

**DEVELOPMENT ACTION FOR  
MOBILIZATION AND  
EMANCIPATION (DAMEN)  
PAKISTAN**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2022**

**A.F.FERGUSON & Co.**  
*Chartered Accountants*  
*a member firm of the PwC network*



## INDEPENDENT AUDITOR'S REPORT TO THE GENERAL BODY OF DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION (DAMEN) PAKISTAN

### Opinion

We have audited the financial statements of Development Action for Mobilization and Emancipation (DAMEN) Pakistan (the 'Society'), which comprise the statement of financial position as at December 31, 2022, and the income and expenditure account, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standard for Not-for-Profit Organisations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and Revised Accounting and Financial Reporting Standard for Small-sized Entities (AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) in 2015.

### 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 Society 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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standard for Not-for-Profit Organisations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and AFRS for SSEs issued by the Institute of Chartered Accountants of Pakistan (ICAP) in 2015, and for such internal control as the 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, the management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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.

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement 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 Society'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 Society'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 Society 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 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.



**A. F. Ferguson & Co.**  
**Chartered Accountants**

**Date:** June 21, 2023

**Lahore**

**Name of the engagement partner:** Hammad Ali Ahmad

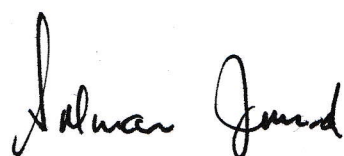
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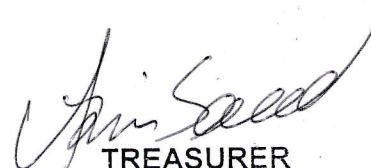


**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION (DAMEN) PAKISTAN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Note	2022 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	4,643,749	4,650,666
Long term security deposit		170,000	170,000
		4,813,749	4,820,666
<b>CURRENT ASSETS</b>			
Short term loan	6	110,000,000	110,000,000
Short term investments	7	38,800,000	33,500,000
Accrued markup on short term investments		714,263	381,424
Tax refund due from government	8	372,843	244,133
Short term deposits, advances and prepayments	9	358,657	340,414
Cash and bank balances	10	6,412,278	4,634,275
		156,658,041	149,100,246
<b>TOTAL ASSETS</b>		<b>161,471,790</b>	<b>153,920,912</b>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
General fund		17,925,129	12,204,012
Reserves	11	139,766,521	139,766,521
Total funds		157,691,650	151,970,533
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities	12	3,232,827	1,455,553
Deferred income	13	547,313	494,826
Total liabilities		3,780,140	1,950,379
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>161,471,790</b>	<b>153,920,912</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

  
**EXECUTIVE DIRECTOR**

  
**TREASURER**

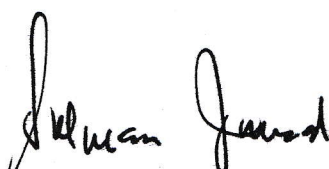


**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION (DAMEN) PAKISTAN**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Note	2022 Rupees	2021 Rupees
<b>INCOME</b>			
Profit on investments and bank deposits	15	23,276,710	14,613,461
Grant / Donation	16	550,000	540,000
Membership fee		12,500	13,500
Other income	17	722,809	761,820
		24,562,019	15,928,781
<b>EXPENDITURES</b>			
General and administrative expenses	18	1,968,736	1,788,176
Training expenses	19	2,559,408	3,457,630
Home schools expenses	20	11,499,594	5,056,097
Health care expenses	21	2,813,164	2,584,611
		18,840,902	12,886,514
<b>SURPLUS FOR THE YEAR</b>		<u>5,721,117</u>	<u>3,042,267</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

414

  
**EXECUTIVE DIRECTOR**

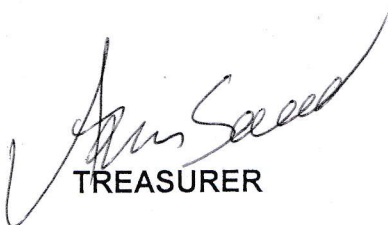
  
**TREASURER**

**DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION (DAMEN) PAKISTAN**  
**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	General Fund	Reserves	Total Funds
	Rupees	Rupees	Rupees
Balance as at January 01, 2021	9,161,745	139,766,521	148,928,266
Surplus for the year	3,042,267	-	3,042,267
Balance as at December 31, 2021	12,204,012	139,766,521	151,970,533
Surplus for the year	5,721,117	-	5,721,117
Balance as at December 31, 2022	17,925,129	139,766,521	157,691,650

The annexed notes 1 to 27 form an integral part of these financial statements.

  
EXECUTIVE DIRECTOR

  
TREASURER

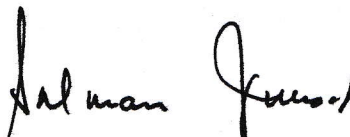
# DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION (DAMEN) PAKISTAN

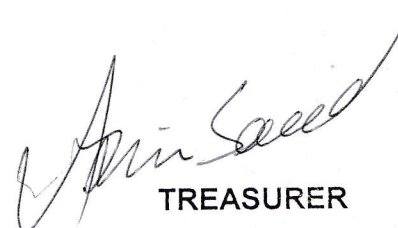
## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 Rupees	2021 Rupees (Re-stated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		5,721,117	3,042,267
<b>Adjustments for non cash items</b>			
Depreciation of property and equipment	5.1	116,917	112,122
Markup income on loan	15	(18,415,624)	(12,320,979)
Profit on short term investment and bank deposit	15	(4,861,086)	(2,292,482)
Write-off of tax refunds due from the Government		-	217,866
Rental income recognized during the year	17	(722,444)	(660,482)
		(23,882,237)	(14,943,955)
Deficit before working capital changes		(18,161,120)	(11,901,688)
<b>Effect on cash flow due to working capital changes:</b>			
Increase in short term deposits, advances and prepayments		(18,243)	(43,159)
Increase / (decrease) in accrued and other liabilities		1,777,274	(469,470)
		1,759,031	(512,629)
Cash used in operations		(16,402,089)	(12,414,317)
Rental income received during the year		774,931	702,768
Advance income tax paid		(128,710)	(65,086)
Net cash used in operating activities		(15,755,868)	(11,776,635)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of short term loan	6	-	15,000,000
Purchase of term deposit receipts - net		(5,300,000)	(23,500,000)
Purchase of fixed asset		(110,000)	-
Markup on short term loan received	15	18,415,624	12,320,979
Profit on short term investments and bank deposit received	15	4,528,247	1,944,963
Net cash generated from investing activities		17,533,871	5,765,942
Net increase / (decrease) in cash and cash equivalents		1,778,003	(6,010,693)
Cash and cash equivalents at the beginning of year		4,634,275	10,644,968
Cash and cash equivalents at the end of year	10	6,412,278	4,634,275

The annexed notes 1 to 27 form an integral part of these financial statements.

  
EXECUTIVE DIRECTOR

  
TREASURER



# DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION (DAMEN) PAKISTAN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 1 Legal status and nature of business

- 1.1 Development Action for Mobilization and Emancipation (DAMEN) Pakistan (the 'Society') was founded and registered in May 1992 as a non profit organization under the Societies Registration Act XXI of 1860. The principal activity of DAMEN Pakistan is to provide financial and operational support for provision of primary education and basic health facilities through community based schools and health care services in rural areas in vicinity of Lahore, Kasur, Sheikhpura and Nankana Districts. In addition to these functions, DAMEN Pakistan also provides non financial services in the form of trainings both to its clients and staff.
- 1.2 The registered office of the Society is situated at 1st Floor, 187-Excise and Taxation Employees Cooperative Housing Society, (ETECHS) Abdul Sattar Edhi Road, Lahore.

### 2 Statement of compliance

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

- Accounting Standard for Not-for-Profit Organisations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP); and
- Revised Accounting and Financial Reporting Standard for Small-sized entities (AFRS for SSEs) as notified by the Institute of Chartered Accountants of Pakistan (ICAP) in 2015.

### 3 Basis of preparation

These accounts have been prepared under the historical cost convention.

#### 3.1 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is also the functional currency of the Society and has been rounded off to the nearest Rupee.

#### 3.2 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Society'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. Revisions to the accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Society's financial statements or where judgments were exercised in application of accounting policies are as follows:

	Notes
Residual values, useful lives and depreciation method of property and equipment	4.1
Provisions	4.9
Expenditure allocation between general & administrative expenses and different programs	4.11

- 3.2.1 During the year, the Society has revised the allocation ratio of expenses from 10%, 30%, 30% and 30% to 10%, 15%, 50% and 25% ratio to general and administrative expenses, training expenses, home school expenses and health care expenses respectively. The change in estimate is intended to provide more appropriate and relevant information to the users of the financial statements based on the efforts applied by the staff and utilization of income / resources of the Society for the respective programs as per budget approved by the Board of Directors at the commencement of the financial year. The effect of change in accounting estimate has been applied prospectively with effect from January 01, 2022 as per guidance of Section 19 'Accounting Policies, Changes in Accounting Estimates and Errors' of AFRS for SSEs.2

#### 4 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 4.1 Property and equipment

###### a) Cost

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment loss, if any.

###### b) Depreciation

Depreciation on all operating fixed assets is charged to income on straight-line method so as to write off the historical cost of assets over estimated useful life at rates specified in note 5. Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is derecognized.

###### c) Disposal

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 income and expenditure account when the asset is derecognized.

###### d) Impairment

Impairment loss or its reversal, if any, is charged to income. Where an impairment loss is recognized, the depreciation charge is adjusted in the future years to allocate the asset's revised carrying amount over its estimated useful life. The carrying amounts of the Society's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the income and expenditure account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income and expenditure account.

##### 4.2 Fund Accounting

The Society follows restricted fund method of accounting for donations.

###### 4.2.1 General Fund and Reserves

These are unrestricted funds. Income arising from general unrestricted resources is recognized in the income and expenditure account when the amount of income can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Society.

###### 4.2.2 Restricted funds

Funds held for specific usage are restricted funds which are separately accounted for and presented in the financial statements.



Contributions against restricted funds are recognized as income in the year of receipt in the income and expenditure account for the respective restricted fund reported in the financial statements. Contributions subject to similar restrictions will all be reported in the same fund and will be accounted for in the same way on consistent basis from year to year. Income that is generated from assets held in a restricted fund is subject to the same restrictions as the original fund, unless the terms that imposed the original restriction specifically say otherwise.

There are no funds which are designated as restricted funds.

#### **4.3 Operating leases**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. The rental under an operating lease is recognised as an income / expense on accrual basis in the income and expenditure account on a straight-line basis over the lease term.

#### **4.4 Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument, or its component parts, is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

##### **4.4.1 Initial recognition of financial instruments**

Financial assets and financial liabilities are measured initially at fair value, except for certain non-arm's length transactions.

##### **4.4.2 Subsequent recognition of financial instruments**

Financial assets and financial liabilities are subsequently measured at amortized cost, except for investments in equity instruments. Investments in equity instruments that are quoted in an active market shall be measured at fair value and investments in equity instruments that do not have active market shall be carried at cost less impairment, if any. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, investment, accounts receivable and term deposits.

#### **4.5 Advances, prepayments and other receivables**

Advances, prepayments and other receivables are carried at original cost less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off, when identified.

#### **4.6 Accrued and other payables**

Liabilities for accrued and other payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

#### **4.7 Deferred Income**

Income, the consideration of which is received in advance is recorded as a deferred income. This is the income which is not earned in the reporting period.

#### **4.8 Income recognition**

##### **4.8.1 Donation**

Income from donation is recorded on receipt basis.



Profit on investment in term deposit receipts and bank deposits is recognized using effective interest rate method.

#### 4.8.3 Grant

Grants are recognized when the amount has been received by the Society. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

#### 4.9 Provisions

Provisions are recognized when, and only when, the Society has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### 4.10 Staff retirement benefits

The Society operates a recognized provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Society and the employees at the rate of 10 percent of the basic salary. Obligation for contributions to defined contribution plan is recognized as an expense in the income and expenditure account as and when incurred.

#### 4.11 Basis of allocation of common expenditure

Expenditure incurred by the Society, other than those that are directly attributable to administrative and general expenses or a particular program, are allocated in 10%, 15%, 50% and 25% (2021: 10%, 30%, 30% and 30%) ratio to general and administrative expenses, training expenses, home school expenses and health care expenses respectively.

#### 4.12 Foreign currency translations

Transactions in foreign currencies are initially recorded by the Society at their respective functional currency (Pak Rupee) spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the income and expenditure account.

#### 4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to insignificant risk of changes in values and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

#### 4.14 Related party transactions

Transactions and contracts with related parties are carried out mutually agreed amount determined in accordance with comparable uncontrolled price method. Parties are said to be related if they are able to influence the operating and financial decision of the Society and vice versa.

5 Property and equipment

Operating fixed assets

5.1 Operating fixed assets

Description	2022						Rate %	
	Cost		Accumulated depreciation			Net book value as at December 31		
	As at January 01	Additions during the year	As at December 31	As at January 01	Depreciation for the year			Disposal / Write- off

2021								
Description	Cost		Accumulated depreciation			Net book value as at December 31	Rate %	
	As at January 01	Write-offs	As at December 31	As at January 01	Depreciation for the year			Write-offs
Rupees								
Land	3,866,200	-	3,866,200	-	-	-	3,866,200	-
Building	1,157,579	-	1,157,579	451,156	57,880	-	509,036	5
Vehicles	2,624,200	-	2,624,200	2,619,714	4,486	-	2,624,200	20
Computer equipment	582,752	(148,843)	433,909	573,978	5,657	(148,843)	430,792	33
Furniture and fixtures	408,756	(47,195)	361,561	265,865	31,221	(47,195)	249,891	10
Office equipment	1,500,952	(820,567)	680,385	1,466,938	12,878	(820,567)	659,249	20
	10,140,439	(1,016,605)	9,123,834	5,377,651	112,122	(1,016,605)	4,473,168	
								4,650,666

5.2 Depreciation charge has been allocated in 10%, 15%, 50% and 25% (2021: 10%, 30%, 30% and 30%) ratio to general and administrative expenses, training expenses, home school expenses and health care expenses respectively.

	Note	2022 Rupees	2021 Rupees
	5.1	4,643,749	4,650,666



		Note	2022 Rupees	2021 Rupees
6	Short term loan	6.1	<u>110,000,000</u>	<u>110,000,000</u>
6.1	A demand finance loan of Rs. 110 million has been given to Damen Support Programme, a related party, in four tranches to enhance the microcredit programme of Damen Support Programme. As per the financing agreement, the 6 monthly KIBOR plus 325 basis points, prevailing on the first working day of January and July, shall be applied to Damen Support Programme as markup for the subsequent half year, with no floor and ceiling. Markup is repayable on quarterly basis in arrears. The loan financing has been renewed for further one year on mutual agreement of both parties. Principle repayments will start from May 14, 2023 and lump sum amount will be paid on maturity date for each tranche, as per repayment schedule agreed by both the parties. This loan is secured against hypothecation of receivables but the charge is not registered.			
		Note	2022 Rupees	2021 Rupees
7	Short term investments	7.1	<u>38,800,000</u>	<u>33,500,000</u>
7.1	This represents investment in Term Deposit Receipts (TDRs) carrying markup at rates ranging from 15.00% to 16.50% per annum (2021: 7.45% to 10.00%).			
			2022 Rupees	2021 Rupees
8	Tax refund due from government		<u>372,843</u>	<u>244,133</u>
8.1	The Society is allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes, under section 2(36) of the Income Tax Ordinance, 2001 subject to certain conditions.			
	The Society has been granted exemption under section 2(36) of the Income Tax Ordinance, 2001 up to June 30, 2023 through order of Commissioner Inland Revenue dated April 30, 2021.			
			2022 Rupees	2021 Rupees
9	Short term deposits, advances and prepayments			
	Security deposits		187,500	187,500
	Prepaid insurance		135,666	131,880
	Advance to staff		29,555	-
	Advances to supplier		3,249	-
	Insurance premium receivable		<u>2,687</u>	<u>21,034</u>
			<u>358,657</u>	<u>340,414</u>
10	Cash and bank balances			
	Cash in hand		4,075	11,783
	Cheque in hand		-	-
	Cash with banks:			
	Deposit accounts:			
	- local currency		6,390,344	4,604,658
	- foreign currency		17,859	17,834
			<u>6,408,203</u>	<u>4,622,492</u>
			<u>6,412,278</u>	<u>4,634,275</u>
10.1	The deposit accounts carries mark up at rates ranging from 7.7% to 12.70% per annum (2021: 6.00% to 8.25% per annum).			

412



			2022	2021
		Note	Rupees	Rupees
11	<b>Reserves</b>			
	Social Sector Programme - unrestricted		<u>139,766,521</u>	<u>139,766,521</u>
12	<b>Accrued and other liabilities</b>			
	Accrued expenses		659,893	840,548
	Other payables		<u>2,572,934</u>	<u>615,005</u>
			<u>3,232,827</u>	<u>1,455,553</u>
13	<b>Deferred income</b>			
	Un-earned rental income		<u>547,313</u>	<u>494,826</u>
14	<b>Contingencies and commitments</b>			
	Contingencies and commitments as of reporting date are Nil (2021: Nil).			
15	<b>Profit on investments and bank deposits</b>			
	Profit on short term investments		4,380,474	2,048,902
	Profit on bank deposits		480,612	243,580
	Markup income on loan		<u>18,415,624</u>	<u>12,320,979</u>
			<u>23,276,710</u>	<u>14,613,461</u>
16	<b>Grant / Donation</b>			
	Grant		-	-
	Donation		<u>550,000</u>	<u>540,000</u>
			<u>550,000</u>	<u>540,000</u>
17	<b>Other income</b>			
	Rental income		722,444	660,482
	Surrendered salary	17.1	-	80,304
	Recovery of insurance premium		-	21,034
	Others		<u>365</u>	<u>-</u>
			<u>722,809</u>	<u>761,820</u>

17.1 The surrendered salary pertains to non-fulfilment of contractual requirement of furnishment of one month period of notice prior to leaving employment by an outgoing employee. The amount was deducted from the provident fund balance of the employee.

475

		2022	2021
		Rupees	Rupees
18	<b>General and administrative expenses</b>		
	Salaries, wages, and other benefits	927,616	815,821
	Auditor's remuneration	575,000	575,000
	Covid-19 staff benefit	131,544	57,910
	Rent, rates and taxes	59,173	64,261
	Professional charges	58,385	55,250
	Staff health insurance	52,990	53,773
	Travelling expenses	40,535	26,772
	Utilities	25,924	18,047
	Office repair and maintenance	22,796	20,493
	Office supplies	13,644	14,379
	Miscellaneous	13,506	40,533
	Depreciation	11,690	11,211
	Communications	10,313	9,035
	Bank charges	9,576	7,148
	Insurance	7,647	8,023
	Printing and stationery	8,397	10,520
		<u>1,968,736</u>	<u>1,788,176</u>
19	<b>Capacity Building &amp; Training Expenses</b>		
	Salaries, wages, and other benefits	1,878,737	2,405,174
	Workshop and training	129,050	74,587
	Rent, rates and taxes	95,834	161,341
	Professional charges	87,578	165,750
	Staff health insurance	79,483	172,061
	Travel expenses	68,848	74,076
	Vehicles running expense	46,560	6,450
	Utilities	38,886	54,140
	Office repair and maintenance	34,194	61,480
	Miscellaneous	22,263	151,349
	Staff refreshment	20,466	43,137
	Depreciation	17,538	33,637
	Communications	15,469	27,104
	Meeting expense	13,031	3,275
	Insurance	11,471	24,069
		<u>2,559,408</u>	<u>3,457,630</u>

471

20	Home schools expenses	2022 Rupees	2021 Rupees
	Salaries, wages, and other benefits	3,298,355	2,839,590
	Stipend to home school teachers	3,280,600	1,173,000
	Donation of furniture (desks and mats) to home schools	2,671,850	-
	Annual event expense	540,096	4,715
	Professional charges	291,925	165,750
	Staff health insurance	264,959	204,323
	Rent, rates and taxes	287,614	157,411
	Travel expenses	238,431	82,754
	Utilities	129,619	54,140
	Office repair and maintenance	113,982	61,480
	Staff refreshment	68,220	43,137
	Vehicles running and maintenance	60,715	21,170
	Depreciation	58,459	33,637
	Communications	51,564	27,104
	Printing and stationery	41,992	32,164
	Insurance	38,235	24,069
	Networking and linkages	30,760	3,544
	Miscellaneous	32,218	119,145
	Field staff travelling allowance	-	8,964
		<u>11,499,594</u>	<u>5,056,097</u>

21	Health care expenses		
	Salaries, wages, and other benefits	1,326,793	1,474,559
	Medical camp and health awareness sessions related expenses	640,564	173,780
	Professional charges	145,963	165,750
	Rent, rates and taxes	143,807	157,411
	Staff health insurance	132,480	107,533
	Travel expenses	107,662	50,209
	Utilities	64,809	54,140
	Office repair and maintenance	56,991	61,480
	Staff refreshment	34,111	43,137
	Miscellaneous	33,778	122,513
	Vehicles running expense	31,081	57,745
	Depreciation	29,229	33,637
	Communications	25,782	27,104
	Printing and stationery	20,996	31,544
	Insurance	19,118	24,069
		<u>2,813,164</u>	<u>2,584,611</u>

## 22 Remuneration of key management personnel

The aggregate amount charged in the financial statements for the year in respect of remuneration including certain benefits to the Chief Executive Officer of the Society is as follows:

	2022 Rupees	2021 Rupees
Managerial remuneration	<u>1,582,032</u>	<u>1,483,152</u>

-----Number-----

No. of persons	<u>1</u>	<u>1</u>
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## 23 Related party transactions

- 23.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include directors, entities with common Board members and entities due to common control. All transactions with such parties are called related party transactions.
- 23.2 The outstanding balances of such parties have been disclosed in respective notes to the financial statements. Significant transactions with related parties and associated undertakings are as under:

			2022	2021
Relationship	Name	Nature of transaction	Rupees	Rupees
Affiliate	Damen Support Programme	Markup income on loan	18,415,624	12,320,979
		Rental Income	722,444	660,482
Employee benefit plan	Staff Provident Fund	Contribution paid	399,122	427,218
Advisor to Board of Directors	Naghma Rashid	Donation	200,000	180,000
Member, Board of Directors	Babar Agha	Donation	130,000	180,000
Member, Board of Directors	Salma Rashid	Donation	130,000	120,000
Member, Board of Directors	Syed Ghayoor Obaid	Donation	65,000	-
Member, Board of Directors	Ghazala Abbas	Donation	25,000	-
Chairperson	Saweela Anees	Donation	-	60,000

The aforementioned transactions with related parties have been conducted in the normal course of business.

Transactions entered into with the key management personnel - Chief Executive Officer are as per the terms of employment as disclosed in note 22.

	2022	2021
	-----Number-----	
24 Number of employees		
Number of employees at the end of the year	15	15
Average number of employees during the year	15	15

## 25 Date of authorization

These financial statements have been approved by the Board of Directors and authorized for issuance on June 10, 2023.

91r

Corresponding figures have been rearranged and reclassified, wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant rearrangements and reclassifications have been made, except for the following:

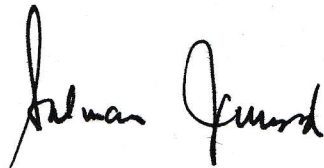
- Expenses incurred for staff health insurance (refer note 18,19, 20 and 21 to the financial statements), previously presented under 'Salaries, wages, and other benefits' on a cumulative basis, are now reported separately under 'Staff health insurance'
- During the current year, the Society for better and consistent presentation in statement of cash flows with regards to profit received on short term investment and bank deposits has reported the comparative figure amounting to Rs. 243,580 in respect of profit received on bank deposits under 'Profit on short term investments and bank deposit received'.

27

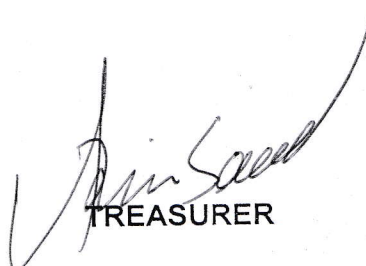
## General

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

411



EXECUTIVE DIRECTOR



TREASURER