DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION (DAMEN) PAKISTAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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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, 2021, 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, 2021, 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 ICAP and AFRS for SSEs issued by the 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.

Other Matter

The annual financial statements of the Society for the year ended December 31, 2020 have been audited by another firm of chartered accountants who vide their report dated April 12, 2021 expressed an unmodified opinion thereon.

A. F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants

Lahore

Date: April 12, 2022

Name of the engagement partner: Hammad Ali Ahmad

DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION (DAMEN) PAKISTAN

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	4,650,666	4,762,788
Long term security deposit		170,000	170,000
		4,820,666	4,932,788
CURRENT ASSETS			
Short term loan	6	110,000,000	125,000,000
Short term investments	7	33,500,000	10,000,000
Accrued markup on short term investments		381,424	33,905
Tax refund due from government	8	244,133	396,913
Short term deposits, advances and prepayments	9	340,414	297,255
Cash and bank balances	10	4,634,275	10,644,968
		149,100,246	146,373,041
TOTAL ASSETS		153,920,912	151,305,829
FUNDS AND LIABILITIES			
FUNDS			
General fund		12,204,012	9,161,745
Reserves	11	139,766,521	139,766,521
Total funds		151,970,533	148,928,266
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	12	1,455,553	1,925,023
Deferred income	13	494,826	452,540
Total liabilities		1,950,379	2,377,563
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL FUNDS AND LIABILITIES		153,920,912	151,305,829

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, 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Profit on investments and bank deposits	15	14,613,461	18,171,117
Grant / Donation	16	540,000	440,000
Membership fee		13,500	15,500
Other income	17	761,820	597,740
		15,928,781	19,224,357
EXPENDITURES			
General and administrative expenses	18	1,788,176	1,651,618
Training expenses	19	3,457,630	3,351,517
Home schools expenses	20	5,056,097	7,479,887
Health centres expenses	21	2,584,611	2,526,826
		12,886,514	15,009,848
SURPLUS FOR THE YEAR		3,042,267	4,214,509

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 CHANGES IN FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Reserves	Total Funds
	Rupees	Rupees	Rupees
Balance as at January 01, 2020	4,947,236	139,766,521	144,713,757
Surplus for the year	4,214,509	-	4,214,509
Balance as at December 31, 2020	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

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, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		3,042,267	4,214,509
Adjustments for non cash items			
Depreciation of property and equipment	5.1	112,122	232,607
Markup income on loan	15	(12,320,979)	(16,860,563)
Profit on short term investment	15	(2,048,902)	(627,162)
Write-off of tax refunds due from the Government		217,866	-
Grant recognized as income during the year		-	(50,000)
Rental income recognized during the year	17	(660,482)	(597,740)
		(14,700,375)	(17,902,858)
Deficit before working capital changes		(11,658,108)	(13,688,349)
Effect on cash flow due to working capital changes:			
(Increase) / decrease in short term deposits, advances and prepayments		(43,159)	17,396
(Decrease) / increase in accrued and other liabilities		(469,470)	969,031
		(512,629)	986,427
Cash used in operations		(12,170,737)	(12,701,922)
Rental income received during the year		702,768	638,880
Advance income tax paid		(65,086)	(178,374)
Net cash used in operating activities		(11,533,055)	(12,241,416)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of short term loan	6	15,000,000	-
Purchase of term deposit receipts		(28,500,000)	(29,000,000)
Proceeds from maturity of term deposit receipts		5,000,000	19,000,000
Markup on short term loan received	15	12,320,979	16,860,563
Profit on short term investments received	15	1,701,383	593,257
Net cash generared from investing activities		5,522,362	7,453,820
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net decrease in cash and cash equivalents		(6,010,693)	(4,787,596)
Cash and cash equivalents at the beginning of year		10,644,968	15,432,564
Cash and cash equivalents at the end of year	10	4,634,275	10,644,968

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, 2021

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 centres in rural areas in vicinity of Lahore, Kasur, Sheikhupura 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 and useful lives of property and equipment	4.1
Provisions	4.9

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 Scciety.

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.

4.8.2 Profit on short term investment and bank deposits

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%, 30%, 30% and 30% ratio to general and administrative expenses, training expenses, home school expenses and health centres 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	Note	2021 Rupees	2020 Rupees
	Operating fixed assets	5.1	4,650,666	4,762,788

5.1 Operating fixed assets

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	As at December 31		
	Rupees								
Land	3,866,200	-	3,866,200	-	-	-	-	3,866,200	-
Building	1,157,579	-	1,157,579	451,156	57,880	-	509,036	648,543	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	3,117	33
Furniture and fixtures	408,756	(47,195)	361,561	265,865	31,221	(47,195)	249,891	111,670	10
Office equipment	1,500,952	(820,567)	680,385	1,466,938	12,878	(820,567)	659,249	21,136	20
	10,140,439	(1,016,605)	9,123,834	5,377,651	112,122	(1,016,605)	4,473,168	4,650,666	

2020									
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	As at December 31		
	Rupees								
Land	3,866,200	-	3,866,200	-	-	-	-	3,866,200	-
Building	1,157,579	-	1,157,579	393,277	57,879	-	451,156	706,423	5
Vehicles	2,624,200	-	2,624,200	2,596,061	23,653	-	2,619,714	4,486	20
Computer equipment	582,752	-	582,752	548,330	25,648	-	573,978	8,774	33
Furniture and fixtures	408,756	-	408,756	230,073	35,792	-	265,865	142,891	10
Office equipment	1,500,952	-	1,500,952	1,377,303	89,635	-	1,466,938	34,014	20
	10,140,439	-	10,140,439	5,145,044	232,607	-	5,377,651	4,762,788	

5.2 Depreciation charge has been allocated in 10%, 30%, 30% and 30% ratio to general and administrative expenses, training expenses, home school expenses and health centres expenses respectively.

		Note	2021 Rupees	2020 Rupees
6	**Short term loan**	6.1	110,000,000	125,000,000

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 Suport 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 extended to further one year on mutual agreement of both parties. Principle repayments will start from May 14, 2022 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	2021 Rupees	2020 Rupees
7	**Short term investments**	7.1	33,500,000	10,000,000

7.1 This represents investment in Term Deposit Receipts (TDRs) carrying markup at rates ranging from 7.45% to 10.00% per annum (2020: 5.50% to 11.35% per annum).

		2021 Rupees	2020 Rupees
8	**Tax refund due from government**	244,133	396,913

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.

		2021 Rupees	2020 Rupees
9	**Short term deposits, advances and prepayments**		
	Security deposits	187,500	187,500
	Prepaid insurance	131,880	109,755
	Insurance premium receivable	21,034	-
		340,414	297,255

10	**Cash and bank balances**		
	Cash in hand	11,783	3,714
	Cheque in hand	-	3,213,699
	Cash with banks:		
	Deposit accounts:		
	- local currency	4,604,658	7,409,748
	- foreign currency	17,834	17,807
		4,622,492	7,427,555
		4,634,275	10,644,968

10.1 The deposit accounts carries mark up at rates ranging from 6.00% to 8.25% per annum (2020: 5.5% to 11.25% per annum).

		Note	2021 Rupees	2020 Rupees
11	**Reserves**			
	Social Sector Programme - unrestricted	11.1	139,766,521	139,766,521

11.1 Social Sector Programme - unrestricted

Health center - Shahpur	-	37,185
Health center - Chung	-	15,761
Education services	-	269,400
	-	322,346
Sustainability reserve - social sector programme	139,766,521	139,444,175
	139,766,521	139,766,521

11.2 Reserves amounting to Rs. 322,346 have been transferred from various project related reserves to 'Sustainability reserve - social sector programme' through resolution of Board of Directors, since no contractual or other restriction exists on the utlization of these funds.

		2021 Rupees	2020 Rupees
12	**Accrued and other liabilities**		
	Accrued expenses	840,548	1,465,023
	Other payables	615,005	460,000
		1,455,553	1,925,023

13	**Deferred income**		
	Un-earned rental income	494,826	452,540

14 Contingencies and commitments

Contingencies and commitments as of reporting date are Rs. Nil (2020: Rs. Nil).

15	**Profit on investments and bank deposits**		
	Profit on short term investments	2,048,902	627,162
	Profit on bank deposits	243,580	683,392
	Markup income on loan	12,320,979	16,860,563
		14,613,461	18,171,117

16	**Grant / Donation**		
	Grant	-	50,000
	Donation	540,000	390,000
		540,000	440,000

		Note	2021 Rupees	2020 Rupees
17	**Other income**			
	Rental income		660,482	597,740
	Surrendered salary	17.1	80,304	-
	Recovery of insurance premium		21,034	-
			761,820	597,740

17.1 The surrendered salary pertains to non-fulfillment 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.

		2021 Rupees	2020 Rupees
18	**General and administrative expenses**		
	Salaries, wages, and other benefits	869,594	844,490
	Auditor's remuneration	575,000	517,600
	Depreciation	11,211	23,261
	Professional charges	55,250	96,655
	Office supplies	14,379	20,340
	Travelling expenses	26,772	31,867
	Rent, rates and taxes	64,261	53,962
	Utilities	18,047	14,508
	Communications	9,035	8,922
	Insurance	8,023	7,465
	Printing and stationery	10,520	3,753
	Bank charges	7,148	6,692
	Office repair and maintenance	20,493	15,560
	Covid-19 staff benefit	57,910	-
	Miscellaneous	40,533	6,543
		1,788,176	1,651,618

19	**Training expenses**		
	Salaries, wages, and other benefits	2,577,235	2,519,764
	Depreciation	33,637	69,782
	Workshop and training	74,587	40,692
	Professional charges	165,750	289,965
	Travel expenses	74,076	65,807
	Rent, rates and taxes	161,341	139,764
	Utilities	54,140	43,524
	Insurance	24,069	22,396
	Communications	27,104	26,767
	Staff refreshment	43,137	39,146
	Vehicles running expense	6,450	21,420
	Office repair and maintenance	61,480	46,681
	Meeting expense	3,275	2,196
	Miscellaneous	151,349	23,613
		3,457,630	3,351,517

		2021	2020
		Rupees	Rupees
20	**Home schools expenses**		
	Salaries, wages, and other benefits	3,043,913	3,025,295
	Stipend to home school teachers	1,173,000	2,495,074
	Annual event expense	4,715	1,014,412
	Professional charges	165,750	289,965
	Depreciation	33,637	69,782
	Field staff travelling allowance	8,964	3,900
	Office repair and maintenance	61,480	46,681
	Vehicles running and maintenance	21,170	50,272
	Rent, rates and taxes	157,411	210,162
	Printing and stationery	32,164	25,203
	Travel expenses	82,754	101,395
	Insurance	24,069	22,396
	Utilities	54,140	43,524
	Communications	27,104	26,767
	Networking and linkages	3,544	4,500
	Staff refreshment	43,137	39,146
	Miscellaneous	119,145	11,413
		5,056,097	7,479,887
21	**Health centres expenses**		
	Salaries, wages, and other benefits	1,582,092	1,558,320
	Subsidy to health centers	173,780	207,158
	Printing and stationery	31,544	12,200
	Depreciation	33,637	69,782
	Vehicles running expense	57,745	58,742
	Travel expenses	50,209	57,010
	Professional charges	165,750	289,965
	Rent, rates and taxes	157,411	81,199
	Insurance	24,069	22,396
	Utilities	54,140	43,524
	Communications	27,104	26,767
	Office repair and maintenance	61,480	46,681
	Staff refreshment	43,137	39,146
	Miscellaneous	122,513	13,936
		2,584,611	2,526,826

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:

	2021	2020
	Rupees	Rupees
Managerial remuneration	1,483,152	1,399,200
	----------Number----------	
No. of persons	1	1

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:

Relationship	Name	Nature of transaction	2021 Rupees	2020 Rupees
Affiliate	Damen Support Programme	Markup income on loan	12,320,979	16,860,563
		Rental Income	660,482	597,740
Employee benefit plan	Staff Provident Fund	Contribution paid	427,218	398,155
Member, Board of Directors	Syed Ghayoor Obaid	Donation	-	55,000
Chairperson	Saweela Anees	Donation	60,000	105,000
Member, Board of Directors	Salma Rashid	Donation	120,000	110,000
Advisor to Board of Directors	Naghma Rashid	Donation	180,000	110,000
Member, Board of Directors	Safia Fayyaz	Donation	-	25,000
Member, Board of Directors	Ghazala Abbas	Donation	-	35,000
Member, Board of Directors	Babar Agha	Donation	180,000	-

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.

24 Number of employees

	2021	2020
	----------Number----------	
Number of employees at the end of the year	15	16
Average number of employees during the year	15	16

25 Date of authorization

These financial statements have been approved by the Board of Directors and authorized for issuance on March 21, 2022.

26 **Corresponding figures**

Corresponding figures have been arranged / reclassified, wherever considered necessary for the purposes of better and fair presentation, however, no significant rearrangement / reclassifications have been made except for the following:

Short term deposits, advances and prepayments amounting to Rs. 170,000 is now presented under Long term security deposit.

27 **General**

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

EXECUTIVE DIRECTOR

TREASURER