CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME
(A Company licensed under section 42 of the Companies Act, 2017)
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

To the members of Civil Society Human and Institutional Development Programme

Report on the Audit of 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, 2025 and the statement of income and expenditure and other 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 policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in fund 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 June 30, 2025 and of the surplus and other comprehensive income, the 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 *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 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 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 on the other information that we obtained prior to this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in fund 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).

Other Matter

The financial statements of the Company for the year ended June 30, 2024 were audited by another auditor who expressed an unmodified opinion on these financial statements on October 29, 2024.

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

Grant Thornton Anjum

GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Islamabad
Date: November 12, 2025
UDIN: AR202510164g3vOBcnIU

CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

(A Company licensed under section 42 of the Companies Act, 2017)

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
NON-CURRENT ASSETS			
Operating fixed assets	6	21,999,346	22,113,283
Intangible	7	2,017,722	-
Long term security deposits	8	177,900	177,900
		24,194,968	22,291,183
CURRENT ASSETS			
Advances	9	52,896,626	276,159
Short term prepayments	10	57,334	53,327
Due from related parties	11	120,000	1,216,080
Short term investments	12	-	80,000,000
Receivable from donors	13	8,216,106	15,809,321
Other receivables	14	-	951,979
Taxation - net	15	4,040,376	3,166,509
Cash and bank balances	16	87,805,226	36,784,313
		153,135,668	138,257,688
TOTAL ASSETS		177,330,636	160,548,871
FUNDS AND LIABILITIES			
FUNDS			
General fund		27,401,353	25,341,212
Endowment fund	17	111,137,033	106,963,262
		138,538,386	132,304,474
NON-CURRENT LIABILITIES			
Deferred capital grant	18	2,771,838	2,158,129
CURRENT LIABILITIES			
Due to related party	11	132,033	-
Restricted grants related to projects	13	33,027,666	22,410,203
Accrued and other liabilities	19	2,860,713	3,676,065
		36,020,412	26,086,268
TOTAL FUNDS AND LIABILITIES		177,330,636	160,548,871
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIP

CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

(A Company licensed under section 42 of the Companies Act, 2017)

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Amortization of restricted grants related to projects	13	97,112,112	102,159,668
Amortization of deferred capital grants	18	496,495	440,351
Other income	21	24,088,427	24,943,840
		121,697,034	127,543,859
EXPENDITURE			
Programme cost - restricted	22	97,112,112	102,159,667
Programme cost - unrestricted	23	1,683,260	-
Depreciation on restricted assets		496,495	440,351
Administrative cost	24	13,913,236	13,897,741
Finance cost	25	43,049	37,502
		(113,248,152)	(116,535,261)
Surplus before taxation and levy		8,448,882	11,008,598
Levy	26	-	-
Surplus before taxation		8,448,882	11,008,598
Taxation	27	(2,214,970)	(1,872,940)
SURPLUS AFTER TAX		6,233,912	9,135,658

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

(A Company licensed under section 42 of the Companies Act, 2017)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Surplus after taxation		**6,233,912**	9,135,658
Other comprehensive income		**-**	-
Total comprehensive income for the year		**6,233,912**	9,135,658

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

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STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	General fund	Endowment fund	Total
		Rupees		
Balance as at June 30, 2023		21,205,554	105,157,392	126,362,946
Total comprehensive income:				
Surplus after taxation		9,135,658	-	9,135,658
Transfer from endowment fund		-	(3,194,130)	(3,194,130)
		9,135,658	(3,194,130)	5,941,528
Transferred to endowment fund	17	(5,000,000)	5,000,000	-
Balance as at June 30, 2024		**25,341,212**	**106,963,262**	**132,304,474**
Total comprehensive income:				
Surplus after taxation		**6,233,912**	-	**6,233,912**
Transfer from endowment fund		-	-	-
		6,233,912	-	**6,233,912**
Transferred to endowment fund- net of tax	17	**(4,406,258)**	**4,406,258**	-
Expense against endowment fund		**232,487**	**(232,487)**	-
Balance as at June 30, 2025		**27,401,353**	**111,137,033**	**138,538,386**

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

(A Company licensed under section 42 of the Companies Act, 2017)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		8,448,882	11,008,598
Adjustments for non cash items	28	(109,543,596)	(115,888,646)
		(101,094,714)	(104,880,048)
Changes in working capital:			
Decrease / (increase) in current assets:			
Advances		(52,620,467)	673,301
Short term prepayments		(4,007)	(4,202)
Due from related parties		1,096,080	(1,096,080)
Other receivables		951,979	(202,801)
(Decrease) / increase in current liabilities			
Due to related party		132,033	-
Accrued and other liabilities		(815,352)	722,005
		(51,259,734)	92,223
Net cashflow after working capital changes		(152,354,448)	(104,787,825)
Grant received for the acquisition of capital assets		1,110,204	1,324,082
Local contributions received		6,904,887	14,395,373
Restricted grants related to projects received - net		107,709,679	92,491,640
Finance cost paid		(43,049)	(37,502)
Gratuity paid		-	(9,337,194)
Income tax paid		(3,088,837)	(3,353,654)
		112,592,884	95,482,744
Net cash used in operating activities		(39,761,564)	(9,305,081)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(2,995,929)	(1,324,082)
Purchase of intangibles		(2,017,722)	-
Additions in capital work in progress			
Security deposits		-	40,000
Short term investment		80,000,000	(10,000,000)
Interest received		15,796,128	18,051,762
Net cash generated from investing activities		90,782,477	6,767,680
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		51,020,913	(2,537,401)
Cash and cash equivalents at the beginning of the year		36,784,313	39,321,714
Cash and cash equivalents at the end of the year		87,805,226	36,784,313

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIP

CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

(A Company licensed under section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 Company is approved as a Non Profit Organization under section 2(36) of the Income Tax Ordinance, 2001 and the related approval is valid till June 30, 2026.

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.

2 BASIS OF PREPARATION

(i) 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard 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 Standards or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(ii) Accounting convention

These financial statements have been prepared on the basis of 'historical cost convention' except as otherwise stated in the respective accounting policies notes.

(iii) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with accounting and reporting standards requires the use of certain accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

(a) Property and equipment - estimated useful life of Property and Equipment (note 6)

(b) Contingencies and committments (note 20)

(c) Provision for current and deferred taxation (note 27)

(iv) Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency.

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3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective from the dates mentioned below:

		Effective date (annual reporting periods beginning on or after)
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

The above standard, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's Financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretations, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025;

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangements
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

4 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from April 1, 2023. Although these 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 users 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.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to operating cost applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. The rates of depreciation are stated in note 6 to the financial statements.

Useful life is determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The effect of any adjustment to residual values, useful lives and methods is recognized prospectively as a change of accounting estimates.

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

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 derecognition of the asset (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 in the year the asset is derecognized.

Major renewals and repairs are capitalized and the assets replaced are retired. Minor renewals, replacements or repairs and maintenance are charged to statement of income and expenditure as and when incurred.

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4.2 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the Company's balances of cash in hand, cash at banks and other short-term financial assets, which are highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

4.3 Funds

4.3.1 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.

4.3.2 General fund

This represents surplus generated from the Company's operations, and is available for utilization for the day to day operations of the Company.

4.4 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.5 Income recognition

(a) Grant income

Grants are recognized as income when the attached conditions are complied with, and there is a reasonable assurance that economic benefits will flow to the Company. The donors do not have any economic influence on / interest in the operations of the Company.

(b) Grants against operating activities

Grants of non-capital nature are recognized as restricted grant at the time of their receipt. Subsequently, these are recognized in statement of income and expenditure to the extent of the actual expenditure incurred when the attached terms and conditions are complied with. Expenditure incurred against grants committed but not received, is recognized directly in statement of income and expenditure and the corresponding amount is recognized as project receivables.

(c) Grants against purchase of fixed assets

Grants received for purchase of fixed assets with finite life are initially recorded as restricted grant upon receipt. When the assets are actually purchased they are then recorded as deferred capital grants. These are amortized as income on a systematic basis over the periods necessary to match them with carrying value of the related assets.

(d) Management fee

Management fee, related to the execution of the projects, is recognized as income based on the certain percentages as defined under the respective grant agreements and to the extent of the actual expenditure incurred and the terms and conditions are complied with.

4.6 Taxation

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into consideration tax credits and tax rebates, if any. Income tax expense, if any, is recognized in the statement of income and expenditure except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Deferred

Deferred tax is accounted for on all major taxable temporary differences between the carrying amounts of assets for financial reporting purposes and their taxation base. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are calculated at the rate that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax, on revaluation of investments, if any, is recognized as an adjustment to surplus/ (deficit) arising on such revaluation.

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Levy

Minimum tax, final tax and super-tax not based on taxable profits are recognized as a levy in the Profit and loss account. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as a levy is then recognized as current income tax expense in the profit and loss account.

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.

4.7 Financial instruments - Initial recognition and subsequent measurement

4.7.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

4.7.2 Classification of financial instruments

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has designated on initial recognition.

Subsequent measurement

(i) Financial assets at FVTOCI

Investments elected to be as equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income / (loss).

(ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

(iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income and expenditure. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of income and expenditure in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

4.7.3 Impairment of financial assets

Impairment of financial assets is assessed in light of principles of Expected Credit Loss (ECL) model provided in IFRS 9 as per which the Company is required to recognize an allowance for doubtful debt on all financial assets carried at amortized cost, since initial recognition, irrespective whether a loss event has occurred.

The Company assesses on a historical as well as forward-looking basis, the expected credit loss as associated with its project receivables, other receivables, receivable from donors, accrued markup, short term investments and bank balances carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach for project receivables:

The Company recognizes life time ECL on project receivables, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Project receivables with individually significant balances are separately assessed for ECL measurement. All other debts are grouped and assessed collectively based on shared credit risk characteristics and the days past due. To measure ECL, debts have been grouped by amounts due from various groups based on similar credit risk characteristics and ages. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

General approach for other receivables, receivable from donors, accrued mark up, short-term investment and bank balances:

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

Significant increase in credit risk

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

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

Definition of default

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

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when the debt is more than 181 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 reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the income and expenditure for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Write-off

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment reversals.

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4.7.4 Derecognition of financial assets and liabilities

(i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another company. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in statement of income and expenditure. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to statement of income and expenditure. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement of income and expenditure, but is transferred to statement of changes in equity.

(ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive income.

4.71 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

The carrying amount of assets or liabilities approximate their fair value.

5 OTHER ACCOUNTING POLICIES

5.1 Foreign currency transactions and balances

Transactions in foreign currencies are converted into rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the statement of financial position date. Exchange differences are dealt with through the statement of income and expenditure and restricted grant respectively.

5.2 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, 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.

Estimates of the amount of provisions and liabilities are based on current legal and constructive requirements. Because actual outflow can differ from estimates due to changes in circumstances, the carrying amounts of provisions and liabilities are regularly reviewed and adjusted to take account of such changes.

5.3 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.

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6 OPERATING FIXED ASSETS

Description	Free hold land	Building	Electricity and gas equipment	Furniture and fixtures	Computer and accessories	Vehicles	Office equipment	Transformer	Total
	Rupees								
Cost									
As at June 30, 2024	**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**
Additions during the year	-	-	**1,755,925**	-	**1,240,004**	-	-	-	**2,995,929**
Write-offs during the year	-	-	**(1,184,283)**	**(3,480,063)**	**(4,445,515)**	-	**(415,586)**	-	**(9,525,447)**
As at June 30, 2025	**7,000,000**	**33,968,002**	**3,420,405**	**2,864,605**	**5,759,953**	**2,970,124**	**2,770,608**	**2,242,410**	**60,996,107**
Accumulated depreciation									
As at June 30, 2024	-	**22,798,178**	**2,750,281**	**4,744,908**	**7,462,542**	**2,940,213**	**3,127,845**	**1,588,374**	**45,412,341**
Depreciation for the year	-	**1,861,637**	**83,941**	**234,286**	**650,534**	**29,911**	**25,317**	**224,241**	**3,109,867**
Write-offs during the year	-	-	**(1,289,044)**	**(3,271,098)**	**(4,231,596)**	-	**(733,709)**	-	**(9,525,447)**
As at June 30, 2025	-	**24,659,815**	**1,545,178**	**1,708,096**	**3,881,480**	**2,970,124**	**2,419,453**	**1,812,615**	**38,996,761**
Net book value (NBV) - June 30, 2025	**7,000,000**	**9,308,187**	**1,875,227**	**1,156,509**	**1,878,473**	-	**351,155**	**429,795**	**21,999,346**
Cost									
As at June 30, 2023	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
Additions during the year	-	-	91,000	-	1,164,507	-	68,575	-	1,324,082
Write-offs during the year	-	-	-	-	-	-	-	-	-
As at June 30, 2024	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									
As at June 30, 2023	-	20,936,541	2,711,523	4,476,437	7,194,071	2,908,853	2,691,926	1,364,133	42,283,485
Depreciation for the year	-	1,861,637	38,758	268,471	268,471	31,360	435,918	224,241	3,128,857
Write-offs during the year	-	-	-	-	-	-	-	-	-
As at June 30, 2024	-	22,798,178	2,750,281	4,744,908	7,462,542	2,940,213	3,127,845	1,588,374	45,412,342
Net book value (NBV) - June 30, 2024	7,000,000	11,169,824	98,482	1,599,760	1,502,922	29,911	58,349	654,036	22,113,283
Annual rate of depreciation	-	10%	10%	10%	30%	20%	20%	10%	

6.1 Cost of assets include fully depreciated assets amounting Rs. 23,945,102 (2024: Rs. 22,866,596).

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

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

	Note	2025 Rupees	2024 Rupees
Administrative expenses	**24**	**2,613,372**	2,688,506
Depreciation on restricted assets	**18**	**496,495**	440,351
		3,109,867	3,128,857

		Note	2025 Rupees	2024 Rupees
7	**INTANGIBLE**			
	SAP System	7.1	2,017,722	-

7.1 This represents SAP system purchased during the year which is under implementation phase as at reporting date.

		Note	2025 Rupees	2024 Rupees
8	**LONG TERM SECURITY DEPOSITS**			
	Filling stations		30,000	30,000
	IESCO		86,000	86,000
	Office rental security		48,000	48,000
	Internet services		13,900	13,900
			177,900	177,900
9	**ADVANCES**			
	Advances to employees against expenses	9.1	47,106,523	276,159
	Advance to implementing partners	9.2	5,790,103	-
			52,896,626	276,159

9.1 This includes advance given to employees for maintaining operations of Company due the reason explained in note 16.1.

9.2 This represents advance given to implementation partner against projects reflected in note 22.10.

		Note	2025 Rupees	2024 Rupees
10	**SHORT TERM PREPAYMENTS**			
	Prepaid insurance		16,044	16,044
	Prepayments - security systems		41,290	37,283
			57,334	53,327
11	**DUE FROM RELATED PARTIES**			
	Related party due to common directorship			
	Ujala Education Foundation:			
	-Advance against project	11.1	-	1,176,080
	-Accountancy and technical Support	11.2	120,000	40,000
			120,000	1,216,080
11.1	**(Payable) / advance against project**			
	Opening balance		1,176,080	-
	Advance given during the year		142,660	1,176,080
	Expenditure incurred by partner during the year		(1,450,773)	-
	At the end of the year		(132,033)	1,176,080

11.1.1 This represents an amount given as a grant for the execution of the welfare project carried out by the associated entity, Ujala Education Foundation, in Jhelum.

11.2 This 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 (2024: Rs.120,000).

12 SHORT TERM INVESTMENTS

Investment in TDRs of Habib Bank Limited was matured on March 07, 2025 bearing a profit of 18.25% per annum (2024: 15%).

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13 RESTRICTED GRANTS RELATED TO PROJECTS

	Emergencies & Humanitarian	BMGF- Empowering mothers	Miserior- Be the change maker	British Council PYLI	Sightsavers - Inclusive eye healthcare	Sightsavers - Future makers	GAVI- Community led engagement	Sightsavers - RISEE	UNICEF- Improving immunization	GAVI- Reaching the unreached children	Miserior- Climate friendly	UNICEF- Social mobilization	Water Aid Pakistan - WASH secure	Water Aid Pakistan - Improved OHS	Total
	Rupees														
Note	22.1	22.2	22.3	22.4	13.1 & 22.5	22.6	21.7	13.2 & 22.8	22.9	22.10	22.11				
Balances as at June 30, 2025															
Restricted fund - opening balance	1,201,262	1,911,345	-	-	696,824	142,039	1,945,344	-	-	-	14,378,461	2,134,928	-	-	22,410,203
Receivable from donors - opening balance	-	-	-	-	-	-	-	1,857,280	13,952,041	-	-	-	-	-	15,809,321
Additions:															
Receipts during the year	-	-	-	2,070,054	7,003,000	-	-	17,300,000	13,834,596	42,053,883	26,558,350	-	-	-	108,819,883
Local contribution	-	-	-	270,372	-	-	-	-	-	-	6,634,515	-	-	-	6,904,887
Interest income		-	-	-	-	-	-	-	-	-	590,779	-	-	-	590,779
Adjustments	-	-	-	-	-	(142,039)	-	142,039	117,445	-	-	-	-	-	117,445
	-	-	-	2,340,426	7,003,000	(142,039)	-	17,442,039	13,952,041	42,053,883	33,783,644	-	-	-	116,432,994
Utilization:															-
Program expenses	1,201,262	1,911,345	-	1,042,607	9,575,598	-	-	15,984,790	-	14,017,904	53,378,606	-	-	-	97,112,112
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to grant related to assets	-	-	-	-	308,000	-	-	-	-	386,404	415,800	-	-	-	1,110,204
	1,201,262	1,911,345	-	1,042,607	9,883,598	-	-	15,984,790	-	14,404,308	53,794,406	-	-	-	98,222,316
Restricted fund - closing balance	-	-	-	1,297,819	-	-	1,945,344	-	-	27,649,575	-	2,134,928	-	-	33,027,666
Receivable from donors - closing balance	-	-	-	-	2,183,774	-	-	400,031	-	-	5,632,301	-	-	-	8,216,106

	Emergencies & Humanitarian	BMGF- Empowering mothers	Miserior- Be the change maker	British Council PYLI	Sightsavers- Inclusive eye healthcare	Sightsavers - Future makers	GAVI- Community led engagement	Sightsavers- RISEE	UNICEF- Improving immunization	GAVI- Reaching the unreached children	Miserior- Climate friendly	UNICEF- Social mobilization	Water Aid Pakistan - WASH secure	Water Aid Pakistan - Improved OHS	Total
	Rupees														
Note	22.1	22.2	22.3	22.4	13.1 & 22.5	22.6	21.7	13.2 & 22.8	22.9	22.10	22.11				
Balances as at June 30, 2024															
Restricted fund - opening balance	-	1,911,345	-	-	53,209	1,932,528	-	-	-	-	-	2,134,928	117,978	-	6,149,988
Receivable from donors - opening balance	-	-	2,131,451	-	-	-	4,912,670	-	-	-	-	-	-	3,693	7,047,814
Additions:															
Receipts during the year	3,194,130	-	17,487,550	-	14,285,494	8,500,000	28,121,543	-	-	-	24,097,052	-	-	-	95,685,769
Local contribution	-	-	1,940,832	-	-	-	-	-	10,726,000	-	1,728,541	-	-	-	14,395,373
Interest income	25,182	-	368,188	-	-	-	-	-		-	622,230	-	-	-	1,015,600
Adjustments	-	-	(669,521)	-	-	-	-	-		-	669,521	-	(117,978)	3,693	(114,285)
	3,219,312	-	19,127,050	-	14,285,494	8,500,000	28,121,543	-	10,726,000	-	27,117,344	-	(117,978)	3,693	110,982,458
Utilization:															-
Program expenses	2,018,050	-	16,995,599	-	13,641,879	10,290,489	20,109,664	1,857,280	24,507,824	-	12,738,883	-			102,159,668
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to grant related to assets	-	-	-	-	-	-	1,153,865	-	170,217	-	-	-	-	-	1,324,082
	2,018,050	-	16,995,599	-	13,641,879	10,290,489	21,263,529	1,857,280	24,678,041	-	12,738,883	-	-	-	103,483,750
Restricted fund - closing balance	1,201,262	1,911,345	-	-	696,824	142,039	1,945,344	-	-	-	14,378,461	2,134,928	-	-	22,410,203
Receivable from donors - closing balance	-	-	-	-	-	-	-	1,857,280	13,952,041	-	-	-	-	-	15,809,321

13.1 During the year, a grant amounting to Rs. 10 million was disbursed by the donor. The full amount was received during the year; however, Rs. 7 million was realized within the reporting period, whereas the remaining Rs. 3 million was realized in the bank subsequent to the reporting date due to the limitations described in note 16.1.

13.2 During the year, a grant amounting to Rs. 20 million was disbursed by the donor. The full amount was received during the year; however, Rs. 17 million was realized within the reporting period, whereas the remaining Rs. 3 million was realized in the bank subsequent to the reporting date due to the limitations described in note 16.1.

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		Note	2025 Rupees	2024 Rupees
14	**OTHER RECEIVABLES**			
	Brien Holden Vision Institute - rentals		-	30,000
	Accrued income		-	921,979
			-	951,979
15	**TAXATION - NET**			
	Opening balance		3,166,509	1,685,795
	Provision for taxation	27	(2,214,970)	(1,872,940)
			951,539	(187,145)
	Income tax paid/withheld during the year	27	3,088,837	3,353,654
	Closing balance		4,040,376	3,166,509
16	**CASH AND BANK BALANCES**			
	Cash in hand		75,000	75,000
	Cash at bank:			
	Current accounts:			
	-Local currency		327,278	1,164,482
	-Foreign currency		-	3,915,721
			327,278	5,080,203
	Savings accounts:			
	-Local currency		-	22,345,320
	-Foreign currency		-	9,283,790
			-	31,629,110
	Cash and bank balances		402,278	36,784,313
	Cash equivalents	16.1	87,402,948	-
			87,805,226	36,784,313

16.1 This represents a pay order issued in favor of the Company by the bank following the closure of the Company's bank accounts. Subsequent to year end new bank accounts have been opened with another bank.

17 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.

		Note	2025 Rupees	2024 Rupees
18	**DEFERRED CAPITAL GRANT**			
	Opening balance		2,158,129	1,274,398
	Grant from donors for capital expenditure		1,110,204	1,324,082
			3,268,333	2,598,480
	Less: amortization during the year		(496,495)	(440,351)
	Closing balance		2,771,838	2,158,129

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CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME

19	ACCRUED AND OTHER LIABILITIES	Note	2025 Rupees	2024 Rupees
	Payable to suppliers	19.1	418,186	1,977,104
	Accrued liabilities		21,373	11,237
	EOBI payable		136,640	46,080
	Income tax withheld		661,676	3,894
	Payable to employees	19.2	1,576,100	1,636,100
	Sales tax withheld		46,738	1,650
			2,860,713	3,676,065

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

19.2 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.

20 CONTINGENCIES AND COMMITMENTS

20.1 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)"] vide order dated September 22, 2022 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 favorable decision in this regard.

20.2 Commitments:

There was no commitment as at the year end June 30, 2025 (2024: nil).

21	OTHER INCOME	Note	2025 Rupees	2024 Rupees
	Income from financial assets:			
	Exchange gain		1,304,301	-
	Interest income		6,090,778	5,762,163
	Income on TDR's		9,705,350	12,467,218
			17,100,429	18,229,381
	Income from non-financial assets:			
	Building rent	21.1	1,822,804	1,657,095
	Services (utilities, vehicles rentals etc.)		600,000	540,000
	Project monitoring fee	21.2	4,295,490	4,271,901
	Accountancy and consultancy service charges	21.3	240,000	240,000
	Miscellaneous income		29,704	5,463
			6,987,998	6,714,459
			24,088,427	24,943,840

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

21.2 This represents income charged to donors on account of follow up cost, monitoring and evaluation etc. of various projects.

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

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22	PROGRAMME COST - RESTRICTED	Note	2025 Rupees	2024 Rupees
	Emergency and Humanitarian Fund - Emergencies and Humanitarian - CHIP	22.1	1,201,262	2,018,050
	Empowering Mothers-to-be in South Khyber Pakhtunkhwa Province of Pakistan - BMGF	22.2	1,911,345	-
	Be the Change Makers: Unveil Talent and Facilitate Utilization of Opportunities for Communal and Individual Development - Misereor	22.3	-	16,995,598
	Pakistan Youth Leadership Initiative - British Council	22.4	1,042,607	-
	Pakistan Inclusive Eye Health Project: The project aims to enhance healthcare accessibility and inclusivity for people with disabilities and marginalized communities - Sightsavers.	22.5	9,575,598	13,641,879
	Future Makers - Sightsavers	22.6	-	10,290,489
	Community Led Engagement for Reducing Gender & Equity Gaps for Childhood Immunization	21.7	-	20,109,664
	Ready for Inclusive Sustainable Employment and Entrepreneurship - Pakistan	22.8	15,984,790	1,857,280
	Improving Immunization Coverage in 22 Union Councils of DI Khan and North Waziristan Districts of Khyber Pakhtunkhwa Province, Pakistan.	22.9	-	24,507,824
	Reaching the Un-reached Children through Demand Generation for Improving Immunization Coverage in 05 Districts of KP- GAVI	22.10	14,017,904	-
	Climate Friendly and Resource Efficient WASH and Livelihood Means in Layyah	22.11	53,378,606	12,738,883
			97,112,112	102,159,667

22.1 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 for scholarships for female students enrolled in Fatima Jinnah Women University, Rawalpindi.

22.2 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. In December 2024, the remaining available funds amounting to PKR 1.9 million approximate were spent to help DHO Lakki Marwat by providing newborn and Safe Delivery kits. (No Cost Extension for two months i.e. Nov and Dec 2024).

22.3 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.

22.4 This project is funded by British Council for the purpose of Youth leadership initiatives.

22.5 This project is funded by Sightsavers to improve the quality of eye care service provision in the target districts of Pakistan. Khanewal was focused since July 2023 but Sargodha was included in May 2025.

22.6 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.

22.7 This project is funded by GAVI. The purpose of this project is to improve gender and equity gaps for childhood immunization.

22.8 This project is funded by Sightsavers. The purpose of this project is to create inclusive sustainable employment and employment opportunities.

22.9 This project is funded by UNICEF. The purpose of this project is to improve immunization in 22 union councils of D.I khan and North Waziristan districts of Khyber Pakhtun Khuwa province, Pakistan.

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22.10 This project is funded by GAVI for Reaching the Un-reached Children through Demand Generation for Improving Immunization Coverage in 05 Districts of Khyber Pakhtunkhwa.

22.11 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	2025 Rupees	2024 Rupees
23	**PROGRAMME COST - UNRESTRICTED**			
	Ujala education foundation	**11.1**	**1,450,773**	-
	Emergencies & Humanitarian		**232,487**	-
			1,683,260	-
24	**ADMINISTRATIVE COST**			
	Staff salaries and benefits		**7,739,782**	6,687,807
	Depreciation	**6.3**	**2,613,372**	2,688,506
	Repair and maintenance		**694,721**	742,964
	Legal and professional fee		**387,500**	416,500
	Auditors remuneration	**24.1**	**350,000**	354,500
	Insurance		**58,708**	59,510
	Security services		**306,823**	208,277
	Supplies		**509,594**	364,081
	CHIP staff travelling, boarding and lodging		**385,962**	273,957
	Telephone and communications		**87,206**	88,946
	Stationery		**11,419**	36,960
	Utilities		**389,826**	1,050,996
	Internet and postage		**230,409**	246,425
	Generator fuel and repairing		**46,440**	74,492
	Property tax expense		**36,119**	36,119
	Publication and advertisement		**7,500**	7,500
	Fees and subscription		**40,800**	30,000
	Miscellaneous		**17,055**	530,201
			13,913,236	16,168,485
24.1	**Auditors remuneration**			
	Audit fee		**350,000**	345,800
	Out of pocket expenses		**-**	8,700
			350,000	354,500
25	**FINANCE COST**			
	Bank charges		**43,049**	37,502
26	**LEVY**			
	Minimum tax		**-**	-

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

26.2 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:

	Note	2025 Rupees	2024 Rupees
Current tax liability for the year		**2,214,970**	1,872,940
Portion of current tax liability as per tax laws, representing income tax under IAS 12		**(2,214,970)**	(1,872,940)
Minimum tax differential		**-**	-

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		Note	2025 Rupees	2024 Rupees
27	**TAXATION**			
	Taxation-current		**2,214,970**	1,872,940

27.1 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 1.25 % of turnover, whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

		Note	2025 Rupees	2024 Rupees
28	**ADJUSTMENT OF NON-CASH ITEMS**			
	Depreciation	6	**3,109,866**	3,128,857
	Provision for gratuity		-	2,019,542
	Finance cost	25	**43,049**	37,502
	Interest income		**(15,796,128)**	(18,229,381)
	Interest income - restricted grant		**590,779**	(990,418)
	Exchange loss / (gain)		-	745,271
	Amortization of restricted grants related to projects		**(97,112,112)**	(102,159,668)
	Adjustments in restricted grant		**117,445**	-
	Amortization of deferred capital grant		**(496,495)**	(440,351)
			(109,543,596)	(115,888,646)

29 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:

	2025				2024			
	Chief Executive Officer	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	------(Rupees)------							
Managerial remuneration	6,457,956	-	12,189,166	18,647,122	6,034,402	-	9,497,343	15,531,745
Travelling Allowance	-	-	254,872	254,872	-	-	-	-
Festive allowance	-	-	-	-	330,750	-	439,600	770,350
	6,457,956	-	12,444,038	18,901,994	5,340,870	-	5,125,404	10,466,274
Number of persons	1	3	6	10	1	7	5	13

Directors were not entitled for any remuneration and benefits. However, expenses for attending the board meeting were borne by the Company.

30 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 11. Moreover, transactions and balances with key management personnel under the terms of their employment are disclosed in note 29.

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31 FINANCIAL ASSETS AND LIABILITIES

	Total	Interest/mark up bearing			Not interest / mark up bearing
		Maturity up to one year	Maturity after one year	Sub-total	
2025	---	---Rupees---	---	---	---
Financial assets					
Long term security deposits	177,900	-	-	-	177,900
Due from related parties	120,000	-	-	-	120,000
Short term investments	-	-	-	-	-
Receivable from donor agencies	8,216,106	-	-	-	8,216,106
Cash and bank balances	87,805,226	-	-	-	87,805,226
	96,141,332	-	-	-	96,141,332
Financial liabilities					
Accrued and other liabilities	2,152,299	-	-	-	2,152,299
Total gap	93,989,033	-	-	-	93,989,033

	Total	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
Total gap	130,139,193	111,629,110	-	111,629,110	18,510,083

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32 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.

32.1 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:

	2025	2024
	Rupees	Rupees
Long term security deposits	**177,900**	177,900
Short term investment	-	80,000,000
Due from related parties	**120,000**	1,216,080
Receivable from partners	-	-
Receivable from donors	**8,216,106**	15,809,321
Bank balances	**87,805,226**	36,784,313
	96,319,232	133,987,614

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.

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32.2 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 -------------------------			
2025					
Financial Liabilities					
Accrued and other liabilities	**2,771,838**	**2,771,838**	**1,385,919**	**1,385,919**	**-**

	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	-

32.3 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:

	2025 Rupees	2024 Rupees
Name of Currency		
Cash at bank:		
Euro	-	2,817,637
GBP	-	6,533,251
	-	9,350,888

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:

	2025	2024	2025	2024
	Effective rate		Carrying amount	
	In percent		Rupees	
Variable rate instruments				
Financial assets				
Cash and bank balances	**10% to 15%**	13.51% to 19.51%	-	34,780,050

33 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.

34 NUMBER OF EMPLOYEES

	2025 Numbers	2024 Numbers
Employees as at year end	60	22
Average number of employees during the year	29	16

35 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.

36 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Company on 28 OCT 2025.

37 GENERAL

Figures have been rounded off to the nearest Pak rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIP