

**SILVER JUBILEE
DEVELOPMENT AGENCY**

**AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

DAUDALLY, LALANI & CO. CHARTERED ACCOUNTANTS

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, 2024**, and statement of income and expenditure account, 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 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 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, 2024 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 material 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 material audit findings, including any material deficiencies in internal control that we identify during our audit.

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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.


DAUDALLY, LALANI & CO.
CHARTERED ACCOUNTANTS
KARACHI

ENGAGEMENT PARTNER: SOHAIL LALANI

Date: September 30, 2024

UDIN: AR202410341L0QSvqNPK

SILVER JUBILEE DEVELOPMENT AGENCY

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

STATEMENT OF FINANCIAL POSITION**AS AT JUNE 30, 2024**

	Note	2024	2023
		---- Rupees in '000 ----	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	42,170	47,996
Long term deposits	5	385	280
		42,555	48,276
Current Assets			
Advances and prepayments	6	4,189	3,618
Accrued income	7	1,574	-
Short term investment	8	65,000	-
Cash & bank balances	9	369,820	276,761
		440,583	280,379
TOTAL ASSETS		483,138	328,655
<u>FUND BALANCE AND LIABILITIES</u>			
Fund balance	10	66,178	65,306
Non-Current Liabilities			
Deferred capital donation	11	39,411	45,496
Deferred liability	12	22,141	10,916
		61,552	56,412
Current Liabilities			
Restricted donations	13	350,105	188,800
Trade and other payables	14	5,302	18,136
		355,407	206,936
TOTAL FUND BALANCE AND LIABILITIES		483,138	328,654
CONTINGENCIES AND COMMITMENTS	15		

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



Chief Executive

Director

SILVER JUBILEE DEVELOPMENT AGENCY

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

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
		---- Rupees in '000 ----	
<u>INCOME / RECEIPTS</u>			
Donations	16	397,358	263,399
Other income	17	18,015	11,442
Deferred capital donation released	11	12,147	9,544
		<u>427,520</u>	<u>284,385</u>
<u>EXPENDITURE</u>			
Programmatic expenses	18	379,831	255,425
Administrative expenses	19	46,817	23,847
		<u>426,648</u>	<u>279,272</u>
Surplus before taxation		<u>872</u>	<u>5,113</u>
Taxation	3.7	-	-
Surplus for the year	10	<u><u>872</u></u>	<u><u>5,113</u></u>

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Chief Executive

Director

SILVER JUBILEE DEVELOPMENT AGENCY

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

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	<i>Note</i>	2024	2023
		<i>---Rupees in '000---</i>	
Surplus for the year		872	5,114
Other comprehensive income		-	-
Total comprehensive income for the year		<u>872</u>	<u>5,114</u>

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



Chief Executive



Director

SILVER JUBILEE DEVELOPMENT AGENCY

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

**STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	Rupees in '000
Balance as at June 30, 2022		60,193
Total comprehensive income 2022-23		5,114
Balance as at June 30, 2023		65,307
Total comprehensive income 2023-24		872
Balance as at June 30, 2024	10	66,178

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

Chief Executive

Director

SILVER JUBILEE DEVELOPMENT AGENCY

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

STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
		---- Rupees in '000 ----	
Cash Flows from Operating Activities			
Funds provided from operations			
Surplus for the year		872	5,114
Adjustment for non cash item:			
Depreciation	4.1	12,228	9,459
Deferred capital donation released	11	(12,147)	(9,544)
(Gain) / Loss on disposal of property, plant and equipment	17	-	(71)
Provision for staff gratuity - net of payment	12.1.3	11,225	7,205
Provision for compensated absences	12.2	2,043	1,843
Operating Income before working capital changes		14,221	14,005
Decrease / (Increase) in Current Assets			
Advances and prepayments		(317)	30,042
Accrued income		(1,574)	-
		(1,891)	30,042
(Decrease) / Increase in Current Liabilities			
Restricted donations	13	161,305	117,655
Trade and other payables		(14,877)	7,966
		146,428	125,620
Cash flows from operations		158,758	169,667
Taxes paid during the year		(254)	(77)
Net cash generated from operating activities		158,504	169,590
Cash Flows from Financing Activities			
Addition to deferred capital donation	11	6,062	40,217
Net cash generated from financing activities		6,062	40,217
Cash Flows from Investing Activities			
Additions to property, plan and equipment	4.1	(6,402)	(40,217)
Short term investment		(65,000)	-
Addition to long term deposit		(105)	(220)
Proceeds received on disposal of Property, plan and equipment		-	180
Net cash utilised in investing activities		(71,507)	(40,257)
Net increase in cash and cash equivalents		93,059	169,550
Cash and cash equivalents at beginning of the year		276,761	107,212
Cash and cash equivalents at end of the year	9	369,820	276,761

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



 Chief Executive



 Director

SILVER JUBILEE DEVELOPMENT AGENCY

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Silver Jubilee Development Agency, hereinafter referred to as "Company", was incorporated on October 30, 1984, under section 42 of the Companies Ordinance, 1984 (now replaced by Companies Act, 2017), as a Company limited by guarantee having no share capital.

Geographical location and address of business units of the Company are as under:

Registered Office:

IPS Building, 62/C, 1st Floor, 25th Commercial Street, Tauheed Commercial Area, D.H.A. Phase V, Karachi.

Programme Offices:

1. 300/2, Taj Villa, Garden East Karachi.
2. Shahra-e-Quiad-e-Azam, Jutial Near Gilgit Midway Hotel, Gilgit.
3. Meraj Ul Haq House, Tek Lasht, Booni, tehsil Mastuj, District Upper Chitral.

- 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 renewed the company's license under section 42 of the Company's Act on June 08, 2020. Renewal is now not required under amended Companies Act, 2017 and related regulations.
- 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, 2024.
- 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, 2023. 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 MATERIAL ACCOUNTING POLICIES

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

In addition, the Company adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from July 01, 2023. The amendments require disclosure of 'material' rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 3.

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.

3.2.4 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 Investment

Investment is initially recognized at cost, comprising fair value of consideration paid. It is adjusted subsequently 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, 2024.

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, 2024 is recognised on the basis of actuarial valuation carried out on an annual basis.

3.7 Taxation

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 recognized 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 recognized in the statement of income and expenditure. Subsequently, the unutilized balance is transferred to restricted donation. Further, restricted donation utilized for capital expenditure are transferred to deferred capital donation and amortized as income over the useful life of the respective asset.

3.8.4 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 4.1.1	Building 4.1.2	Vehicle	Furniture fixtures	Office equipment	Electrical fittings	Computers	Total
	----- Rupees -----							
As at July 1, 2022								
Cost	2,464	(906)	10,845	461	1,834	-	3,179	17,877
Accumulated depreciation	-	906	(584)	(46)	(280)	-	(526)	(530)
Net book value	2,464	-	10,261	415	1,554	-	2,653	17,347
Year ended June 30, 2023								
Additions	-	-	34,085	-	247	-	5,885	40,217
Disposals								
Cost	-	-	(160)	-	-	-	-	(160)
Accumulated depreciation	-	-	51	-	-	-	-	51
Net book value	-	-	(109)	-	-	-	-	(109)
Depreciation charge	-	-	(7,552)	(92)	(404)	-	(1,410)	(9,459)
Net book value as at June 30, 2023	2,464	-	36,684	323	1,397	-	7,128	47,996
4.1 Year ended June 30, 2024								
Additions	-	-	3,021	-	1,087	-	2,294	6,402
Depreciation charge	-	-	(9,214)	(92)	(465)	-	(2,457)	(12,228)
Net book value as at June 30, 2024	2,464	-	30,491	231	2,019	-	6,965	42,170
As at June 30, 2023								
Cost	2,464	(906)	44,770	461	2,081	-	9,064	57,934
Accumulated depreciation	-	906	(8,085)	(138)	(684)	-	(1,936)	(9,938)
Net book value	2,464	-	36,685	323	1,397	-	7,128	47,996
Depreciation rates (% per annum)	Nil	5%	20%	20%	20%	20%	25%	
As at June 30, 2024								
Cost	2,464	(906)	47,791	461	3,168	-	11,358	64,336
Accumulated depreciation	-	906	(17,300)	(230)	(1,149)	-	(4,393)	(22,166)
Net book value as at June 30, 2024	2,464	-	30,491	231	2,019	-	6,964	42,170
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 at Mastuj Road, Outskirt of Booni 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 Building Address is at I.I. Chundrigar Road - Office & 902, 903 & 904 Trade Centre, I.I. Chundrigar Road, Karachi. This building recorded at a nominal value of 1 rupee. Due to rounding off, this value may not be visibly reflected in the financial statements

	Note	2024	2023
		----- Rupees in '000 -----	
5 LONG TERM DEPOSITS	5.1	385	280
5.1	This includes amount paid for utility services deposit charges Rs. 265,000.		
6 ADVANCES AND PREPAYMENTS			
Advances			
Advance for capital expenditure		-	87
Income tax refundable	6.1	2,808	2,554
Others		-	5
		2,808	2,646
Prepayments			
Insurance		1,211	949
Rent		20	23
Others	6.2	150	-
		1,381	972
		4,189	3,618
6.1 Income tax refundable			
Opening balance		2,554	2,477
Tax paid during the year		254	77
		2,808	2,554
6.2	The amount represents a prepaid advance provided to Total Parco Pakistan Limited for cash less services.		
7 ACCRUED INCOME			
Profit on term deposit receipts		1,149	-
Profit on bank deposits		425	-
		1,574	-
8 SHORT TERM INVESTMENTS			
Term deposit receipts	8.1	65,000	-
8.1	It has one year tenure and carries profit at the rate of 21.50% p.a (2023: -NIL-).		
9 CASH & BANK BALANCES			
Cash in hand	9.1	150	-
Cash at bank:			
- Current account	9.2	312,112	185,979
- Saving account	9.3	57,558	90,782
		369,670	276,761
		369,820	276,761
9.1	This includes petty cash amount of Rs. 25,000 per office is maintained under the custody of finance officers for operational expenditures.		
9.2	This includes an amount of Rs. 58,256 thousand (2023: Rs. 92,575 thousand) held under lien by JS Bank and Rs. 253,454 thousand (2023: Rs. 91,992 thousand) by HBL MicroFinance Bank against the guarantee given by the Company, as elaborated at note 15.2.		
9.3	These carry profit rates ranging between 20.50% - 22.00% [2023: 14% - 21%] per annum.		
10 FUND BALANCE			
Opening balance		65,306	60,193
Balance transferred from income and expenditure account		872	5,114
		66,178	65,306

	2024	2023
	---- Rupees in '000 ----	
11 DEFERRED CAPITAL DONATION		
Opening balance	45,496	14,823
Transferred from donations	6,062	40,217
Depreciation / Amortization for the year released to income	(12,147)	(9,435)
Disposal during the year (WDV)	-	(109)
Balance at end of the year	39,411	45,496
12 DEFERRED LIABILITY		
Employees' retirement Benefits		
Gratuity	22,141	10,916

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

12.1 Defined benefit plan (unfunded)

12.1.1 The actuarial valuation of the gratuity scheme was carried out as at June 30, 2024 using the Projected Unit Credit Method. These following significant assumptions, have been used for the actuarial valuation.

- Discount rate is 14.75% per annum.
- Expected rate of increase in salaries is 14.50% per annum compounded (long term).
- Mortality is assumed to be 70% of EFU (61-66) Table.

12.1.2 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:

12.1.3 Movement in net liability in the statement of financial position

	2024	2023
	---- Rupees in '000 ----	
Net liability at beginning of the year	10,916	3,711
Current service cost	8,593	6,431
interest cost	1,554	439
Remeasurement loss for the year	2,525	912
Benefits paid	(1,447)	(576)
	22,141	10,916

12.1.4 Recognised in income and expenditures account

Current service cost	8,593	6,431
interest cost	1,554	439
	10,147	6,869

12.1.5 The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is as follows:

Impact on defined benefit obligation

	Change in assumption	Increase in assumptions	Decrease in assumptions
Discount rate	1.00%	1,333	685
Future salaries	1.00%	1,488	768

12.1.6 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.

	2024	2023
12.1.7 Weighted average duration of the defined benefit obligation is:	<u>7.5 years</u>	<u>7.9 years</u>
12.1.8 Number of employees covered under the above scheme are:	<u>88</u>	<u>57</u>
12.1.9 Based on the actuary's advice, the expected charge for the year ending June 30, 2025 amounts to Rs.14,716 thousand.		

12.1.10 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.

12.2 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, 2024, amounted to Rs. 4,341 thousand (2023: 2,681) which has been fully provided by Company. Discount rate of 14.75% per annum has been used for the valuation.

	Note	2024	2023
----- Rupees in '000 -----			
13 RESTRICTED DONATIONS			
Opening balance		188,800	71,146
Transferred from donation received - (for CAPEX)	16.1	-	(23,000)
Transferred from donation received through Aga Khan Foundation, Pakistan	16.1	161,305	140,655
		<u>350,105</u>	<u>188,800</u>
14 TRADE AND OTHER PAYABLES			
Creditors		-	97
Payable to beneficiaries		-	14,661
Provision for staff compensated absences	12.2	4,341	2,681
Accrued liabilities	14.1	625	484
Other liabilities	14.2	336	213
		<u>5,302</u>	<u>18,136</u>
14.1 Accrued liabilities			
Audit fees		173	119
Legal / Professional fees		177	165
Property tax		275	200
		<u>625</u>	<u>484</u>
14.2 Other liabilities			
EOBI payable		<u>336</u>	<u>213</u>

15 CONTINGENCIES AND COMMITMENTS

15.1 There are no contingencies at June 30, 2024.

15.2 Commitment

The Company has given a guarantee of Rs. 58,256 thousand (2023: Rs. 92,575 thousand) to JS Bank Limited and Rs. 253,424 thousand (2023: 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 1219 beneficiaries at the year-end amounted to Rs.311,680 thousand (2023: Rs.183,908 thousand) and is secured against the lien on the Bank deposit mentioned in note 9.2.

	Note	2024	2023
----- Rupees in '000 -----			
16 DONATIONS			
Operating donations	16.1	<u>397,358</u>	<u>263,399</u>
16.1 Break-up of donations is as follows:			
Corporate entities and association of persons		1,500	-
Individuals		19,450	9,820
Donation received from Aga Khan Foundation, Pakistan		<u>543,775</u>	<u>411,450</u>
		564,725	421,270
Less:			
Transferred to deferred capital donation		(6,062)	(40,217)
Funds transferred to restricted donation (for CAPEX)	13	-	23,000
Funds transferred to restricted donation (received from AKF, P)	13	(161,305)	(140,655)
		<u>397,358</u>	<u>263,398</u>
17 OTHER INCOME			
Profit on short term deposit receipts		1,838	-
Profit on bank deposits		16,166	11,371
Other income		10	1
Gain on disposal of fixed assets		-	71
		<u>18,014</u>	<u>11,443</u>
18 PROGRAMMATIC EXPENSES			
Program Expenses		200	100
Family Economic Advancement Program	18.1	118,379	78,956
Socio Economic Development Program	18.2	<u>261,252</u>	<u>176,369</u>
		379,831	255,425
18.1 Family Economic Advancement Program			
Program expenses		25,686	15,012
Salaries & other benefits	18.1.1	78,227	54,250
Admin expenses		14,465	9,694
		<u>118,379</u>	<u>78,956</u>
18.1.1 Salaries, allowances, and benefits include Rs. 6,657 thousand (2023: Rs. 3,748 thousand) in respect of staff retirement benefit-gratuity & Provision for staff compensated absences Rs. 2,319 thousand (2023: Rs. 1,303 thousand).			
18.2 Socio Economic Development Program			
Program expenses		192,215	127,185
Salaries & other benefits	18.2.1	43,035	35,624
Admin expenses		26,002	13,560
		<u>261,252</u>	<u>176,369</u>
18.2.1 Salaries, allowances, and benefits include Rs.3,518 thousand (2023: Rs.2,190 thousand) in respect of staff retirement benefit-gratuity & Provision for staff compensated absences Rs. 1,875 thousand (2023: Rs.1,266 thousand).			

	Note	2024	2023
----- Rupees in '000 -----			
19 ADMINISTRATIVE EXPENSES			
Salaries, allowances and benefits	19.1	31,278	12,843
Communication		39	54
Printing and stationery		94	36
Insurance		725	491
Professional fee & subscription		754	330
Auditor's remuneration	19.2	189	119
Building & maintenance		130	118
Rent		60	63
Utility		57	70
Property tax		75	50
Travel and transport		1,189	213
Depreciation		12,228	9,459
		<u>46,817</u>	<u>23,846</u>

19.1 Salaries, allowances, and benefits include Rs.2,496 (2023: Rs.1,843 thousand) in respect of staff retirement benefit-gratuity & Provision for staff compensated absences Rs.148 thousand (2023: Rs.112 thousand).

19.2 Auditor's remuneration

- Audit fees	179	109
- Out of pocket expense	10	10
	<u>189</u>	<u>119</u>

20 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 2023, corresponding to income year ended 30.06.2023 unless selected by the taxation authorities for audit purposes.

21 NUMBER OF EMPLOYEES

The number of employees as at year end

	2024	2023
	<u>88</u>	<u>72</u>

Average number of employees during the year

22 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration of an executive of the Company are as follows:

	2024	2023	2024	2023	
		----- Rupees in '000 -----		----- Rupees in '000 -----	
		Chief Executive		Executives	
Managerial remunerations	13,420	5,500	37,916	28,772	
Other Benefits	3,840	459	6,582	4,027	
	<u>17,260</u>	<u>5,959</u>	<u>44,498</u>	<u>32,799</u>	
No. of Persons	<u>1</u>	<u>1</u>	<u>10</u>	<u>9</u>	

22.1 No remuneration or benefits has been paid to the directors of the Company who work on honorary basis. There are ten directors of the Company.

22.2 In accordance with the requirements of the Companies Act 2017, employees whose basic salary for the year exceed Rs 1.2 million have been considered 'Executives' for the purpose of these financial statements.

23 RELATED PARTY TRANSACTIONS

- 23.1 Related parties represent members of Board of Directors of the Company, its Key management personnel and companies related to the Company by common directorship / chief executive.
- 23.2 The Company does not hold any interest / shares in the aforementioned entities.
- 23.3 Transactions with related parties other than those disclosed elsewhere in these financial statements are as follows:

Name of Entity / Individual	Basis of relationship	Nature of Transaction	2024	2023
			----- Rupees in '000 -----	
Aga Khan Foundation, Pakistan	Common Directorship	Donation received by the Company	543,775	411,450
FOCUS Humanitarian Assistance, Pakistan	Common Directorship / Chief Executive	Services acquired by the Company	6,305	-
Arif Sajwani	Chief Executive	Donation received	700	220
Akbar Amirali Ladak	Director	Donation received	1,000	-
Amin Mohammad Khowaja	Director	Donation received	2,000	-
Laila Akbar Ladak	Spouse of Director	Donation received	2,000	-

24A GENERAL

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

24B DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 27-Sep-24 by the Board of Directors of the Company.

18



Chief Executive



Director