



## INDEPENDENT AUDITOR'S REPORT

To the members of Islamic Relief

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Islamic Relief (the Company), which comprise the statement of financial position as at December 31, 2024, the statement of income and expenditure, the statement of comprehensive income, the statement of movement in restricted donor's fund / grant, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of movement in restricted donor's fund / grant and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the surplus and other comprehensive gain, the changes in restricted donor's fund / grant and its cash flows for the year then ended.

### Basis for Opinion

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

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

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

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of movement in restricted donor's fund / grant and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is JehanZeb Amin.

Chartered Accountants  
Islamabad

Date: April 30, 2025

UDIN: AR202410083FSLluUpGx

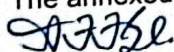
**ISLAMIC RELIEF**

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

**STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2024**

	Note	2024		2023	
		(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
			(Note 5.14)		(Note 5.14)
<b>ASSETS</b>					
<b>NON CURRENT ASSETS</b>					
Property and equipment	6	197,843,417	563,411	199,112,679	557,677
<b>CURRENT ASSETS</b>					
Micro credit financing	7	48,129,319	137,061	124,174,398	347,789
Advances	8	19,296,737	54,952	24,392,469	68,319
Deposits, prepayments and other receivables	9	143,189,261	407,769	66,046,307	184,983
Inventory	10	50,813,375	144,704	207,973	582
Cash and bank balances	11	1,854,158,910	5,280,200	1,724,544,620	4,830,122
		<u>2,115,587,602</u>	<u>6,024,686</u>	<u>1,939,365,767</u>	<u>5,431,795</u>
		<u>2,313,431,019</u>	<u>6,588,097</u>	<u>2,138,478,446</u>	<u>5,989,472</u>
<b>LIABILITIES AND FUNDS</b>					
<b>CURRENT LIABILITIES</b>					
Accrued expenses and other payables	12	438,783,566	1,249,550	1,059,860,456	2,968,467
<b>NON CURRENT LIABILITIES</b>					
Deferred liability	13	195,474,883	556,666	212,489,907	595,144
Deferred grants	14	197,843,417	563,411	199,112,679	557,677
		393,318,300	1,120,077	411,602,586	1,152,821
<b>RESTRICTED DONORS' FUND / GRANT</b>	15	<u>1,481,329,153</u>	<u>4,218,470</u>	<u>667,015,404</u>	<u>1,868,184</u>
		<u>2,313,431,019</u>	<u>6,588,097</u>	<u>2,138,478,446</u>	<u>5,989,472</u>
<b>CONTINGENCIES AND COMMITMENTS</b> 16					

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

  
CHIEF EXECUTIVE  
DIRECTOR

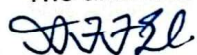
**ISLAMIC RELIEF**

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

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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CHIEF EXECUTIVE  
DIRECTOR

**ISLAMIC RELIEF**

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

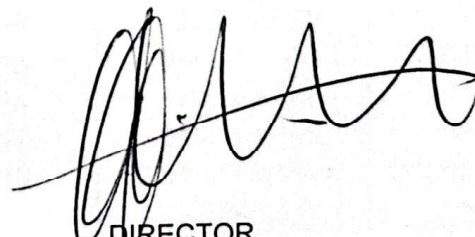
**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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



CHIEF EXECUTIVE



DIRECTOR

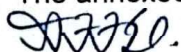
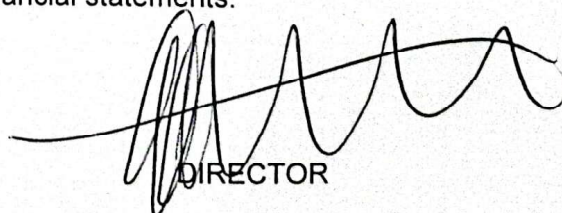
**ISLAMIC RELIEF**

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

**STATEMENT OF MOVEMENT IN RESTRICTED DONORS' FUND / GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

  
CHIEF EXECUTIVE  
DIRECTOR

**ISLAMIC RELIEF**

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

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

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

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

  
CHIEF EXECUTIVE  
DIRECTOR

## ISLAMIC RELIEF

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

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

#### 1. THE COMPANY AND ITS OPERATIONS

1.1 Islamic Relief (the Company) was incorporated in Pakistan on December 8, 1994 as a guarantee limited company, under the provisions of section 42 of the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is also representative in Pakistan of Islamic Relief Worldwide (Parent organization) whose headquarters are in Birmingham, United Kingdom (UK). The main sources of income of the Company are donations received from individuals and institutions in Europe, America, Canada through Parent organization and through local Individual and Institutional Donors funding. These funds are utilized for executing projects in Pakistan and Azad Jammu and Kashmir. The registered office of the Company is situated at 2nd Floor, IRM Complex, Plot # 7, Sunrise Avenue, Park Road, near COMSATS University, Islamabad. The primary objective for which the Company was formed in Pakistan are to:

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

1.2 Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 02/2015 dated January 1, 2015 and regulation 8 of Association with Charitable and Not for Profit Objects Regulations, 2018 required associations set up under Section 42 of the repealed Companies Ordinance, 1984 to apply to SECP for renewal of their license. Accordingly, the Company had applied for renewal of the license but the renewal stands pending. However, in accordance with the SECP's SRO 1574(1)/2022 dated November 29, 2022, the requirement of renewal of license by the Company under section 42 of the Companies Act, 2017 has now been omitted from Associations with Charitable and Not for Profit Objects Regulations, 2018. Accordingly, renewal of license is not required to be obtained and the existing license issued by SECP No CL-42/1/92 remains effective. Further, the Company has obtained membership of the Pakistan Center for Philanthropy. Accordingly, the Company's management believes that there is no material uncertainty about the Company's ability to continue as a going concern.

The Company has 5 Area Offices and 16 Field Offices as listed below located in the mentioned areas:

Area Office Peshawar	Baitul Maal Street No. 2 near Masjid Mukaram Khan, Railway Lane, Pawakay, Peshawar.
Area Office Quetta	Plot # 37-A Jinnah Town near Pearl Institute Samungli Road, Quetta.
Area Office Rawalpindi	House 293-A, Green House, Main Peshawar Road, Rawalpindi.
Area Office Karachi	House 307, PIA Housing Society, Block 9 Gulistan-e-Johar, Karachi.
Area Office 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 Dhattar	Main Rind Ali Bazar, Opposite Girls High School Dhattar, 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 Satellite 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:

		<b>Effective date (annual reporting periods beginning on or after)</b>
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS18	Presentation and disclosure in financial statements (Amendments)	January 1, 2027

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

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

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

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

IFRIC 12	Service concession arrangements
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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.



#### 4 USE OF CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the subsequent year are discussed in the ensuing paragraphs. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

**a) Property and equipment**

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

**b) Expected Credit Losses**

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

**c) Impairment of non-financial assets**

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

**d) Staff retirement benefits**

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

**e) Contingencies**

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

**f) Right of use asset and corresponding lease liability**

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

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## 5 MATERIAL ACCOUNTING POLICY INFORMATION

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

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

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

### 5.1 Basis of measurement

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

### 5.2 Property and equipment

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

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

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

	(%)
Vehicles	20
Furniture and fittings	12.5
Office equipment	12.5
Communication equipment/Computers	33.33
Project equipment	12.5
All assets below Rs. 100,000	100

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

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

The recoverable amount of property and equipment is the greater of fair value less cost to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of income and expenditure.

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

### 5.3 Micro credit financing

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

The Company applies the IFRS 9 *Financial Instruments* general approach to measure the expected credit losses (ECL) on microcredit financing. It assesses on a forward-looking basis the expected credit losses associated with microcredit loans, calculating a lifetime expected credit loss for its recognized microcredit loans at least annually.

### 5.4 Advances, deposits, prepayments and other receivables

These assets are recognized at cost, which is the fair value of the consideration given. The Company assesses on a forward-looking basis the expected credit losses associated with advances, deposits and other receivables, applying the simplified approach for calculating lifetime expected credit losses for these assets recognized at least annually.

### 5.5 Inventory

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

### 5.6 Cash and cash equivalents

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

### 5.7 Accrued expenses and other payables

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

### 5.8 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all eligible employees completing the minimum qualifying period of service. The liability recognized in the statement of financial position in respect of defined benefit plans, is the present value of the defined benefit obligations at reporting date. The defined benefit obligations are calculated annually, by an independent actuary using the projected unit credit method. The most recent valuations were carried out as at December 31, 2024. The present value of a defined benefit obligation is determined, by discounting the estimated future cash outflows, using the interest rates of high quality corporate bonds that are nominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized through other comprehensive income for the year. Interest expense related to gratuity scheme is recognised in income and expenditure account.

### 5.9 Deferred capital grant

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

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**5.10 Restricted donors' fund / grant**

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

**5.11 Income recognition**

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

**5.12 Provisions**

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

**5.13 Taxation**

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

**5.14 Functional and presentation currency**

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

**Foreign currency transactions and translation**

**Rupees statements**

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

**GBP statements**

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

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

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## 5.15 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company 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.

#### 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.

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

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

**c) Fair value through profit or loss (FVTPL)**

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

**Equity instruments**

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

**Impairment of financial assets**

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

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

- Micro credit financing
- Deposits and other receivables
- Bank balances

**Significant increase in credit risk**

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

The following indicators are considered while assessing credit risk:

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

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### **Definition of default**

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

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

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

### **Credit - impaired financial assets**

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

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

## **(ii) Financial liabilities**

### **Classification, initial recognition and subsequent measurement**

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- Amortized cost

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

#### **a) Fair value through profit or loss**

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

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**b) Amortized cost**

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

**De-recognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income and expenditure.

**(iii) Off-setting financial assets and financial liabilities**

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

**5.16 Leases**

**(a) Accounting as Lessee**

**Lease liability**

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

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

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

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

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

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

After assessing the lease portfolio as per IFRS 16 *Leases*, the Company concluded that all the lease contracts included within Company's lease portfolio are cancellable by either the Company or the lessor, immediately or on short notice and hence all the assets leased by the Company are being categorized as 'short term leases' and payments made in respect of these leases are recognized in the statement of income and expenditure, expense relating to short term leases during the year is Rs. 68,557,792 (2023: Rs. 42,669,113).

**(b) Accounting as Lessor**

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

**(i) Finance leases**

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

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

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

**(ii) Operating leases**

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

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

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

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6 PROPERTY AND EQUIPMENT

	Vehicles	Furniture and fittings	Office equipment	Communication equipment/ Computers	Project equipment	Total
(Rupees)						
<b>As at January 1, 2023</b>						
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>
<b>Year ended December 31, 2023</b>						
Opening book value	4,271,440	3,131,074	4,865,915	39,819,229	4,235,211	56,322,869
Additions	125,138,637	1,748,059	13,641,477	53,589,470	-	194,117,643
Adjustment of Cost	-	(15,763,827)	(178,769)	25,165,249	(9,222,653)	-
Adjustment of Accumulated Depreciation	-	15,957,344	1,900,245	(23,506,531)	5,648,942	-
Transfers - net	-	193,517	1,721,476	1,658,718	(3,573,711)	-
Disposals	-	(233,078)	(850,624)	(2,432,441)	(96,645)	(3,612,788)
Cost	-	233,078	850,624	2,170,706	96,645	3,351,053
Accumulated depreciation	-	(721,867)	(1,941,106)	(31,755,413)	(91,875)	(51,066,098)
Depreciation charge	<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>
<b>As at January 1, 2024</b>						
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>
<b>Year ended December 31, 2024</b>						
Opening book value	112,854,240	4,350,783	18,287,762	63,050,269	569,625	199,112,679
Additions	36,917,000	3,474,100	11,602,537	26,295,351	-	78,288,988
Disposals	(592,925)	-	-	(1,359,335)	(49,925)	(2,002,185)
Cost	581,559	-	-	740,238	49,925	1,371,722
Accumulated depreciation	(11,366)	-	-	(619,097)	-	(630,463)
Depreciation charge	<u>(30,140,660)</u>	<u>(779,840)</u>	<u>(3,456,434)</u>	<u>(44,459,716)</u>	<u>(91,137)</u>	<u>(78,927,787)</u>
	<u>119,619,214</u>	<u>7,045,043</u>	<u>26,433,865</u>	<u>44,266,807</u>	<u>478,488</u>	<u>197,843,417</u>
<b>As at December 31, 2024</b>						
Cost	219,558,150	9,571,031	42,115,129	193,224,933	1,033,930	465,503,173
Accumulated depreciation	(99,938,936)	(2,525,988)	(15,681,264)	(148,958,126)	(555,442)	(267,659,756)
	<u>119,619,214</u>	<u>7,045,043</u>	<u>26,433,865</u>	<u>44,266,807</u>	<u>478,488</u>	<u>197,843,417</u>
Rate of depreciation	20%	12.5%	12.5%	33.3%	12.5%	

Rate of depreciation  
20%

	Vehicles	Furniture and fittings	Office equipment	Communication equipment/ Computers	Project equipment	Total
<b>As at January 1, 2023</b>				(Equivalent GBP)		
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>
<b>Year ended December 31, 2023</b>						
Opening book value	15,527	11,382	17,688	144,747	15,395	204,739
Additions	362,728	5,067	39,541	155,335	-	562,671
Adjustment of Cost	-	(16,209)	(184)	25,876	(9,483)	-
Adjustment of Accumulated Depreciation	-	16,408	1,954	(24,171)	5,809	-
Transfers - net	-	199	1,770	1,705	(3,674)	-
Disposals	-	-	-	-	-	-
Cost	-	(676)	(2,466)	(7,051)	(280)	(10,473)
Accumulated depreciation	-	676	2,466	6,292	280	9,714
	-	-	-	(759)	-	(759)
Depreciation charge	(47,989)	(2,092)	(5,627)	(92,047)	(266)	(148,021)
Currency translation difference	(14,183)	(2,171)	(381)	(30,664)	(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>
<b>As at January 1, 2024</b>						
Cost	754,930	98,845	135,377	560,316	43,087	1,592,555
Accumulated depreciation	(438,847)	(86,659)	(84,156)	(383,724)	(41,492)	(1,034,878)
	<u>316,083</u>	<u>12,186</u>	<u>51,221</u>	<u>176,592</u>	<u>1,595</u>	<u>557,677</u>
<b>Year ended December 31, 2024</b>						
Opening book value	316,083	12,186	51,221	176,592	1,595	557,677
Additions	103,495	9,739	32,527	73,718	-	219,479
Disposals	-	-	-	-	-	-
Cost	(1,662)	-	-	(3,811)	(140)	(5,613)
Accumulated depreciation	1,630	-	-	2,075	140	3,845
	(32)	-	-	(1,736)	-	(1,768)
Depreciation charge	(84,498)	(2,186)	(9,690)	(124,641)	(255)	(221,270)
Currency translation difference	5,599	324	1,219	2,128	23	9,293
	<u>340,647</u>	<u>20,063</u>	<u>75,277</u>	<u>126,061</u>	<u>1,363</u>	<u>563,411</u>
<b>As at December 31, 2024</b>						
Cost	862,362	108,908	169,123	632,351	42,970	1,815,714
Accumulated depreciation	(521,715)	(88,845)	(93,846)	(506,290)	(41,607)	(1,252,303)
	<u>340,647</u>	<u>20,063</u>	<u>75,277</u>	<u>126,061</u>	<u>1,363</u>	<u>563,411</u>
Rate of depreciation	20%	12.5%	12.5%	33.3%	12.5%	

Rate of depreciation  


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

	2024		2023	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
6.2 The cost of fully depreciated assets still in use is as follows:				
Vehicles	51,522,538	146,724	50,932,438	185,144
Furniture and fittings	5,097,097	14,515	11,223,113	40,797
Office equipment	13,475,823	38,376	4,490,865	16,325
Communication equipment / Computers	81,544,409	232,219	21,103,214	76,712
Project equipment	357,000	1,017	4,034,308	14,665
	<u>151,996,867</u>	<u>432,851</u>	<u>91,783,938</u>	<u>333,643</u>
<b>7 MICRO CREDIT FINANCING</b>				
Microfinance pool fund - note 7.1	<u>48,129,319</u>	<u>137,061</u>	<u>124,174,398</u>	<u>347,789</u>
<b>7.1 Microfinance Pool fund</b>				
7.1.1 Considered good	48,129,319	137,061	124,174,398	347,789
Considered doubtful	1,375,274	3,916	566,603	1,587
Principal amount receivable - note 7.1.2	49,504,593	140,977	124,741,001	349,376
Provision for doubtful debts - note 7.1.3	(1,375,274)	(3,916)	(566,603)	(1,587)
	<u>48,129,319</u>	<u>137,061</u>	<u>124,174,398</u>	<u>347,789</u>
7.1.2 Principal amount receivable				
Balance as at January 1	124,741,001	349,376	92,392,085	335,854
Disbursements	103,119,620	289,091	226,649,632	656,969
Recoveries	(177,760,721)	(498,343)	(193,637,588)	(561,280)
Write-off	(595,307)	(1,669)	(663,128)	(1,922)
Currency translation difference	-	2,522	-	(80,245)
Balance as at December 31	<u>49,504,593</u>	<u>140,977</u>	<u>124,741,001</u>	<u>349,376</u>
7.1.3 Movement in provision				
Balance as at January 1	566,603	1,587	3,023,379	10,990
Charge / (reversal) for the year	1,403,978	3,936	(1,793,648)	(5,199)
Write-off	(595,307)	(1,669)	(663,128)	(1,922)
Currency translation difference	-	62	-	(2,282)
Balance as at December 31	<u>1,375,274</u>	<u>3,916</u>	<u>566,603</u>	<u>1,587</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 11% to 44% per annum with repayment due within six months to twenty-four months from the disbursement date (2023: 20% to 22%).

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	2024		2023	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
<b>8 ADVANCES</b>				
<b>Considered good</b>				
Advances to / for				
Suppliers	5,828,829	16,599	6,831,886	19,135
Employees	13,467,908	38,353	13,213,331	37,008
Implementing Partners	-	-	4,347,252	12,176
	<u>19,296,737</u>	<u>54,952</u>	<u>24,392,469</u>	<u>68,319</u>

**9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Security deposits - note 9.1	43,020,480	122,512	6,457,858	18,087
Prepayments	6,632,250	18,887	9,023,811	25,274
Receivable from IRW - note 9.2	93,536,531	266,370	50,564,638	141,622
	<u>143,189,261</u>	<u>407,769</u>	<u>66,046,307</u>	<u>184,983</u>

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

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

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

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

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

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

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

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

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

**13 DEFERRED LIABILITY**

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

	2024		2023	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
<b>a) The amount recognized in the statement of financial position</b>				
Present value of defined benefit obligation - gratuity	<u>195,474,883</u>	<u>556,666</u>	<u>212,489,907</u>	<u>595,144</u>
<b>b) Changes in the present value of defined benefit obligation</b>				
Balance as at January 1	212,489,907	595,144	136,709,754	496,953
Current service cost	82,563,336	231,462	59,346,103	172,021
Interest expense	25,340,461	71,041	14,955,882	43,351
	<u>107,903,797</u>	<u>302,503</u>	<u>74,301,985</u>	<u>215,372</u>
(Gain)/loss on remeasurement	(44,337,448)	(124,298)	56,929,064	165,015
Benefits paid	(80,581,373)	(225,906)	(55,450,896)	(160,731)
Currency translation difference	-	9,223	-	(121,465)
Balance as at December 31	<u>195,474,883</u>	<u>556,666</u>	<u>212,489,907</u>	<u>595,144</u>
<b>c) Charge for the year</b>				
<b>Statement of Income and expenditure</b>				
Current service cost	82,563,336	231,462	59,346,103	172,021
Interest expense	25,340,461	71,041	14,955,882	43,351
	<u>107,903,797</u>	<u>302,503</u>	<u>74,301,985</u>	<u>215,372</u>
<b>Statement of Comprehensive Income</b>				
(Gain)/loss on remeasurement	<u>(44,337,448)</u>	<u>(124,298)</u>	<u>56,929,064</u>	<u>165,015</u>
<b>d) Significant actuarial assumptions at the reporting date</b>				
	<b>2024</b>		<b>2023</b>	
Discount rate	15.50%		14.50%	
Expected rate of salary growth	12.25%		15.50%	
Average duration of the obligation	8 years		8 years	
Expected mortality rate	SLIC 2001-2005		SLIC 2001-2005	
	Setback 1 year		Setback 1 year	
Expected withdrawal rate	Age based		Age based	
Retirement assumption	Age 60		Age 60	

**e) Sensitivity Analysis**

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	171,563,685	201,051,390
1 % Salary increase rate	202,950,386	169,561,702
10 % Withdrawal rate	184,496,499	186,080,630
1 Year mortality age	185,305,925	185,241,426
	<b>(Equivalent GBP)</b>	<b>(Equivalent GBP)</b>
1% Discount rate	488,572	572,546
1 % Salary increase rate	577,954	482,871
10 % Withdrawal rate	525,402	529,913
1 Year mortality age	527,707	527,523

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14 DEFERRED GRANTS

Grant for capital expenditure  
As at January 1  
Cost  
Accumulated amortization

Opening book value  
Transferred from restricted donors' fund / grant  
Deletions  
Cost  
Accumulated amortization

Amortization charge for the year  
Currency translation difference

As at December 31

Cost  
Accumulated amortization

Donor / Project wise movement of deferred grants gross balance

14.1

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)  
Qurbani 2024 - Pakistan  
General Emergency Fund  
Office Shifting Cost

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Project Identification ID	2024		2023		
	Balance as at January 1, 2024	Transferred from restricted donors' fund / grant	Deletion / write-off during the year	Adjustments - Inter project	Balance as at December 31, 2024
HQ1101126*	141,120,505	1,106,996	(942,750)	104,805,834	246,090,635
HQ4101159*	1,315,430	-	-	-	1,315,430
HQ4001146*	15,140,935	3,009,674	-	-	18,150,609
HQ0051132*	1,980,613	445,060	(239,715)	-	2,185,958
HQ0501101*	30,138,137	1,699,200	-	-	31,837,337
HQ0051120*	607,390	(207,060)	(607,390)	(400,330)	(607,390)
HQ4111155*	447,203	-	-	(447,203)	-
HQ3101157*	-	(3,347,293)	-	3,347,293	-
HQ0301114*	-	-	-	-	-
PK001_000001*	1,047,500	-	-	(1,047,500)	-
	191,797,713	2,706,577	(1,789,855)	106,258,144	298,972,579

(Rupees) (Equivalent GBP) (Rupees) (Equivalent GBP)

389,216,371 1,592,553 198,711,516 1,101,307  
(190,103,692) (1,034,876) (142,388,647) (896,568)  
199,112,679 557,677 56,322,869 204,739

199,112,679 557,677 56,322,869 204,739  
78,288,988 219,479 194,117,643 562,672

(2,002,185) (5,613) (3,612,788) (10,472)  
1,371,722 3,845 3,351,053 9,713  
(630,463) (1,768) (261,735) (759)

(78,927,787) (221,271) (51,066,098) (148,021)  
9,294 (60,954)

197,843,417 563,411 199,112,679 557,677  
465,503,174 1,815,713 389,216,371 1,592,553  
(267,659,757) (1,252,301) (190,103,692) (1,034,876)  
197,843,417 563,411 199,112,679 557,677

Project Identification ID	Balance as at January 1, 2024	Transferred from restricted donors' fund / grant	Deletion / write-off during the year (Rupees)	Adjustments - inter project	Balance as at December 31, 2024
<b>14.2 Islamic Relief United States of America</b>					
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)					
HQ0201485*	1,770,300	-	-	-	1,770,300
HQ0201484*	2,680,539	-	-	-	2,680,539
HQ0201505*	6,548,943	250,394	(29,000)	(6,799,337)	(29,000)
HQ0201650*	1,310,225	-	-	(1,310,225)	-
HQ0201684*	3,392,924	126,000	-	(3,518,924)	-
HQ0201454*	2,951,994	532,000	-	(3,483,994)	-
Strengthening Response Capacity and Institutional Development for excellences - (STRIDE-II) USA					
HQ0301104*	899,190	-	-	(899,190)	-
HQ0202007*	47,526,730	401,336	-	(47,928,066)	-
HQ0202003*	44,690,652	3,200,318	-	-	47,890,970
Scaling-up Extreme Poverty Graduation and Climate Change Resilience in Disaster Vulnerable Communities in Asia					
HQ0202290*	-	48,750,008	-	-	48,750,008
<b>14.3 Islamic Relief United Kingdom</b>					
Micro financing Pool Program Fund Sustainable Transformation towards Resilient Watermanagement and Economy (STRIVE)					
HQ0201528*	922,597	-	-	(922,597)	-
HQ0201956*	331,700	-	-	(331,700)	-
HQ0201930*	319,315	-	-	(319,315)	-
Flood Emergency Response Sindh & Balochistan 2022					
HQ0202110*	5,606,080	-	-	(5,606,080)	-
HQ0202111*	216,000	2,232,300	-	(2,448,300)	-
HQ0202148*	-	-	-	-	-
HQ0202476*	-	4,017,300	-	-	4,017,300
HQ0202192*	-	2,593,000	-	-	2,593,000
Rehabilitation of the Flood Effectees at Thatta (REFET)					
<b>14.4 Islamic Relief Canada</b>					
Women Led Total Sanitation and Livelihood (WLTSL)					
PK020_000099*	782,977	-	-	(782,977)	-
PK020_000105*	1,254,956	-	-	(1,254,956)	-
Sustainable Livelihood and Water assistance (SALWA) in Pakistan Transformation and Adaptation against Climate Variability Affected Areas (TACVA)					
HQ0201392*	8,845,020	-	-	-	8,845,020
PK020_000156*	1,498,735	-	-	(1,498,735)	-
PK020_000148*	349,500	-	-	(349,500)	-
North Waziristan Initiative for Economic Uplifting (NWIE)					
PK020_000169*	371,000	-	-	(371,000)	-
2022 Shelter, WASH, and Cash Programming Response for Earthquake-Affected Families in Balochistan					
HQ0201674*	2,210,598	-	-	(2,210,598)	-
PK020_000164*	223,975	-	-	(223,975)	-
Water and Livelihood Inclusive Initiative (WALI) in Kashmir Green Actions for Protecting Biodiversity (GAP)					
HQ0201828*	1,084,818	-	-	(1,084,818)	-
HQ0201836*	302,600	-	-	(302,600)	-
HQ0201919*	411,330	-	-	(411,330)	-
Shelter for Harml Earthquake-affected Localities with Target of Environmental Resilience -SHELTER					
HQ0201968*	3,061,470	-	-	(3,061,470)	-
IMF Qurban Plus					
HQ0201976*	3,138,129	-	-	-	3,138,129
HQ0202172*	6,489,900	-	-	-	6,489,900
Flood Emergency Response Sindh 2022					
HQ0202478*	-	1,064,000	-	-	1,064,000
2022 NFIs, WASH, and Cash Programming Response for Flood – Affected Families in Balochistan and Sindh					
2022 FSL & Protection Flood-Response in Pakistan					
Response Action for Building Lives in Pakistan (RABI)					
Rajapur Integrated Development Endeavour (RIDE)					
					30,025,008
					1,064,000
					(11,551,959)
					19,537,049

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Project Identification ID	Balance as at January 1, 2024	Transferred from restricted donors' fund / grant during the year	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2024
<b>14.5 Swedish International Development Agency</b>					
PK020_000161*	1,709,965	-	-	(1,709,965)	-
HO0201825*	5,541,339	-	-	(5,541,339)	-
HO0202123*	5,602,842	3,123,620	-	-	8,726,462
HO0202408*	-	4,426,500	-	-	4,426,500
	12,854,146	7,550,120	-	(7,251,304)	13,152,962
<b>14.6 United Nations Children's Emergency Fund (UNICEF)</b>					
PK050_000044*	844,000	-	-	(844,000)	-
HO0501170*	843,500	-	-	-	848,500
HO0501111*	-	506,275	-	-	506,275
	1,692,500	506,275	-	(844,000)	1,354,775
<b>14.7 Islamic Relief Germany</b>					
HO0201416*	470,870	-	-	-	470,870
HO0301113*	1,001,200	-	-	-	1,001,200
PK020_000157*	243,500	-	-	(243,500)	-
PK020_000191*	925,990	-	-	(925,990)	-
	2,641,560	-	-	(1,169,490)	1,472,070
<b>14.8 United Nations Development Programme (UNDP)</b>					
HO0501110*	2,772,000	238,000	-	-	3,010,000
HO0501171*	421,500	-	-	-	421,500
	3,193,500	238,000	-	-	3,431,500
<b>14.9 NDRMF &amp; IRUSA</b>					
PK050_000021*	1,143,039	-	-	(1,143,039)	-
<b>14.10 Islamic Relief Australia</b>					
PK020_000188*	304,359	-	-	(304,359)	-
	304,359	-	-	(304,359)	-
<b>14.11 Islamic Relief South Africa</b>					
PK020_000195*	775,540	-	-	(775,540)	-
	775,540	-	-	(775,540)	-

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Project Identification ID	Balance as at January 1, 2024	Transferred from restricted donors' fund / grant	Deletion / write-off during the year	Adjustments - inter project	Balance as at December 31, 2024	
						(Rupees)
14.12 World Food Programme (WFP) Food for Assets (FFA) Cash Chaman Food for Assets (FFA) Cash Killa Abdullah	PK050_000031*	152,000	-	-	(152,000)	-
	PK050_000032*	152,000	-	-	(152,000)	-
		304,000	-	-	(304,000)	-
14.13 Disasters Emergency Committee Pakistan Floods Appeal-DEC Community Assistance for Recovery in Emergencies (CARE)-DEC Pakistan Floods Appeal HQ0202170*	HQ0201950*	4,259,140	-	-	-	4,259,140
		-	480,000	-	-	480,000
		4,259,140	480,000	-	-	4,739,140
14.14 Shelter Box UK Pakistan Flood response 2022-Sheller Box UK	HQ0201949*	5,049,120	-	(183,330)	-	4,865,790
		5,049,120	-	(183,330)	-	4,865,790
14.15 Catholic Relief Services CRS Emergency Relief & Early recovery response for flood affected households in Sindh & Balochistan	PK050_000039*	948,060	-	-	(948,060)	-
		948,060	-	-	(948,060)	-
		948,060	-	-	(948,060)	-
14.16 International Organisation for Migration (IOM) Community Social Cohesion and Social Action Project Activities in Khyber Newly Merged Tribal District Community Social Cohesion and Social Action Project Activities in Orakzai WASH and Shelter Project for Afghani Nationals and Host Communities (WASAH)	PK050_000035*	687,500	-	-	(687,500)	-
	PK050_000036*	419,700	-	-	(419,700)	-
	HQ0501206*	1,107,200	-	-	(1,107,200)	-
		1,107,200	-	-	(1,107,200)	-
14.17 Islamic Relief Switzerland Provision of Installation of Portable Water Filter Plant for Flood Affected Communities of Jafarabad	HQ0202059*	-	-	-	-	-
		-	-	-	-	-
14.18 Islamic Relief South Africa Empower Women In Need	HQ0202356*	-	207,060	-	-	207,060
		-	207,060	-	-	207,060
14.19 Norwegian Ministry Of Foreign Affairs Climate Adaptive Actions for food security (CAAFS)	HQ0501112*	-	2,821,000	-	-	2,821,000
		-	2,821,000	-	-	2,821,000
14.20 World Bank Integrated Flood Resilience and Adaptation Project (IFRAP)	HQ0501200*	-	-	-	-	-
		-	-	-	-	-
14.21 Others Flood Emergency Response Balochistan VOCAL-IV- Multi Donor Flood Emergency Response Sindh 2022 Combat Avoidable Cataract Blindness at Chagai (CACBC) Basic Life Amenities Restored for the Floods Affected Communities	PK020_000186*	4,763,561	-	-	(4,763,561)	-
	HQ0201903*	371,330	-	-	(371,330)	-
	PK020_000198*	2,076,974	-	-	(2,076,974)	-
	HQ0202051*	79,600	-	-	(79,600)	-
	HQ0202400*	-	613,300	-	-	613,300
		7,291,465	613,300	-	(7,291,465)	613,300
	<b>389,216,371</b>	<b>78,288,988</b>	<b>(2,002,185)</b>	<b>-</b>	<b>465,503,174</b>	

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15 RESTRICTED DONORS' FUND / GRANT

	Note	Balance as at		Received during the year	Fund Raising	Received in kind during the year		Transferred to deferred grant	Other operating income	Project expenditure for the year	Grant income recognized for the year	Other comprehensive gain	Adjustments *	Balance as at	
		January 1, 2024	December 31, 2024			December 31, 2024	December 31, 2024								
Islamic Relief Worldwide	15.1	(254,868,231)	2,042,227,508	747,090	-	2,706,577	201,283,304	1,855,604,468	1,855,604,468	44,337,448	55,735,956	231,132,030	658,209		
Islamic Relief United States of America	15.2	211,312,984	1,795,005,537	-	-	53,260,057	-	1,560,567,814	1,560,567,814	-	16,570,993	349,061,233	994,043		
Islamic Relief United Kingdom	15.3	368,659,967	1,001,228,734	-	-	8,842,600	43,897,451	860,667,188	860,667,188	-	5,813,402	550,089,766	1,566,524		
Islamic Relief Canada	15.4	705,423	523,697,254	-	-	1,064,000	-	610,163,752	610,163,752	-	(20,203,879)	(107,128,954)	(305,078)		
Swedish International Development Agency (Through Islamic Relief Sweden)	15.5	322,852,494	938,738,337	-	-	7,550,120	-	1,080,420,448	1,080,420,448	-	(10,911,216)	162,710,047	463,359		
United Nations Children's Emergency Fund (UNICEF) Co-Funded by Islamic Relief Partners	15.6	8,867,705	110,237,740	-	-	506,275	-	106,022,973	106,022,973	-	-	12,578,197	35,814		
Islamic Relief Germany	15.7	(5,134,740)	74,306,026	-	-	-	-	12,498,415	12,498,415	-	-	56,672,871	161,391		
United Nations Development Programme (UNDP)	15.8	(24,294,068)	328,528,264	-	1,016,013,668	238,000	-	1,137,940,705	1,137,940,705	-	-	182,067,158	518,484		
National Disaster and Risk Management (NDRMF)	15.9	(15,316,190)	308,674,055	-	-	-	-	252,272,860	252,272,860	-	-	41,085,005	117,000		
Islamic Relief Australia	15.10	21,083,033	18,519,755	-	-	-	-	47,998,278	47,998,278	-	-	(8,395,490)	(23,908)		
World Food Programme (WFP)	15.11	(16,283,744)	5,193,787	-	-	-	-	-	-	-	-	-	(31,582)		
Disasters Emergency Committee (DEC)	15.12	12,794,863	215,366,785	-	-	480,000	-	234,506,083	234,506,083	-	6,794,935	-	-		
Shelter Box UK	15.13	(1,873,250)	-	-	-	-	-	(1,873,250)	(1,873,250)	-	-	-	-		
Tzu Chi Foundation	15.14	1,598,516	-	-	-	-	-	1,568,516	1,568,516	-	-	2,251,493	6,412		
International Organisation for Migration (IOM)	15.15	-	8,200,000	-	-	-	-	6,048,507	6,048,507	-	-	-	-		
Islamic Relief Switzerland	15.16	(5,449,244)	11,650,753	-	-	-	-	6,201,509	6,201,509	-	-	-	-		
Islamic Relief Ireland	15.17	-	-	-	-	-	-	5,434,136	5,434,136	-	-	(5,434,136)	(15,475)		
Islamic Relief South Africa	15.18	-	21,692,082	-	-	207,060	-	20,884,392	20,884,392	-	(630)	47,003,042	133,853		
Norwegian Ministry Of Foreign Affairs	15.19	(26,266)	126,721,335	-	-	2,821,000	-	76,871,028	76,871,028	-	-	18,459,163	52,567		
German Corporation for International Cooperation (GIZ)	15.20	34,941,608	-	-	-	-	-	16,482,445	16,482,445	-	-	(49,539,211)	(141,076)		
World Bank	15.21	-	-	-	-	-	-	49,539,211	49,539,211	-	-	(295,758)	(842)		
Foreign Commonwealth and Development Office	15.22	-	-	-	-	-	-	295,758	295,758	-	-	6,555,665	18,689		
Rako Dig Mining Company	15.23	2,004,108	6,678,650	-	-	-	-	122,985	122,985	-	-	27,012,508	76,925		
Local Fundraising	15.24	-	-	25,286,985	-	-	-	-	-	-	-	(278,583)	-		
Others	15.25	5,491,325	62,452,530	-	-	613,300	(11,529)	93,324,830	93,324,830	-	-	2,542,262	(23,465,542)		
		667,015,404	7,538,448,132	26,034,075	1,016,013,668	76,288,989	245,169,226	8,033,563,051	8,033,563,051	44,337,448	56,063,240	1,481,329,133	4,218,470		
		(255,586,551)	8,292,602,253	6,389,476	131,908,387	194,117,643	244,588,606	7,526,464,761	7,526,464,761	(56,929,064)	34,424,701	667,015,404	1,668,184		

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

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Equivalent GBP

Project Identification ID	Unit 4	AX	Balance as at January 1, 2024	Received during the year	Fund Raising	Received in Kind during the year	Transferred to deferred grant	Other operating income	Project expenditure for the year	Grant income recognized for the year	Other comprehensive gain	Adjustments	Balance as at December 31, 2024	Balance as at December 31, 2024	(Equivalent GBP)
HO110126*			93,607,952	(1,043,947)	-	-	1,108,896	155,256,881	-	-	-	44,337,468	296,716,054	844,892	
PK410_000005*			(23,440,475)	1,207,449,641	747,090	-	3,009,674	-	984,817,386	984,817,386	-	(327,264)	1,981,130	(3,922)	
HO400146*			(5,759,789)	178,893,985	-	-	-	-	104,526,450	104,526,450	-	-	14,236,611	40,540	
HO423116*			-	17,979,422	-	-	-	-	1,119,233	1,119,233	-	-	16,480,189	46,975	
PK005_000002*			(21,471,573)	20,248,775	-	-	448,050	-	32,933,980	32,933,980	-	-	(37,600,618)	(107,078)	
HO000101*			(3,268,475)	-	-	-	1,669,200	46,024,423	45,108,078	45,108,078	-	-	34,463,020	98,227	
HO006120*			-	33,443,405	-	-	(207,050)	-	89,713,705	89,713,705	-	-	58,083,240	-	
HO411155*			(3,819,865)	20,314,386	-	-	-	-	13,447,677	13,447,677	-	-	2,946,824	8,392	
PK420_000001*			-	-	-	-	-	-	-	-	-	-	-	-	
HO3001957*			(3,726,380)	197,938,466	-	-	-	-	215,674,714	215,674,714	-	-	(51,521,688)	(146,721)	
HO3001190*			(1,438,215)	9,939,375	-	-	(3,947,283)	-	10,508,122	10,508,122	-	-	(50,623,019)	(6,715)	
HO310157*			(61,531,385)	291,251,810	-	-	-	-	283,892,727	283,892,727	-	-	(144,737)	(1,447,370)	
HO302150*			(854,789)	5,675,904	-	-	-	-	5,544,656	5,544,656	-	-	(723,720)	(2,851)	
HO3031176*			-	-	-	-	-	-	-	-	-	-	-	-	
HO3031169*			17,726,804	32,654,649	-	-	-	-	118,651	118,651	-	-	(118,651)	(389)	
HO302219*			-	16,622,128	-	-	-	-	47,237,273	47,237,273	-	-	3,354,180	9,522	
HO302229*			-	9,333,373	-	-	-	-	16,622,128	16,622,128	-	-	5,223,934	14,877	
HO302215*			-	1,584,556	-	-	-	-	4,109,439	4,109,439	-	-	1,589,566	4,438	
ISLAMIC RAIFD UNITED STATES OF AMERICA			(251,889,231)	2,042,227,599	747,090	-	2,708,577	201,285,304	1,855,604,488	1,855,604,489	-	44,337,468	55,726,586	231,132,020	658,328
Resilient Initiative for Development and Adaptation (RIDA) in Khyber District			(113,746,529)	136,961,349	-	-	-	-	83,933,881	83,933,881	-	-	(61,219,091)	(174,437)	
Action for Drought Adaptive Practices and Transformation (ADAPT)			(75,965,427)	75,965,427	-	-	296,385	-	78,446,337	78,446,337	-	-	(11,152)	(32)	
Climate Resilient Livelihood Modeling (CSLM)			(1,912,025)	195,616,987	-	-	128,000	-	78,388,716	78,388,716	-	-	(981,716)	(2,978)	
Sustainable Water resources and Livelihood Initiative (SWRLI)			(23,559,629)	178,952,526	-	-	532,000	-	57,956,957	57,956,957	-	-	(1,046,626)	(2,876)	
Strengthening Response Capacity and Institutional Development for resilience - (STRIDE-II) USA			(18,997,155)	20,984,714	-	-	401,336	-	7,848,799	7,848,799	-	-	(5,997,289)	(15,827)	
Integrated Initiatives for Disaster-affected Communities (IIDEAC)			(8,107,988)	517,724,897	-	-	-	-	909,621,972	909,621,972	-	-	(244,489,932)	(698,234)	
Resilient and Adaptive Population in Disaster (RAPID)			(4,189,837)	186,105,739	-	-	3,200,318	-	197,748,234	197,748,234	-	-	(4,189,937)	(1,433,170)	
WASVIA			-	2,853,551	-	-	-	-	10,272,339	10,272,339	-	-	487,407	820	
Microfinance, Conventional Rural Pakistan Pilot Phase			-	7,056,911	-	-	-	-	-	-	-	-	-	-	
Other Sponsorship Programme 5 Year Strategic Plan 2022-2026			-	3,853,551	-	-	-	-	-	-	-	-	-	-	
Rural Emergency Response MFRC(Sindh)-UR USA			-	7,056,911	-	-	-	-	-	-	-	-	-	-	
Scaling up Extreme Poverty Graduation and Climate Change Resilience in Disaster VHM			-	332,526,953	-	-	53,280,527	-	138,251,280	138,251,280	-	16,467,271	162,022,866	461,402	
ISLAMIC RAIFD UNITED KINGDOM			211,312,584	1,725,055,537	-	-	48,759,028	-	1,560,567,814	1,560,567,815	-	16,570,963	349,097,251	864,043	
Microfinance Pool Program Fund (STRIVE)			77,146,543	-	-	-	-	43,897,451	46,334,563	46,334,563	-	25,955,903	101,289,734	288,381	
Sustainable Transformation Towards Resilient Watermanagement and Economy (STRWEM)			34,399,892	7,000,000	-	-	-	-	121,000	121,000	-	-	-	-	
Provision of Drinking Water Facilities in Balochistan			-	-	-	-	-	-	35,344,736	35,344,736	-	(6,035,195)	-	-	
Drought Risk Need Assessment			(2,800,109)	3,792,654	-	-	-	-	-	-	-	-	692,545	2,827	
Resilient and Adaptive Population in Disaster (RAPID) II			-	-	-	-	-	-	-	-	-	-	-	-	
Sustainable and Alternative Livelihoods for Tribal Youth			8,723,801	-	-	-	-	-	-	-	-	-	8,723,801	24,844	
Partnering Communities in Outreach for Sustainable Livelihoods through MFP			-	-	-	-	-	-	-	-	-	-	-	-	
Life Improving Items for Resilient Transformation			-	-	-	-	-	-	-	-	-	-	-	-	
Women Initiative for Skills Enhancement (WISE)			12,835,912	14,000,000	-	-	-	-	25,684,782	25,684,782	-	-	(11,141,150)	-	
Flood Emergency Response Sindh & Balochistan 2022			221,276,713	66,608,634	-	-	-	-	256,679,266	256,679,266	-	-	(21,206,041)	-	
Early Recovery Sindh Response 2022			187,045,951	25,808,726	-	-	2,230,300	-	201,946,229	201,946,229	-	-	(36,676,148)	-	
Kareez Rehabilitation Murshki			(221,793,231)	305,708,654	-	-	-	-	87,770,457	87,770,457	-	-	3,795,034	-	
Pakistan Floods Recovery Shalier Programme			-	-	-	-	-	-	-	-	-	-	-	-	
Valence Incident in Jaranwala, Faisalabad			51,223,995	132,078,203	-	-	2,993,000	-	182,018,980	182,018,980	-	-	(11,339,782)	(32,207)	
Rehabilitation of the Flood Effectees at Thatta (REFET)			429,171,892	-	-	-	4,017,300	-	14,737,215	14,737,215	-	-	410,417,347	1,168,770	
Green and Resilient Village in Schabpur, Balochistan, Pakistan			-	-	-	-	-	-	-	-	-	-	40,000,000	40,000,000	
Graduation with resilience initiatives to Tackle poverty (GRIP)			-	-	-	-	-	-	-	-	-	-	550,089,765	1,186,524	
HO2020175*			388,959,987	1,001,228,724	-	-	8,842,630	43,897,451	890,697,188	890,697,188	-	5,613,462	1,969,524	1,969,524	

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Project Identification ID	Unit 4	AX	Balance as at January 1, 2024	Received during the year	Fund Raising	Received in kind during the year	Transferred to deferred grant	Other operating income	Project expenditure for the year	Grant income recognized for the year	Other Comprehensive Adjustments	Balance as at December 31, 2024	Balance as at December 31, 2024	(Equivalent GBP)
<b>15.4 Islamic Relief Canada</b>														
Empowering Widows in Need II (EWIN II)														
Sustainable livelihood and water assistance (SALWA) in Pakistan														
Transformation and Adaptation against Climate Variability (TACVA)														
North Waziristan Initiative for Economic Uplift (NWIE)														
Water and Livelihood Inclusive Initiative (WALI) in Keshmir														
IR Canada Crowdfunding platform - pilot phase														
Shelter for Hired Earthquake-affected Localities with Target of Environmental Resilience -SHELTER														
IMF Qubtaini Plus														
Flood Emergency Response South 2022														
2022 NFIA, WASH, and Cash Programming Response for Flood - Affected Families in Balochistan and Sindh														
2022 FSL & Hydration Flood-Response in Pakistan														
EMPOWER - Islamic Gender Justice Declaration														
Heaps Volunteers Project for Pakistan (NSPRE)														
Response Action for Building Lives in Pakistan (RAB)														
Alghan Refugee Registration in Pakistan														
Violence Incident Response in Jaramvala, Faisalabad														
Helping Orans Perform Unpaid Easy (HOPE)														
Rajapur Integrated Development Endeavour (RIIDE)														
			705,423	523,597,294			1,094,000		610,163,752	610,163,754	(20,203,879)	1,071,128,950	1,071,128,950	(305,078)
<b>15.5 Swedish International Development Agency (Through Islamic Relief Sweden)</b>														
Resilient Action for Inclusive Response in Pakistan (RAIR)														
Emergency Action with Resilient Niche - EARN														
Flood Emergency Response Kala Sakliah & Kalabachchan														
Resilient Integrated Support in emergency														
Resilient Initiative to Support in Emergency (RISE - II), Pakistan														
Strengthening Emergency Residence of Vulnerable Communities (SERVE), Thematic 12														
			322,652,494	938,728,337			7,550,200		1,090,420,448	1,090,420,448	(10,911,261)	1,079,509,187	1,079,509,187	463,359
<b>15.6 United Nations Children's Emergency Fund (UNICEF) Co-Funded by Islamic Relief Partners</b>														
WASH COVID-19 Response in Azad Jammu Kashmir (AJK)														
WASH COVID-19 Response in Balochistan														
WASH COVID-19 Response in District Charsada, Nowshera & D.I. Khan KPK - UNICEF														
WASH Flood Emergency Response in Jafferabad, Sohal Pur, Naseerabad, Kashtidan, Districts of Balochistan														
Flood Emergency Response Sindh-UNICEF														
Provision of WASH services for 200,000 flood affected people in district Dadu and District Tharshah														
Coning Communities for Children														
			8,897,705	110,297,740			509,975		106,022,973	106,022,973		106,022,973	106,022,973	35,814
<b>15.7 Islamic Relief Germany</b>														
Protection of Children At Risk (POCAR) 24R (GERMANY)														
Strengthening Response Capacity and Institutional Development for exiles - (STRICE-III) Germany														
Graduating with resilience Initiatives to Tackle poverty (GRIP)														
			5,134,740	5,134,740					1,258,744	1,258,744		1,258,744	1,258,744	(3,979)
			5,134,740	69,171,286					11,241,671	11,241,671		11,241,671	11,241,671	164,970
			5,134,740	74,306,026					12,498,415	12,498,415		12,498,415	12,498,415	161,391
<b>15.8 United Nations Development Programme (UNDP)</b>														
Community-led Flood Restoration in Dara Ismail Khan, Park, and Swat districts in Khyber Pakhtunkhwa Province of Pakistan														
342 Solar Panel Distribution to Small Business Holders														
UNDP Flood response Pakistan														
Flood Recovery Program														
Flood Recovery Program-BLN														
			(4,545,132)	96,276,304			384,628,193		468,777,228	468,777,228		468,777,228	468,777,228	26,513
			(19,748,937)	92,869,894			579,224,000		662,790,639	662,790,639		662,790,639	662,790,639	(29,633)
			(24,294,069)	328,528,254			521,150,475		832,838,795	832,838,795		832,838,795	832,838,795	521,924
			(24,294,069)	328,528,254			1,018,013,669		1,337,940,795	1,337,940,795		1,337,940,795	1,337,940,795	518,464

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Unit 4	AX	Project Identification ID	Balance as at January 2024	Received during the year	Fund Raising	Received in kind during the year	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, 2024	Balance as at December 31, 2024	(Equivalent GBP)
15.9		National Disaster and Risk Management (NDRMP) Resilient and Adaptive Population in Disaster (RAPID) Resilient and Adaptive Population in Disaster (RAPID-II)													
		HQ0201161*	(1,531,182)	308,674,056	-	-	-	-	292,272,860	292,272,860	-	-	41,088,005	117,000	
		HQ0201102*	(5,318,189)	398,674,056	-	-	-	-	292,272,860	292,272,860	-	-	41,088,005	117,000	
15.10		Islamic Relief Australia Food Emergency Response-Khila Saalaha Rehabilitation of WASH services at Schools (LOCAL and Afghan Refugees-WPK)													
		HQ0201915*	21,083,033	18,519,755	-	-	-	-	38,602,789	38,602,789	-	-	(1)	(1)	(0)
		HQ0202289*	21,083,033	18,519,755	-	-	-	-	47,998,278	47,998,278	-	-	(6,395,489)	(23,992)	(23,992)
15.11		World Food Programme (WFP) Food for Assets (FFA) Khila Abdullah Food for Assets (FFA) Cash Chaman Food for Assets (FFA) Cash Chaman Food for Assets (FFA) Cash Khila Abdullah Food for Assistance FFA (Livelihood)													
		HQ0201162*	(3,500,250)	3,500,250	-	-	-	-	-	-	-	-	-	-	-
		HQ0201163*	(1,693,537)	1,693,537	-	-	-	-	-	-	-	-	-	-	-
		HQ0201164*	(5,697,240)	-	-	-	-	-	-	-	-	-	(6,697,240)	(16,110)	(16,110)
		HQ0201165*	(5,432,719)	-	-	-	-	-	-	-	-	-	(5,432,719)	(15,471)	(15,471)
		HQ0201166	050,000589	-	-	-	-	-	-	-	-	-	1	0	0
			(8,283,744)	5,193,787	-	-	-	-	-	-	-	-	(11,088,957)	(31,562)	(31,562)
15.12		Disasters Emergency Committee (DEC) Pakistan Floods Appeal-DEC Community Assistance for Recovery in Emergencies (CARE)/DEC Pakistan Floods Appeal-Phase 2													
		HQ0201960*													
		HQ0202170*	12,794,983	215,998,785	-	-	480,000	-	294,598,683	294,598,683	-	8,794,655	-	-	-
			(2,784,983)	215,998,785	-	-	480,000	-	294,598,683	294,598,683	-	8,794,655	-	-	-
15.13		Shelter Box UK Pakistan Flood response 2022-Shelter Box UK													
		HQ0201949*	(1,873,250)	-	-	-	-	-	(1,873,250)	(1,873,250)	-	-	-	-	-
			(1,873,250)	-	-	-	-	-	(1,873,250)	(1,873,250)	-	-	-	-	-
15.14		Tzu Chi Foundation Food Emergency Response-2022-Tzu Chi Foundation													
		HQ0201189*	1,598,516	-	-	-	-	-	1,598,516	1,598,516	-	-	-	-	-
			1,598,516	-	-	-	-	-	1,598,516	1,598,516	-	-	-	-	-
15.15		International Organisation for Migration (IOM) WASH and Shelter Project for Afghan Nationals and Host Communities (WASH)													
		HQ0201295*	-	8,300,000	-	-	-	-	8,048,507	8,048,507	-	-	2,251,493	6,412	6,412
			-	8,300,000	-	-	-	-	8,048,507	8,048,507	-	-	2,251,493	6,412	6,412
15.16		Islamic Relief Switzerland Provision of Installation of Portable Water Filter Plant for Flood Affected Communities of Jaffrabadd													
		HQ0202059*	(5,448,244)	11,650,753	-	-	-	-	6,201,509	6,201,509	-	-	-	-	-
			(5,448,244)	11,650,753	-	-	-	-	6,201,509	6,201,509	-	-	-	-	-
15.17		Islamic Relief Ireland Community Led Permanent Shelter Construction for Flood-Affected Communities													
		HQ0202337*	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-
15.18		Islamic Relief South Africa Empower Women in Need													
		HQ0202366*	-	21,092,082	-	-	-	-	20,884,392	20,884,392	-	(207)	-	-	(630)
			-	21,092,082	-	-	-	-	20,884,392	20,884,392	-	(207)	-	-	(630)
15.19		Norwegian Ministry Of Foreign Affairs Climate Adaptive Actions for food security (CAAFS)													
		HQ0201112*	(28,285)	728,721,335	-	-	2,827,000	-	728,871,028	728,871,028	-	-	47,029,042	133,853	133,853
			(28,285)	728,721,335	-	-	2,827,000	-	728,871,028	728,871,028	-	-	47,029,042	133,853	133,853
15.20		German Corporation for International Cooperation (GIZ) Strengthening Climate Adaptation and Climate Resilience													
		HQ0201107*	34,841,828	-	-	-	-	-	18,482,445	18,482,445	-	-	18,482,445	52,587	52,587
			34,841,828	-	-	-	-	-	18,482,445	18,482,445	-	-	18,482,445	52,587	52,587
15.21		World Bank Integrated Food Resilience and Adaptation Project (IFRAP)													
		HQ0201200*	-	-	-	-	-	-	48,538,211	48,538,211	-	-	(48,538,211)	(141,078)	(141,078)

Project Identification ID	Unit 4	AX	Balance as at													
			January 1, 2024	Received during the year	Fund Raising	Received in kind during the year	Transferred to deferred grant	Other operating income	Project expenditure for the year	Grant income recognized for the year	Other Comprehensive Loss	Adjustments	December 31, 2024	Balance as at December 31, 2024		
15.22	Foreign Commonwealth and Development Office		HQ0001216*	-	-	-	-	-	-	-	295,758	295,758	-	-	(257,759)	(642)
	Building Resilience and Addressing Vulnerability to Emergencies (BRAVE)			-	-	-	-	-	-	-	295,758	295,758	-	-	(257,759)	(642)
15.23	Reto Dig Mining Company		HQ0001115*	-	6,678,650	-	-	-	-	-	122,895	122,895	-	-	6,555,855	18,699
				-	6,678,650	-	-	-	-	-	122,895	122,895	-	-	6,555,855	18,699
15.24	Local Fundraising		HQ0001101*	1,725,623	-	25,286,865	-	-	-	-	-	-	-	-	27,012,488	76,925
	Local Fundraising Administrative			278,533	-	-	-	-	-	-	-	-	-	-	(278,533)	-
	Shelters in Place (SIP)		HQ0001102*	2,004,106	-	25,286,865	-	-	-	-	-	-	-	-	27,012,488	76,925
15.25	Others			-	-	-	-	-	-	-	-	-	-	-	-	-
	Exchanging gain / (loss)		HQ0001101*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Earthquake Emergency Balochistan 2021			-	-	-	-	-	-	-	-	-	-	-	-	-
	Flood Emergency Response Balochistan		HQ0001910*	-	-	-	-	-	-	-	-	-	-	-	-	-
	VOCAL-V-Adult Donor		HQ0001903*	15,840,127	-	-	-	-	-	-	31,946,077	31,946,077	-	-	(16,105,950)	(45,866)
	Flood Emergency Response South & KP (MAQF)		HQ0020968*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Flood Emergency Response South 2022		HQ0001944*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Central Academic Calendar Business at Chegal (CACBC)		HQ0020951*	(13,328,886)	10,000,000	-	-	-	-	-	(786,624)	(786,624)	-	-	2,542,363	1
	Spiritual Development of Children - Toolkit Implementation		HQ0001113*	-	-	-	-	-	-	-	4,202,452	4,202,452	-	-	(4,202,452)	(11,989)
	Basic Life Amenities Restored for the Floods Affected Communities		HQ0020400*	-	52,452,530	-	-	-	-	-	57,982,925	57,982,925	-	-	(6,123,695)	(17,439)
				5,481,326	62,452,530	-	-	613,300	-	(11,529)	93,324,830	93,324,830	-	-	2,542,362	(66,819)
				637,015,402	7,538,548,132	26,034,075	1,016,013,668	75,288,898	245,110,226	8,033,267,293	8,033,267,298	44,337,748	56,063,340	1,481,624,906	4,219,314	

*Signature*

16 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

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

COMMITMENTS

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

17 OTHER OPERATING INCOME

Income from financial assets

Murabaha Income

*Income from microfinance pool fund*

	<u>40,398,882</u>	<u>113,256</u>	<u>39,944,778</u>	<u>115,784</u>
	<u>40,398,882</u>	<u>113,256</u>	<u>39,944,778</u>	<u>115,784</u>

Income from assets other than financial assets

*Vehicle usage charge - note 17.2*

*Profit on bank accounts - note 17.3*

*Project management fees - note 17.4*

*Other income - note 17.5*

	<u>41,325,000</u>	<u>115,853</u>	<u>38,250,000</u>	<u>110,872</u>
	<u>36,222,085</u>	<u>101,547</u>	<u>8,348,928</u>	<u>24,200</u>
	<u>116,374,183</u>	<u>326,249</u>	<u>155,528,371</u>	<u>450,816</u>
	<u>10,860,605</u>	<u>30,447</u>	<u>2,474,355</u>	<u>7,172</u>
	<u>204,781,873</u>	<u>574,096</u>	<u>204,601,654</u>	<u>593,060</u>

Translation (loss) / gain on foreign currency bank balance

	<u>(11,529)</u>	<u>(32)</u>	<u>42,173</u>	<u>122</u>
	<u>245,169,226</u>	<u>687,320</u>	<u>244,588,606</u>	<u>708,966</u>

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

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

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

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

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

18 OPERATIONAL SUPPORT EXPENDITURE

	2024		2023	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
Salaries, wages and other benefits	196,617,529	551,207	118,886,531	344,606
Provision for gratuity	54,944,903	154,035	21,054,457	61,029
Rent, rates and taxes	20,534,693	57,568	18,553,900	53,781
Communication and periodicals	-	-	54,599	158
Utilities	10,400,607	29,158	11,092,333	32,152
Advertisement	23,718	66	49,560	144
Bank charges	936,926	2,627	311,255	902
Entertainment	698,609	1,959	589,757	1,709
Fuel expenses	1,290,228	3,617	703,526	2,039
Travel expenses	328,934	922	1,543,542	4,474
Legal and professional charges	4,051,814	11,359	3,596,131	10,424
Project review and operations	1,977,189	5,543	1,593,547	4,619
Staff training	7,100,475	19,906	10,216,283	29,613
Statutory and projects audit fees - note 18.2	3,078,000	8,629	2,030,000	5,884
<b>Gross Operational Support Expenditure</b>	<u>301,983,625</u>	<u>846,597</u>	<u>190,275,421</u>	<u>551,535</u>
Operational support expenditure cross charged to projects - note 18.1	<u>(301,983,626)</u>	<u>(846,597)</u>	<u>(190,275,421)</u>	<u>(551,535)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

*Signature*

	Note	2024		2023	
		(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
<b>18.2 Auditors' remuneration</b>					
Audit fees		2,000,000	5,607	1,400,000	4,058
Other services		700,000	1,962	400,000	1,159
Out of pocket expenses		378,000	1,060	230,000	667
		<u>3,078,000</u>	<u>8,629</u>	<u>2,030,000</u>	<u>5,884</u>
Other services charged to project expenditure	18.2.1	1,200,000	3,364	-	-
		<u>4,278,000</u>	<u>11,993</u>	<u>2,030,000</u>	<u>5,884</u>

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

## 19 PROJECT EXPENDITURE

		2024		2023	
		(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
Salaries, wages and other benefits		1,332,005,066	3,734,208	1,127,441,604	3,268,015
Provision for gratuity		67,169,862	188,307	95,541,351	276,937
Direct project expenses		6,260,731,805	17,551,642	5,989,800,574	17,362,104
Project running expenses		373,656,318	1,047,526	313,681,232	909,240
		<u>8,033,563,051</u>	<u>22,521,683</u>	<u>7,526,464,761</u>	<u>21,816,296</u>
<b>Donorwise breakup of Project expenditure:</b>					
Islamic Relief Worldwide	19.1	1,855,604,468	5,202,094	1,681,544,572	4,874,145
Islamic Relief United States of America	19.2	1,560,567,814	4,374,971	1,415,755,446	4,103,724
Islamic Relief United Kingdom	19.3	860,667,188	2,412,837	1,322,496,638	3,833,402
Islamic Relief Canada	19.4	610,163,752	1,710,563	1,032,086,331	2,991,617
Swedish International Development Agency (Through Islamic Relief Sweden)	19.5	1,080,420,448	3,028,903	794,570,245	2,303,151
United Nations Children's Emergency Fund (UNICEF)	19.6	106,022,973	297,230	293,888,256	851,868
Islamic Relief Germany	19.7	12,498,415	35,038	40,333,985	116,913
United Nations Development Programme (UNDP)	19.8	1,137,940,705	3,190,159	273,016,943	791,371
National Disaster and Risk Management (NDRMF)	19.9	252,272,860	707,234	15,316,190	44,396
Islamic Relief Australia	19.10	47,998,278	134,560	33,455,636	96,975
Islamic Relief South Africa	19.11	20,884,392	58,548	-	-
Disasters Emergency Committee (DEC)	19.12	234,506,083	657,426	208,030,646	603,000
Shelter Box UK	19.13	(1,873,250)	(5,252)	4,034,104	11,693
Tzu Chi Foundation	19.14	1,568,516	4,397	69,428,776	201,247
International Organisation for Migration (IOM)	19.15	6,048,507	16,957	-	-
Islamic Relief Mauritius and Malaysia	19.16	-	-	32,380,679	93,859
Islamic Relief Switzerland	19.17	6,201,509	17,386	22,376,699	64,861
Islamic Relief Ireland	19.18	5,434,136	15,234	-	-
Norwegian Ministry Of Foreign Affairs	19.19	76,871,028	215,504	26,265	76
German Corporation for International Cooperation (GIZ)	19.20	16,482,445	46,208	-	-
Reko Diq Mining Company	19.21	122,985	138,881	-	-
World Bank	19.22	49,539,211	345	-	-
Foreign, Commonwealth and Development Office	19.23	295,758	829	-	-
Local Fundraising	19.24	-	-	4,368,745	12,663
Others	19.25	93,324,830	261,632	283,354,602	821,335
		<u>8,033,563,051</u>	<u>22,521,684</u>	<u>7,526,464,761</u>	<u>21,816,296</u>

18.1

Project Identification	Salaries, wages and other benefits	Provision for gratuity	Direct project expenses	Project running expenses	Total	2024					2023					2022			
						(Rupees)					(Equivalent GBP)					(Rupees)		(Equivalent GBP)	
						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	Total		
HO400116*	65,666,048	3,402,852	11,177,704	24,309,816	104,555,480	293,116	59,397,953	12,583,913	824,409,026	38,777,734	110,753,300	321,032							
HO410159*	27,340,071	1,688,401	984,817,386	3,295,488	984,817,386	2,760,815	15,744,380	6,431,251	624,409,266	659,941	624,409,266	2,380,641							
HO0051132*	31,239,679	1,584,124	167,822	12,160,823	45,193,878	92,239	24,771,942	871,286	9,700,369	9,700,369	35,343,577	102,447							
HO0201130*	34,574,792	1,575,168	15,370,288	38,253,477	89,173,795	251,588	7,333,814	483,342	25,588,995	8,213,643	18,022,799	46,473							
HO4111135*	-	-	13,447,677	1,119,233	13,447,677	3,138	37,700	-	25,588,995	74,115	25,588,995	74,115							
HO4201137*	20,083,854	148,355	181,828,243	3,614,322	215,637,374	604,633	21,796,369	10,000	222,946,492	2,810,793	247,465,554	717,307							
HO3001130*	1,080,743	19,358	9,362,338	65,643	10,508,122	29,459	1,185,480	11,920,758	10,155,973	189,319	33,394								
HO3101137*	24,833,434	159,458	252,990,642	6,910,155	283,893,727	798,679	18,203,758	67,200	218,659,671	6,095,612	249,959,300	724,521							
HO3021130*	476,976	8,833,000	4,883,000	2,044,850	5,644,856	16,546	1,182,796	67,200	8,187,316	144,080	10,181,382	28,512							
HO3301139*	14,946,980	96,322	28,680,580	3,522,241	47,237,273	132,427	4,987,147	-	118,929,339	3,801,487	127,481,583	389,520							
HO3311118*	6,838	-	108,898	782,238	116,551	333	11,313	-	30,271	(13,958)	-	-							
HO020259*	983,275	-	15,005,617	16,822,128	18,805,403	47,160	-	-	-	-	-	-							
HO020255*	2,482,299	120,550	748,207	788,283	4,103,439	11,521	471,850	-	-	-	-	-							
	223,575,299	8,721,076	1,530,651,512	92,756,681	1,855,604,468	5,202,924	143,390,127	38,767,700	1,428,942,688	70,472,050	1,981,544,572	4,674,145							

18.2

Project Identification	Salaries, wages and other benefits	Provision for gratuity	Direct project expenses	Project running expenses	Total	2024					2023					2022			
						(Rupees)					(Equivalent GBP)					(Rupees)		(Equivalent GBP)	
						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	Total		
HO020145*	17,019,940	357,411	65,755,230	691,280	83,333,881	235,024	38,110,989	2,470,183	99,601,325	4,594,591	144,767,078	419,623							
HO020144*	14,680,463	385,195	58,844,818	2,835,881	76,446,337	214,433	24,184,358	2,703,253	131,940,770	4,501,414	163,269,795	473,430							
HO020150*	22,288,974	749,279	51,523,162	4,094,902	78,386,776	219,453	18,946,355	1,955,352	62,003,662	3,253,158	249,737	462,640							
HO020160*	13,868,832	1,410,270	40,349,004	2,848,891	57,986,997	162,479	23,504,485	2,572,675	81,949,633	8,681,823	133,810,167	445,888							
HO020164*	2,481,167	135,739	2,880,442	2,451,201	7,848,799	22,004	6,139,872	841,771	6,304,511	3,084,711	18,500,865	53,192							
HO020207*	194,130,533	6,929,832	668,698,848	40,283,119	909,821,972	2,580,639	112,716,342	4,754,944	312,843,240	28,232,594	458,677,119	1,323,729							
HO4201113*	94,201,461	4,024,729	10,272,539	79,172,123	197,749,234	28,799	398,539	2,457,998	7,508,131	89,558	7,508,131	21,757							
HO020203*	57,648,042	2,810,742	89,155,888	8,935,689	138,551,280	387,580	56,991,290	2,457,998	31,653,787	11,919,855	103,021,931	298,621							
	418,239,472	16,673,328	1,045,942,912	81,871,782	1,609,667,814	4,314,971	370,327,292	24,523,442	946,074,053	75,121,889	1,415,765,446	4,103,724							

18.3

Project Identification	Salaries, wages and other benefits	Provision for gratuity	Direct project expenses	Project running expenses	Total	2024					2023					2022			
						(Rupees)					(Equivalent GBP)					(Rupees)		(Equivalent GBP)	
						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	Total		
HO020217*	28,824,975	1,484,912	900,628	14,144,050	46,314,563	129,897	37,766,536	9,117,770	1,130,788	15,753,529	63,770,623	184,846							
HO020196*	7,379,303	228,837	26,603,988	1,142,838	35,364,736	99,143	12,352,528	513,662	24,581,023	1,816,115	39,289,647	114,001							
HO020184*	-	-	-	-	-	-	3,302,536	29,340	34,669,463	1,333,175	39,329,544	114,001							
HO020184*	-	-	-	-	-	-	1,951,387	29,312	693,000	339,215	3,257,894	9,443							
HO020190*	-	-	-	-	-	-	442,254	-	4,697,468	669,925	5,139,740	14,899							
HO020190*	5,891,418	163,839	19,927,738	421,668	26,684,702	72,034	3,701,208	398,313	752,685	659,925	5,475,301	15,871							
HO020210*	69,046,261	6,597,948	192,718,488	9,977,886	286,678,266	747,622	48,838,283	2,192,112	392,767,267	8,798,215	419,548,237	1,216,107							
HO020211*	3,195,197	590,677	165,810,744	3,622,831	201,546,239	566,146	31,694,034	985,117	281,576,670	7,466,485	321,048,516	990,658							
HO020209*	9,914,019	224,548	71,784,498	5,847,332	87,776,457	246,060	13,998,602	174,732	204,945,500	6,223,833	261,818,517	77,738							
HO020214*	23,875,318	699,290	151,624,277	5,819,976	182,018,960	510,281	4,791,151	12,051	15,244,746	471,263	17,194,159	49,842							
HO020268*	8,464,810	421,897	3,446,684	2,814,024	14,777,215	41,316	2,271,619	-	180,532	74,247	544,459	1,578							
HO020276*	715,067,071	10,631,848	632,017,004	42,811,164	1,800,567,188	2,412,837	167,380,567	15,177,282	1,096,088,217	43,910,484	1,322,498,638	3,833,402							

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13.4	Islamic Relief Canada	Unit 4	AX	2024				2024				2023				2023
				Salaries, wages and other benefits	Provision for Gratuity	Direct project expenses	Project running expenses	Total	Total	Salaries, wages and other benefits	Provision for Gratuity	Direct project expenses	Project running expenses	Total		
	Transformation and Adaptation against Climate Variability Affected Areas (TACVA)	HO2020132	PKO20_000138	-	-	-	-	-	-	-	-	-	-	-	-	-
	North Vancouver Initiative for Economic Uplift (NVEIU)	HO2020138	PKO20_000148	-	-	-	-	-	-	-	-	-	-	-	-	-
	Empowering Women in Need II (EWN II)	HO2020146	PKO20_000196	-	-	-	-	-	-	-	-	-	-	-	-	-
	Water and Unleashed Initiative Initiative (WALI) in Kashmir	HO2020174	PKO20_000167	8,036,478	271,888	16,481,984	4,313,219	29,700,387	83,272	1,776,924	25,209	5,851,840	170,914	7,824,887	22,861	
	Shelter for Hand Earthquake-affected Localities with Target of Environmental Reference -SHELTER	HO2020126	PKO20_000173	-	-	-	-	-	-	-	-	-	-	-	-	-
	WFP -Gurukul Pda	HO2020126	PKO20_000179	-	-	-	-	-	-	-	-	-	-	-	-	-
	Flood Emergency/Response Ship- 2023	HO2020119	PKO20_000190	-	-	-	-	-	-	-	-	-	-	-	-	-
	2023 WFA, WASH, and Cash Programming Response for Flood - Affected Families in Bangladesh and Sindh	HO2020188	PKO20_000203	-	-	-	-	-	-	-	-	-	-	-	-	-
	2023 FSL & Protection Flood-Response in Pakistan	HO2020191	PKO20_000204	-	-	-	-	-	-	-	-	-	-	-	-	-
	EMF/VOYER - Islamic Gender Justice Declaration	HO2020191	PKO20_000199	2,740,532	70,266	12,908,346	685,370	16,408,446	46,932	37,840,185	1,458,444	318,279,676	10,684,909	388,068,716	1,124,942	
	Empowerment Project for Pakistan (NSP/PE)	HO2020172	PKO20_000202	3,004,468	11,261,723	28,979,474	9,434,310	40,548,232	113,676	1,483,384	46,648	1,223,153	11,470	2,669,261	8,308	
	Response Action for Building Lives in Pakistan (RAB)	HO2020172	PKO20_000217	110,035,241	135,405	379,800,241	20,523,044	471,560,288	1,321,197	25,536,282	1,324,274	11,743,384	4,090,685	42,694,615	123,755	
	Algebra Refugee Repatriation in Pakistan	HO2020221	PKO20_000221	7,594,980	135,405	15,227,381	60,076	23,690,482	66,188	111,021	-	13,945,122	12,624	14,079,957	40,812	
	Violence Incident Response in Jaranwala, Faisalabad	HO2020235	PKO20_000235	-	-	-	-	-	-	-	-	-	-	-	-	-
	Response to Perform Urgent Safety (HOPE)	HO2020216	PKO20_000216	2,078,140	19,338	14,374,721	2,241,824	18,714,043	52,464	-	-	6,824,747	750,039	7,574,786	21,965	
	Response to Perform Urgent Safety (HOPE)	HO2020216	PKO20_000216	13,852,820	11,881,565	418,958,988	40,455,481	610,183,292	1,730,653	185,929,028	5,712,227	801,395,271	39,076,776	1,923,085,331	2,991,617	
	Thematic 2	HO2020157	PKO20_000174	120,694,678	6,880,827	930,095,239	22,649,706	1,080,420,448	3,028,903	100,995,592	5,032,729	659,034,481	27,507,482	794,570,246	2,301,151	
13.5	Swedish International Development Agency (through Islamic Relief Sweden)	HO2020125	PKO20_000174	-	-	-	-	-	-	-	-	-	-	-	-	-
	Emergency Action with Resilient Homes -EARN	HO2020125	PKO20_000174	64,977,237	3,492,256	463,083,666	12,227,399	543,781,738	1,524,464	52,346,209	2,049,350	535,191,895	19,148,246	609,739,700	1,754,500	
	Resilient In-gate Support in emergency	HO2020125	PKO20_000174	54,481,167	3,414,248	463,028,898	10,303,666	517,038,344	1,488,729	51,646,353	2,983,370	122,842,585	8,385,237	185,830,545	538,651	
	Strengthening Emergency Response of Vulnerable Communities (SERPE)	HO2020157	PKO20_000174	12,631,882	73,829	3,983,076	3,181,242	5,600,338	16,790	-	-	-	-	-	-	
13.6	United Nations Children's Emergency Fund (UNICEF) Co-Funded by Islamic Relief Partners	HO2020157	PKO20_000047	-	-	-	-	-	-	-	-	-	-	-	-	-
	UNICEF	HO2020157	PKO20_000047	-	-	-	-	-	-	-	-	-	-	-	-	-
	Flood Emergency/Response Ship-UNICEF	HO2020117	PKO20_000117	1,680,163	233,200	41,923,147	11,946,483	55,789,083	166,402	35,517,492	1,804,899	192,783,537	4,780,654	234,868,552	680,787	
	Protection of WASH services for 200,000 flood affected people in district Dera and Kambar District	HO2020117	PKO20_000117	23,487,249	1,317,850	15,813,839	3,934,933	59,233,890	140,828	1,804,899	192,783,537	4,780,654	234,868,552	680,787		
	Caring Communities for Children	HO2020117	PKO20_000117	25,199,102	1,371,850	5,742,848	7,130,078	106,072,973	297,230	43,555,202	2,357,115	239,277,793	8,726,146	293,889,295	851,683	
13.7	Islamic Relief Germany	HO2020116	PKO20_000144	-	-	-	-	-	-	-	-	-	-	-	-	-
	Protection of Children At Risk (POCAR) (St. GERMAN)	HO2020113	PKO20_000045	3,410,146	442,508	1,288,724	35,808	1,286,744	3,823	7,742,827	1,095,777	26,415,571	969,971	36,185,246	104,887	
	Strengthening Response Capacity and Institutional Development for exiles - (St)RICE-III Germany	HO2020283	PKO20_000045	8,410,146	442,508	2,851,726	38,808	11,243,671	31,816	-	-	3,934,779	213,980	4,148,739	12,028	
	Overcoming the barriers initiatives to tackle poverty (GRIIP)	HO2020283	PKO20_000045	8,410,146	442,508	2,851,726	38,808	11,243,671	31,816	7,742,827	1,095,777	30,350,350	1,183,331	40,333,985	118,973	
13.8	United Nations Development Programme (UNDP)	HO2020159	PKO20_000045	-	-	-	-	-	-	-	-	-	-	-	-	-
	UNDP Flood response Pakistan	HO2020159	PKO20_000045	35,889,271	2,812,749	604,936,886	20,082,232	687,796,638	1,883,100	5,124,360	196,629	46,077,529	1,433,284	52,868,183	149,714	
	Community-led Flood Restoration in Dera Ismail Khan, Tank, and Swat districts in Khyber Pakhtunkhwa Province of Pakistan	HO2020110	PKO20_000045	35,889,271	2,812,749	604,936,886	20,082,232	687,796,638	1,883,100	25,880,098	196,629	172,208,022	20,286,879	218,585,628	633,517	
	Flood Recovery Program-SIN	HO2020110	PKO20_000045	3,264,628	142,844	3,264,644	1,112,623	8,227,838	23,679	968,416	-	595,100	229,816	1,773,132	5,140	
13.9	National Disaster and Risk Management (NDRMF)	HO2020102	PKO20_000102	18,322,701	1,298,472	227,128,154	5,524,833	252,272,860	707,234	6,768,075	377,158	7,034,410	1,131,546	15,318,190	44,386	
	Resilient and Adaptive Population in Disaster (ZAPD - I)	HO2020102	PKO20_000102	18,322,701	1,298,472	227,128,154	5,524,833	252,272,860	707,234	6,768,075	377,158	7,034,410	1,131,546	15,318,190	44,386	
13.10	Islamic Relief Australia	HO2020191	PKO20_000189	6,683,244	137,824	30,259,072	2,624,659	38,660,789	111,024	2,217,450	161,837	29,585,522	1,480,627	33,465,636	96,975	
	Flood Emergency/Response/Kilau Salalah	HO2020299	PKO20_000189	986,487	27,251	6,892,089	409,872	8,369,479	23,536	2,217,450	161,837	29,585,522	1,480,627	33,465,636	96,975	
	Rehabilitation of WASH services at Schools (L/OCLA and Alghan Religious-CP)	HO2020299	PKO20_000189	986,487	27,251	6,892,089	409,872	8,369,479	23,536	2,217,450	161,837	29,585,522	1,480,627	33,465,636	96,975	
13.11	Islamic Relief South Africa	HO2020266	PKO20_000189	4,009,067	108,220	15,657,161	1,169,929	20,884,332	58,848	2,217,450	161,837	29,585,522	1,480,627	33,465,636	96,975	
	Empower Women in Need	HO2020266	PKO20_000189	4,009,067	108,220	15,657,161	1,169,929	20,884,332	58,848	2,217,450	161,837	29,585,522	1,480,627	33,465,636	96,975	



**20 BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of Islamic Relief - Worldwide, all affiliates of the Islamic Relief - Worldwide, directors, country director, key management personnel and entities over which the directors are able to exercise significant influence. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive and directors is disclosed in note 21 to these financial statements.

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

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

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

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

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

**21 REMUNERATION OF DIRECTORS, COUNTRY DIRECTOR AND KEY MANAGEMENT PERSONNEL**

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

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

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

	2024		2023	
	(Rupees)	(Equivalent GBP)	(Rupees)	(Equivalent GBP)
Managerial remuneration	84,268,679	236,243	67,173,099	194,709
Eid bonus	5,555,316	15,574	4,756,571	13,787
Company's contribution to gratuity fund	5,698,055	15,974	5,877,646	17,037
	<u>95,522,050</u>	<u>267,791</u>	<u>77,807,316</u>	<u>225,533</u>
Number of key staff	13	13	13	13
<b>22 EXECUTIVE REMUNERATION</b>				
Executive Remuneration	550,918,778	1,544,473	398,003,040	1,153,656
Eid Bonus	35,680,966	100,030	25,777,181	74,718
Medical Allowance	25,482,002	71,437	20,127,984	58,343
Company's contribution to gratuity fund	100,217,982	280,956	72,400,984	209,862
	<u>712,299,728</u>	<u>1,996,896</u>	<u>516,309,189</u>	<u>1,496,580</u>
Number of executives	227	227	167	167

*Signature*

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

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

23.1 Financial assets and liabilities

2024

Financial assets at amortised cost	(Rupees)	(Equivalent GBP)
Maturity up to one year		
Micro credit financing (Stage-1)	47,426,621	135,060
Advances	13,467,908	38,353
Deposits and other receivables	136,557,011	388,882
Cash and bank balances	1,854,158,910	5,280,200
	<u>2,051,610,450</u>	<u>5,842,495</u>
Maturity after one year		
Micro credit financing	702,698	2,001
	<u>702,698</u>	<u>2,001</u>

Financial liabilities at amortised cost

Maturity up to one year		
Accrued expenses and other payables	405,248,805	1,154,051
	<u>405,248,805</u>	<u>1,154,051</u>

2023

Financial assets at amortised cost

Maturity up to one year		
Micro credit financing (Stage-1)	119,026,786	333,372
Advances	13,213,331	37,008
Deposits and other receivables	57,230,469	160,291
Cash and bank balances	1,724,544,620	4,830,122
	<u>1,914,015,205</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	996,491,378	2,790,982
	<u>996,491,378</u>	<u>2,790,982</u>

23.2 Credit quality of financial assets

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

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

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### 23.3 Financial risk management

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework, and they are also responsible for developing and monitoring the Company's risk management policies.

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

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

### 23.4 Concentration of credit risk

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

To measure the expected credit losses, micro credit loans are based on the days past due. The expected loss rates are based on the payment profiles of loans over a period of 72 month before December 31, 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the loans. The Company has identified the Inflation rate and the unemployment rate of Pakistan to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Geographically there is no concentration of credit risk.

On this basis, the loss allowance as at reporting date is determined for micro credit loans as follows:

	Current	More than 30 days past due	More than 90 days past due	More than 1 year past due	Total
----- (Rupees) -----					
<b>2024</b>					
Gross carrying amount of micro credit loans (Stage-1)	48,249,905	222,732	844,189	187,766	49,504,592
Loss Allowance	716,504	2,629	468,375	187,766	1,375,274
<b>2023</b>					
Gross carrying amount of micro credit loans (Stage-1)	123,711,427	252,986	563,485	213,103	124,741,001
Loss Allowance	-	117,833	235,667	213,103	566,603

### 23.5 Liquidity risk

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

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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
<b>2024</b>				
<b>Financial liabilities at amortised cost</b>				
Accrued expenses and other payables				
Rupees	<u>405,248,805</u>	<u>405,248,805</u>	<u>-</u>	<u>-</u>
Equivalent GBP	<u>1,249,550</u>	<u>1,249,550</u>	<u>-</u>	<u>-</u>
<b>2023</b>				
<b>Financial liabilities at amortised cost</b>				
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>

**23.6 Market risk**

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

**Foreign currency risk**

The Company's financial assets amounting to Rs. 177,437 equivalent to 614 Euros (2023: Rs. 188,966 equivalent to 614 Euros) are exposed to foreign exchange rate risk. Foreign currency risk arises due to financial assets denominated in foreign currencies in the financial statements.

**Foreign currency sensitivity**

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

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

**Exposure to currency risk**

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

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

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

	Average rate		Reporting date spot rate	
	2024	2023	2024	2023
Euro to PKR	298.442	273.480	289.051	307.832

**22.6.1 Interest rate risk**

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

**23.7 Fair values**

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

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**23.8 Fund management**

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

<b>24</b>	<b>NUMBER OF EMPLOYEES</b>	<b>2024</b>	<b>2023</b>
	Number of employees of the Company at the reporting date	<b>553</b>	<b>729</b>
	Average number of employees during the year	<b>658</b>	<b>658</b>

**25 GENERAL**

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

**25.2 DATE OF AUTHORIZATION FOR ISSUE**

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

                      
2024.

  
CHIEF EXECUTIVE

  
DIRECTOR