



FINANCIAL STATEMENTS OF

CIVIL SOCIETY HUMAN AND INSTITUTIONAL
DEVELOPMENT PROGRAMME (CHIP).

FOR THE YEAR ENDED
JUNE 30, 2024

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, 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 changes in fund, the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the surplus, the comprehensive income, changes in fund and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

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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 is responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a

Review

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 changes in funds, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Iffat Hussain.

ISLAMABAD

DATED: 29 October 2024

UDIN: AR20241009435Px8Hti

Bdo ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Bdo ebrahim & Co.

CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
NON-CURRENT ASSETS			
Operating fixed assets	5	22,113,283	23,918,058
Long term security deposits	6	177,900	217,900
		<u>22,291,183</u>	<u>24,135,958</u>
CURRENT ASSETS			
Advances	7	276,159	949,460
Short term prepayments	8	53,327	49,125
Due from related parties	9	1,216,080	120,000
Short term investments	10	80,000,000	70,000,000
Receivable from donors	11	15,809,321	7,047,814
Other receivables	12	951,979	749,178
Taxation - net	13	3,166,509	1,685,795
Cash and bank balances	14	36,784,313	39,321,714
		<u>138,257,688</u>	<u>119,923,086</u>
		<u>160,548,871</u>	<u>144,059,044</u>
TOTAL ASSETS			
FUNDS AND LIABILITIES			
FUNDS			
General fund		25,341,212	21,205,554
Endowment fund	15	106,963,262	105,157,392
		<u>132,304,474</u>	<u>126,362,946</u>
NON-CURRENT LIABILITIES			
Deferred liability - gratuity	16	-	7,317,652
Deferred capital grant	17	2,158,129	1,274,398
Restricted grants related to projects	11	22,410,203	6,149,988
		<u>24,568,332</u>	<u>14,742,038</u>
CURRENT LIABILITIES			
Accrued and other liabilities	18	3,676,065	2,954,060
		<u>3,676,065</u>	<u>2,954,060</u>
TOTAL FUNDS AND LIABILITIES			
		<u>160,548,871</u>	<u>144,059,044</u>
CONTINGENCIES AND COMMITMENTS			
	19		

The annexed notes from 1 to 35 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
INCOME			
Amortization of restricted grants related to projects	11	102,159,668	104,846,650
Amortization of deferred capital grants	17	440,351	378,875
Other income	20	24,943,840	19,494,039
		<u>127,543,859</u>	<u>124,719,564</u>
EXPENDITURE			
Programme cost	21	102,159,667	104,846,650
Depreciation on restricted assets		440,351	378,875
Administrative cost	22	13,897,741	14,116,951
Finance cost	23	37,502	36,154
		<u>(116,535,261)</u>	<u>(119,378,630)</u>
Surplus before taxation and minimum tax differential		11,008,598	5,340,934
Minimum tax differential	24	-	-
Surplus before taxation		11,008,598	5,340,934
Taxation	25	(1,872,940)	(2,013,716)
SURPLUS AFTER TAX		<u><u>9,135,658</u></u>	<u><u>3,327,218</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

Review

CHIEF EXECUTIVE OFFICER



DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
Surplus after taxation		9,135,658	3,327,218
Other comprehensive income:			
Items that will not be reclassified to income and expenditure:			
Remeasurement of defined benefit plan	16	-	952,238
Total comprehensive income for the year		<u>9,135,658</u>	<u>4,279,456</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

Review

CHIEF EXECUTIVE OFFICER



DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

		General fund	Endowment fund	Total
	Note	----- Rupees -----		
Balance as at June 30, 2022		16,926,098	97,362,946	114,289,044
Total comprehensive income:				
Surplus after taxation		3,327,218	-	3,327,218
Other comprehensive gain for the year		952,238	-	952,238
		<u>21,205,554</u>	<u>97,362,946</u>	<u>118,568,500</u>
Transferred to endowment fund	15	-	7,794,446	7,794,446
Balance as at June 30, 2023		<u>21,205,554</u>	<u>105,157,392</u>	<u>126,362,946</u>
Total comprehensive income:				
Surplus after taxation		9,135,658	-	9,135,658
Transfer from endowment fund		-	(3,194,130)	(3,194,130)
		<u>9,135,658</u>	<u>(3,194,130)</u>	<u>5,941,528</u>
Transferred to endowment fund	15	(5,000,000)	5,000,000	-
Balance as at June 30, 2024		<u><u>25,341,212</u></u>	<u><u>106,963,262</u></u>	<u><u>132,304,474</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER



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DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		11,008,598	5,340,934
Adjustments for non cash items	26	(115,888,646)	(108,663,810)
		<u>(104,880,048)</u>	<u>(103,322,876)</u>
Changes in working capital:			
Decrease / (increase) in current assets:			
Due from related parties		(1,096,080)	(80,000)
Advances		673,301	(290,606)
Short term prepayments		(4,202)	38,186
Other receivables		(202,801)	(672,418)
(Decrease) / increase in current liabilities			
Accrued and other liabilities		722,005	(4,956,268)
		<u>92,223</u>	<u>(5,961,106)</u>
Net cash (used in)/generated from operations		<u>(104,787,825)</u>	<u>(109,283,981)</u>
Finance cost paid		(37,502)	(36,154)
Gratuity paid		(9,337,194)	(538,331)
Income tax paid		(3,353,654)	(3,601,323)
		<u>(12,728,351)</u>	<u>(4,175,808)</u>
Net cash (used in)/ generated from operating activities		<u>(117,516,176)</u>	<u>(113,459,789)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(1,324,082)	(302,952)
Sale proceeds from disposal of fixed assets		-	6,150,500
Security deposits		40,000	88,000
Short term investment		(10,000,000)	(70,000,000)
Interest received		18,051,762	13,977,270
Net cash generated from / (used in) investing activities		<u>6,767,680</u>	<u>(50,087,182)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received for the acquisition of capital assets		1,324,082	293,952
Local contributions received		14,395,373	1,268,150
Restricted grants related to projects received - net		92,491,640	91,693,019
Net cash generated from financing activities		<u>108,211,095</u>	<u>93,255,121</u>
Net (decrease)/increase in cash and cash equivalents		<u>(2,537,401)</u>	<u>(70,291,850)</u>
Cash and cash equivalents at the beginning of the year		39,321,714	109,613,564
Cash and cash equivalents at the end of the year		<u><u>36,784,313</u></u>	<u><u>39,321,714</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER



DIRECTOR

**CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 LEGAL STATUS AND OPERATIONS

1.1 Civil Society Human and Institutional Development Programme "the Company" was incorporated in Pakistan on October 20, 2004 as a Company limited by guarantee having no share capital, under section 42 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

The Company took over all the assets, liabilities and business activities of SDC-CHIP on January 01, 2005. The principal activities of the Company are to focus on human and institutional development while working in the sectors of natural resource management, human rights, health, education, livelihood, water, sanitation, relief and rehabilitation, small enterprises and vocational skills.

The registered office of the Company is situated at CHIP House, Plot No. 5, Fayyaz Market, Street No. 9, G-8/2, Islamabad and field office is located at Plot No.41 Woqla Colony, Near Ghora chowk, Layyah.

The Company's license under section 42 of the companies Act, 2017, issued by the Securities and Exchange Commission of Pakistan (SECP) expired in October 19, 2009. The company's application for the renewal of the license, to SECP, submitted in November 2015, is awaiting clearance from the Ministry of Interior (MOI), Government of Pakistan.

However, vide SECP letter no. CLD/CCD/CO.42/RN/64/2015-8429 dated August 24, 2020, which directs that the existing license of Not for Profit Organizations shall be deemed valid for the purpose of Association and Not for Profit Objects Regulations, 2018, till the time the license is renewed. Hence, existing licence of the Company is valid keeping in view aforementioned directions of the Commission.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting standards for Not for Profit Organizations (Accounting Standard 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 the Companies Act, 2017 differ from the IFRS or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention and on accrual basis of accounting except for the statement of cash flows or as otherwise stated, in the respective policies and notes given hereunder.

The Company has adopted deferral method of accounting for recognition and presentation of restricted/unrestricted grants, endowment fund and its net assets as per Accounting Standard for NPOs.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard



(IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

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

Management reviewed the accounting policies and updates to the information disclosed in Note 04 Material accounting policies information (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024

Below.



Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements January 01, 2024

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability January 01, 2025

IFRS 17 Insurance Contracts January 01, 2026

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

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

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

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Change in accounting policy

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Income Tax Ordinance, 2001, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been accounted for retrospectively in accordance with International Accounting Standard 8: 'Accounting Policies, Changes in Accounting Estimates and Errors'. There is, however, no material impact on the financial statements of the prior years.

4.2 Operating fixed assets

Owned

Operating fixed assets are stated at cost less accumulated depreciation except freehold land which is stated at cost. Depreciation is charged by applying the straight line method at the rates specified in note 5 to these financial statements, which are considered appropriate to write off the cost of the assets over their useful economic lives. Depreciation on additions is charged



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from the month in which the asset is put to use and on disposal up to the month preceding the month of disposal.

Maintenance and normal repairs are charged to income and expenditure account as and when incurred. Major repairs, if any, are capitalized. Gains / losses on disposal of assets are included in current year's income.

Leased

Assets subject to finance lease are initially recorded at lower of present value of minimum lease payments under the lease agreement and the fair value of leased assets. The related obligations under the lease less financial charges allocated to future periods are shown as liabilities. The finance charge is calculated at the rate implicit in the finance lease.

4.3 Impairment

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such an indication exists the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in income and expenditure account, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

4.4 Endowment fund

Endowment fund is established for the purpose of financial stability of the Company. Surplus fund after taxation is to be transferred to endowment fund in full or part as per decision of the Board of Directors of the Company on an annual basis.

Interest income earned on TDRs invested and saving accounts from endowment fund is initially recognized as restricted fund and then utilized for emergency and humanitarian fund as per the decision of the Board. Any unspent interest income is recognized as endowment contributions.

4.5 General Fund

The surplus / (deficit) for the year is accumulated to general fund.

4.6 Investment

The investments of the Company, upon initial recognition, are classified as investment at fair value through profit or loss, held to maturity investment or available for sale investment, as appropriate. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

When investments are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.



4.7 **Deferred capital grant**

Deferred capital grant is recognized when operating fixed assets are purchased from donor's funds which is amortized over the useful life of the respective assets based on annual depreciation of respective assets.

4.8 **Restricted grant**

Restricted grant is recognized as income to the extent of expenditure incurred during the year. However unspent amount at year end is carried to "Restricted Grant".

4.9 **Accrued and other liabilities**

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

4.10 **Revenue recognition**

Grants other than grants for programs are recognized on receipt basis. Grants for programs are recognized to the extent the expenditure is incurred. Balance is represented as restricted grant. Training fee, consultancy fee and are recognized on receipt basis. Management fee has been charged as per budget agreed with the Donor. Interest on investment is recognized on accrual basis.

4.11 **Taxation**

a) **Current**

The company accounts for current taxation on the basis of taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001.

b) **Deferred**

Deferred tax is computed using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available and the credits can be utilized.

c) **Levy**

Minimum tax, final tax and super-tax not based on taxable profits are recognized as a levy in the statement of profit or loss. The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss under the scope of IAS 12. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy falling under the scope of IFRIC 21 / IAS 37.



4.12 Provisions

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

4.13 Cash and cash equivalents

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

4.14 Transactions with related parties

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

4.15 Foreign currency translations

Transactions in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the balance sheet date. Profit and losses arising on translation are recognized in the income and expenditure account currently. All exchange difference are routed through income and expenditure statement.

4.16 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to:

- exercise its judgment in process of applying the Company's accounting policies; and
- use of certain critical accounting estimates and assumptions concerning the future.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:

a) Income taxes

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) Property, plant and equipment

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

Description	Rupees										Total
	Free hold Land	Buildings	Electricity and gas equipment	Furniture And Fixtures	Computer and accessories	Vehicles	Office Equipment	Transformers			

	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Year ended June 30, 2024																			
Net carrying value basis																			
Opening book value	7,000,000	13,031,461	46,240	1,868,231	606,886	61,271	425,693	878,277	23,918,059										
Additions (at cost)	-	-	91,000	-	1,164,507	-	68,575	-	1,324,082										
Depreciation charge	-	(1,861,637)	(38,758)	(268,471)	(268,471)	(31,360)	(435,918)	(224,241)	(3,128,857)										
Closing net book value	7,000,000	11,169,824	98,482	1,599,760	1,502,922	29,911	58,349	654,036	22,113,283										

Gross carrying value basis																			
Cost	7,000,000	33,968,002	2,848,763	6,344,668	8,965,464	2,970,124	3,186,194	2,242,410	67,525,625										
Accumulated depreciation	-	(22,798,178)	(2,750,281)	(4,744,908)	(7,462,542)	(2,940,213)	(3,127,845)	(1,588,374)	(45,412,342)										
	7,000,000	11,169,824	98,482	1,599,760	1,502,922	29,911	58,349	654,036	22,113,283										

Year ended June 30, 2023																			
Net carrying value basis																			
Opening book value	7,000,000	14,893,098	62,130	2,326,123	701,583	92,631	847,896	1,102,518	27,025,979										
Additions (at cost)	-	-	9,000	-	293,952	-	-	-	302,952										

Disposals:																			
Cost	-	-	-	-	-	5,090,612	-	-	5,090,612										
Accumulated Depreciation	-	-	-	-	-	(5,090,612)	-	-	(5,090,612)										
Depreciation charge	-	(1,861,637)	(24,890)	(457,892)	(388,649)	(31,360)	(422,203)	(224,241)	(3,410,872)										
Closing net book value	7,000,000	13,031,461	46,240	1,868,231	606,886	61,271	425,693	878,277	23,918,058										

Gross carrying value basis																			
Cost	7,000,000	33,968,002	2,757,763	6,344,668	7,800,957	2,970,124	3,117,619	2,242,410	66,201,543										
Accumulated depreciation	-	(20,936,541)	(2,711,523)	(4,476,437)	(7,194,071)	(2,908,853)	(2,691,926)	(1,364,133)	(42,283,485)										
	7,000,000	13,031,461	46,240	1,868,231	606,886	61,271	425,693	878,277	23,918,058										

Annual rate of depreciation (%)

5.1 Computers and accessories includes laptops and printers purchased from deferred capital grant.

5.2 Depreciation charged during the year has been allocated as follows:

	2024	2023
Administrative expenses	2,688,506	3,031,997
Depreciation on restricted assets	440,351	378,875
	<u>3,128,857</u>	<u>3,410,872</u>

Peters



	Note	2024 Rupees	2023 Rupees
6			
LONG TERM SECURITY DEPOSITS			
Security deposits:			
		30,000	30,000
		86,000	86,000
		48,000	88,000
		13,900	13,900
		<u>177,900</u>	<u>217,900</u>
7			
ADVANCES			
		276,159	949,460
8			
SHORT TERM PREPAYMENTS			
		16,044	16,846
		37,283	32,279
		<u>53,327</u>	<u>49,125</u>
9			
DUE FROM RELATED PARTIES			
Related party due to common directorship			
Ujala Education Foundation:			
	9.1	1,176,080	-
	9.2	40,000	120,000
		<u>1,216,080</u>	<u>120,000</u>
9.1	It represents an amount given as a grant for the execution of the welfare project carried out by the associated company, Ujala Foundation, in Jhelum.		
9.2	It represents receivable in respect of accounting and consultancy services provided to Ujala Education Foundation, by the Company. Maximum amount due from them at any time during the year was Rs. 120,000 (2023: Rs.120,000).		
10			
SHORT TERM INVESTMENT			

Investment in TDRs of Habib Bank Limited bearing a profit of 18.25% per annum (2023: 15%).
The maturity date of these TDRs is March 07, 2025.

Review





Donor	Project Title	Balance as at July 01, 2023			Movement in Funds during the year						Balance as at June 30, 2024		
		Grant payable	Transfer to endowment fund	Grant receivable	Funds received	Expenditures for the year	Transferred to capital grant	Local contribution	Interest income	Adjustment	Grant payable	Transfer to endowment fund	Grant receivable
Bill & Melinda Gates Foundation	Empowering Mothers-to-be in South Khyber Pakhtunkhwa Province of Pakistan	(1,911,345)	-	-	-	-	-	-	-	-	(1,911,345)	-	-
Misereor	Climate Friendly and Resource Efficient WASH and Livelihood Means in Layyah	-	-	-	(24,097,052)	12,738,883	-	(1,728,541)	(622,230)	(669,521)	(14,378,461)	-	-
Misereor	Be the Change Makers: Unveil Talent and Facilitate Utilization of Opportunities for Communal and Individual Development (Note 11.1)	-	-	2,131,451	(17,487,550)	16,995,599	-	(1,940,832)	(368,188)	669,521	-	-	-
UNICEF	Improving Immunization Coverage in 22 Union Councils of DI Khan and North Waziristan Districts of Khyber Pakhtunkhwa	-	-	-	-	24,507,824	170,217	(10,726,000)	-	-	-	-	13,952,041
UNICEF	Social Mobilization and Community Outreach Activities to address Low uptake of RI in Rwp/Islamabad	(2,134,928)	-	-	-	-	-	-	-	-	(2,134,928)	-	-
GAVI	Community Led Engagement for Reducing Gender & Equity Gaps for Childhood Immunization	-	-	4,912,670	(28,121,543)	20,109,664	1,153,865	-	-	-	(1,945,344)	-	-
Sightsavers	Future Makers	(1,932,528)	-	-	(8,500,000)	10,290,489	-	-	-	-	(142,039)	-	-
Sightsavers	Inclusive Eye Health Project	(53,209)	-	-	(14,285,494)	13,641,879	-	-	-	-	(696,824)	-	-
Sightsavers	Ready for Inclusive Sustainable Employment and Entrepreneurship - Pakistan	-	-	-	-	1,857,280	-	-	-	-	-	-	1,857,280
Water Aid Pakistan	WASH Secure Muzaffargarh	(117,978)	-	-	-	-	-	-	117,978	-	-	-	-
Water Aid Pakistan	Improved OHS and WASH Services for Sanitation Workers in MC Muzaffargarh- Punjab	-	-	3,693	-	-	-	-	-	(3,693)	-	-	-
Emergencies & Humanitarian Fund	Emergency and Humanitarian Fund	-	-	-	(3,194,130)	2,018,050	-	-	(25,182)	-	(1,201,262)	-	-
Total		(6,149,988)	7,047,814	-	(95,685,769)	102,159,668	1,324,082	(14,395,573)	(1,015,601)	114,285	(22,410,203)	-	15,809,321

	Note	2024 Rupees	2023 Rupees
12 OTHER RECEIVABLES			
Brien Holden Vision Institute - rentals		30,000	30,000
Accrued Income		921,979	719,178
		<u>951,979</u>	<u>749,178</u>
13 TAXATION - NET			
Opening balance		1,685,795	98,188
Provision for taxation	25	(1,872,940)	(2,013,716)
		(187,145)	(1,915,528)
Income tax paid during the year		3,353,654	3,601,323
Closing balance		<u>3,166,509</u>	<u>1,685,795</u>
14 CASH AND BANK BALANCES			
Cash in hand		75,000	50,000
Cash at bank:			
Current accounts:			
Local currency		1,164,482	393,104
Foreign currency		3,915,721	4,098,560
		5,080,203	4,491,664
Savings accounts:			
Local currency		22,345,320	25,248,565
Foreign currency		9,283,790	9,531,485
	14.1	<u>31,629,110</u>	<u>34,780,050</u>
		<u>36,784,313</u>	<u>39,321,714</u>

14.1 Local savings accounts carry mark up ranging from (20.50% to 21.55%) per annum (2023: 13% to 19.51%) per annum and foreign saving accounts carry mark up ranging from (1% to 1.25%) per annum (2023: 0.01% to 0.04%).

Review.



15 ENDOWMENT FUND

Endowment fund was established for the purpose of the financial stability of the Company during the year ended June 30, 2005, as per the decision of the Board of Directors of the Company, amounting to Rs. 34.856 million. During the year interest income amounting to Rs. 7.794 million has been recognized in endowment fund. In 2022, the Company had received proceeds against the sale of the property amounting to Rs. 62.406 million, which has been transferred to the endowment fund.

	Note	2024 Rupees	2023 Rupees
16 DEFERRED LIABILITY - GRATUITY			
Opening balance		7,317,652	6,543,790
Current service cost	22.1	2,019,542	2,264,431
Remeasurement recognized in other comprehensive income		-	(952,238)
Benefits paid	16.1	(9,337,194)	(538,331)
Closing balance		-	7,317,652

16.1 As per the decision in the 59th board meeting, the Company settled the gratuity obligation as at December 31, 2023. Further, it was decided that gratuity benefit will not be provided for future. In this regard revised agreements are made with the employees.

16.2 Staff retirement benefits - gratuity

General description

The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn gross salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried out as at June 30, 2023 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Presently the Company is not exposed to asset volatility risk.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans bond holdings.

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	2024 Rupees	2023 Rupees
16.3 Movement recognized in income and expenditure statement		
Current service cost	2,019,542	1,433,043
Interest cost for the year	-	831,388
	<u>2,264,431</u>	<u>2,264,431</u>

	2024 Rupees	2023 Rupees
16.4 Movement recognized in statement of comprehensive income		
Actuarial losses from changes in financial assumptions	-	14,123
Actuarial losses from changes in demographic assumptions	-	53,175
Experience adjustments	-	(1,019,536)
	<u>-</u>	<u>(952,238)</u>

16.5 Significant actuarial assumptions

Following are a few important actuarial assumptions used in the valuation:

	2024	2023
Discount rate used for interest cost(%)	-	10.00%
Discount rate used for year end obligation	-	13.25%
Expected rate of increase in salary (%)		
Salary increase FY 2023	-	12.25%
Salary increase FY 2024	-	12.25%
Salary increase FY 2025	-	12.25%
Salary increase FY 2026	-	12.25%
Salary increase FY 2027	-	12.25%
Salary increase FY 2028	-	12.25%
Salary increase FY 2029 onward	-	12.25%
Next salary increased at	01-Jan-24	01-Jan-23
Expected mortality rate	SLIC 2001-2005	
Withdrawal rate	-	Age-based
Retirement assumption	-	60

Review



	Note	2024 Rupees	2023 Rupees
16.6 Expected Benefit Payments for the Next 10			
FY 2025		-	690,843
FY 2026		-	637,533
FY 2027		-	661,600
FY 2028		-	1,744,853
FY 2029		-	746,316
FY 2030		-	1,018,475
FY 2031		-	1,521,027
FY 2032		-	925,663
FY 2033		-	13,685,061
FY 2034 onwards		-	85,727,605

17 DEFERRED CAPITAL GRANT

Opening balance		1,274,398	1,359,321
Grant from donors for capital expenditure	5	1,324,082	293,952
		<u>2,598,480</u>	<u>1,653,273</u>
Less: amortization during the year	5.2	(440,351)	(378,875)
Closing balance	17.1	<u>2,158,129</u>	<u>1,274,398</u>

17.1 Deferred capital grant is amortized over the useful life of the donated operating fixed assets.

	Note	2024 Rupees	2023 Rupees
18 ACCRUED AND OTHER LIABILITIES			
Payable to suppliers	18.1	1,977,104	1,896,421
Accrued liabilities		57,317	521,007
Income tax withheld		3,894	230,380
Payable to employees	18.2	1,636,100	305,000
Sales tax withheld		1,650	1,252
		<u>3,676,065</u>	<u>2,954,060</u>

18.1 This represents payables to various suppliers on account of expenditures relating to the different projects during the year

18.2 As per the decision made in the 59th board meeting, an amount equivalent to one month gross salary was retained as security against assets of the Company. This amount was retained from the payment of gratuity made during the year.

Revers.



19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The Additional Commissioner Inland Revenue [the "ACIR"] framed an exparte amended assessment order of the Tax Year 2016, thereby, disallowing the adjustment of tax liability of Rs. 306,519 for the said year against tax refundable for prior years. On appeal filed by the company, the Commissioner Inland Revenue (Appeals) ["CIR(A)"] has annulled the said order and directed the tax authority to re-examine the case in the light of judgment of the Appellate Tribunal Inland Revenue. Management expects a favourable decision in this regard.

19.2 Commitments

There was no commitment as at the year end June 30,2024. (2023: nil)

20 OTHER INCOME	Note	2024 Rupees	2023 Rupees
Income from financial assets:			
Exchange gain		-	4,208,138
Interest income		5,762,163	2,201,190
Income on TDR's		12,467,218	-
		18,229,381	6,409,328
Income from non-financial assets:			
Building rent	20.1	1,657,095	1,506,059
Services (utilities, vehicles rentals etc.)		540,000	420,000
Project monitoring fee	20.2	4,271,901	4,332,880
Gain on sale of fixed assets		-	6,150,500
Accountancy and consultancy service charges	20.3	240,000	240,000
Miscellaneous income		5,463	435,272
		6,714,459	13,084,711
		<u>24,943,840</u>	<u>19,494,039</u>

20.1 This amount represents rentals charged to Brien Holden Vision Institute against building rent.

20.2 This represents income charged to donors on account of follow up cost, monitoring and evaluation etc. of various projects. The fee has been charged at 15% of the actual expenditure for BMGF and GAVI projects.

20.3 This represents income earned against services provided to Ujala Education Foundation (UEF), a related party.

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	Note	2024 Rupees	2023 Rupees
21 PROGRAMME COST			
Emergency and Humanitarian Fund - Emergencies and Humanitarian - CHIP	21.1	2,018,050	3,902,108
Be the Change Makers: Unveil Talent and Facilitate Utilization of Opportunities for Communal and Individual Development - Misereor	21.2	16,995,598	16,463,456
Empowering Mothers-to-be in South Khyber Pakhtunkhwa Province of Pakistan - Bill and Malinda Gates Foundation	21.3	-	17,302,153
Pakistan Inclusive Eye Health Project: The project aims to enhance healthcare accessibility and inclusivity for people with disabilities and marginalized communities - Sightsavers.	21.4	13,641,879	1,039,760
Strengthening Maternal and Newborn Health Care in Punjab - TAC Internationals	21.5	-	7,764,683
Inclusive Census Campaign - Sightsavers		-	1,557,407
Future Makers - Sightsavers	21.6	10,290,489	17,375,457
Developing Muzaffargarh as WASH Secure District - Water Aid Pakistan	21.7	-	26,848,188
Improved OHS and WASH Services for Sanitation Workers in MC Muzaffargarh- Punjab - Water Aid Pakistan	21.8	-	2,911,689
Community Led Engagement for Reducing Gender & Equity Gaps for Childhood Immunization	21.9	20,109,664	9,681,749
Ready for Inclusive Sustainable Employment and Entrepreneurship - Pakistan	21.10	1,857,280	-
Improving Immunization Coverage in 22 Union Councils of DI Khan and North Waziristan Districts of Khyber Pakhtunkhwa Province, Pakistan.	21.11	24,507,824	-
Climate Friendly and Resource Efficient WASH and Livelihood Means in Layyah	21.12	12,738,883	-
		<u>102,159,667</u>	<u>104,846,650</u>



- 21.1 This represents expenses incurred on emergency and humanitarian activities and scholarship support by CHIP from the interest earned on endowment fund. The amount was spent on food kits for flood affectees in Mianwali and scholarships for female students enrolled in Fatima Jinnah Women University, Rawalpindi.
- 21.2 This project is funded by Misereor and implemented by CHIP in District Layyah of Punjab Province. The purpose of the project was to contribute to improving the social and economic conditions of marginalized population groups in rural areas of District Layyah.
- 21.3 The project is funded by Bill and Malinda Gates Foundation-BMGF for empowering mothers-to-be in South Khyber Pakhtunkhwa province of Pakistan and to enhance service uptake for maternal and child health, including routine immunization, in Khyber Pakhtunkhwa.
- 21.4 This project is funded by Sightsavers to improve the quality of eye care service provision in the target districts of Pakistan.
- 21.5 The study was funded by JICA / TAC Internationals as part of its program strengthening maternal and newborn health care in Punjab. The study included conducting a situations analysis and baseline survey to understand over all situations of maternal and newborn healthcare, maternal and newborn health care service at primary and secondary health care centers, knowledge and skills relating to maternal and newborn health care in communities and supervision and monitoring of maternal and newborn health care in the province and districts. The findings helped JICA/TAC International in making a five years programme for Southern districts of Punjab Province.
- 21.6 The project is funded by Sightsavers and aims to do confidence building of Youth With Disabilities-YWDs for seeking employment and employers to have their readiness in accepting and offering YWDs with employment opportunities. to improve focus on economic employment including both waged and self-employed for the youth with disabilities in Pakistan.
- 21.7 The project was funded by WaterAid to support poor and vulnerable communities in district Muzaffargarh through climate resilient, inclusive and sustainable water and sanitation services and better planning at community and government level. The project was implemented in two phases of 6 months and 12 months period.
- 21.8 The project was funded by WaterAid to support local communities and government to have the climate resilient water supply services and systems for sustaining the ODF environment in Muzaffargarh.
- 21.9 This project is funded by GAVI. The purpose of this project is to improve gender and equity gaps for childhood immunization.

below.



- 21.10 This project is funded by Sightsavers. The purpose of this project is to create inclusive sustainable employment and employment opportunities.
- 21.11 This project is funded by UNICEF. The purpose of this project is to improve immunization in 22 union councils of D.I Khan nad North Waziristan districts of Khyber Pakhtun Khuwa province, Pakistan.
- 21.12 This is the second phase of the project which is funded by Misereor and implemented by CHIP in District Layyah of Punjab Province. The purpose of the project was to make efficient use of resources by improving the livelihood in rural areas of District Layyah.

	Note	2024 Rupees	2023 Rupees
22 ADMINISTRATIVE COST			
Staff salaries and benefits	22.1	4,417,063	5,666,439
EOBI		2,270,744	-
Depreciation	5.2	2,688,506	3,031,997
Repair and maintenance		742,964	731,609
Legal and professional fee		416,500	2,454,780
Auditors remuneration	22.2	354,500	295,000
Insurance		59,510	105,120
Security services		208,277	181,134
Supplies		364,081	245,409
CHIP staff travelling, boarding and lodging		273,957	158,273
Telephone and communications		88,946	111,668
Stationery		36,960	38,573
Utilities		1,050,996	442,157
Internet and postage		246,425	199,173
Generator fuel and repairing		74,492	186,858
Property tax expense		36,119	36,119
Publication and advertisement		7,500	-
Fees and subscription		30,000	15,000
Miscellaneous		530,201	92,642
Consultancy fee		-	125,000
		<u>13,897,741</u>	<u>14,116,951</u>

22.1 This includes employees' retirement benefits of Rs. 2.019 million (2023: Rs. 2.264 million).

	2024 Rupees	2023 Rupees
22.2 Auditors remuneration		
Audit fee	345,800	287,500
Out of pocket expenses	8,700	7,500
	<u>354,500</u>	<u>295,000</u>



23 FINANCE COST

Bank charges	<u>37,502</u>	<u>36,154</u>
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24 MINIMUM TAX DIFFERENTIAL

Minimum Tax	<u>-</u>	<u>-</u>
-------------	----------	----------

24.1 This represents portion of minimum tax paid under the Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

24.2 Reconciliation between current tax charged under the Income Tax Ordinance, 2001 with current tax recognized in the statement of profit or loss, is as follows:

	2024 Rupees	2023 Rupees
Current tax liability for the year	1,872,940	2,013,716
Portion of current tax liability as per tax laws, representing income tax under IAS 12	<u>(1,872,940)</u>	<u>(2,013,716)</u>
Minimum Tax differential	<u>-</u>	<u>-</u>

25 TAXATION

Taxation-current	<u>1,872,940</u>	<u>2,013,716</u>
------------------	------------------	------------------

25.1 The provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit if any, or one percent of turnover, whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

	2024 Rupees	2023 Rupees
26 ADJUSTMENT OF NON-CASH ITEMS		
Depreciation	3,128,857	3,410,872
Provision for gratuity	2,019,542	2,264,431
Finance cost	37,502	36,154
Interest income	(18,229,381)	(2,201,190)
Interest income - restricted grant	(990,418)	(783,905)
Gain on sale of property, plant and equipment	-	(6,150,500)
Exchange loss	745,271	
Amortization of restricted grants related to projects	(102,159,668)	(104,846,650)
Adjustments of proceeds against rentals	-	(14,147)
Amortization of deferred capital grant	(440,351)	(378,875)
	<u>(115,888,646)</u>	<u>(108,663,810)</u>



Rabees

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year in respect of remuneration including benefits given to the chief executive, directors and executives of the Company is as follows:

	2024				2023			
	Chief Executive Officer	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	----- (Rupees) -----							
Managerial remuneration	6,034,402	-	9,497,343	15,531,745	5,595,000	-	7,398,000	12,993,000
Festive allowance	330,750	-	439,600	770,350	656,052	-	876,300	1,532,352
	<u>6,365,152</u>	<u>-</u>	<u>9,936,943</u>	<u>16,302,095</u>	<u>5,340,870</u>	<u>-</u>	<u>5,125,404</u>	<u>10,466,274</u>
Number of persons	1	7	5	13	1	7	4	12

In addition, the Chief Executive has also been provided with the Company maintained vehicle. No remuneration and benefits are paid to any of the directors of the Company.

28 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings of the Company comprise of subsidiaries, associated companies, directors and key management personnel. Transactions with related parties and associated undertaking involving service charges are disclosed in note 9. Moreover, transactions and balances with key management personnel under the terms of their employment are disclosed in note 27.

Balance.



29 FINANCIAL ASSETS AND LIABILITIES

	Interest/mark up bearing			Not interest / mark up bearing
	Maturity up to one year	Maturity after one year	Sub-total	
2024	-----Rupees-----			
Financial assets				
Long term security deposits	177,900	-	-	177,900
Due from related parties	1,216,080	-	-	1,216,080
Short term investments	80,000,000	80,000,000	80,000,000	-
Receivable from donor agencies	15,809,321	-	-	15,809,321
Cash and bank balances	36,784,313	31,629,110	31,629,110	5,155,203
	133,809,714	111,629,110	111,629,110	22,180,604
Financial liabilities				
Accrued and other liabilities	3,670,521	-	-	3,670,521
Deferred liability - gratuity	-	-	-	-
	3,670,521	-	-	3,670,521
Total gap	130,139,193	111,629,110	111,629,110	18,510,083
	-----Rupees-----			
	Interest/mark up bearing			Not interest / mark up bearing
	Maturity up to one year	Maturity after one year	Sub-total	
2023	-----Rupees-----			
Financial assets				
Long term security deposits	217,900	-	-	217,900
Due from related parties	120,000	-	-	120,000
Short term investments	70,000,000	70,000,000	70,000,000	-
Receivable from donor agencies	7,047,814	-	-	7,047,814
Cash and bank balances	39,321,714	34,780,050	34,780,050	4,541,664
	116,489,528	104,780,050	104,780,050	11,709,478
Financial liabilities				
Accrued and other liabilities	2,722,428	-	-	2,722,428
Deferred liability - gratuity	7,317,652	-	-	7,317,652
	10,040,080	-	-	10,040,080
Total gap	106,449,448	104,780,050	104,780,050	1,669,398

Rs.000.



30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

- Credit risk
- Liquidity risk
- Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

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

The Company's risk management policies are established to identify and analyse the risks faced by the Board, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system 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 Board of Directors of the Company 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.

30.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2024 Rupees	2023 Rupees
Long term security deposits	177,900	217,900
Short term investment	80,000,000	70,000,000
Due from related parties	1,216,080	120,000
Receivable from donors	15,809,321	7,047,814
Bank balances	36,784,313	39,271,714
	<u>133,987,614</u>	<u>116,657,428</u>



Review

To manage exposure to credit risk in respect of other receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

Impaired assets

During the year, no assets have been impaired.

30.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting 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 stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years
	----- Rupees -----				
2024					
Financial Liabilities					
Accrued and other liabilities	3,676,065	3,676,065	1,838,033	1,838,032	-
Deferred liability gratuity	-	-	-	-	-
	<u>3,676,065</u>	<u>3,676,065</u>	<u>1,838,033</u>	<u>1,838,032</u>	<u>-</u>

Behrooz



	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years
	----- Rupees -----				
2023					
Financial Liabilities					
Accrued and other liabilities	2,954,060	2,954,060	1,477,030	1,477,030	-
liability gratuity	7,317,652	7,317,652	-	-	7,317,652
	<u>10,271,712</u>	<u>10,271,712</u>	<u>1,477,030</u>	<u>1,477,030</u>	<u>7,317,652</u>

30.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arise in financial instruments that are denominated in foreign currencies i.e. in a currency other then the functional currency in which they are measured.

Currency risk of the company can be evaluated from the following schedule:

	2024 Rupees	2023 Rupees
Name of Currency		
Cash at bank:		
Euro	4,098,560	2,817,637
GBP	9,531,485	6,533,251
	<u>13,630,045</u>	<u>9,350,888</u>

b) Interest rate risk

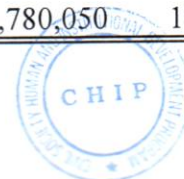
The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks and short term advances (receivable and payables) from related parties. At the statement of financial position date the interest rate profile of the Company's interest bearing financial instruments is as follows:

2024	2023	2024	2023
Effective rate		Carrying amount	
In percent		Rupees	

Variable rate instruments

Financial assets

Cash and bank balances	13.51% to 19.51%	5% to 6%	34,780,050	102,643,786
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Review

31 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arms length transactions.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS 9. The carrying amount of trade receivables and payables is assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments, if relevant.

Interest rate used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

Fair value hierarchy

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change occurred.

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

Review



32 NUMBER OF EMPLOYEES	2024	2023
The number of employees	<u>22</u>	<u>57</u>
Average number of employees during the year	<u>16</u>	<u>42</u>

33 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year.

34 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Company on 23 OCT 2024.

35 GENERAL

Figures have been rounded off to the nearest rupee.
Rs.000.

CHIEF EXECUTIVE OFFICER



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