

**SILVER JUBILEE  
DEVELOPMENT AGENCY  
AUDITED FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2023**

**DAUDALLY, LALANI & CO. CHARTERED ACCOUNTANTS**

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Unit # 08, Plot No. FL-12, Karsaz Town, Block-5, Clifton, Karachi, Pakistan. Tel: (+92-21) 35868483-5

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### Opinion

We have audited the financial statements of **SILVER JUBILEE DEVELOPMENT AGENCY** which comprise the statement of financial position as at **June 30, 2023**, and statement of income and expenditure, statement of other comprehensive income, statement of general funds, statement of cash flow for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose 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 account, statement of other comprehensive income, the statement of general funds and the statement of cash flow together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give information required by the Companies Act, 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, 2023 and the profit, the changes in equity and cash flow for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with basis of accounting and reporting standards as applicable in Pakistan and the requirement of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of the 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 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 event in a manner that achieves fair presentation.

We communicate with those charged with governance 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 on our opinion:

- a) Proper books of accounts have been kept by the Company as required by the Companies Act, 2017;
- b) statement of financial position, the statement of income and expenditure account, statement of other comprehensive income, the statement of general funds and the statement of cash flow together with the notes forming part thereon, have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of accounts and returns;
- c) investments made, expenditures 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 Ushr Ordinance, 1980.

The financial statement of Silver Jubilee Development Agency for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who expressed an unmodified opinion on those financial statements in their audit report dated September 30, 2022.



**DAUDALLY, LALANI & CO.**  
**CHARTERED ACCOUNTANTS**  
**KARACHI**

**ENGAGEMENT PARTNER: SOHAIL LALANI**

**Date: October 04, 2023**

**UBIN: AR202310341WNN6Yh0d4**

**SILVER JUBILEE DEVELOPMENT AGENCY***(Company incorporated under section 42 of the Companies Act, 2017)***Statement of Financial Position****As at June 30, 2023**

	Note	2023	2022
		---- Rupees in '000 ----	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	47,996	17,347
Long term deposits	5	280	60
		<b>48,276</b>	<b>17,407</b>
<b>Current Assets</b>			
Loans, advances and prepayments	6	3,618	33,582
Cash & bank balances	7	276,761	107,212
		<b>280,379</b>	<b>140,794</b>
<b>TOTAL ASSETS</b>		<b>328,655</b>	<b>158,201</b>
<b><u>FUND BALANCE AND LIABILITIES</u></b>			
Fund balance	8	65,306	60,193
<b>Non-Current Liabilities</b>			
Deferred capital donation	9	45,496	14,823
Deferred liability	10	10,916	3,711
		<b>56,412</b>	<b>18,534</b>
<b>Current Liabilities</b>			
Restricted donations	11	188,800	71,146
Trade and other payables	12	18,136	8,328
		<b>206,937</b>	<b>79,474</b>
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>328,655</b>	<b>158,201</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		

The annexed notes 1 to 23 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Executive  
\_\_\_\_\_  
Director

**SILVER JUBILEE DEVELOPMENT AGENCY**

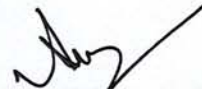
(Company incorporated under section 42 of the Companies Act, 2017)

**Statement of Income and Expenditure****As at June 30, 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>---- Rupees in '000 ----</b>	
<b><u>INCOME / RECEIPTS</u></b>			
Donations	<b>14</b>	263,399	152,557
Other income	<b>15</b>	11,442	24,167
Deferred capital donation released		9,544	1,412
		<u>284,385</u>	<u>178,136</u>
<b><u>EXPENDETURE</u></b>			
Programmatic expenses	<b>16</b>	255,425	152,707
Administrative expenses	<b>17</b>	23,847	4,686
		<u>279,271</u>	<u>157,393</u>
Surplus before taxation		<u>5,114</u>	<u>20,743</u>
Taxation		-	-
<b>Surplus for the year</b>		<u><u>5,114</u></u>	<u><u>20,743</u></u>

The annexed notes 1 to 23 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

**SILVER JUBILEE DEVELOPMENT AGENCY**

*(Company incorporated under section 42 of the Companies Act, 2017)*


**Statement of Other Comprehensive Income**

**As at June 30, 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>---- Rupees in '000 ----</b>	
Net surplus for the year		5,114	20,743
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>5,114</b>	<b>20,743</b>

The annexed notes 1 to 23 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

**SILVER JUBILEE DEVELOPMENT AGENCY**

*(Company incorporated under section 42 of the Companies Act, 2017)*

**Statement of Fund Balance**

**As at June 30, 2023**

	<b>Note</b>	<b>Fund</b>
		<i>Rupees in '000</i>
<b>Balance as at June 30, 2021</b>		39,450
Balance transferred from income and expenditure account		20,743
<b>Balance as at June 30, 2022</b>		<u>60,193</u>
Balance transferred from income and expenditure account		5,114
<b>Balance as at June 30, 2023</b>	<b>9</b>	<u><u>65,306</u></u>

The annexed notes 1 to 23 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Executive


  
\_\_\_\_\_  
Director

**SILVER JUBILEE DEVELOPMENT AGENCY***(Company incorporated under section 42 of the Companies Act, 2017)***Statement of Cash Flows****As at June 30, 2023**

	Note	2023	2022
		---- Rupees in '000 ----	
<b>Cash Flows from Operating Activities</b>			
<b>Funds provided from operations</b>			
Surplus for the year		5,114	20,743
Adjustment for non cash item:			
Depreciation	4.1	9,459	1,435
Deferred capital donation released	10	(9,544)	(1,412)
(Gain) / Loss on disposal of property, plant and equipment	16	(71)	(19,868)
Provision for staff gratuity	11.1	7,205	3,711
Provision for Compensated absences	11.2	1,843	839
Operating Income before working capital changes		14,005	5,448
<b>Decrease / (Increase) in Current Assets</b>			
Loans, advances and prepayment		30,042	(30,654)
Short term investments		-	33,000
Accrued income		-	812
		30,042	3,158
<b>(Decrease) / Increase in Current Liabilities</b>			
Restricted donations	12	117,655	71,146
Trade and other payables		7,966	6,086
		125,620	77,232
Cash flow from operations		169,667	85,838
Taxes paid during the year		(77)	(182)
Net cash utilised in operating activities		169,590	85,656
<b>Cash Flows from Financing Activities</b>			
Addition to deferred capital donation	10	40,217	14,433
Net cash generated from financing activities		40,217	14,433
<b>Cash Flows from Investing Activities</b>			
Additions to property, plan and equipment	4.1	(40,217)	(17,433)
Addition to long term deposit		(220)	
Proceeds received on disposal of Property, plan and equipment		180	23,000
Net cash utilised in investing activities		(40,257)	5,567
Net increase / (decrease) in cash and cash equivalents		169,550	105,655
Cash and cash equivalents at beginning of the year		107,212	1,557
<b>Cash and cash equivalents at end of the year</b>	<b>7</b>	<b>276,761</b>	<b>107,212</b>

The annexed notes 1 to 23 form an integral part of these financial statements.


  
 Chief Executive


  
 Director

## **SILVER JUBILEE DEVELOPMENT AGENCY**

*(Company incorporated under section 42 of the Companies Act, 2017)*

### **Notes to and forming part of the Financial Statements**

**As at June 30, 2023**

#### **1 LEGAL STATUS AND OPERATIONS**

- 1.1 The Company is incorporated as a Public Company Limited by Guarantee (under section 26 of the repealed Companies Act, 1913, under Section 42 of the Companies Ordinance, 1984) and now Section 42 of the Companies Act, 2017. The registered office of the Company is situated at IPS Building, 62/C, 1st Floor, 25th Commercial Street, Tauheed Commercial Area, D.H.A. Phase V, Karachi.
- 1.2 The principal objective of the Company is to promote charity particularly in the fields of Socio-Economic Development and Education by framing schemes and programs and by giving support, aid and assistance.
- 1.3 The Securities and Exchange Commission of Pakistan has renewed the company's license under section 42 of the Company's Act on June 08, 2020.
- 1.4 The Company has been approved under Section 47(1)(d) of the repealed Income Tax Ordinance, 1979 and renewals have been allowed from time to time. Subsequently, renewal under section 2(36)(c) of the Income Tax Ordinance, 2001 read with Rule 214 of the Income Tax Rules, 2002 time to time and the last approval has been accorded with validity up to June 30, 2023.
- 1.5 The panel of Pakistan Centre for Philanthropy (PCP) certified the Company on 23-Dec-21.

#### **2 BASIS OF PREPARATION**

##### **2.1 Basis of measurement**

These financial statements have been prepared under the historical cost convention except as stated otherwise, provided in these financial statements.

##### **2.2 Functional and presentation currency**

These financial statements are presented in Pakistan Rupees, which is also the Company's functional and presentation currency and has been rounded off to the nearest thousand.

##### **2.3 Statement of compliance**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Accounting Standard for Not for Profit Organisations (Accounting Standard for NPOs) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Act;

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the above Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## **2.4 Use of Significant Estimates and Judgements**

- 2.4.1** The preparation of financial statements in conformity with the approved accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.
- 2.4.2** The estimates and associated assumptions are based on historical experience and various other facts that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
- 2.4.3** The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## **2.5 Change in accounting standards, interpretations and amendments to accounting and reporting standards**

### **2.5.1 Amendments to existing accounting and reporting standards that have become effective in the current year**

There were certain amendments to accounting and reporting standards that became effective for the Company's accounting during the year. However, these do not have any significant impact on the Company's financial reporting and therefore, have not been detailed in these financial statements.

### **2.5.2 New standards and amendments to published accounting and reporting standards that are not yet effective:**

There is a new standard and certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2022. However, these will not have any significant impact on the financial reporting of the Company and therefore, have not been disclosed in these financial statements.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below are consistently applied for all periods presented in these financial statements.

#### **3.1 Preparation / classification of financial statements**

##### **3.1.1 Unrestricted donations**

Funds received for normal operations or for capital expenditure, without any restrictions, are classified as unrestricted donations. Donation used for capital expenditure are classified in 'Deferred Capital Donation'.

##### **3.1.2 Restricted donations**

Restricted donation is a contribution subject to externally imposed stipulations that specify the purpose for which the contributed asset or fund is to be used. The Company has adopted its accounting policy to adopt deferred method of accounting for contributions as specified in the Accounting Standards for NPOs issued by the Institute of Chartered Accountants of Pakistan.

#### **3.2 Property and Equipment**

**3.2.1** Fixed assets are stated at cost less accumulated depreciation, except for freehold land and capital work-in-progress which is stated at cost. Assets having cost exceeding the minimum threshold capitalized. All other costs are charged to the statement of income and expenditure in the year in which they are incurred.

**3.2.2** Depreciation is charged to statement of income and expenditure on a straight line method. A full month's depreciation is charged in the month when the asset become available for use and no depreciation is charged in the month of disposal.

**3.2.3** Gains and losses on disposal of fixed assets are included in statement of income and expenditure for the year.

**3.2.5** Maintenance and normal repairs are charged to statement of income and expenditure in the year in which they are incurred. Major renewals and improvements which increases the assets useful life or performance beyond current estimated levels, if any, are capitalized and depreciated in the manner that represents the consumption pattern and useful lives.

#### **3.3 Capital work-in-progress**

Capital work-in-progress is stated at cost less impairment losses, if any, and consists of expenditures incurred and advances made to vendor. The assets are transferred to the relevant category of operating fixed assets when they are available for intended use.

#### **3.4 Investments**

**3.3.1** Investments are initially recognized at cost, comprising fair value of consideration paid and cost of transaction. These are measured at the statement of financial position date as held to maturity.

### **3.3.2 Held to maturity**

These are investments with fixed or determinable payments and fixed maturity and the company has positive intent and ability to hold till maturity. Investments held to maturity are valued at cost less provision for impairment, if any.

## **3.5 Staff retirement benefits**

### **3.5.1 Defined benefit plan**

The Company operates a defined benefit plan i.e. an unfunded gratuity scheme for all employees completing initial qualifying period. Obligations under the scheme are recognised based on actuarial valuation, performed by a qualified actuary using the projected unit credit method. The latest actuarial valuation of the scheme was carried out as as June 30, 2023.

### **3.6 Staff compensated absences**

The Company also provides for compensated absences for all eligible employees in accordance with the rules of the Company. The provision for the year ended June 30, 2023 is recognised on the basis of actuarial valuation carried our on an annual basis.

## **3.7 Taxation**

**3.7.1** The Company is an approved "Not for Profit Organization under sub-clause (c) of clause 36 of section 2 of the Income Tax Ordinance, 2001. Therefore, the income of the company from investments in Federal Government Securities, profit on debts from scheduled banks, grants and donations are entitled to one hundred percent (100%) tax credit on fulfillment of conditions under section 100 C of the Ordinance, read with the Rule 214 and 220 of the Income Tax Rules, 2002.

## **3.8 Income Recognition**

**3.8.1** Donation received for operating expenses except utilized for capital expenditure are recongnized as income as and when received.

**3.8.2** Donation utilized for capital expenditure are transferred to deferred capital donation and amortized as income over the useful life of the respective asset.

**3.8.3** Restricted donation are recongnized in the statement of income and expenditure. Subsequently, the unutilized balance transferred to restricted donation. Further, restricted donation utilized for capital expenditure are transferred to deferred capital donation and amortized as income over the useful file of the respective asset.

**3.8.4** Profit on bank balances are recognized on a time proportion basis on the principal amount outstanding and at the applicable rate.

**3.8.5** Profit on investments are recognized on accrual basis.

## **3.9 Expenses**

These are recognized in the statement of income and expenditure on an accrual basis.

4 PROPERTY, PLANT & EQUIPMENT

	Freehold Land (note 4.1.1)	Building	Vehicle	Furniture fixtures	Office equipment	Electrical fittings	Computers	Total
----- Rupees -----								
<b>As at July 1, 2021</b>								
Cost	2,596	2,666	-	66	749	129	1,619	7,825
Accumulated depreciation	-	(2,666)	-	(66)	(271)	(129)	(212)	(3,344)
Net book value	2,596	-	-	-	479	-	1,406	4,481
<b>Year ended June 30, 2022</b>								
Additions	3,000	-	10,845	461	1,355	-	1,772	17,433
<b>Disposals</b>								
Cost	(3,132)	(906)	-	-	-	-	-	(4,038)
Accumulated depreciation	-	906	-	-	-	-	-	906
Net book value	(3,132)	-	-	-	-	-	-	(3,132)
Depreciation charge	-	-	(584)	(46)	(280)	-	(526)	(1,435)
<b>Net book value as at June 30, 2022</b>	<b>2,464</b>	<b>-</b>	<b>10,261</b>	<b>415</b>	<b>1,554</b>	<b>-</b>	<b>2,653</b>	<b>17,347</b>
<b>4.1 Year ended June 30, 2023</b>								
Additions	-	-	34,085	-	247	-	5,885	40,217
<b>Disposals</b>								
Cost	-	-	(160)	-	-	-	-	(160)
Accumulated depreciation	-	-	51	-	-	-	-	51
Net book value	-	-	(109)	-	-	-	-	(109)
Depreciation charge	-	-	(7,552)	(92)	(404)	-	(1,410)	(9,459)
<b>Net book value as at June 30, 2023</b>	<b>2,464</b>	<b>-</b>	<b>36,684</b>	<b>323</b>	<b>1,397</b>	<b>-</b>	<b>7,128</b>	<b>47,996</b>
<b>As at June 30, 2022</b>								
Cost	2,464	1,760	10,845	527	2,105	129	3,391	21,221
Accumulated depreciation	-	(1,760)	(584)	(112)	(550)	(129)	(738)	(3,874)
Net book value	2,464	-	10,261	415	1,554	-	2,653	17,347
Depreciation rates (% per annum)	Nil	5%	20%	20%	20%	20%	25%	
<b>As at June 30, 2023</b>								
Cost	2,464	1,760	44,770	527	2,351	129	9,276	61,278
Accumulated depreciation	-	(1,760)	(8,086)	(204)	(955)	(129)	(2,148)	(13,282)
<b>Net book value as at June 30, 2023</b>	<b>2,464</b>	<b>-</b>	<b>36,684</b>	<b>323</b>	<b>1,397</b>	<b>-</b>	<b>7,128</b>	<b>47,996</b>
Depreciation rates (useful life in years)	Nil	20	5	5	5	5	4	

4.1.1 This includes a plot that the Agency had received as donation in Booni, Chitral in 1999. It had been decided to construct residential houses on such plot in the Board of Directors meeting held on 30.06.2000, for which purpose a society had been formed in the name of Shandoor Cooperative Housing Society Ltd., Booni Chitral. The value of the plot had been mutually agreed at Rs.2,264,000/- between the Agency and the Society, under the sale agreement dated July 23, 1999. Under the sale agreement, the society was to repay the loan to the Agency at the rate of 10% per annum in 24-months after the allotment of plots. However, till date no such allotment has been made and the land continues to remain vacant and in possession of the Agency.

4.1.2 Detail of disposals of property, plant and equipment

Assets	Cost	Carrying amount	Sale price	Gain / (loss) on disposal	Particular of the purchaser	Mode of disposal	Relationship with the purchaser
Land	-	-	23,000	23,000	Mr. Badaruddin Muhammad Ali	Company policy	None
Building	-	-	-	-			
	-	-	23,000	23,000			

	Note	2023	2022
		----- Rupees in '000 -----	
<b>5 LONG TERM DEPOSITS</b>	5.1	<u>280</u>	<u>60</u>
5.1 This includes amount paid for utility services deposit charges.			
<b>6 LOAN, ADVANCES AND PREPAYMENTS</b>			
<b>Advances</b>			
Advance against vehicle		-	30,672
Advance to staff		-	90
Advance for capital		87	-
Income tax refundable	6.1	2,554	2,477
Others		5	5
		<u>2,646</u>	<u>33,243</u>
<b>Prepayments</b>			
Insurance		949	308
Rent		23	31
		<u>971</u>	<u>339</u>
		<u><b>3,618</b></u>	<u><b>33,582</b></u>
<b>6.1 Income tax refundable</b>			
Opening balance		2,477	2,295
Tax paid during the year		77	182
		<u>2,554</u>	<u>2,477</u>
<b>Less: Taxation - prior year</b>		<u>-</u>	<u>-</u>
		<u><b>2,554</b></u>	<u><b>2,477</b></u>
<b>7 CASH &amp; BANK BALANCES</b>			
Cash in hand		-	1
Cash at bank:			
- Current account	7.1	185,979	76,383
- Saving account	7.2	90,782	30,828
		<u><b>276,761</b></u>	<u><b>107,212</b></u>
7.1 These include an amount of Rs.92,575 thousand (2022: Rs.73,286 thousand) held under lien by JS Bank and Rs.91,992 thousand (2022: Rs.3,000) by HBL First Microfinance Bank against the guarantee given by the Company refer to note 14.1.			
7.2 These carry profit rates up to 14% - 21% per annum [2022: 6% - 14% per annum].			
<b>8 FUND BALANCE</b>			
Opening balance		60,193	39,450
Changes in fund balance			
Balance transferred from income and expenditure account		5,114	20,743
		<u><b>65,306</b></u>	<u><b>60,193</b></u>
<b>9 DEFERRED CAPITAL DONATION</b>			
Opening balance		14,823	1,802
Transferred from donations		40,217	14,433
Depreciation / Amortization for the year released to income		(9,435)	(1,412)
Disposal during the year (WDV)		(109)	-
<b>Balance at end of the year</b>		<u><b>45,496</b></u>	<u><b>14,823</b></u>

	Note	2023	2022
		----- Rupees in '000 -----	
<b>10 DEFERRED LIABILITY</b>			
<b>Employees' retirement Benefits</b>			
Gratuity		<u>10,916</u>	<u>3,711</u>

This represents a deferred liability for staff gratuity. An unfunded gratuity scheme is being operated by the Company.

#### 10.1 Defined benefit plan (unfunded)

10.1.1 The actuarial valuation of the gratuity scheme was carried out as at June 30, 2023. Projected Unit Credit Method, using the following significant assumptions, has been used for the actuarial valuation.

- Discount rate is 15.25% per annum.
- Expected rate of increase in salaries 15% per annum compounded (long term).
- Mortality is assumed to be 70% of EFU (61-66) Table.

10.1.2 Under the scheme, gratuity is payable to the employees on the cessation of employment upon attainment of the normal retirement age, death in service of the employee, resignation from service or termination of his/her service by the employer.

Gratuity is payable on gross salary for each completed year of service or part thereof.

The amount recognised in the statement of financial position are as follows:

#### 10.1.3 Movement in net liability in the statement of financial position

	2023	2022
	----- Rupees in '000 -----	
Net liability at beginning of the year	3,711	-
Past service cost	-	315
Current service cost	6,431	3,370
interest cost	439	26
Remeasurement loss for the year	912	-
Benefits paid	(576)	-
	<u>10,916</u>	<u>3,711</u>

#### 10.1.4 Recognised in income and expenditures

	2023	2022
Past service cost	-	315
Current service cost	6,431	3,370
interest cost	439	26
	<u>6,869</u>	<u>3,711</u>

10.1.5 The sensivity of the defined benefit obligation to changes in the weighted principal assumption is as

#### Impact on defined benefit obligation

	Change in assumption	Increase in assumptions	Decrease in assumptions
	----- Rupees in '000 -----		
Discount rate	1.00%	685	774
Future salaries	1.00%	768	692

10.1.6 The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the project unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

	<b>2023</b>	<b>2022</b>
10.1.7 Weighted average duration of the defined benefit obligation is:	<u>7.9 years</u>	<u>8.3 years</u>
10.1.8 Number of employees covered under the above scheme are:	<u>57</u>	<u>58</u>
10.1.9 Based on the actuary's advice, the expected charge for the year ending June 30, 2023 amounts to Rs.10,138 thousand.		

#### 10.1.10 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

#### 10.2 Staff compensated absences

The liability of the Company in respect of the employee's compensated absences is determined based on actuarial valuation as per IAS 19. The liability of the Company as per the latest actuarial valuation carried out as of June 30, 2023, amounted to Rs. 2,681 thousand (2022: 839) which has been fully provided by Company. Discount rate of 15.25% per annum has been used for the valuation.

		<b>2023</b>	<b>2022</b>
<b>----- Rupees in '000 -----</b>			
<b>11 RESTRICTED DONATIONS</b>			
Opening balance		71,146	-
Transferred from donation received - (for CAPEX)	14.1	(23,000)	23,000
Transferred from donation received through Aga Khan Foundation, Pakistan	14.1	140,655	48,146
		<u>188,800</u>	<u>71,146</u>

	Note	2023	2022
----- Rupees in '000 -----			
<b>12 TRADE AND OTHER PAYABLES</b>			
Creditors		97	928
Payable to beneficiaries		14,661	5,932
Provision for staff compensated absences	10.2	2,681	839
Accrued liabilities	12.1	484	311
Other liabilities	12.2	213	319
		<u>18,136</u>	<u>8,328</u>
<b>12.1 Accrued liabilities</b>			
Audit fees		119	65
Legal / Professional fees		165	96
Property tax		200	150
		<u>484</u>	<u>311</u>
<b>12.2 Other liabilities</b>			
EOBI payable		213	117
Other payable		-	202
		<u>213</u>	<u>319</u>

### 13 CONTINGENCIES AND COMMITMENTS

#### 13.1 Commitment

The Company has given a guarantee of Rs.92,575 thousand to JS Bank Limited and Rs. 91,992 thousand to HBL First Microfinance Bank Limited in respect of finance facilities provided by the Bank under the Family Economic Advancement Program. The financing facility availed by 671 beneficiaries at the year-end amounted to Rs.183,908 thousand (2022: Rs.76,286 thousand) and is secured against the lien on the Bank deposit mentioned in note 8.1.

		2023	2022
----- Rupees in '000 -----			
<b>14 DONATIONS</b>			
Operating donations	14.1	<u>263,399</u>	<u>152,557</u>
14.1 Break-up of donations is as follows:			
Corporate entities and association of persons		-	3,000
Individuals		9,820	20,000
Donation received from Aga Khan Foundation, Pakistan		411,450	215,136
		<u>421,270</u>	<u>238,136</u>
Less:			
Transferred to deferred capital donation		(40,217)	(14,433)
Funds transferred to restricted donation (for CAPEX)	11	23,000	(23,000)
Funds transferred to restricted donation (received from AKF, P)	11	(140,655)	(48,146)
		<u>263,399</u>	<u>152,557</u>
<b>15 OTHER INCOME</b>			
Profit on short term deposit receipts		-	1,584
Profit on bank deposits		11,371	2,715
Other income		1	-
Gain on disposal of Fixed Assets		71	19,868
		<u>11,442</u>	<u>24,167</u>

	Note	2023	2022
----- Rupees in '000 -----			
<b>16 PROGRAMMATIC EXPENSES</b>			
Program Expenses		100	15,001
Family Economic Advancement Program	16.1	78,956	50,566
Socio Economic Development Program	16.2	176,369	87,140
		<u>255,425</u>	<u>152,707</u>
<b>16.1 Family Economic Advancement Program</b>			
Program expenses		15,012	11,455
Salaries & other benefits	16.1.1	54,250	32,166
Admin expenses		9,694	6,944
		<u>78,956</u>	<u>50,566</u>

16.1.1 Salaries, allowances, and benefits include Rs. 3,748 thousand (2022: Rs. 2,120 thousand) in respect of staff retirement benefit-gratuity & Provision for staff compensated absences Rs. 1,303 thousand (2022: Rs. 492 thousand).

		2023	2022
----- Rupees in '000 -----			
<b>16.2 Socio Economic Development Program</b>			
Program expenses		127,185	61,944
Salaries & other benefits	16.2.1	35,624	19,400
Admin expenses		13,560	5,796
		<u>176,369</u>	<u>87,140</u>

16.2.1 Salaries, allowances, and benefits include Rs.2,190 thousand (2022: Rs.1,462 thousand ) in respect of staff retirement benefit-gratuity & Provision for staff compensated absences Rs. 1,266 thousand (2022: Rs.333 thousand).

		2023	2022
----- Rupees in '000 -----			
<b>17 ADMINISTRATIVE EXPENSES</b>			
Salaries, allowances and benefits	17.1	12,843	1,991
Communication		54	30
Printing and stationery		36	6
Insurance		491	20
Sundry		-	61
Fee & subscription		165	277
Legal fees		-	40
Auditor's remuneration	17.2	119	69
Accounting & corporate services		165	324
Building & maintenance		118	125
Rent		63	58
Utility		70	18
Property tax		50	58
Travel and transport		213	65
Bank charges		-	107
Depreciation		9,459	1,435
		<u>23,847</u>	<u>4,686</u>

17.1 Salaries, allowances, and benefits include Rs.1,843 (2022: Rs.129 thousand) in respect of staff retirement benefit-gratuity & Provision for staff compensated absences Rs.112 thousand (2022: Rs.14 thousand).

		2023	2022
----- Rupees in '000 -----			
<b>17.2 Auditor's remuneration</b>			
- Audit fees		109	59
- Out of pocket expense		10	10
		<u>119</u>	<u>69</u>

**18 TAXATION****Current**

Income tax assessments of the Company are deemed to have been finalized u/s 120 of the Income Tax Ordinance 2001 up to and including Tax Year 2022, corresponding to income year ended 30.06.2022 unless selected by the taxation authorities for audit purposes.

	2023	2022
<b>19 NUMBER OF EMPLOYEES</b>		
The number of employees as at year end	<u>72</u>	<u>58</u>

**20 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

20.1 No remuneration or benefit is paid to any Director as all are working on Honorary basis.

	2023	2022
	----- Rupees in '000 -----	
<b>20.2 Chief Executive / Executives</b>		
Salary	16,142	5,242
Benefits	<u>2,235</u>	<u>831</u>
	<u>18,377</u>	<u>6,073</u>
<b>Total No. of Executives</b>	<u>3</u>	<u>1</u>

**21 RELATED PARTY TRANSACTIONS**

21.1 Related parties include associated undertakings having common directors and key management personnel. Details of transactions with related parties other than those disclosed else where in the financial statements are as follows:

Donation Received	21.1.1	220	1,600
Donation Received	21.1.2	-	1,000

21.1.1 This represents the amount received from the Company Director/Executive.

21.1.2 This represents the amount received from the relative of the Company Director.

**22 GENERAL**

Figures have been rounded off to the nearest thousand.

Figures have been re-arranged & reclassified wherever necessary for the purpose of comparison, the effect of which was not material.

**23 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 18 09 SEPT 2023 by the Board of Directors of the Company.

Chief Executive



Director

