



STRENGTHENING PARTICIPATORY ORGANIZATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF STRENGTHENING PARTICIPATORY ORGANIZATION

Report on Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Strengthening Participatory Organization (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in general fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in general fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the deficit, the other comprehensive income, the changes in general fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be

materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors 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 auditors 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.

Advised

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors 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 auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in general fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors report is Iffat Hussain.

ISLAMABAD

DATED: 29 OCTOBER 2023

UDIN: AR202310094FWg6CxUbZ

Bdo ebrahim & co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Bdo

STRENGTHENING PARTICIPATORY ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	278,118,454	220,744,101
Investment property	6	21,867,250	21,217,725
Intangible assets	7	55,773	32,561
		<u>300,041,477</u>	<u>241,994,387</u>
CURRENT ASSETS			
Advances	8	1,754,001	1,024,645
Deposits and short-term prepayments	9	6,297,731	5,533,932
Tax refunds due from the government	10	20,487,341	34,269,540
Grants receivable	11	57,308,334	56,682,893
Other receivables	12	121,465,810	32,644,886
Short-term investments	13	177,813,047	157,278,989
Cash and bank balances	14	221,862,886	38,646,623
		<u>606,989,151</u>	<u>326,081,508</u>
TOTAL ASSETS		<u><u>907,030,628</u></u>	<u><u>568,075,895</u></u>
FUNDS, RESERVE AND LIABILITIES			
FUNDS AND RESERVE			
Unrestricted funds		345,992,345	361,564,944
Revaluation reserve		112,033,781	80,108,412
		<u>458,026,126</u>	<u>441,673,356</u>
NON-CURRENT LIABILITIES			
Deferred capital grant	15	9,140,802	7,579,567
Deferred grant against operating activities	16	369,581,918	89,495,908
		<u>378,722,720</u>	<u>97,075,475</u>
CURRENT LIABILITIES			
Accrued and other liabilities	17	70,281,782	29,327,063
TOTAL FUNDS, RESERVE AND LIABILITIES		<u><u>907,030,628</u></u>	<u><u>568,075,895</u></u>
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 39 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

STRENGTHENING PARTICIPATORY ORGANIZATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
INCOME			
Grants	19	1,244,345,423	546,166,541
EXPENDITURE			
Programme activities:			
Programme expenses	20	(653,649,829)	(387,910,826)
Grants to Community Based Organizations (CBOs)/Others	21	(630,619,832)	(184,222,721)
		(1,284,269,661)	(572,133,547)
Administrative expenses	22	(10,932,585)	(9,017,530)
Other operating income	23	26,723,209	51,876,634
Net (deficit) / surplus for the year		(24,133,614)	16,892,097

The annexed notes from 1 to 39 form an integral part of these financial statements.


CHIEF EXECUTIVE

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DIRECTOR

STRENGTHENING PARTICIPATORY ORGANIZATION
STATEMENT OF OTHER COMPREHENSIVE (LOSS) / INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
Surplus / (deficit) for the year	(24,133,614)	16,892,097
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(24,133,614)</u>	<u>16,892,097</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

STRENGTHENING PARTICIPATORY ORGANIZATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	SPO receipts	SPO training units	Vehicle reserve fund	Sub total funds	Revaluation reserve	Total
Balance as at July 01, 2021	137,444,924	78,655,510	73,380,694	309,481,128	115,299,124	424,780,252
Net surplus for the year	15,195,221	744,387	952,488	16,892,096	-	16,892,096
Transferred to unrestricted funds						
- on account of inter region adjustments	1,008	-	-	1,008	-	1,008
- on account of incremental depreciation	35,190,712	-	-	35,190,712	(35,190,712)	-
	35,191,720	-	-	35,191,720	(35,190,712)	1,008
Balance as at June 30, 2022	307,831,865	79,399,897	74,333,182	361,564,944	80,108,412	441,673,356
Net surplus for the year	(21,283,626)	(2,674,008)	(175,981)	(24,133,614)	-	(24,133,614)
Transferred to unrestricted funds						
- on account of receipt from Emergency relief fund	8,548,164	-	-	8,548,164	-	8,548,164
- on account of incremental depreciation	11,773	-	-	11,773	31,925,369	31,937,142
	8,559,936	-	-	8,559,936	31,925,369	40,485,305
Balance as at June 30, 2023	195,108,175	76,725,890	74,157,201	345,991,266	112,033,781	458,025,047

The annexed notes from 1 to 39 form an integral part of these financial statements.

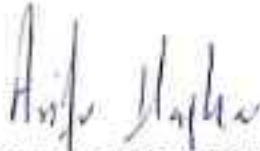

CHIEF EXECUTIVE


DIRECTOR

STRENGTHENING PARTICIPATORY ORGANIZATION
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED JUNE 30, 2023


	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net deficit before working capital changes	28	(1,285,991,926)	(570,077,184)
Working capital Changes:			
Advances		(729,356)	18,772,309
Deposits and prepayments		(763,799)	(2,890,035)
Other receivables		(88,820,924)	(29,125,388)
Grants receivables		(625,441)	-
Accrued and other liabilities		40,954,719	15,607,757
		(49,984,801)	2,364,643
Net cash used in operations		(1,335,976,727)	(567,712,541)
Advance tax refund/ (paid)		13,782,199	(1,643,195)
Grants received		1,525,515,919	542,440,617
Amount refunded to donors		-	(7,402,271)
Net cash generated from operating activities		203,321,390	(34,317,390)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(31,530,034)	(123,379,803)
Purchase of intangible assets		(60,000)	-
Proceeds from sale of property and equipment		1,350,668	67,073,986
Proceeds from sale of investment property		-	115,261,000
Proceeds from sale of long term deposit		-	100,000,000
Investment in term deposit receipt		-	(933,290)
Income received from rent		1,239,040	4,976,400
Return on term deposit receipts		21,440,892	10,391,164
Return on saving accounts		6,689,448	4,624,096
Miscellaneous income		1,005,550	-
Return on mutual funds		145,084	77,460
Net cash generated from investing activities		280,648	178,091,013
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		203,602,038	143,773,623
Cash and cash equivalent at the beginning of the year		194,992,322	51,206,286
Effect of exchange rate changes		3,199	12,413
Cash and cash equivalent at the end of year	24	398,597,559	194,992,322

The annexed notes from 1 to 39 form an integral part of these financial statements.



CHIEF EXECUTIVE

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DIRECTOR

STRENGTHENING PARTICIPATORY ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

1 THE COMPANY AND ITS OPERATIONS

1.1 Legal status and operations

Strengthening Participatory Organization (SPO or "the Company"), was incorporated as a company limited by guarantee in Pakistan under section 42 of the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) on January 15, 1994, having its registered office in Islamabad. It is right-based civil society organization of Pakistan working for the capacity building of community based organizations and public interest institutions through training and technical assistance, research, advocacy, linkages and networking.

The Company receives grants from various national and multinational organizations for implementation of its objectives. SPO strives to address the emerging issues in the particular socio-economic context of Pakistan through its core programme areas of democratic governance, social justice and peace and social harmony. In addition, SPO has a component of humanitarian response that deals with disasters and emergency situation.

1.2 Geographical location and addresses of business units

Locations:	Purpose
<ul style="list-style-type: none"> - Islamabad The registered office of the Company is situated at Building No 1B Street 26 G-9/1 Islamabad, Islamabad. 	Head Office
<ul style="list-style-type: none"> - Multan House no. 339 & 340, Block D, Shah Rukn-e-Alam Colony, Multan. 	Regional Office
<ul style="list-style-type: none"> - Lahore House No. 594, Block B Faisal Town, Moon Market Lahore 	Regional Office
<ul style="list-style-type: none"> - Quetta House no. 58-A ,Near Pak Japan Cultural Center, Jinnah Town, Quetta 	Regional Office
<ul style="list-style-type: none"> - Hyderabad Plot no. 158/2, Alamdar Chowk, Grid Station Qasimabad, Hyderabad 	Regional Office
<ul style="list-style-type: none"> - Karachi G-22, B/2 Park Lane 5, Clifton, Karachi 	Regional Office
<ul style="list-style-type: none"> - Turbat Pasni Road, Turbat 	Regional Office
<ul style="list-style-type: none"> - Peshawar 2nd Floor, Al-Kout Tower, Opposite FAW Showroom Peshawar, Near Sarhad University, Ring Road, Peshawar 	Regional Office
<ul style="list-style-type: none"> - Shikarpur Kirri Atta Muhammad, Near Mehran marble Factory, Sukpul, Shikarpur 	Regional Office

The Company's license under section 42 of the Companies Act, 2017, issued by the Securities and Exchange Commission of Pakistan (SECP), expired in January 2015. The Company's application for the renewal of the license, to SECP, submitted in January 2015, is awaiting approval from the Ministry of Interior, Government of Pakistan.

SECP vide its letter CLD/CCD/CO.42/RN/69/2015-8299 dated 17 August 2020 stated that the matter has been forwarded to Ministry of Interior, Government of Pakistan for obtaining necessary clearance regarding foreign funding/ directors before grant of renewal of license under section 42 of the Companies Act, 2017. The management of the Company is confident that the license will be renewed in due course.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under historical cost convention and have been prepared on accrual basis of accounting except for freehold land and building, which have been measured at revalued amounts and cash flow statement.

The preparation of these financial statements in conformity with approved accounting standards requires the management to exercise its judgment in the process of applying the Company's accounting policies and use of certain critical accounting estimates. The areas involving a higher degree of judgment, critical accounting estimates and significant assumptions are disclosed in note 4.1.

2.3 Functional and presentation currency

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

Advis-

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

Effective date
(annual periods
beginning on or
after)

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework January 01, 2022

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements January 01, 2024

Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies January 01, 2023

Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Significant accounting estimates and judgments

While applying the accounting policies as stated in Note 4.2 to 4.16 to the Financial Statements, the management of the Company has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year of the revision in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current year are discussed below:

Below.

(i) Useful life of property and equipment

The management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge is adjusted where management believes that the useful lives differ from previous estimates.

(ii) Impairment of property and equipment

Property and equipment are assessed for impairment based on assessment of cash flows on individual cash-generating units when there is indication of impairment.

The carrying amounts of property and equipment at June 30, 2023 was Rs. 278.118 million (2022: Rs. 220.744 million).

The net present values are compared to the carrying amounts to assess any probable impairment.

(iii) Revaluation of property

The Company engaged an independent valuation specialist to assess the fair value of property as at June 30, 2023. Property was valued by reference to fair value method.

(iv) Fair value of investment property

In order to assess the fair value of the investment property, the Company has obtained an independent valuation report. Management believes that the appraised value reflects the true fair value of property in light of current economic situations. The total fair value of investment property at June 30, 2023 amounted to Rs. 21.867 million (2022: Rs. 21.217 million).

(v) Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

(vi) Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property or property and equipment. The Company develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property and property and equipment. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 16 "Property, Plant and Equipment" and IAS 40 "Investment Property", in particular, the intended usage of property as determined by management.

Address.

4.2 Property and equipment

Property and equipment, except freehold land and buildings, are stated at cost less accumulated depreciation and impairment, if any. Freehold land and buildings are stated at revalued amounts less accumulated depreciation and impairment losses, if any.

Depreciation is charged to the Income and Expenditure Statement by applying the straight-line method, whereby the cost of an asset is written-off over its estimated useful life. The rates of depreciation are stated in note 5 to the financial statements. Depreciation on additions is charged from the month of acquisition with no charge of depreciation in the month of disposal (see note 5). Useful lives are determined by the management based on the expected usage of assets, the expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods is recognized prospectively as a change in accounting estimate.

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

An item of property and equipment is de-recognized 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 Statement in the year the asset is derecognized, and the related surplus on the revaluation is transferred directly to unrestricted funds.

Normal repairs and maintenance costs are charged to the Income and Expenditure Statement as and when incurred.

Any revaluation increase arising on the revaluation of land and buildings is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in Income and Expenditure Statement, in which case the increase is credited to Income and Expenditure Statement to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land and buildings is charged to Income and Expenditure Statement to the extent that it exceeds the balance, if any, held in the revaluation surplus on property and equipment relating to a previous revaluation of that asset. The surplus on revaluation of property and equipment to the extent of incremental depreciation charged, is transferred to unrestricted funds.

Advised

4.3 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of the investment property are included in the Income and Expenditure Statement in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the Pakistan Banking Association.

Investment property is derecognized either when it has been disposed-off or when it is permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the investment property is recognized in the Income and Expenditure Statement in the period of derecognition.

Transfers are made to/(from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, then it is accounted for such property, in accordance with the policy stated under property and equipment up to the date of change in use.

4.4 Intangibles

These are stated at cost less accumulated amortization and impairment, if any.

4.5 Cash and cash equivalents

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

4.6 Funds and reserves

The Company has setup three reserves, namely the "SPO Receipts", "SPO Training Unit" and "Vehicle Reserve Fund". The nature of these unrestricted funds is explained below. The Company being established under Section 42 of the Companies Act, 2017, none of its funds and reserve are distributable to the members of the Company.

4.6.1 SPO Receipts

This represents the balance of net surplus, except those described under notes 4.6.2 and 4.6.3.

4.6.2 SPO training unit

This represents the net surplus generated from training related activities, including training fees charged to donors.

Pakistan

4.6.3 Vehicle reserve fund

This represents the net surplus generated from vehicle rental income charged to donors.

4.7 Provisions

A provision is recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) 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 reporting date and adjusted to reflect the current best estimate.

4.8 Staff retirement benefits - Defined contribution plan

The Company operates a defined contribution provident fund scheme (the Fund) for its eligible employees. The fund which is separately maintained, is recognized and is fully funded. Contributions to the fund are made by the Company and its employees in accordance with the rules of the fund. The rate of employer and employee contributions is 10% of the basic pay of eligible employees.

4.9 Taxation

SPO has obtained the registration as a "non-profit organization" under section 2(36) of the Income Tax Ordinance, 2001 (the Ordinance) from the Commissioner of Inland Revenue as on August 16, 2021.

SPO is a welfare/non-profit organization and accordingly, management considers that a 100% tax credit under section 100C of the Ordinance is available to SPO in respect of its incomes specified in the said section.

The Company has been granted tax exemption by the Commissioner under section 2(36) of the Income Tax Ordinance, 2001 for tax years 2021 to 2023.

4.10 Revenue recognition

4.10.1 Grant income

Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions have been complied with.

4.10.2 Grants against operating activities

Grants of non-capital nature are recognized as deferred grant, at the time of their receipt. Subsequently, these are recognized in the Income and Expenditure Statement to the extent of expenditure incurred. Expenditure incurred against grants, against which grant funds have been committed but not received, is recognized in the Income and Expenditure Statement and is reflected as a receivable from donors in the Statement of Financial Position.

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4.10.3 Deferred capital grant

Grants received for the purchase of fixed assets are initially recorded as deferred capital grant upon receipt. Subsequently, these are recognized in the Income and Expenditure Statement, on a systematic basis, over the periods necessary to match them with the carrying value of the related assets.

4.10.4 Unrestricted grant

Unrestricted contribution is recognized as income in the period of its receipt.

4.10.5 Non-monetary grant

Grants of non-monetary assets such as land and other resources received as donations in kind for the use of the entity are accounted for as grant and asset at fair value on the date of their receipt.

4.10.6 NPO guideline

The Company has adopted the deferral method of accounting instead of fund accounting.

4.10.7 Profit on savings accounts and short-term investment

Profit on saving accounts and investments is accrued on a time proportion basis by reference to the principal balance outstanding and the applicable rate of return.

4.11 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through Profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in Income and Expenditure Statement when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include include grant receivables, deposits, accrued interest, other receivables, short term investments and cash at bank.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income and impairment losses or reversals are recognized in the Income and Expenditure Statement and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to Income and Expenditure Statement.

Flow.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to Income and Expenditure Statement.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as fair value through profit and loss if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the Income and Expenditure Statement.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

The rights to receive cash flows from the asset have expired; or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- a) the Company has transferred substantially all the risks and rewards of the asset; or
- b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Answer

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate (EIR). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

It is the Company's policy to measure ECLs on investment trade debt instruments at fair value through OCI on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the external credit agencies, both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liability

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Revised

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accrued and other liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments, if any, entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Income and Expenditure Statement.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through Income and Expenditure Statement.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Income and Expenditure Statement.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.12 Impairment of non-financial assets

The carrying values of non-financial assets are assessed at each reporting date, to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the non-financial assets is estimated. An impairment loss is recognized as an expense in the Income and

Expenditure Statement, for the amount by which the non-financial asset's carrying value exceeds its recoverable amount.

4.13 Foreign currency translation

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Foreign currency transactions, during the year, are recorded at the exchange rates approximating those ruling on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange, which approximate those prevailing on the reporting date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using the exchange rates prevailing at the dates of the initial transactions. Non-monetary items measured at fair values in a foreign currency, are translated using the exchange rates prevailing at the dates when the fair values were determined.

4.14 Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Currently all rent agreements are of short term nature, so Right of use asset and lease liability has not been recorded in current year.

As per

8 OPERATING FIXED ASSETS

COST / REVALUED AMOUNT						ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE	
Note	As at July 01, 2021	Additions	Increase due to revaluation	Disposals / transfers/ write offs	As at June 30, 2021	Rate	As at July 01, 2021	Charge for the year	Disposals / transfers/ write offs	As at June 30, 2021	As at June 30, 2021
	Rupees					%	Rupees				
June 30, 2021											
Freehold land	177,114,000	21,110,221	26,111,078	-	224,335,300	-	-	-	-	-	224,335,300
Buildings on freehold land	35,607,096	3,228,147	3,433,153	-	42,268,396	5%	1,261,098	1,891,602	-	3,152,700	41,206,696
Electrical appliances and equipment	23,171,823	418,740	-	-	23,590,563	20%	29,482,807	1,961,041	-	31,443,848	3,244,679
Vehicles	40,178,432	-	-	(2,291,071)	37,887,361	20%	29,410,462	173,800	(2,291,071)	37,269,272	194,189
Computer equipment	26,854,898	4,078,216	-	-	30,933,114	33%	33,543,295	2,739,616	-	36,282,911	5,671,781
Furniture and fixtures	10,276,295	2,492,558	-	-	12,768,853	20%	10,211,229	268,108	-	10,479,337	2,289,247
	222,036,142	27,329,534	31,544,231	(2,291,071)	259,618,836		112,915,580	6,952,412	(2,291,071)	118,576,921	278,118,494

COST / REVALUED AMOUNT						ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE	
Note	As at July 01, 2021	Additions	Increase due to revaluation	Disposals / transfers/ write offs	As at June 30, 2022	Rate	As at July 01, 2021	Charge for the year	Disposals / transfers/ write offs	As at June 30, 2022	As at June 30, 2022
	Rupees					%	Rupees				
June 30, 2022											
Freehold land	84,000,000	93,331,000	-	-	177,331,000	-	-	-	-	-	177,331,000
Building on freehold land	12,717,646	21,910,000	-	-	34,627,646	5%	292,548	970,510	-	1,263,058	34,612,598
Electrical appliances and equipment	16,978,511	3,540,535	-	(4,181,213)	16,337,833	20%	30,210,183	401,854	(1,129,300)	29,482,807	3,889,036
Vehicles	19,598,032	869,638	-	(289,000)	19,178,670	20%	19,998,012	1,011,438	(289,000)	19,410,462	702,970
Computer equipment	15,578,902	3,762,078	-	(2,440,884)	16,899,096	33%	23,154,303	1,827,817	(2,440,884)	22,539,236	4,289,601
Furniture and fixtures	10,448,723	-	-	(173,432)	10,275,291	20%	10,288,666	96,145	(173,432)	10,211,229	65,918
	139,363,812	109,153,643	-	(4,084,529)	244,432,926		113,945,662	3,495,529	(4,038,516)	113,402,675	236,944,101

8.1 Additions to freehold land and building represents the expenditure of 1 crore (9 crores) of Hyderabad property.

8.2 Depreciation for the year has been charged entirely to the Administrative expenses (Note 12).

8.3 The revalued land and buildings consist of land and office properties located in Hyderabad, Madras, Hyderabad and Tiruchirappalli of the Company. The management of the Company determined that these constitute two separate classes of assets under IAS 13, based on the nature, characteristics and risks of the land and properties.

8.4 The disposal represent fully depreciated vehicles which has been disposed off at cost of Rs. 1.5 million.

8.5 Fully depreciated assets having cost of Rs. 109.29 million are still in use.

5.6 Fair value measurement hierarchy of the assets:

	Total	observable	unobservable
	-----Rupees-----		
		(Level 2)	(Level 3)
Land	225,162,200	225,162,200	-
Buildings	44,321,196	-	44,321,196
	<u>269,483,396</u>	<u>225,162,200</u>	<u>44,321,196</u>

The latest revaluation of the Company's land and buildings was made on June 30, 2023 by an independent valuer resulting in net surplus of Rs. 31.93 million. Property is stated at fair value, which has been determined based on the valuation performed. The forced sale value of the said property is estimated to be Rs. 145.53 million.

If land and buildings were measured using the cost model, the carrying amounts would be, as follows:

	Total	Land	Buildings
	-----Rupees-----		
2023			
Cost	181,707,960	146,264,921	35,443,039
Accumulated depreciation	(10,926,728)	-	(10,926,728)
Net carrying amount	<u>170,781,232</u>	<u>146,264,921</u>	<u>24,516,311</u>
2022			
Cost	60,829,391	28,614,699	32,214,692
Accumulated depreciation	(9,154,576)	-	(9,154,576)
Net carrying amount	<u>51,674,815</u>	<u>28,614,699</u>	<u>23,060,116</u>

There were no transfers between the fair value measurement hierarchy during the year.

	Note	2023 Rupees	2022 Rupees
6 INVESTMENT PROPERTY			
6.1 Qualitative and quantitative disclosures			
Balance as at July 01,		21,217,725	130,918,200
Transfer of investment property		-	(115,261,000)
Gain on fair value measurement		649,525	5,560,525
Balance as at June 30,	6.2	<u>21,867,250</u>	<u>21,217,725</u>

	Note	2023 Rupees	2022 Rupees
Rental income derived from investment property	23	<u>1,239,040</u>	<u>4,976,400</u>

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop the investment property or for repairs, maintenance and enhancements.

- 6.2 This amount represents the fair value of Multan office building (measuring 30 Marlas, area; Shah Rukn-e-Alam Colony) by an independent valuer.

6.3 Fair value related disclosures

	Total	Land	Building
Balance as at July 01, 2022	21,217,725	15,375,000	5,842,725
Gain from fair value measurement	649,525	375,000	274,525
Balance as at June 30, 2023	<u>21,867,250</u>	<u>15,750,000</u>	<u>6,117,250</u>

	Note	2023 Rupees	2022 Rupees
7 INTANGIBLE ASSETS			
Cost			
Balance at July 01,		2,431,836	2,431,836
Additions during the year		60,000	-
		<u>2,491,837</u>	<u>2,431,836</u>
Accumulated amortization			
Balance at July 01,		(2,399,276)	(2,278,784)
Charge for the year		(36,789)	(120,491)
		<u>(2,436,064)</u>	<u>(2,399,276)</u>
Balance at the June 30,		<u>55,773</u>	<u>32,561</u>
Rate		33%	33%

- 7.1 This represents the accounting software license Sidat Haider Financials used by the entity. *advis*

		2023 Rupees	2022 Rupees
8	ADVANCES		
	To employees:		
	against expenses	1,466,165	778,320
	against salary	287,836	246,325
		<u>1,754,001</u>	<u>1,024,645</u>

9 **DEPOSITS AND SHORT TERM PREPAYMENTS**

Deposits	9.1	5,342,835	5,066,235
Prepayments:			
Rent		689,500	20,000
Insurance		192,414	190,635
Others		72,982	257,062
		<u>954,896</u>	<u>467,697</u>
		<u>6,297,731</u>	<u>5,533,932</u>

9.1 This includes security deposit to various landlords for various school buildings in Hyderabad .

		2023 Rupees	2022 Rupees
10	TAX REFUNDS DUE FROM THE GOVERNMENT		
	Advance income tax	18,316,597	17,096,675
	Recovered u/s 138 - tax year 2012, 2013 and 2014	2,170,744	17,172,865
		<u>20,487,341</u>	<u>34,269,540</u>

10.1 This represents amount deducted by the Federal Board of Revenue (FBR) in February and March 2018, directly from the Company's bank account against tax years 2014 and 2012, respectively. During the year, a refund order u/s 170 has been issued by FBR against which amount of Rs.15 million has been received.

		2023 Rupees	2022 Rupees
11	GRANTS RECEIVABLE		
	Grant receivable	57,308,334	56,831,564
	Allowance for expected credit losses	-	(148,671)
		<u>57,308,334</u>	<u>56,682,893</u>

Advised

	Note	2023 Rupees	2022 Rupees
11.1 Allowance for expected credit losses			
Opening balance		148,671	148,671
Written off during the year		(148,671)	-
Closing balance		-	148,671
12 OTHER RECEIVABLES			
Considered good			
Receivable from employees		1,732,084	752,294
Receivable from Partner NGO's and donors	12.1	6,210,826	703,298
Advances to implementing partners	12.2	108,895,576	-
Others		5,643,146	32,239,393
		122,481,632	33,694,985
Considered doubtful			
Specific provision - doubtful other receivables	12.3	(1,015,822)	(1,015,822)
Provision against expected credit losses		(34,277)	(34,277)
Written off during the year		34,277	-
		(1,015,822)	(1,050,099)
		121,465,810	32,644,886

12.1 This represents receivables from different Partner NGOs/donors on account of expenses incurred on their behalf and reimbursement of extra expenditure on programme activities.

	Note	2023 Rupees	2022 Rupees
12.2 Advances to implementing partners			
OXFAM Pakistan		72,050,499	-
PO/CSN/Networks		35,800,000	-
Others		1,045,077	-
		108,895,576	-
12.3 Specific provision - doubtful other receivables			
Balance as at July 01,		1,015,822	1,328,581
Reversal during the year		-	(312,759)
Balance as at June 30,		1,015,822	1,015,822

13 SHORT-TERM INVESTMENTS

At amortized cost

Term deposit receipt (TDR)	13.1	170,245,753	148,000,000
Interest accrued on TDR		6,488,920	8,345,699
		176,734,673	156,345,699

At fair value through profit and loss

Mutual funds	13.2	1,078,374	933,290
		177,813,047	157,278,989

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- 13.1 This includes investment in TDR with United Bank Limited amounting to Rs. 120 million having maturity date of April 2024 at a markup of 20% per annum and Silk Bank Limited amounting to Rs. 50,245 million having maturity dates till June 2024 at a markup of 20% (2022: 10% to 14%) per annum.
- 13.2 The mutual fund investment has been made in National Bank of Pakistan Funds.

	Note	2023 Rupees	2022 Rupees
14 CASH AND BANK BALANCES			
Cash in hand		117,267	43,422
Cash at bank:			
Current accounts			
local currency		189,541,004	35,978,150
foreign currency		-	(1,082)
		189,541,004	35,977,067
Savings accounts			
local currency		32,204,615	2,626,134
		<u>221,862,886</u>	<u>38,646,623</u>
14.1 These carry mark-up ranging between 14% to 18% (2022: 7% to 13.50%) per annum.			
	Note	2023 Rupees	2022 Rupees
15 DEFERRED CAPITAL GRANT			
Balance at the beginning of the year		7,579,567	3,470,428
Additions during the year (at cost)		4,446,136	4,780,051
		12,025,703	8,250,479
Amortization charge during the year	19	(2,884,901)	(670,913)
		<u>9,140,802</u>	<u>7,579,567</u>
16 DEFERRED GRANTS AGAINST OPERATING ACTIVITIES			
Opening balance		32,664,344	48,833,766
Grant received during the year		1,521,069,783	542,440,617
Grant recognized in income and expenditure:			
Against expenditure incurred		(1,220,865,303)	(536,350,239)
Against services performed		(20,595,241)	(9,145,390)
		(1,241,460,544)	(545,495,628)
Refund to donors		-	(7,402,271)
Balances written off		-	115,360
Payment on behalf of donor		-	(5,827,500)
		-	(13,114,411)
Closing balance		<u>312,273,583</u>	<u>32,664,344</u>
16.1 Break-up of closing balance			
Unspent grant		369,581,918	89,495,908
Grant receivable - gross		(57,308,334)	(56,831,564)
		<u>312,273,584</u>	<u>32,664,344</u>

Donor name / project name	Opening balance at 01 July, 2022			Grant received	Grants assigned in the income and expenditure statement		Total	Adjustments	Closing balance at 30 June, 2023		
	(Unspent) grants	Grants receivable/grants	Total unspent grants / grants receivable		Against expenditure incurred	Against services performed			Closing balance	Unspent grants	Grants receivable/grants
A	B	C = A + B	D	E	F	G = E + F	H	I = C + D + G + H			
Grants from local donors											
Polonium Poverty Alleviation Fund (PPAF) - Education	679,686	-	679,686	-	-	-	-	-	679,686	679,686	-
Polonium Poverty Alleviation Fund (PPAF) - Social Mobilization	2,448,361	-	2,448,361	-	-	-	-	-	2,448,361	2,448,361	-
Polonium Poverty Alleviation Fund (PPAF) - LSP	279,942	-	279,942	-	-	-	-	-	279,942	279,942	-
South Education Foundation (SEF) - Middle & High School Program	25,208,642	-	25,208,642	22,128,248	(22,722,690)	-	(22,722,690)	-	24,996,172	24,996,172	-
South Education Foundation (SEF) - Annual School (SAS)	-	(2,038,748)	(2,038,748)	20,899,898	(17,868,437)	-	(17,868,437)	-	4,382,318	4,382,318	-
South Education Foundation (SEF) - Adjustment and Adult Learning and Training (AAL/TP)	-	(7,111,603)	(7,111,603)	24,240,200	8,254,879)	-	(6,956,679)	(2,256,900)	4,521,640	4,521,640	-
South Education Fund AAL/TP Hygienist Program	-	(1,508,325)	(1,508,325)	2,091,444	(15,718,815)	-	(15,718,815)	2,256,600	(15,731,450)	-	(15,731,450)
South Education Foundation (SEF) Partnership Contract Under Afghanistan Strategy of Foundation (PFSN)	2,044,564	-	2,044,564	12,399,698	(6,135,967)	-	(6,135,967)	-	18,111,897	18,111,897	-
Polonium Mother Language Literature Festival	171,413	-	171,413	-	-	-	-	-	171,413	171,413	-
Mexico Corps - international global teachers training project (TGF-NTN)	167,384	-	167,384	22,768,518	(22,293,796)	-	(22,293,796)	-	479,188	479,188	-
Funds from Mexico - Girls Foundation	987,615	-	987,615	8,963,697	(7,246,548)	(578,168)	(6,641,818)	-	389,582	389,582	-
Funds from IFAT (GRAV)	3,155,289	-	3,155,289	77,511,384	(21,997,361)	-	(25,997,261)	-	54,671,233	54,671,233	-
Funds from IFDC	-	(2,648,397)	(2,648,397)	2,648,397	-	-	-	-	-	-	-
ROZAN - Gender Sensitive Training for Justice Sector Actors	422,167	-	422,167	-	-	-	-	-	422,167	422,167	-
Colombia Female MPs	682,456	-	682,456	1,036,080	(1,387,818)	(75,888)	(1,463,618)	-	49,446	49,446	-
Dissemination	78,276	-	78,276	-	-	-	-	-	78,276	78,276	-
ITP - Improving South African knowledge	-	-	-	8,417,271	(8,958,267)	-	(540,996)	-	-	-	(540,996)
Urban Construction of WWC and Park	-	-	-	86,181,138	(8,635,899)	-	(8,635,899)	-	79,467,831	79,467,831	-
ADPC LEAF Project	-	-	-	16,544,940	(22,691,238)	-	(22,691,238)	-	(7,856,648)	-	(7,856,648)
Neonatal Gains	-	-	-	4,959,088	(6,621,128)	-	(6,621,128)	-	(1,672,120)	-	(1,672,120)
	38,093,826	(14,380,743)	23,713,083	325,141,672	(387,383,767)	(658,166)	(185,553,872)	-	168,148,895	168,148,895	(24,982,217)
Grants from foreign donors											
The Catholic Agency For Overseas Development (CAFOD) - Sustaining Resilience through Partnership and Economic Development	198,863	-	198,863	-	-	-	-	-	198,863	198,863	-
The Catholic Agency For Overseas Development (CAFOD) - Sustainable Conflict Transformation & Displacement	276,131	-	276,131	-	-	-	-	-	276,131	276,131	-
UNICEF - Engaging Youth for RCH in South	21	-	21	-	-	-	-	(21)	-	-	-
UNICEF - South	2,849	-	2,849	-	-	-	-	-	2,849	2,849	-
UDAM - Orphan Community for Future Relief - Support of Adults in Care; Legitimate and Effective Justice	-	(16,862,118)	(16,862,118)	22,998,329	-	(6,526,338)	(6,526,338)	-	-	-	-
Polonium Women's Voice Leadership Program	9,241,287	-	9,241,287	170,843,158	(117,462,287)	(1,869,422)	(117,462,289)	-	48,721,798	48,721,798	-
Orphan Relief for Flood Affected Women	-	(4,209)	(4,209)	-	-	-	-	-	(4,209)	-	(4,209)
Online Funds from Orphan Relief	8,782,885	-	8,782,885	-	(528,138)	-	(528,238)	-	7,854,679	7,854,679	-
British High Commission (BHC) - Magma Clinic	2,064,133	-	2,064,133	-	-	-	-	-	2,064,133	2,064,133	-
Womens Aid COVID-19	-	(650)	(650)	-	-	-	-	-	(650)	-	(650)
Agency's regional support - Movement and Child Health Integrated Program (MCHIP)	125,375	-	125,375	-	-	-	-	-	125,375	125,375	-
Development Alternatives International (DAI)	29,987	-	29,987	-	-	-	-	-	29,987	29,987	-
Accountable Justice in Pakistan (AJPP)	-	-	-	-	-	-	-	-	-	-	-
International Rescue Corporation (IRC) - Rollback of GBV epidemic	335,774	-	335,774	-	-	-	-	-	335,774	335,774	-
International Rescue Corporation (IRC) - Containing the spread of COVID-19 and its aftermath	-	(7,517,866)	(7,517,866)	7,699,151	-	-	-	-	(218,654)	-	(218,654)
NCA COVID-25-8	319,839	-	319,839	-	-	-	-	-	319,839	319,839	-
NCA Faith in Action for Sustainable Climate Resilience South Coastal AWAX II	2,944,976	-	2,944,976	42,679,622	(22,661,747)	-	(22,661,747)	-	12,561,844	12,561,844	-
Refugee Affairs Association of North America (NANA)	-	(3,973,329)	(3,973,329)	27,284,525	(15,254,919)	(432,315)	(15,696,294)	-	7,408,805	7,408,805	-
Refugee Affairs Association of North America (NANA)	22,064,486	-	22,064,486	-	(21,086,237)	-	(22,086,237)	-	(21,831)	-	(21,831)
United Nations Population Fund (UNFPA) - Strengthened capacity of public sector	-	(18,567,818)	(18,567,818)	138,479,818	(22,516,872)	(18,536,199)	(13,452,582)	-	(6,141,181)	-	(6,141,181)
Colombia Police Advisory and Research on strengthening Phase II	285,647	-	285,647	-	-	-	-	-	285,647	285,647	-
Funds from UNFPA	92,879	-	92,879	-	-	-	-	-	92,879	92,879	-
UNICEF - Education, Early Response for Emergency in South	-	-	-	29,287,266	(21,282,946)	-	(21,282,946)	-	28,824,469	28,824,469	-
COVID-19 Relief Distribution - Health Supplies and Medication	-	-	-	566,649,128	(559,348,889)	-	(559,348,889)	-	7,291,620	7,291,620	-
IRC - Humanitarian Response to Flood - Emergency in Bangladesh (Bangladesh)	-	-	-	18,762,896	(22,261,688)	-	(22,261,688)	-	(2,855,696)	-	(2,855,696)
Mexico Corps-Emergency Support to meet the immediate needs of Food Adequacy Commission	-	-	-	63,246,219	(55,973,138)	-	(55,973,138)	-	7,273,081	7,273,081	-
British Council Research Network	-	-	-	24,574,286	(474,863)	-	(474,863)	-	24,114,897	24,114,897	-
Orion Influenza Climate Change	-	-	-	1,118,086	(573,749)	-	(573,749)	-	544,281	544,281	-
IRC - GRAV Project	-	-	-	-	(51,560)	-	(51,560)	-	(51,560)	-	(51,560)
	47,854,560	(28,225,111)	8,229,433	1,116,696,814	(994,475,878)	(29,255,876)	(1,468,634,155)	(21)	145,785,291	145,814,485	(28,933,111)
Subtotal	85,948,491	(52,205,852)	32,642,548	1,471,867,644	(1,378,278,787)	(28,085,241)	(1,196,384,028)	(21)	386,126,386	386,181,587	(44,935,121)
Networks based in SPD											
Grants from local donors	-	-	-	-	-	-	-	-	-	-	-
Networks based in Network (NBN) Monitoring	-	-	-	-	-	-	-	-	-	-	-
Grants from foreign donors											
Institute of Sustainable Development (ISD) - Sustainable SDPA/SDC - A2C Program Support to Countries during COVID-19	181,335	-	181,335	-	-	-	-	-	181,335	181,335	-
SDPA/SDC Phase II	-	(218,132)	(218,132)	-	-	-	-	-	(218,132)	-	(218,132)
SDPA/SDC Phase II	-	(759,948)	(759,948)	26,394,222	(18,956,182)	(590,808)	(15,566,182)	1,186,279	18,418,476	18,418,476	-
Activities/Ad - (United) Humanitarian Network) - Localization of Humanitarian Response for Sustainable & Humanitarian Governance	15,179	-	15,179	-	-	-	-	(15,179)	-	-	-
Early Action to Asia and South East Asia	424,244	-	424,244	-	-	-	-	(424,244)	-	-	-
Asian Maritime Disaster Relief for Disaster Management and Inclusion	-	(1,331,626)	(1,331,626)	12,207,775	(19,225,999)	-	(19,225,999)	424,244	(5,225,680)	-	(5,225,680)
Asian Disaster Preparedness Center (ADPC) National Disaster Preparedness Network (NDP) - Managing Emergency Response Capacity of Local Institutions Across Asia	1,371,481	-	1,371,481	-	-	-	-	(1,371,481)	-	-	-
Funds from South Korea-SPD	1,639,049	-	1,639,049	-	(1,264,314)	-	(1,264,314)	-	(1,629,265)	-	(1,629,265)
	3,547,897	(3,525,711)	21,756	49,202,997	(42,486,455)	(550,000)	(43,036,455)	(8)	4,147,298	18,238,411	(12,273,813)
Subtotal Networks based in SPD	3,547,897	(3,525,711)	21,756	49,202,997	(42,486,455)	(550,000)	(43,036,455)	(8)	4,147,298	18,238,411	(12,273,813)
Total	89,496,388	(55,731,563)	32,664,544	1,521,070,641	(1,420,765,242)	(28,635,241)	(1,241,468,523)	(29)	392,273,684	386,581,916	(57,269,221)

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Source name / project name	Opening balance at 01 July 2021			Grants received	Grants recognised in the income and expenditure statement		Total	Adjustments	Closing balance at 30 June 2022		
	Project grants	Grants receivable from	Total unspent grants / grants receivable		Applied expenditure forward	Applied services performed			Closing balance	Unspent grants	Grants receivable from
	A	B	C = A + B	D	E	F	G = E + F	H	I = G - H	J	K = I - J
Grants from local donors											
Yakima County, Washington Fund (YWF) – Education	676,186	-	676,186	-	-	-	-	-	676,186	676,186	-
Yakima County, Washington Fund (YWF) – Social Infrastructure	2,440,261	-	2,440,261	-	-	-	-	-	2,440,261	2,440,261	-
Yakima County, Washington Fund (YWF) – LEP	279,042	-	279,042	-	-	-	-	-	279,042	279,042	-
Small Education Fund (SEF) Middle & High School Program	2,851,148	-	2,851,148	46,274,261	(33,424,847)	-	(33,424,847)	-	15,280,462	21,280,462	-
Small Education Fund (SEF) Adult and Adult School Program	-	(5,445,331)	(5,445,331)	4,488,880	(6,687,417)	-	(5,885,417)	-	(2,036,548)	-	(2,036,548)
Small Education Fund (SEF) Adult and Adult School Program	-	(6,537,331)	(6,537,331)	4,478,880	(3,402,338)	-	(3,465,338)	(5,827,290)	(7,111,461)	-	(7,111,461)
Small Education Fund (SEF) Adult and Adult School Program	-	-	-	4,471,380	(7,794,475)	-	(5,796,435)	-	(1,948,585)	-	(1,948,585)
Small Education Fund (SEF) Adult and Adult School Program	4,111,680	-	4,111,680	4,365,628	(8,630,861)	-	(8,630,861)	-	3,846,764	3,846,764	-
Yakima County, Washington Fund (YWF) – Education	171,413	-	171,413	-	-	-	-	-	171,413	171,413	-
Small Education Fund (SEF) Adult and Adult School Program	128,867	-	128,867	25,742,824	(25,593,623)	-	(25,593,623)	(348,874)	167,284	167,284	-
Small Education Fund (SEF) Adult and Adult School Program	-	-	-	1,253,734	(248,105)	(30,433)	(285,368)	-	387,615	387,615	-
Small Education Fund (SEF) Adult and Adult School Program	-	(115,580)	(115,580)	-	-	-	-	115,580	-	-	-
Small Education Fund (SEF) Adult and Adult School Program	-	-	-	18,263,548	(15,446,335)	-	(15,446,335)	-	2,155,289	2,155,289	-
Small Education Fund (SEF) Adult and Adult School Program	-	-	-	4,062,250	(7,891,647)	(4,621,886)	(8,712,647)	-	(3,949,397)	-	(3,949,397)
Small Education Fund (SEF) Adult and Adult School Program	422,167	-	422,167	-	-	-	-	-	422,167	422,167	-
Small Education Fund (SEF) Adult and Adult School Program	215,887	-	215,887	3,914,852	(3,122,113)	(330,888)	(1,452,133)	-	582,456	582,456	-
Small Education Fund (SEF) Adult and Adult School Program	78,276	-	78,276	-	-	-	-	-	78,276	78,276	-
Grants from local donors	12,581,647	(9,094,522)	3,487,125	128,181,224	(141,852,247)	(1,371,492)	(100,323,740)	(5,853,614)	22,712,005	26,893,636	(14,086,741)
Grants from Federal Donors											
The Office of the Secretary for Economic Development (OSED) – Building Resilient through Pandemic Relief and Economic Development	198,863	-	198,863	-	-	-	-	-	198,863	198,863	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	276,131	-	276,131	-	-	-	-	-	276,131	276,131	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	21	-	21	-	-	-	-	-	21	21	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	2,849	-	2,849	-	-	-	-	-	2,849	2,849	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	-	-	-	-	-	-	-	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	(11,402,110)	(11,402,110)	31,776,968	(16,814,368)	(1,423,549)	(17,237,927)	-	(4,462,159)	-	(4,462,159)
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	-	-	-	-	-	-	-	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	22,581,212	-	22,581,212	171,178,764	(183,533,014)	(584,355)	(164,518,259)	-	8,341,287	8,341,287	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	(525,436)	(525,436)	525,436	-	-	-	-	14,280	14,280	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	9,000,000	(117,111)	-	(117,111)	-	8,782,889	8,782,889	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	-	-	-	-	-	-	-	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	-	-	-	-	-	-	-	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	-	-	-	-	-	-	-	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	2,084,133	-	2,084,133	-	-	-	-	-	2,084,133	2,084,133	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	(938)	(938)	-	-	-	-	-	(938)	-	(938)
The Office of the Secretary for Economic Development (OSED) – Research and Development	128,375	-	128,375	-	-	-	-	-	128,375	128,375	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	-	-	-	-	-	-	-	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	28,907	-	28,907	-	-	-	-	-	28,907	28,907	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	-	-	-	-	-	-	-	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	335,774	-	335,774	-	-	-	-	-	335,774	335,774	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	(14,017,452)	(14,017,452)	11,700,842	(8,517,631)	(5,585)	(8,533,196)	-	(7,317,355)	-	(7,317,355)
The Office of the Secretary for Economic Development (OSED) – Research and Development	1,693,895	-	1,693,895	-	-	-	-	(1,693,895)	-	-	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	318,839	-	318,839	-	-	-	-	-	318,839	318,839	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	14,632,677	-	14,632,677	26,357,708	(17,894,915)	-	(17,894,915)	-	3,844,978	3,844,978	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	6,460,197	-	6,460,197	9,400,000	(15,230,253)	(630,268)	(16,460,521)	-	0	0	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	(949,719)	(949,719)	25,054,591	(27,726,370)	(366,904)	(28,099,764)	-	(3,573,129)	-	(3,573,129)
The Office of the Secretary for Economic Development (OSED) – Research and Development	10,695,089	-	10,695,089	39,268,088	(37,919,371)	-	(37,919,371)	-	25,664,486	25,664,486	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	2,014,780	-	2,014,780	44,752,722	(48,836,569)	(2,646,614)	(50,749,911)	(5,667,302)	18,967,818	18,967,818	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	285,847	-	285,847	-	-	-	-	-	285,847	285,847	-
The Office of the Secretary for Economic Development (OSED) – Research and Development	-	-	-	1,093,331	(1,080,850)	-	(12,479)	-	92,875	92,875	-
Grants from local donors	61,907,389	(25,972,185)	35,935,204	284,134,486	(196,946,222)	(8,333,897)	(100,285,119)	(7,261,397)	8,377,453	47,894,545	(39,517,092)
Grants from local donors	74,401,426	(18,615,627)	55,785,799	512,318,910	(497,598,401)	(8,369,391)	(506,363,898)	(12,114,411)	22,641,548	85,546,488	(62,904,940)
Grants from local donors											
National Transportation Network (NTN) – Membership	-	-	-	-	-	-	-	-	-	-	-
Grants from local donors											
Grants from local donors	101,925	-	101,925	-	-	-	-	-	101,925	101,925	-
Grants from local donors	-	-	-	-	-	-	-	-	-	-	-
Grants from local donors	878,046	-	878,046	-	(796,178)	-	(796,178)	-	(18,132)	-	(18,132)
Grants from local donors	5,288,686	-	5,288,686	9,919,789	(18,294,412)	(168,088)	(18,654,412)	-	(373,726)	-	(373,726)
Grants from local donors	18,179	-	18,179	-	-	-	-	-	18,179	18,179	-
Grants from local donors	-	-	-	-	-	-	-	-	-	-	-
Grants from local donors	424,244	-	424,244	-	-	-	-	-	424,244	424,244	-
Grants from local donors	-	(518,183)	(518,183)	1,968,223	(4,961,280)	(480,080)	(5,421,280)	-	(3,953,057)	-	(3,953,057)
Grants from local donors	61,458	-	61,458	3,997,197	(2,487,551)	-	(2,487,551)	-	1,509,646	1,509,646	-
Grants from local donors	-	-	-	(1,317,319)	(11,682,341)	-	(12,999,660)	-	(12,999,660)	-	(12,999,660)
Grants from local donors	10,529,542	(218,583)	10,310,959	29,281,487	(18,351,778)	(840,080)	(19,192,858)	-	21,796	21,796	-
Grants from local donors	10,529,542	(218,583)	10,310,959	29,281,487	(18,351,778)	(840,080)	(19,192,858)	-	21,796	21,796	-
Grants from local donors	67,031,978	(26,198,116)	40,833,862	542,448,617	(534,310,220)	(5,148,369)	(45,002,672)	(12,114,411)	22,664,244	85,675,988	(62,904,940)

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	2023 Rupees	2022 Rupees
17 ACCRUED AND OTHER LIABILITIES		
Accrued liabilities	6,384,967	1,593,888
Other liabilities:		
Payable to suppliers	57,136,925	20,520,102
To implementing partners	-	793,745
Payable to staff	4,584,077	4,331,893
Income tax payable	256,619	338,117
Sales tax withheld	849,498	724,471
Security deposits	160,000	160,000
Payable to employees' provident fund	887,250	854,308
Others	22,446	10,540
	63,896,815	27,733,175
	<u>70,281,782</u>	<u>29,327,063</u>

18 CONTINGENCIES AND COMMITMENTS

There were no any contingencies and commitments as at the reporting date.(2022 : nil)

	Note	2023 Rupees	2022 Rupees
19 GRANTS			
Current grants	16.1	1,241,460,523	545,495,628
Amortization of deferred grant	15	2,884,901	670,913
		<u>1,244,345,423</u>	<u>546,166,541</u>

19.1 Current grants

Sindh Education Foundation	49,537,206	33,524,594
Mercy Corps- tuberculosis global fund-new funding request (TGF-NFR)	33,253,794	25,593,633
EKN- Women's Increased Access to Water Resources and Agricultural Markets	-	15,960,253
Norwegian Church	33,061,747	47,054,915
Oxfam GB-Women Voice Leadership Pakistan	117,462,639	184,518,269
OXFAM - Improved Access to Fair, Legitimate and Effective Justice	6,526,220	37,237,928
Colony Textile Mills	1,662,810	3,452,123
International Rescue	-	8,523,196
Nishtar Alumni	22,086,237	27,919,371
British Council	15,696,394	28,080,201

	Note	2023 Rupees	2022 Rupees
United Nation Population Fund (UNFPA)			
Strengthened capacity of public sector		134,052,982	51,767,019
SEF PPRS		6,135,067	8,630,061
PPAF GRASP		25,997,361	15,048,339
SPDC		-	8,712,647
CFLI		-	2,001,856
SEF AALTP HYD Project		19,710,015	7,796,435
Oxfam Seed		928,230	217,111
Mercy Gates Foundation		6,541,810	265,909
PPIF Improving family planning knowledge		8,958,352	-
UNICEF-Education Early Response		31,283,040	-
Oxfam-Flood Relief Intervention		559,348,509	-
IRC-Humanitarian Response to Flood Emergency		32,361,686	-
Mercy Corps-Emergency Support		55,973,138	-
Engro-Construction of WFC and Park		6,635,099	-
ADPC-LEAP Project		23,601,228	-
British Council-Resource Partner		424,083	-
Oxfam-Influencing Climate Change		573,749	-
Naveena Group		6,521,130	-
IRC-IHAVE Project		51,500	-
		1,198,384,026	506,303,858
Networks housed in SPO:			
NHN-ADPC- APP Support Program		19,586,182	22,138,144
Spat MetaMeta New water Rights for Basin Management and Inclusivity		23,490,315	17,053,626
		43,076,497	39,191,770
		1,241,460,523	545,495,628
19.2 Local grant	16.1	188,553,872	103,023,740
Foreign grant		1,052,906,650	442,471,888
		1,241,460,523	545,495,628
20 PROGRAMME EXPENSES			
Salaries and benefits	20.1	297,819,262	168,144,207
Traveling and conveyance		35,187,312	30,521,535
Vehicle running and maintenance		77,582,573	17,602,976
Office rent		14,954,302	10,245,612
Resource materials and publications		16,080,561	-
Office supplies		9,155,820	4,935,109
Procurement expense		87,438,696	54,656,305
Training and development		71,788,900	86,236,195
<i>Adilla</i>			

		2023 Rupees	2022 Rupees
Monitoring, evaluation and reporting		-	807,178
Maintenance and renovation of schools		13,645,256	2,997,497
Other programme related expenses	20.2	29,920,366	11,246,114
Miscellaneous expenses		76,781	518,099
		<u>653,649,829</u>	<u>387,910,826</u>

20.1 Salaries and benefits includes Rs. 7,396,456 (2022: Rs. 6,566,644) on account of post employment benefits.

20.2 Other programme related expenses

		2023 Rupees	2022 Rupees
Telephone and postage		3,637,142	3,177,591
Utilities		6,539,011	4,796,666
Office security		3,940,283	413,229
Training expenses		8,967,661	2,329,885
Repairs and maintenance		2,759,701	528,743
Sales tax		1,007,918	-
Bank charges		3,068,650	-
		<u>29,920,366</u>	<u>11,246,114</u>

Programme expenses incurred out of:
restricted funds
unrestricted funds

	621,291,485	354,410,065
	32,358,344	33,500,761
	<u>653,649,829</u>	<u>387,910,826</u>

	Note	2023 Rupees	2022 Rupees
21 GRANTS TO COMMUNITY BASED ORGANIZATIONS (CBOs) / OTHERS			
Material supplies	21.1	401,795,488	1,822,667
Grant/support to partner organisations	21.2	196,560,024	175,043,906
Grant/support to communities	21.3	28,824,678	6,808,909
Food items and commodities		3,439,642	547,239
		<u>630,619,832</u>	<u>184,222,721</u>

21.1 This represents winterize kits provided to beneficiaries under Oxfam flood relief project.

21.2 This represents grants to CBOs in respect of agriculture, livestock, basic education, primary health care, environment, governance and other welfare and social activities in accordance with policies of the Company.

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21.3 This amount include payments made to National Disaster Management Authority for flood relief purpose in Sindh.

		2023	2022
	Note	Rupees	Rupees
22 ADMINISTRATIVE EXPENSES			
Office security		17,700	-
Legal and professional charges		743,115	1,411,060
Depreciation	5	6,092,812	3,409,756
Amortization	7	36,789	120,491
Auditors' remuneration	22.1	926,835	1,396,841
Repairs and maintenance		703,464	1,131,872
Bank charges		1,138,274	625,026
Miscellaneous expenses		1,273,597	922,484
		<u>10,932,585</u>	<u>9,017,530</u>
22.1 Auditors' remuneration			
Audit fee of statutory financial statements		925,750	1,012,000
Out of pocket expenses		1,085	384,841
		<u>926,835</u>	<u>1,396,841</u>
23 OTHER OPERATING INCOME			
Income from financial assets			
Return on savings accounts		6,689,448	4,624,096
Return on investment in TDR's		21,440,892	10,391,164
		28,130,340	15,015,261
Income/ (loss) from non-financial assets			
Fair value gain on investment property		649,525	5,520,525
Rental income		1,239,040	4,976,400
(Loss)/ gain on sale of property and equipment		(10,598,098)	22,841,432
Exchange gain		3,199	12,413
Miscellaneous income		1,005,550	436,332
		(7,700,784)	33,787,101
Others			
Income from training units		6,293,653	3,074,272
		<u>26,723,209</u>	<u>51,876,634</u>
24 CASH AND CASH EQUIVALENTS			
Short-term investments	13	176,734,673	156,345,699
Cash and bank balances	14	221,862,886	38,646,623
		<u>398,597,559</u>	<u>194,992,322</u>

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	Note	2023 Rupees	2022 Rupees
25 SPO RECEIPTS - UNRESTRICTED FUND			
Opening balance		207,831,865	157,444,923
Income for the year		19,941,006	48,793,901
Amortisation of deferred grant		2,884,901	670,913
Amortisation of revaluation surplus on property		11,773	170,025
Transfer from revaluation surplus on disposal		-	35,020,688
Services charged against projects		19,752,926	7,329,832
Receipt from emergency relief fund		8,548,164	
Expenditure incurred		(63,862,459)	(41,598,417)
Net (deficit) / surplus		(12,723,690)	50,386,942
Closing balance		195,108,175	207,831,865
26 SPO TRAINING UNITS - UNRESTRICTED FUND			
Opening balance		79,399,897	78,655,509
Income for the year	23	6,293,653	3,074,272
Expenditure incurred		(8,967,661)	(2,329,884)
Net (deficit) / surplus		(2,674,008)	744,388
Closing balance		76,725,890	79,399,897
27 VEHICLE RESERVE FUND - UNRESTRICTED FUND			
Opening balance		74,333,182	73,380,694
Income for the year		488,550	8,460
Services charged against projects		842,315	1,816,565
Expenditure incurred		(1,506,846)	(872,537)
Net (deficit) / surplus		(175,981)	952,488
Closing balance		74,157,201	74,333,182

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	2023 Rupees	2022 Rupees
28 CASH FLOWS FROM OPERATING ACTIVITIES		
Net (deficit) / surplus for the year	(24,133,614)	16,892,097
Adjustment for non cash items:		
Depreciation	6,092,812	3,409,756
Amortization	36,789	120,491
Loss on sale of property and equipment	10,598,098	-
Amortisation of deferred capital grant	(2,884,901)	-
Unrealized exchange loss / (gain)	-	-
Return on term deposit receipts	(21,440,892)	(10,391,164)
Return on saving accounts	(6,689,448)	(4,624,096)
Return on mutual funds	(145,084)	(77,460)
Gain on disposal of investment property	-	(22,841,432)
Gain on fair value measurement of investment properties	(649,525)	(5,520,525)
Decrease in price of mutual fund units	-	-
Specific provision against doubtful grant receivable	-	-
Provision for expected credit losses	-	-
Exchange gain	(3,199)	(12,413)
Other receivables written off	-	(115,360)
Reversal of specific provision against other receivables	-	(312,759)
Rental income	(1,239,040)	-
Reversal of expected credit loss against grant receivables	(148,671)	-
Reversal of expected credit loss against other receivables	(34,277)	-
Miscellaneous income	(1,005,550)	(437,780)
Grant income	(1,244,345,423)	(546,166,541)
	<u>(1,261,858,312)</u>	<u>(586,969,281)</u>
Net deficit before working capital changes	<u>(1,285,991,926)</u>	<u>(570,077,184)</u>

29 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

	Chief Executive Officer		Executives	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	9,601,200	7,541,400	19,608,703	19,537,116
Provident fund and others	975,120	754,140	1,555,617	1,844,460
Special allowance	180,000	180,000	856,545	1,032,000
Bonus and others	222,075	-	1,864,364	-
	<u>10,978,395</u>	<u>8,475,540</u>	<u>23,885,229</u>	<u>22,413,576</u>
Number of persons	<u>1</u>	<u>1</u>	<u>10</u>	<u>11</u>

29.1 The Directors of the Company were not paid any managerial remuneration or allowance in the current or prior period.

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30 FINANCIAL ASSETS AND LIABILITIES

The Company's exposure to interest rate risk on its financial assets and liabilities are summarized as follows:

2023					
Total	Interest/mark up bearing			Not interest / mark up bearing	
	Maturity up to one year	Maturity after one year	Sub-total		
-----Rupees-----					
Financial assets					
At amortized cost					
Grant receivable	57,308,334	-	-	-	57,308,334
Interest accrued	6,488,920	6,488,920	-	6,488,920	-
Other receivables	120,749,548	-	-	-	120,749,548
Short term investments	176,734,673	176,734,673	-	176,734,673	-
Deposits	5,342,835	-	-	-	5,342,835
Cash and bank balances	221,862,886	221,862,886	-	221,862,886	-
At fair value through profit and loss					
Mutual funds	1,078,374	1,078,374	-	1,078,374	-
	589,565,570	406,164,853	-	406,164,853	183,400,717
Financial liabilities					
Accrued and other liabilities	69,175,665	-	-	-	69,175,665
	69,175,665	-	-	-	69,175,665
On balance sheet gap	520,389,905	406,164,853	-	406,164,853	114,225,052

2022					
Total	Interest/mark up bearing			Not interest / mark up bearing	
	Maturity up to one year	Maturity after one year	Sub-total		
-----Rupees-----					
Financial assets					
At amortized cost					
Grant receivable	56,831,564	-	-	-	56,831,564
Interest accrued	8,345,699	8,345,699	-	8,345,699	-
Other receivables	33,694,985	-	-	-	33,694,985
Short term investments	156,345,699	156,345,699	-	156,345,699	-
Deposits	5,066,235	-	-	-	5,066,235
Cash and bank balances	38,646,623	2,626,134	-	2,626,134	36,020,489
At fair value through profit and loss					
Mutual funds	933,290	933,290	-	933,290	-
	299,864,094	168,250,822	-	168,250,822	131,613,273
Financial liabilities					
Accrued and other liabilities	28,264,476	-	-	-	28,264,476
	28,264,476	-	-	-	28,264,476
On balance sheet gap	271,599,619	168,250,822	-	168,250,822	103,348,797

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks from the use of its financial instruments:

- Credit risk
- Liquidity risk
- Market Risk

This note presents information about the Board's exposure to each of the above risks, the Board's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Board's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Board's risk management policies are established to identify and analyze the risks faced by the Board, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Board's activities. The Board, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Board oversees how management monitors compliance with the Board's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Board.

31.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2023 Rupees	2022 Rupees
Grant receivable	57,308,334	56,831,564
Interest accrued	6,488,920	8,345,699
Other receivables	120,749,548	33,694,985
Short term investments	176,734,673	156,345,699
Deposits	5,342,835	5,066,235
Bank balances	221,745,619	38,646,623
	<u>588,369,929</u>	<u>298,930,804</u>

To manage exposure to credit risk in respect of other receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

Impaired assets

During the year, no assets have been impaired.

31.2 Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Board's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

2023					
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	
----- Rupees -----					
Accrued and other liabilities	70,281,782	70,281,782	-	-	-
	70,281,782	70,281,782	-	-	-

2022					
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	
----- Rupees -----					
Accrued and other liabilities	29,327,063	29,327,063	-	-	-
	29,327,063	29,327,063	-	-	-

The Board believes that it is not exposed to any significant level of liquidity risk.

31.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Board's income or the value of its holdings of financial instruments.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arise in financial instruments that are denominated in foreign currencies i.e. in a currency other then the functional currency in which they are measured.

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Presently, the board is not exposed to foreign currency risk.

b) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks and short term advances (receivable and payables) from related parties. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2023	2022	2023	2022
	Effective rate		Carrying amount	
	In percent		Rupees	
Variable rate instruments				
Financial assets				
Short term investments	14% to 20%	10% to 14%	176,734,673	156,345,699
Cash and bank balances	14% to 18%	7% to 13.5%	221,862,886	38,646,623
			<u>398,597,559</u>	<u>194,992,322</u>

32 FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IAS 39. The carrying amount of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments, if relevant.

As per

Fair value hierarchy

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by valuation method. The different values have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: input other than quoted prices included within Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change occurred.

	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
June 30, 2023					
Assets					
Property and equipment	278,118,454	278,118,454	-	-	278,118,454
Intangible assets	55,773	55,773	-	-	55,773
Investment					
Investment property	21,867,250	21,867,250			21,867,250
	300,041,477	300,041,477	-	-	300,041,477
June 30, 2022					
Assets					
Property and equipment	220,744,101	220,744,101	-	-	220,744,101
Intangible assets	32,561	32,561	-	-	32,561
Investment					
Investment property	21,217,725	21,217,725			21,217,725
	241,994,387	241,994,387	-	-	241,994,387

32.1 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Non-derivate financial assets

The fair value of non-derivate financial asset is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value is determined for disclosure purposes.

Non-derivate financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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33 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so it can achieve its primary objectives, provide benefits for other stakeholders and maintain a strong capital base to support the sustained development of its business, in line with the objects of the Company.

34 RELATED PARTY DISCLOSURES

The related parties of the Company comprise of key management personnel (comprising of the Chief Executive Officer and Directors) and the Company's Employees' Provident Fund. The remuneration of the Chief Executive Officer has been disclosed in note 30 to the financial statements. Other related party balances and transactions, not disclosed elsewhere, are as follows:

	2023 Rupees	2022 Rupees
Transactions with provident fund		
Contribution paid to employees' provident fund	7,396,456	6,566,644
Payable to employees' provident fund	887,250	854,308

35 NUMBER OF EMPLOYEES

	2023 Numbers	2022 Numbers
As on the reporting date	114	105
Average number of employees during the year	100	98

36 PROVIDENT FUND TRUST

The Company maintains a separate, approved contributory provident fund for all employees. All the investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and rules formulated thereof.

37 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

38 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 29 OCT 2023 by the Board of Directors of the Company.

39 GENERAL

Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR