National Disaster and Risk Management (NDRMF)	14.10	(13,413,668)	(1,322,053)	-	-	-	15,316,190	15,316,190	-	14,735,721	(15,316,190)	(42,898)	
Islamic Relief Australia	14.11	(3,276,799)	57,815,468	-	-	-	33,455,636	33,455,636	-	-	21,083,033	59,050	
World Food Programme (WFP)	14.12	(41,949,366)	25,665,642	-	-	-	-	-	-	-	(16,283,744)	(45,608)	
Islamic Relief Netherland	14.13	(30,426,190)	30,890,168	-	-	-	-	-	-	(463,978)	-	-	
Disasters Emergency Committee (DEC)	14.14	(77,906,782)	206,651,812	-	135,000	-	208,030,646	208,030,646	-	92,214,979	12,794,363	35,835	
Shelter Box UK	14.15	(22,806,827)	27,294,171	-	2,326,490	-	4,034,104	4,034,104	-	-	(1,873,250)	(5,245)	
Muslim Aid	14.16	(1,977,491)	1,977,491	-	-	-	-	-	-	-	-	-	
Tzu Chi Foundation	14.17	(22,905,727)	46,163,263	-	-	47,739,766	69,428,776	69,428,776	-	-	1,568,516	4,393	
Catholic Relief Services CRS	14.18	(2,421,941)	2,931,940	-	-	-	-	-	-	(508,999)	-	-	
Islamic Relief Mauritius and Malaysia	14.19	-	21,465,185	-	-	-	32,360,679	32,360,679	-	10,915,494	-	-	
Islamic Relief Switzerland	14.20	-	16,927,455	-	-	-	22,376,699	22,376,699	-	-	(5,449,244)	(15,262)	
Norwegian Ministry Of Foreign Affairs	14.21	-	-	-	-	-	26,265	26,265	-	-	(26,265)	(74)	
German Corporation for International Cooperation (GIZ)	14.22	-	34,941,508	-	-	-	-	-	-	-	34,941,508	97,865	
Local Fundraising	14.23	-	-	6,319,476	-	53,375	4,368,745	4,368,745	-	-	2,004,106	5,613	
Others	14.24	183,288,223	93,537,296	-	287,500	42,173	283,354,604	283,354,604	-	12,245,837	5,491,325	15,380	
		<u>(265,586,551)</u>	<u>8,292,802,253</u>	<u>6,389,476</u>	<u>194,117,643</u>	<u>375,496,993</u>	<u>7,526,464,761</u>	<u>7,526,464,761</u>	<u>(65,929,064)</u>	<u>34,424,701</u>	<u>667,015,404</u>	<u>1,865,184</u>	
2022		284,767,661	3,341,573,804	-	41,612,667	375,569,314	4,213,160,649	4,213,160,649	(31,848,433)	19,064,118	(265,586,551)	(965,431)	

* 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

Unit 4	Project Identification ID	AX	(Rupees)										(Equivalent GBP)	
			Balance as at January 1, 2023	Received during the year	Fund Raising	Transferred to deferred grant	Other operating income	Project expenditure for the year	Grant income recognized for the year	Other comprehensive loss	Adjustments	Balance as at December 31, 2023	Balance as at December 31, 2023	
			57,420,418	-	-	35,150,795	149,379,350	-	-	-	15,111,957	-	99,607,952	279,983
	HQ101126*	PK000_000006*	(206,494,989)	865,215,649	-	-	-	1,177,900	824,409,028	-	-	-	(234,440,475)	(628,615)
	HQ4001146*	PK400_000009*	(137,763,700)	92,874,935	70,000	-	-	1,397,415	116,753,600	-	-	-	(57,899,730)	(165,914)
	HQ0051132*	PK005_000002*	(12,519,095)	-	-	-	-	239,715	22,832,572	-	-	-	(24,471,573)	(66,540)
	HQ0501101*	PK000_000005*	59,229,911	-	-	-	-	30,138,137	35,343,577	-	-	-	35,288,475	92,750
	HQ0051120*	PK005_000002*	-	-	-	-	-	607,390	19,032,799	-	-	-	19,640,189	(10,978)
	HQ4111155*	PK420_000001*	(1,746,819)	23,389,949	-	-	-	-	25,988,995	-	-	-	(3,919,865)	(94,626)
	HQ0001307*	PK000_000005*	(2,410,839)	-	-	-	-	-	-	-	-	-	(1,438,215)	(4,028)
	HQ0011150*	PK000_000008*	-	213,680,364	-	-	-	-	247,466,654	-	-	-	(61,531,955)	(172,338)
	HQ3011157*	PK300_000007*	-	19,042,559	-	-	-	-	11,520,774	-	-	-	(64,766)	(2,384)
	HQ3021150*	PK310_000007*	-	187,107,395	-	-	-	1,314,910	249,954,900	-	-	-	177,296,904	49,577
	HQ3031158*	PK330_000002*	(89,970,037)	243,878,758	-	-	-	10,181,392	127,481,932	-	-	-	(254,888,230)	(713,882)
			(244,275,159)	1,585,554,033	70,000	67,533,453	201,661,449	1,881,544,872	1,881,544,872	65,629,064	-	1,311,656	1,778,904	49,577
			(35,814,112)	66,834,861	-	-	-	-	144,767,078	-	-	-	(113,746,529)	(318,582)
	HQ0201485*	PK020_000153*	22,514,500	65,096,868	-	-	-	-	163,329,795	-	-	-	(78,895,427)	(212,569)
	HQ0201484*	PK020_000154*	(14,338,791)	55,916,390	-	-	-	1,090,547	159,607,307	-	-	-	(119,120,255)	(333,633)
	HQ0201505*	PK020_000155*	6,288,248	133,299,077	-	-	-	-	86,157,527	-	-	-	(53,425,993)	(250,275)
	HQ0201680*	PK020_000166*	(18,298,284)	115,078,884	-	-	-	-	153,810,167	-	-	-	(25,556,629)	(71,579)
	HQ0201684*	PK020_000168*	(185,207)	185,207	-	-	-	-	18,350,865	-	-	-	(18,697,155)	(52,367)
	HQ0201454*	PK020_000150*	(1,788)	896,319,605	-	-	-	-	456,677,119	-	-	-	82,107,988	229,969
	HQ0202007*	PK020_000206*	-	-	-	-	-	-	-	-	-	-	(4,189,937)	(11,735)
	HQ0201611*	PK020_000201*	-	665,818,462	-	-	-	-	103,021,931	-	-	-	564,011,660	1,655,706
	HQ0202003*	PK020_000205*	3,558,820	8,307,210	-	-	-	-	-	-	-	-	2,965,951	8,272
	HQ0201778	PK020_000171*	(843,282)	11,102,974	-	-	-	329,587	7,506,131	-	-	-	(485,497)	(1,360)
	HQ4301113*	PK430_000001*	485,505	-	-	-	-	-	485,497	-	-	-	(70,330,837)	317,372,954
	HQ0301111*	PK030_000048*	23,256,438	1,708,679,732	-	-	-	329,587	1,415,255,445	-	-	-	211,312,954	391,846
			96,036,723	-	-	-	-	43,285,248	63,770,623	-	-	-	12,196,597	217,754
	H00202175*	PK020_000011*	(1,386,477)	85,246,560	-	-	-	6,320	77,297,331	-	-	-	(10,569,072)	96,346
	H00201508*	PK020_000168*	(689,652)	74,884,891	-	-	-	-	39,263,647	-	-	-	(2,296,070)	(7,843)
	H00201856*	PK020_000200*	2,295,070	-	-	-	-	-	-	-	-	-	(10,545,784)	-
	H00202189*	PK020_000182*	7,746,675	-	-	-	-	-	-	-	-	-	-	-
	H00201829*	PK020_000172*	(7,190,751)	48,510,295	-	-	-	-	39,328,644	-	-	-	-	-
	H00201843*	PK020_000177*	-	-	-	-	-	-	-	-	-	-	-	-
	H00201843*	PK020_000177*	-	-	-	-	-	-	-	-	-	-	-	-
	H00201854*	PK020_000179*	9,715,181	2,268,634	-	-	-	-	3,257,884	-	-	-	8,723,801	24,434
	H00201870*	PK020_000180*	4,077,889	4,792,051	-	-	-	-	5,139,740	-	-	-	12,835,912	36,951
	H00201830*	PK020_000182*	2,474,877	16,155,651	-	-	-	3,919,315	5,475,301	-	-	-	221,276,713	619,754
		PK020_000184*	-	848,431,030	-	-	-	-	419,548,237	-	-	-	187,045,951	523,880
	H00202111*	PK020_000212*	-	504,331,467	-	-	-	-	321,059,516	-	-	-	(2,676,066)	(621,201)
	H00202109*	PK020_000213*	-	29,794,583	-	-	-	-	28,818,917	-	-	-	544,459	1,454,469
	H00202145*	PK020_000214*	-	81,699,459	-	-	-	-	303,786,670	-	-	-	17,794,511	145,469
	H00202188*	PK020_000219*	-	17,554,160	-	-	-	-	17,165,169	-	-	-	3,255,107	998,659,957
	H00202192*	PK020_000219*	96,386,315	1,651,689,714	-	-	-	6,473,055	1,322,498,538	-	-	-	1,774,511	1,032,547
			96,386,315	1,651,689,714	-	-	-	6,473,055	1,322,498,538	-	-	-	1,774,511	1,032,547

Unit 4	Project Identification ID	Balance as at January 1, 2023	Received during the year	Fund Raising	Transferred to deferred grant	Other operating income	Project expenditure for the year	Grant income recognized for the year	Other Comprehensive Loss	Adjustments	Balance as at December 31, 2023	Balance as at December 31, 2023
(Rupees)												
Islamic Relief Canada												
HQ0201498*	PK020_000158*	(17,854,348)	70,926,516	-	-	-	49,711,384	49,711,384	-	(3,352,786)	-	-
HQ0201333*	PK020_000105*	-	650,368	-	-	-	-	-	-	(600,386)	-	-
HQ0201332*	PK020_000139*	(28,443,088)	34,267,915	-	-	-	7,824,887	7,824,887	-	-	-	-
HQ0201438*	PK020_000148*	(12,422,222)	12,422,222	-	-	-	-	-	-	-	-	-
HQ0201674*	PK020_000167*	(1,791,378)	66,291,866	-	-	-	50,382,888	50,382,888	-	-	5,471,620	15,325
HQ0201890*	PK020_000181*	9,191,850	19,035,053	-	-	-	-	-	-	-	25,955,903	72,898
HQ0201828*	PK020_000173*	(857,687)	64,323,792	-	-	-	63,466,125	63,466,125	-	-	-	-
HQ0201836*	PK020_000176*	14,189,389	-	-	302,000	15,000	7,235,287	7,235,287	-	-	6,065,482	18,572
HQ0201919*	PK020_000190*	(34,361,342)	34,725,251	-	-	-	363,909	363,909	-	-	-	-
HQ0201998*	PK020_000203*	(67,049,215)	397,917,205	-	1,313,470	-	388,095,716	388,095,716	-	-	(88,542,190)	(247,990)
HQ0201876*	PK020_000204*	(4,039,675)	353,665,145	-	990,309	-	396,674,773	396,674,773	-	18,609,614	-	-
HQ0201851*	PK020_000199*	-	16,658,767	-	-	-	2,866,261	2,866,261	-	-	13,792,506	38,630
HQ0202171*	PK020_000220*	-	16,011,289	-	-	-	20,514,728	20,514,728	-	-	(4,503,459)	(12,613)
HQ0202172*	PK020_000221*	-	105,128,049	-	6,489,800	-	42,694,615	42,694,615	-	-	55,944,934	155,660
HQ0202321*	PK020_000221*	-	8,059,821	-	-	-	14,079,867	14,079,867	-	-	(14,079,867)	(38,405)
HQ0202203*	PK020_000220*	(144,316,724)	1,172,058,333	-	9,038,279	15,000	1,032,096,332	1,032,096,332	-	(652,056)	705,423	1,976
Swedish International Development Agency (Through Islamic Relief Sweden)												
HQ0201570	PK020_000161*	(79,719)	-	-	-	-	-	-	-	79,719	-	-
HQ0201835*	PK020_000174*	70,193,327	545,497,233	-	2,880,995	-	608,739,700	608,739,700	-	(3,968,895)	-	-
HQ0201914*	PK020_000187*	1,303,133	-	-	-	-	-	-	-	(1,303,133)	-	-
HQ0202123*	PK020_000187*	71,416,741	1,095,783,113	-	8,583,807	-	794,570,245	794,570,245	-	(5,193,302)	322,852,483	804,248
United Nations Children's Emergency Fund (UNICEF) Co-funded by Islamic Relief Partners												
HQ0501154	PK050_000024*	124,881	-	-	-	-	-	-	-	(124,881)	-	-
HQ0501128	PK050_000029*	291,388	-	-	-	-	-	-	-	(291,388)	-	-
HQ0501155*	PK050_000040*	14,397,889	25,896,648	-	-	-	40,294,538	40,294,538	-	-	-	-
HQ0501156*	PK050_000042*	(49,853,485)	52,212,246	-	-	-	-	-	-	(2,258,781)	-	-
HQ0501157*	PK050_000044*	7,502,135	20,415,284	-	-	-	18,727,166	18,727,166	-	(8,190,253)	-	-
HQ0501170*	PK020_000216*	(27,837,172)	179,786,421	-	848,500	64,799,336	234,866,552	234,866,552	-	-	8,967,705	24,837
			278,313,600	-	848,500	64,799,336	293,688,256	293,688,256	-	(11,665,303)	8,967,705	24,837

	Project Identification ID	Unit 4	AX	Balance as at January 1, 2023	Received during the year	Fund Raising	Transferred to deferred grant	Other operating income	Project expenditure for the year	Grant Income recognized for the year	Other Comprehensive Loss	Adjustments	Balance as at December 31, 2023	Balance as at December 31, 2023
14.16	Muslim Aid (Integrated Emergency Assistance to the floods affected communities in Balochistan (2022))			(1,977,451)	1,977,451	-	-	-	-	-	-	-	-	-
14.17	Tzu Chi Foundation Flood Emergency Response-2022; Tzu Chi Foundation	HQ0501167	PK050_000038*	(1,977,451)	1,977,451	-	-	-	-	-	-	-	-	-
14.18	Catholic Relief Services CRS Emergency Relief & Early recovery response for flood affected households in Sindh & Balochistan	HQ0501168*	PK050_000043*	(23,905,727)	45,163,253	-	-	47,739,756	69,428,776	59,428,776	-	-	1,569,516	4,393
14.19	Islamic Relief Mauritius and Malaysia 2023 NFA, WASH and Cash Programming Response for Flood Affected Families in Balochistan, Pakistan	HQ0501169	PK050_000039*	(3,421,941)	2,931,940	-	-	47,739,756	69,428,776	69,428,776	-	(509,999)	1,569,516	4,393
14.20	Islamic Relief Switzerland Provision of Installation of Portable Water Filter Plant for Flood Affected Communities of Jaffarabad	HQ0202061*	PK020_000211*	-	21,465,185	-	-	-	32,380,679	32,380,679	-	10,915,494	-	-
14.21	Norwegian Ministry Of Foreign Affairs Climate Adaptive Actions for food security (CAAFS)	HQ0501101*	PK020_000206*	-	16,927,455	-	-	-	22,276,699	22,276,699	-	(5,449,244)	(15,262)	(15,262)
14.22	German Corporation for International Cooperation (GIZ) Strengthening Climate Adaptation and Climate Resilience	HQ0501102*	PK050_000110*	-	34,941,608	-	-	-	28,265	28,265	-	(26,265)	(74)	(74)
14.23	Local Fundraising Local Fundraising Administrative Shelters in Pies (SIP)	HQ0601101*	HQ0601102*	-	1,672,547	-	-	53,275	399	369	-	1,725,520	4,833	4,833
14.24	Others Exchange gain / (loss) Earthquake Emergency Balochistan 2021 Flood Emergency Response Balochistan VOCAL-IV- Multi Donor Flood Emergency Response Sindh & KP (WAAF) Flood Emergency Response Sindh, 2022 Combat Avoidable Cataract Blindness at Chagai (CACBC)	HQ0301101*	HQ0201903*	2,937,912	-	-	-	42,173	-	-	-	2,980,086	9,347	9,347
		HQ0201904*	HQ0202056*	(14,736,050)	-	-	-	-	248,983,737	248,983,737	-	14,736,050	-	-
		HQ0201905*	HQ0202057*	29,495,993	12,692,576	-	186,000	-	30,160,012	30,160,012	-	(1,546,498)	-	-
		HQ0201944*	HQ0202051*	(4,081,110)	5,026,125	-	-	-	24,968	24,968	-	(943,715)	15,840,127	44,385
		HQ0202051*	HQ0202051*	(74,868,027)	956,600	-	79,600	-	14,185,866	14,185,866	-	(13,329,895)	(37,332)	(37,332)
				183,288,223	93,537,296	-	297,000	42,173	283,354,604	283,354,604	-	12,245,837	5,461,326	15,386
				(653,596,553)	8,292,802,359	6,339,476	194,117,643	376,466,933	7,526,464,761	7,526,464,761	(56,329,054)	34,424,701	667,015,404	1,868,184

15 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There are no known material contingencies as at December 31, 2023 (2022: Nil).

COMMITMENTS

	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
Outstanding Purchase Order and contractual commitments	558,976,099	1,565,586	643,647,041	2,339,718

16 OTHER OPERATING INCOME

Income from financial assets				
Murabaha Income				
Income from Microfinance Pool fund	39,944,778	115,784	36,277,587	144,218
	39,944,778	115,784	36,277,587	144,218
Income from assets other than financial assets				
Vehicle usage charge - note 16.2	38,250,000	110,872	26,055,000	103,579
Profit on bank accounts - note 16.3	8,348,928	24,200	6,734,152	26,771
In Kind Donation - note 16.4	131,908,387	382,351	256,366,854	1,019,164
Project Management Fees - note 16.5	155,528,371	450,816	20,413,141	81,151
Other income - note 16.6	2,474,355	7,172	29,699,223	118,066
	336,510,042	975,411	339,268,370	1,348,731
Translation gain on foreign currency bank balance	42,173	122	23,357	93
	376,496,993	1,091,317	375,569,314	1,493,042

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

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

16.3 Profit on bank accounts is net of income tax of Rs 1,300,877 (2022: Rs. 837,884), Deposit accounts carry mark-up ranging from 7.3% to 11.25% (2022: 4.23% to 7.04%) per annum.

16.4 In Kind Donation is donations received from donor in form of goods other than cash. The donor wise breakup of such donation received is as follows:

Donor	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
United Nations Children's Emergency Fund (UNICEF) Co-Funded by Islamic Relief Partners	64,793,336	187,811	150,816,102	599,556
United Nations Development Programme (UNDP)	18,362,799	53,227	-	-
Tzu Chi Foundation	47,739,756	138,379	-	-
Shelter Box UK	-	-	104,566,752	415,696
PMCL (under service agreement)	1,012,496	2,935	984,000	3,912
	131,908,387	382,351	256,366,854	1,019,164

16.5 Project Management Fees represents amount charged to different projects as management fees.

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

	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
17 OPERATIONAL SUPPORT EXPENDITURE				
Salaries, wages and other benefits	118,886,531	344,606	69,894,988	277,861
Provision for Gratuity	21,054,457	61,029	13,144,468	52,255
Rent, rates and taxes	18,553,900	53,781	9,539,435	37,923
Communication and periodicals	54,599	158	1,000,000	3,975
Utilities	11,092,333	32,152	2,250,841	8,948
Advertisement	49,560	144	91,591	364
Bank charges	311,255	902	419,337	1,667
Entertainment	589,757	1,709	4,021,921	15,989
Fuel expenses	703,526	2,039	35,118,179	139,609
Travel expenses	1,543,542	4,474	8,083,328	32,135
Legal and professional charges	3,596,131	10,424	3,976,550	15,808
Project review and operations	1,593,547	4,619	1,318,480	5,242
Staff training	10,216,283	29,613	3,253,777	12,935
Statutory and projects audit fees - note 17.2	2,030,000	5,884	1,450,000	5,764
Gross Operational Support Expenditure	190,275,421	551,535	153,562,896	610,476
Operational Support Expenditure Cross charged to Projects - note 17.1	(190,275,421)	(551,535)	(153,562,896)	(610,476)
	-	-	-	-

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

Signature

	Note	2023		2022	
		(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
17.2 Auditors' Remuneration					
Audit Fees		1,400,000	4,058	1,000,000	3,975
Other Services		400,000	1,159	300,000	1,193
Out of Pocket Expenses		230,000	667	150,000	596
		<u>2,030,000</u>	<u>5,884</u>	<u>1,450,000</u>	<u>5,764</u>
Other Services Charged to Project Expenditure	17.2.1	-	-	859,900	3,418
		<u>2,030,000</u>	<u>5,884</u>	<u>2,309,900</u>	<u>9,182</u>
17.2.1 This is composed of fee for project audits conducted during the year. This amount is charged to project expenditure in note 18.					
18 PROJECT EXPENDITURE					
Salaries, wages and other benefits		1,127,441,604	3,268,015	557,167,646	2,214,972
Provision for Gratuity		95,541,351	276,937	34,366,281	136,620
Direct project expenses		5,989,800,574	17,362,104	3,398,383,352	13,509,979
Project running expenses		313,681,232	909,240	223,243,370	887,485
		<u>7,526,464,761</u>	<u>21,816,296</u>	<u>4,213,160,649</u>	<u>16,749,056</u>
Donorwise breakup of Project expenditure:					
Islamic Relief Worldwide	18.1	1,681,544,572	4,874,145	1,119,414,276	4,450,135
Islamic Relief United States of America	18.2	1,415,755,446	4,103,724	486,052,090	1,932,259
Islamic Relief United Kingdom	18.3	1,322,496,638	3,833,402	131,182,171	521,504
Islamic Relief Canada	18.4	1,032,086,331	2,991,617	446,691,277	1,775,783
Swedish International Development Agency (Through Islamic Relief Sweden)	18.5	794,570,245	2,303,151	267,812,290	1,064,665
United Nations Children's Emergency Fund (UNICEF)	18.6	293,888,256	851,868	397,125,792	1,578,739
Islamic Relief Germany	18.7	40,333,985	116,913	148,884,587	591,878
United Nations Development Programme (UNDP)	18.8	273,016,943	791,371	3,623,819	14,406
National Disaster and Risk Management (NDRMF)	18.9	15,316,190	44,396	76,291,989	303,292
Islamic Relief Australia	18.10	33,455,636	96,975	2,972,440	11,817
Islamic Relief South Africa	18.11	-	-	58,574,613	232,858
World Food Programme (WFP)	18.12	-	-	83,446,929	331,737
Islamic Relief Belgium	18.13	-	-	10,265,279	40,809
Islamic Relief Netherland	18.14	-	-	30,426,190	120,957
Disasters Emergency Committee (DEC)	18.15	208,030,646	603,000	73,782,642	293,317
Shelter Box UK	18.16	4,034,104	11,693	271,072,792	1,077,626
Sightsavers	18.17	-	-	8,000,000	31,803
Muslim Aid	18.18	-	-	29,352,413	116,688
Tzu Chi Foundation	18.19	69,428,776	201,247	107,755,652	428,373
Catholic Relief Services CRS	18.20	-	-	71,181,929	282,978
International Organisation for Migration (IOM)	18.21	-	-	34,317,007	136,424
Islamic Relief Maurautius and Malaysia	18.22	32,380,679	93,859	-	-
Islamic Relief Switzerland	18.23	22,376,699	64,861	-	-
Norwegian Ministry Of Foreign Affairs	18.24	26,265	76	-	-
Local Fundraising	18.25	4,368,745	12,663	-	-
Others	18.26	283,354,602	821,335	354,934,472	1,411,007
		<u>7,526,464,761</u>	<u>21,816,296</u>	<u>4,213,160,649</u>	<u>16,749,056</u>

Signature

Project Identification	2023				2022				Total	Total		
	Salaries, wages and other benefits	Provision for Gratuity	Direct project expenses	Project running expenses	Total	Salaries, wages and other benefits	Provision for Gratuity	Direct project expenses			Project running expenses	Total
Unit 4												
HQ4001146*	59,391,953	12,583,913	-	38,777,734	110,753,600	42,778,017	1,331,289	25,793,789	73,758,263	259,220		
HQ4101159*	15,744,350	6,451,251	52,409,026	658,941	824,409,026	11,552,395	538,376,300	-	538,376,300	2,132,318		
HQ0051132*	24,771,942	871,236	-	35,343,577	66,183	-	4,780	1,760,843	14,158,076	55,315		
HQ0051120*	7,335,814	483,342	-	8,213,643	16,032,799	-	-	-	-	-		
HQ4111155*	21,795,369	10,000	25,598,995	2,810,793	74,115	3,105,951	34,480,462	-	34,480,462	137,074		
HQ3001357*	222,848,482	189,319	247,665,854	717,307	92,534,048	370,962	92,534,048	7,520,330	102,293,285	410,634		
HQ3011150*	1,195,480	10,135,975	11,930,774	33,394	3,985,836	52,449	4,308,947	-	4,308,947	17,130		
HQ3011157*	6,968,500	18,320,758	21,859,671	6,058,612	249,394,600	3,238,038	187,312,478	12,470,484	207,404,454	824,518		
HQ3021150*	1,482,795	57,220	8,787,316	144,080	10,181,392	-	-	-	-	-		
HQ3301169*	4,987,147	38,787,700	118,992,939	3,901,497	127,481,933	8,001,930	132,275,533	5,244,946	145,635,489	578,925		
	143,360,127	1,428,942,646	70,474,060	1,681,544,572	4,874,145	59,943,522	587,721,749	54,414,463	1,119,414,276	4,450,135		
Resilient Initiative for Development and Adaptation (RIDA) in Khyber District												
HQ0201485*	38,110,989	2,470,183	99,501,325	4,584,581	144,767,078	25,914,886	88,080,521	3,799,704	99,076,626	398,871		
HQ0201484*	24,184,358	2,703,253	131,940,770	4,501,414	163,229,795	17,438,357	39,877,614	2,977,401	62,232,472	247,559		
HQ0201505*	37,038,524	2,188,124	108,816,960	10,694,299	159,307,307	26,095,010	42,743,912	8,968,911	79,525,954	316,149		
HQ0201500*	18,345,355	1,955,952	82,003,662	3,253,158	96,157,827	19,714,837	1,652,454	3,604,533	38,635,562	154,777		
HQ0201684*	49,410,959	4,278,142	91,439,633	8,681,823	153,810,167	445,836	39,550,813	5,185,214	66,805,741	265,584		
HQ0201654*	23,804,425	2,572,675	93,864,635	2,100,295	122,042,029	17,952,550	34,372,616	3,025,564	55,955,697	224,872		
HQ0301104*	8,139,872	841,771	3,064,711	3,064,711	18,350,965	4,452,736	114,605	1,125,616	6,079,484	24,168		
HQ0202007*	112,716,342	4,784,844	312,943,240	26,232,594	456,677,119	107	-	1,061	1,788	7		
HQ4301113*	-	-	7,506,131	7,506,131	-	-	1,413	-	1,413	6		
HQ0301111*	385,539	-	-	89,958	485,497	1,468,225	27,305	115,109	4,787,000	19,030		
HQ0202003*	58,391,290	2,467,998	31,653,787	11,918,935	103,021,831	5,911,327	7,722,184	51,334,853	9,332,823	37,102		
	370,327,262	24,232,442	946,074,053	75,121,689	1,415,755,446	139,129,330	302,547,282	34,008,280	485,052,090	1,932,259		
Microcredit Pool Program Fund - Naze 18.3.1												
HQ0202175*	37,768,526	8,117,770	1,120,728	15,753,529	63,770,623	34,828,348	1,843,217	17,696,372	56,347,430	224,004		
HQ0201528*	9,378,635	1,428,738	84,998,981	1,900,976	77,287,331	10,177,054	24,502,330	1,729,868	37,912,139	150,716		
HQ0201566*	12,332,628	513,982	24,581,023	1,815,115	39,283,647	464,603	182,758	21,145	699,652	2,742		
HQ0201843*	3,302,556	29,340	34,664,493	1,333,175	39,329,544	2,121,728	11,412,828	521,975	14,358,939	57,083		
HQ0201864*	1,951,367	28,312	939,000	339,215	3,257,884	699,821	9,938,349	449,041	11,055,211	43,946		
HQ0201870*	442,264	-	4,697,486	51,395,740	-	128,203	78,891	23,759	237,893	946		
HQ0201930*	3,701,208	388,313	752,856	692,925	6,475,301	774	-	9,586	10,460	42		
HQ0202110*	45,832,643	2,182,112	382,767,267	8,769,215	418,548,237	-	8,994,502	138,271	10,570,447	42,022		
HQ0202111*	31,642,034	595,117	321,375,870	7,460,495	321,086,516	-	-	-	-	-		
HQ0202109*	5,276,483	134,732	20,584,500	822,833	26,818,517	590,656	-	-	-	-		
HQ0202148*	13,969,602	725,984	284,561,677	4,503,507	303,786,670	880,559	-	-	-	-		
HQ0202188*	1,479,151	-	15,244,716	471,263	17,195,159	49,842	-	-	-	-		
HQ0202192*	277,819	12,061	186,532	74,247	544,659	1,578	-	-	-	-		
	167,380,957	15,117,352	1,095,083,217	43,310,484	1,322,455,638	49,168,987	87,765,955	20,560,218	131,184,171	521,604		

Project Identification	2023				2022				Total	Total		
	Salaries, wages and other benefits	Provision for Gratuity	Direct project expenses	Project running expenses	Total	Salaries, wages and other benefits	Provision for Gratuity	Direct project expenses			Project running expenses	Total
Unit 4												
HQ4001146*	59,391,953	12,583,913	-	38,777,734	110,753,600	42,778,017	1,331,289	25,793,789	73,758,263	259,220		
HQ4101159*	15,744,350	6,451,251	52,409,026	658,941	824,409,026	11,552,395	538,376,300	-	538,376,300	2,132,318		
HQ0051132*	24,771,942	871,236	-	35,343,577	66,183	-	4,780	1,760,843	14,158,076	55,315		
HQ0051120*	7,335,814	483,342	-	8,213,643	16,032,799	-	-	-	-	-		
HQ4111155*	21,795,369	10,000	25,598,995	2,810,793	74,115	3,105,951	34,480,462	-	34,480,462	137,074		
HQ3001357*	222,848,482	189,319	247,665,854	717,307	92,534,048	370,962	92,534,048	7,520,330	102,293,285	410,634		
HQ3011150*	1,195,480	10,135,975	11,930,774	33,394	3,985,836	52,449	4,308,947	-	4,308,947	17,130		
HQ3011157*	6,968,500	18,320,758	21,859,671	6,058,612	249,394,600	3,238,038	187,312,478	12,470,484	207,404,454	824,518		
HQ3021150*	1,482,795	57,220	8,787,316	144,080	10,181,392	-	-	-	-	-		
HQ3301169*	4,987,147	38,787,700	118,992,939	3,901,497	127,481,933	8,001,930	132,275,533	5,244,946	145,635,489	578,925		
	143,360,127	1,428,942,646	70,474,060	1,681,544,572	4,874,145	59,943,522	587,721,749	54,414,463	1,119,414,276	4,450,135		
Resilient Initiative for Development and Adaptation (RIDA) in Khyber District												
HQ0201485*	38,110,989	2,470,183	99,501,325	4,584,581	144,767,078	25,914,886	88,080,521	3,799,704	99,076,626	398,871		
HQ0201484*	24,184,358	2,703,253	131,940,770	4,501,414	163,229,795	17,438,357	39,877,614	2,977,401	62,232,472	247,559		
HQ0201505*	37,038,524	2,188,124	108,816,960	10,694,299	159,307,307	26,095,010	42,743,912	8,968,911	79,525,954	316,149		
HQ0201500*	18,345,355	1,955,952	82,003,662	3,253,158	96,157,827	19,714,837	1,652,454	3,604,533	38,635,562	154,777		
HQ0201684*	49,410,959	4,278,142	91,439,633	8,681,823	153,810,167	445,836	39,550,813	5,185,214	66,805,741	265,584		
HQ0201654*	23,804,425	2,572,675	93,864,635	2,100,295	122,042,029	17,952,550	34,372,616	3,025,564	55,955,697	224,872		
HQ0301104*	8,139,872	841,771	3,064,711	3,064,711	18,350,965	4,452,736	114,605	1,125,616	6,079,484	24,168		
HQ0202007*	112,716,342	4,784,844	312,943,240	26,232,594	456,677,119	107	-	1,061	1,788	7		
HQ4301113*	-	-	7,506,131	7,506,131	-	-	1,413	-	1,413	6		
HQ0301111*	385,539	-	-	89,958	485,497	1,468,225	27,305	115,109	4,787,000	19,030		
HQ0202003*	58,391,290	2,467,998	31,653,787	11,918,935	103,021,831	5,911,327	7,722,184	51,334,853	9,332,823	37,102		
	370,327,262	24,232,442	946,074,053	75,121,689	1,415,755,446	139,129,330	302,547,282	34,008,280	485,052,090	1,932,259		
Microcredit Pool Program Fund - Naze 18.3.1												
HQ0202175*	37,768,526	8,117,770	1,120,728	15,753,529	63,770,623	34,828,348	1,843,217	17,696,372	56,347,430	224,004		
HQ0201528*	9,378,635	1,428,738	84,998,981	1,900,976	77,287,331	10,177,054	24,502,330	1,729,868	37,912,139	150,716		
HQ0201566*	12,332,628	513,982	24,581,023	1,815,115	39,283,647	464,603	182,758	21,145	699,652	2,742		
HQ0201843*	3,302,556	29,340	34,664,493	1,333,175	39,329,544	2,121,728	11,412,828	521,975	14,358,939	57,083		
HQ0201864*	1,951,367	28,312	939,000	339,215	3,257,884	699,821	9,938,349	449,041	11,055,211	43,946		
HQ0201870*	442,264	-	4,697,486	51,395,740	-	128,203	78,891	23,759	237,893	946		
HQ0201930*	3,701,208	388,313	752,856	692,925	6,475,301	774	-	9,586	10,460	42		
HQ0202110*	45,832,643	2,182,112	382,767,267	8,769,215	418,548,237	-	8,994,502	138,271	10,570,447	42,022		
HQ0202111*	31,642,034	595,117	321,375,870	7,460,495	321,086,516	-	-	-	-	-		
HQ0202109*	5,276,483	134,732	20,584,500	822,833	26,818,517	590,656	-	-	-	-		
HQ0202148*	13,969,602	725,984	284,561,677	4,503,507	303,786,670	880,559	-	-	-	-		
HQ0202188*	1,479,151	-	15,244,716	471,263	17,195,159	49,842	-	-	-	-		
HQ0202192*	277,819	12,061	186,532</									

19 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

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

	Basis of Association	2023		2022	
		(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
Islamic Relief Worldwide and affiliates	Common key management personnel				
Donations received during the year		6,337,073,249	18,368,713	1,642,782,978	6,530,742
Balances due to / (from) at reporting date		341,423,545	956,262	(299,652,119)	(1,089,264)
Expense incurred on behalf of Islamic Relief Worldwide during the year		27,473,585	79,635	23,091,053	91,796
Islamic Relief Sweden	Common key management personnel				
Donations received during the year		1,059,783,113	3,071,899	269,099,339	1,069,781
Balances due to / (from) at reporting date		322,852,494	935,824	71,416,742	283,911
Islamic Relief Germany	Common key management personnel				
Donations received during the year		80,811,023	234,240	117,637,351	467,657
Balances due to / (from) at reporting date		(5,134,740)	(14,884)	(16,631,150)	(66,116)

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

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

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

20 REMUNERATION OF DIRECTORS, COUNTRY DIRECTOR AND KEY MANAGEMENT PERSONNEL

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

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

	2023		2022	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
Managerial remuneration	91,128,515	264,146	56,751,594	225,611
Coordinators remuneration	67,127,801	194,577	49,189,023	195,547
Eid bonus	5,409,523	15,680	1,198,000	4,763
Company's contribution to Gratuity funds	13,182,751	38,212	8,824,853	35,082
	<u>176,848,590</u>	<u>512,615</u>	<u>115,963,470</u>	<u>461,003</u>
Number of key staff	61	61	49	49

Signature

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

21.1 Financial assets and liabilities

2023

Financial assets at amortised cost	(Rupees)	(Equivalent GBP)
Maturity up to one year		
Micro credit financing	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
	<u>1,914,015,206</u>	<u>5,360,793</u>
Maturity after one year		
Micro credit financing	5,147,612	14,417
	<u>5,147,612</u>	<u>14,417</u>

Financial liabilities at amortised cost

Maturity up to one year		
Accrued expenses and other payables	1,059,860,456	2,968,467
	<u>1,059,860,456</u>	<u>2,968,467</u>

2022

Financial assets at amortised cost

Maturity up to one year		
Micro credit financing	87,988,886	319,848
Advances	6,156,625	22,380
Deposits and other receivables	32,178,704	116,973
Cash and Bank balances	418,641,991	1,521,804
	<u>544,966,205</u>	<u>1,981,005</u>
Maturity after one year		
Micro credit financing	1,379,820	5,016
	<u>1,379,820</u>	<u>5,016</u>

Financial liabilities at amortised cost

Maturity up to one year		
Accrued expenses and other payables	723,188,806	2,628,860
	<u>723,188,806</u>	<u>2,628,860</u>

21.2 Credit quality of financial assets

The credit quality of companies financial assets have been assessed below by reference to external credit rating of counterparties determined by the JCR - VIS Credit Rating Company Limited (JCR - VIS) 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	2023	2022
		(Rupees)	
Micro credit financing			
Counterparties without external credit ratings		<u>124,174,398</u>	<u>89,368,706</u>
Advances			
Counterparties without external credit ratings		<u>13,213,331</u>	<u>6,156,625</u>
Deposits and other receivables			
Counterparties without external credit ratings		<u>57,230,469</u>	<u>32,178,704</u>
Bank balances			
Askari Bank Limited	AA+	1,019,953,446	269,154,822
Meezan Bank Limited	AAA	649,336,691	120,679,966
Habib Bank Limited	AAA	18,270	1,518,004
National Bank of Pakistan	AAA	20,901,983	18,554,480
Mobilink Microfinance Bank Limited	A	34,334,230	8,734,720
		<u>1,724,544,620</u>	<u>418,641,991</u>

Signature

21.3 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.

21.4 Concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from micro credit loans, advances, deposits and 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, 2023 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)				
2023					
Gross carrying amount of micro credit loans	123,711,427	252,986	563,485	213,103	124,741,001
Loss Allowance	-	117,833	235,667	213,103	566,603
2022					
Gross carrying amount of micro credit loans	91,197,537	169,662	572,114	452,772	92,392,085
Loss Allowance	2,166,308	93,023	311,276	452,772	3,023,379

21.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Signature

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
2023				
Accrued expenses and other payables				
Rupees	<u>1,059,860,456</u>	<u>1,059,860,456</u>	<u>-</u>	<u>-</u>
Equivalent GBP	<u>2,968,467</u>	<u>2,968,467</u>	<u>-</u>	<u>-</u>
2022				
Accrued expenses and other payables				
Rupees	<u>723,188,806</u>	<u>723,188,806</u>	<u>-</u>	<u>-</u>
Equivalent GBP	<u>2,628,860</u>	<u>2,628,860</u>	<u>-</u>	<u>-</u>

21.6 Market risk

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

Foreign currency risk

The Company's financial assets amounting to Rs.188,966 equivalent to 614 Euros (2022: Rs. 146,793 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

	2023	2022
	Gross exposure on statement of comprehensive income (Rupees)	
Monetary assets exposed to currency risk		
Foreign currency bank balance (Euro)	18,897	14,679

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	
	2023	2022	2023	2022
Euro to PKR	273.480	220.110	307.832	239.131

21.6.1 Interest rate risk

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

21.7 Fair values

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

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21.8 Fund management

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

	2023	2022
22 NUMBER OF EMPLOYEES		
Number of employees of the Company at the reporting date	729	579
Average number of employees during the year	658	472

23 GENERAL

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

24 DATE OF AUTHORIZATION FOR ISSUE

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

9/7/22.


CHIEF EXECUTIVE


DIRECTOR