RAHMA ISLAMIC RELIEF

AUDITED FINANCIALS

FINANCIAL YEAR 2021-22

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INDEPENDENT AUDITORS' REPORT
TO THE EXECUTIVE BOARD OF TRUSTEES

Opinion

We have audited the financial statements of **"RAHMA ISLAMIC RELIEF (the Entity)",** which comprise the statement of financial position as at June 30, 2022, and related statement of income and expenditure, statement of changes in general fund and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at **June 30, 2022,** and its financial performance and its cash flows for the year then ended in accordance with Revised Accounting and Financial Reporting Standards for the Small Sized Entities (Revised AFRS for SSEs) and Approved Accounting and Reporting Standards as applicable in Pakistan for non-government organization (NGOs) / non-profit organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Entity 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 that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Trustees for the Financial Statements

Management is responsible for preparation and fair presentation of these financial statements in accordance with Revised Accounting and Financial Reporting Standards for Small Sized Entities (Revised AFRS for SSEs) and Approved Accounting and Reporting Standards as applicable in Pakistan for non-government organization (NGOs) / non-profit organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and, for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Trustees is responsible for overseeing Entity's Financial Reporting Process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 risk of material misstatement of 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 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 effectiveness of the Entity's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt over the Entity'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 Entity 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 transaction and events in a manner that achieves fair presentation.

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

Other Matter

The financial statements for the year ended June 30, 2021, were audited by another firm of chartered accountants who, vide their audit report dated December 01, 2021, have issued an unmodified opinion on those financial statements.

Parker Russell AJS

CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER
M. MASOOD SHAHID-FCA

ISLAMABAD
DATED: OCTOBER 21, 2022
UDIN # AR202210334LDSQW5HRy

RAHMA ISLAMIC RELIEF

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees Restated
FUNDS AND LIABILITIES			
Un-restricted fund		29,536,478	29,611,085
Endowment fund		9,825,000	9,825,000
		39,361,478	39,436,085
NON-CURRENT LIABILITIES			
Deferred grants	4.1	29,335,292	21,976,224
Deferred capital grants	4.2	91,232,578	97,137,442
		120,567,870	119,113,666
CURRENT LIABILITIES			
Accrued and other liabilities	5	6,924,174	3,845,483
TOTAL FUNDS AND LIABILITIES		166,853,522	162,395,234
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	116,971,218	121,585,038
Intangibles	7	364,732	-
Capital work-in-progress	8	775,145	-
		118,111,095	121,585,038
CURRENT ASSETS			
Accounts receivable	9	5,245,354	1,356,568
Loans and advances	10	1,897,168	1,806,798
Security deposit	11	5,000	5,000
Short term investment	12	2,300,146	1,100,146
Cash and bank balances	13	39,294,759	36,541,684
		48,742,427	40,810,196
TOTAL ASSETS		166,853,522	162,395,234

The annexed notes from 1 to 25 form an integral part to these financial statements.

CHAIRMAN

SECRETARY FINANCE

RAHMA ISLAMIC RELIEF

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 2022

		2022			2021		
	Note	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		-------------Amount in rupees-----------			-------------Amount in rupees-----------		
						Restated	
INCOME							
Grants recognized	4.1	119,883,269	-	119,883,269	71,002,146	-	71,002,146
Operational income	15	-	14,639,851	14,639,851	-	13,821,945	13,821,945
Donations	16	-	5,885,469	5,885,469	-	3,385,787	3,385,787
Amortization of deferred capital grants	4.2	8,741,969	-	8,741,969	10,209,738	-	10,209,738
Other income	17	-	1,161,290	1,161,290	-	1,193,441	1,193,441
		128,625,238	21,686,610	150,311,848	81,211,884	18,401,173	99,613,057
EXPENDITURE							
Programme expenses	18	(119,883,269)	(14,639,851)	(134,523,120)	(71,002,146)	(13,321,477)	(84,323,623)
Depreciation on restricted assets	6.2	(8,701,443)	-	(8,701,443)	(10,209,738)	-	(10,209,738)
Amortization on resticted assets	7	(40,526)	-	(40,526)	-	-	-
Administrative expenses	19	-	(7,121,366)	(7,121,366)	-	(5,084,186)	(5,084,186)
		(128,625,238)	(21,761,217)	(150,386,455)	(81,211,884)	(18,405,663)	(99,617,547)
SURPLUS / (DEFICIT) FOR THE YEAR		-	(74,607)	(74,607)	-	(4,490)	(4,490)

The annexed notes from 1 to 25 form an integral part to these financial statements.

CHAIRMAN

SECRETARY FINANCE

RAHMA ISLAMIC RELIEF

STATEMENT OF CHANGES IN GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Unrestricted Fund	Endowment fund	Total (Rs.)
	..................*Rupees*..................		
Balance at June 30, 2020	67,120,017	2,050,000	69,170,017
Effect of restatement	(37,504,442)	7,775,000	(29,729,442)
Balance as at June 30, 2020 - Restated	29,615,575	9,825,000	39,440,575
Deficit for the year-Restated	(4,490)	-	(4,490)
Balance as at June 30, 2021 - Restated	29,611,085	9,825,000	39,436,085
Balance as at June 30, 2021 - Restated	**29,611,085**	**9,825,000**	**39,436,085**
Deficit for the year	**(74,607)**	-	**(74,607)**
Balance at June 30, 2022	**29,536,478**	**9,825,000**	**39,361,478**

The annexed notes from 1 to 25 form an integral part to these financial statements.

CHAIRMAN

SECRETARY FINANCE

RAHMA ISLAMIC RELIEF

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees Restated
Cash flows from operating activities			
Surplus / (Deficit) for the year		(74,607)	(4,490)
Adjustment for non-cash and other items:			
Depreciation		9,656,477	11,104,634
Amortization		40,526	-
Operating (deficit) before working capital changes		9,622,396	11,100,144
Changes in working capital			
Accounts receivable		(3,888,786)	1,187,704
Loans and advances		(90,370)	115,561
Accrued and other liabilities		3,078,691	(1,889,585)
Net cash flows from operating activities		**8,721,932**	10,513,824
Cash flows from financing activities			
Purchase of fixed assets		(5,042,658)	(2,848,068)
Purchase of intangibles		(405,258)	-
Capital work in progress		(775,145)	(14,627,153)
Short term investment		(1,200,000)	-
Net cash flows from investing activities		**(7,423,061)**	(17,475,221)
Cash flows from financing activities			
Change in grants		1,454,204	13,729,449
Funds received in kind donation		-	5,375,000
Net cash flows from financing activities		**1,454,204**	19,104,449
Net (decrease)/increase in cash and cash equivalents		2,753,075	12,143,052
Cash and cash equivalents at the beginning of the year		36,541,684	24,398,632
Cash and cash equivalents at the end of the year	13	**39,294,759**	**36,541,684**

The annexed notes from 1 to 25 form an integral part to these financial statements.

CHAIRMAN

SECRETARY FINANCE

1 Introduction, legal status, certification, membership and nature of activities

1.1 Legal status

Rahma Islamic Relief (RIR) Pakistan is a not-for-profit organization and registered as a Trust (registration number 1629) under the Trust Act of 1882 on August 31, 2009 in Pakistan. The registered office of the trust is situated at House no. 817 Ammar Chowk, Chaklala Scheme III Rawalpindi.

1.2 Projects executed by the organization

Names and details of projects and respective donors

Project names and details	Donor	Status
Rahma Hospital Janpur		
Total grant: Rs. 10,972,205/-	RAHMA Norway	Active
Period covered: 01 January, 2022 to 31 December, 2022		

Access to healthcare (prevention and cure) remains a challenge in Pakistan. The burden of no communicable diseases alone is responsible for 50.5%, of all deaths in the country. Women and children suffer more due to the dearth of quality healthcare services especially in remote rural areas. RIR strives to increase access to the quality and timely healthcare services of the demographically remote and economically challenged communities.

Rahma Hospital khuiratta		
Total grant: Rs. 6,193,719/-	RAHMA Norway	Active
Period covered: 01 January, 2022 to 31 December, 2022		

Many women die from preventable complications during pregnancy & delivery, and newborn care is unavailable in many parts of the country. RIR strives to increase access to the quality and timely healthcare services of the demographically remote and economically challenged communities.

Rahma Model School - RYK		
Total grant: Rs. 2,717,360/-	RAHMA Norway	Active
Period covered: 01 January, 2022 to 31 December, 2022		

Girls' education is the most persistent and widely felt need of the rural areas in Rahim Yar Khan. Currently, there is no facility in the vicinity of Gul Muhammad Langah providing quality education to girls. They have to get admission to boys' school if the parents allowed them. Consequently, the majority of the girls left behind in education. Education & Sports Complex, an initiative by RAHMA, will not bridge this gap only but also help to nurture healthy minds through sports activities.

Rahma Model School - RAWAT		
Total grant: Rs. 5,978,720/-	RAHMA Norway	Active
Period covered: 01 January, 2022 to 31 December, 2022		

A significant number of Out-Of-School Children (OOSC) belongs to the poorest, marginalized and, socially excluded groups living in self-made tarpaulin huts in slums. Approximately, there are around 15,000 children in Rawalpindi/Islamabad who belong to such group and, not enrolled in schools. RAHMA started providing education to such children in 2012. Initially, it opened a school within a slum, near Rawalpindi Railway station, in a small hut. Later on, it succeeded in constructing the very first school exclusively for such marginalized children. The school inaugurated in 2019.

1.3 Certification

Rahma Islamic Relief is certified by Pakistan Center for Philanthropy (PCP) for good practices in governance, financial management and programme delivery.

1.4 MOU with Economic Affairs Division

Memorandum of understanding between The Government of Islamic Republic of Pakistan and Rahma Islamic Relief is signed dated January 21, 2021 for a period upto 19 January, 2023.

1.5 Membership/ Affiliation

Rahma Islamic Relief is the member of different global forums as Stop TB Partnership and Union of NGOs of the Islamic World (UNIW). It is a national-level NPO in the country, inspired by the Islamic charity principles and is working for improving lives of the people irrespective of their gender, caste, color, religion or political views.

1.6 Nature of activity

The aims and objects of the trust are providing educational activities, research activities, special education activites, religious activities, social infrastructure and human resource development activities, rural support program activities, health service activities, charity activities and sports activities.The trust is involved in various projects including health care, education, educational sponsorship for ophans, WASH , seasonal activities and emergency relief activities

2 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

Revised Accounting and Financial Reporting Standard for the small-sized entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan;

Accounting Standards for Not for profit organizations (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

3 Summary of significant accounting policies

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention.

3.2 Functional and presentation currency

Items included in the financial statements of the entity are measured and presented using the currency of the primary economic environment in which it operates (functional currency), which is Pakistan Rupee (Rupees).

3.3 Significant accounting estimates and key judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, as well as expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the penod in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant management estimates in these financial statements relate to the useful life and residual values of operating fixed assets; provisions for advances, and taxation.

The basis and associated assumptions underlying the accounting estimates used in the preparation of annual financial statement of the Entity for the year ended June 30, 2022 have been consistent with previous years unless otherwise stated.

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

3.4 Income recognition

Grants related to income are recognised on a systematic basis as income over the periods necessary to match them with related expenses incurred. All other grants/donations are recognised when actually received.

3.5 Operating fixed assets and depreciation

These have been stated at cost less accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of the assets. Depreciation is charged for the full month in which an asset is put to use and no depreciation is charged in the month of disposal. Gain or loss, if any, on disposal of fixed assets is included in current year's income. Maintenance and repairs are charged to the profit and loss account as and when incurred. Major renewals and improvements are capitalized.

3.6 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made, in respect of operating fixed assets and intangible assets, in the course of their acquisition, construction and installation.

3.7 Cash and cash equivalent

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and deposits with banks in current and savings accounts.

3.8 Donation-in-kind

Donations-in-kind received has been valued and recorded at their estimated fair value as provided by the donor or in absence of donor's valuation, at wholesale values estimated by the organization. at the time the goods are received from the donor.

3.9 Volunteer services

The efforts of volunteer workers are not reflected in the accompanying financial statements, in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the organization.

3.10 Grant income

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

Grants against operating activities

Grants of a non-capital nature are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the income and expenditure account to the extent of expenditure incurred.

Grants against purchase of fixed assets

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

Others

Profit on bank deposit is recognized using the effective interest rate method.

Other income is recognized on receipts basis.

Contribution from the trust is recognized on receipts basis.

3.11 Loans and advances

These are recognized at cost, which is the fair value of the consideration given. An assessment is made at each reporting date to determine, whether there is an indication that a financial asset, or a group of financial assets, may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.

3.12 Accrued and other liabilities

Accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Trust.

3.13 Provident fund

The Organization operates funded contributory provident fund scheme for its all employees in Rahma pay scales. Equal monthly contributions are made by the Organization and employees at 2% of basic pay of employees.

3.14 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in income and expenditure except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. In accordance with section 100C of the Income Tax Ordinance, 2001 (the Ordinance), the Society is allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final tax payable, under any of the provisions of the Ordinance, subject to conditions as outlined in section 100C. Accordingly, no provision for tax has been recognized in the financial statements of the trust.

3.15 Transactions with related parties

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions unless stated otherwise.

3.16 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss "which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the statement of comprehensive income currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.1 Deferred grants

	Rural Primary Health Care Project, Khuiratta	Rahma Model School (RMS) Rawat, Rawalpindi	Rahma Hospital Janpur, Rahimyar Khan	Seasonal activities	Rahma Model School GML RYK	Quran house	Water and sanitation	Emergency relief activities	Charity for life	Orphan Support	TOTAL (Rs.)
Balance as at June 30, 2020	-	-	**(1,002,000)**	-	-	-	-	-	**1,061,066**	-	**7,134,915**
Grant received during the year	6,728,388	6,918,105	11,307,360	16,526,706	5,203,378	-	15,032,858	6,978,223	14,732,645	-	83,427,664
Transferred from reserved fund	120,755	-	-	-	-	-	-	551,867	-	-	672,622
Donations from individual donors	1,597,194	171,173	1,450,802	228,460	50,000	-	-	-	-	-	3,497,629
Receipts during the year	2,890,600	584,602	10,346,744	-	-	-	-	-	-	-	13,821,946
Receipts utilized for program expenses	(2,890,600)	(584,602)	(10,346,744)	-	-	-	-	-	-	-	(13,821,946)
Transferred from deferred capital grants	-	184,963	-	-	315,505	-	-	-	-	-	500,468
Transferred for operational expenses	-	-	-	-	-	-	(2,254,929)	-	-	-	(2,254,929)
Amortized during the year	(8,446,337)	(7,096,381)	(10,596,061)	(12,345,477)	(2,279,914)	-	(9,911,448)	(7,530,090)	(12,796,438)	-	(71,002,146)
Balance as at June 30, 2021	-	177,861	2,162,102	4,409,689	3,288,969	-	2,866,481	-	1,936,207	-	21,976,224
Grant received during the year	6,193,719	5,978,720	10,972,205	12,509,851	2,717,360	-	4,815,337	51,679,989	21,470,420	148,760	116,486,362
Grants receivable from donors	-	-	-	311,025	-	-	3,089,608	84,925	-	-	3,485,558
Transferred from reserved fund	1,421,051	1,154,725	-	-	3,060,041	-	185,175	-	-	-	5,820,992
Donations from individual donors	1,210,450	86,200	1,041,808	-	-	1,552,809	-	-	-	-	3,891,267
Receipts during the year	2,585,655	1,974,352	9,416,221	-	663,623	-	-	-	-	-	14,639,851
Transferred from un-restricted fund	-	-	-	-	-	-	-	-	-	-	-
Receipts utilized during the year	(2,585,655)	(1,974,352)	(9,416,221)	-	(663,623)	-	-	-	-	-	(14,639,851)
Transferred for operational expenses	-	-	-	-	-	-	-	(2,441,842)	-	-	(2,441,842)
Amortized during the year	(8,825,220)	(7,219,645)	(11,676,343)	(12,636,095)	(5,777,401)	(95,000)	(8,090,120)	(47,943,269)	(17,620,176)	-	(119,883,269)
Balance as at June 30, 2022	-	-	337,670	-	-	1,457,809	-	1,379,804	3,850,244	148,760	29,335,292

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	Note	2022	2021 Restated
		Rupees	Rupees

5 Accrued and other liabilities

	Note	2022	2021 Restated
Salaries payable		2,984,563	201,015
Tax payable		241,559	42,213
Payable against project expenses		193,207	186,254
Utilities payable		19,977	-
Provident fund contribution payable		3,363,868	3,307,101
Audit fee payable		121,000	108,900
		6,924,174	3,845,483

6 Property and equipment

	Note	2022	2021 Restated
Property and equipment- Unrestricted	6.1	22,868,243	23,369,187
Property and equipment- Restricted	6.2	94,102,975	98,215,850
		116,971,218	121,585,038

6.1 Property and equipment- Unrestricted

Particulars	Computer and Hardware	Land	Furniture and Fixtures	Vehicle	Medical equipments	Building	Office Equipments	Total
Year ended June 30, 2021								
Opening net book value	-	12,710,000	190,501	-	-	11,224,014	139,569	24,264,084
Addition during the year	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(66,367)	-	-	(760,227)	(68,303)	(894,897)
Closing net book value	-	12,710,000	124,134	-	-	10,463,787	71,266	23,369,187
Year ended June 30, 2022								
Opening net book value	-	12,710,000	124,134	-	-	10,463,787	71,266	23,369,187
Addition during the year	197,920	-	45,000	86,900	-	-	124,270	454,090
Disposals during the year	-	-	-	-	-	-	-	-
Depreciation charge	(13,746)	-	(91,021)	(10,863)	-	(760,227)	(79,177)	(955,034)
Closing net book value	184,174	12,710,000	78,113	76,037	-	9,703,560	116,359	22,868,243
Annual rate of depreciation/ amortization	30%	0%	15%	15%	15%	5%	15%	

6.2 Property and equipment- Restricted

Particulars	Computer and Hardware	Land	Furniture and Fixtures	Vehicle	Medical Equipments	Building	Office Equipments	Total
Year ended June 30, 2021								
Opening net book value	459,702	13,825,000	823,570	5,143,596	1,852,445	50,018,291	424,272	72,546,876
Addition during the year	105,000	-	1,533,569	-	71,000	33,030,644	1,173,499	35,913,712
Disposals during the year	(35,000)	-		-				(35,000)
Depreciation charge	(529,702)	-	(444,147)	(1,636,799)	(1,835,951)	(5,087,674)	(675,465)	(10,209,738)
Closing net book value	-	**13,825,000**	**1,912,992**	**3,506,797**	**87,494**	**77,961,261**	**922,306**	**98,215,850**
Year ended June 30, 2022								
Opening net book value	-	13,825,000	1,912,992	3,506,797	87,494	77,961,261	922,306	98,215,850
Addition during the year	859,397	-	332,800	-	901,150	-	2,495,221	4,588,568
Disposals during the year	-	-	-	-	-	-	-	-
Depreciation charge	(198,499)	-	(604,379)	(1,636,799)	(115,222)	(5,087,674)	(1,058,870)	(8,701,443)
Closing net book value	**660,898**	**13,825,000**	**1,641,413**	**1,869,998**	**873,422**	**72,873,587**	**2,358,657**	**94,102,975**
Annual rate of depreciation/ amortization	30%	0%	15%	15%	15%	5%	15%	

	Note	2022 Rupees	2021 Rupees **Restated**
7 Intangibles- Restricted		**Software**	**Total (Rs.)**
Cost			
Balance as at July 1, 2020		-	-
Additions		-	-
Disposals		-	-
Balance as at June 30, 2021		-	-
Accumulated amortization			
Balance as at July 1, 2020		-	-
Amortization during the year		-	-
Balance as at June 30, 2021		-	-
Carrying value			
Cost		-	-
Accumulated amortization		-	-
Balance as at June 30, 2021		-	-
Cost			
Balance as at July 1, 2021		-	-
Additions		405,258	405,258
Disposals		-	-
Balance as at June 30, 2022		405,258	405,258
Accumulated amortization			
Balance as at July 1, 2021		-	-
Amortization during the year		(40,526)	(40,526)
Balance as at June 30, 2022		(40,526)	(40,526)
Carrying value			
Cost		405,258	405,258
Accumulated amortization		(40,526)	(40,526)
Balance as at June 30, 2022		364,732	364,732
Amortization rate		10%	

		Note	2022 Rupees	2021 Rupees Restated
8	**Capital work in progress**			
	Opening balance		-	18,403,491
	Additions during the year	8.1	775,145	14,627,153
	Transfer to property and equipment		-	(33,030,644)
	Closing balance		**775,145**	-
8.1	**Additions during the year**			
	Rahma Education and Sports Complex GML-RYK		-	14,627,153
	Civil work for Quran house		775,145	-
			775,145	**14,627,153**

8.2 Capital work in progress represents funds used from donor grants, hence, is part of deferred capital grants.

		Note	2022 Rupees	2021 Rupees Restated
9	**Accounts receivable**			
	Fee receivable from schools		125,335	-
	Receivable against expenses		242,405	-
	Funds receivable from donors		4,697,614	1,356,568
	Other receivables		180,000	-
			5,245,354	**1,356,568**
10	**Loans and advances**			
	Advances to employees against salary		45,000	-
	Advances against project expenses		585,545	803,679
	Advances to suppliers		207,500	-
	Loan to employees		663,752	668,045
	Tax withheld		395,371	335,074
			1,897,168	**1,806,798**
11	**Security deposit**			
	Security deposit		5,000	5,000
			5,000	**5,000**
12	**Short term investment**			
	Investment in mutual funds		2,300,146	1,100,146
			2,300,146	**1,100,146**

12.1 This represents provident fund contribution that is invested in mutual fund. The rate of interest on this investment depends upon the units invested.

		Note	2022 Rupees	2021 Rupees Restated
13	**Cash and bank balances**			
	Cash at bank			
	-Current account		26,397,314	21,895,763
	-Saving accounts		12,882,588	14,635,874
	-USD account		14,857	10,047
			39,294,759	**36,541,684**

		Note	2022 Rupees	2021 Rupees Restated
14	**Grants recognized**			
	Restricted grants	4.1.1	**134,523,120**	**84,323,625**
15	**Operational income- Unrestricted**			
	Rahma hospital Janpur, Rahimyar Khan		9,416,221	10,346,743
	Rahma hospital Khuiratta		2,585,655	2,890,600
	Rahma model school Rawat, Rawalpindi		1,353,777	-
	Rahma model school, GML RYK student contribution		1,284,198	584,602
			14,639,851	**13,821,945**

		Note	2022 Rupees	2021 Rupees Restated
16	**Donations- Unresticted**			
	General donations		2,050,698	1,130,858
	Grants for operational expenses		3,834,771	2,254,929
			5,885,469	**3,385,787**
17	**Other income**			
	Profit on saving accounts		366,280	463,441
	Miscellaneous income		10,200	10,000
	Rental income		780,000	720,000
	Exchange gain		4,810	-
			1,161,290	**1,193,441**
18	**Programme expenses**			
	Rahma hospital Khuiratta	18.1	11,410,875	11,336,937
	Rahma hospital Janpur. Rahimyar Khan	18.2	21,092,564	20,942,805
	Rahma model school Rawat, Rawalpindi	18.3	9,193,997	7,311,057
	Rahma model school GML RYK	18.4	6,441,024	1,648,904
	Quran house	18.5	95,000	-
	Seasonal activities	18.6	12,636,095	12,345,477
	Emergency relief activities	18.7	47,943,269	7,530,090
	Water and sanitation	18.8	8,090,120	9,911,448
	Rahma model school (RMS) Rawat construction	18.9	-	184,963
	Rahma education and sports complex (RESC) GML RYK	18.10	-	315,505
	Charity for life activities	18.11	17,620,176	12,796,438
			134,523,120	**84,323,625**
18.1	**Rahma hospital Khuiratta**			
	Salaries and benefits of project medical staff		6,856,011	6,099,136
	Medicine and lab material		1,179,249	1,696,121
	Monitoring and evaluation		201,202	294,983
	Project support cost		2,464,783	2,471,495
	Communication and utilities		109,732	94,484
	Postage and courier		8,660	-
	Services and supplies		155,273	172,383
	Fuel & transportation		248,710	165,380
	Repairs and maintenance		106,505	75,210
	Branding and promotion		80,750	267,745
			11,410,875	**11,336,937**
18.2	**Rahma hospital Janpur, RahimYaar Khan**			
	Salaries and benefits of project medical staff		10,566,807	10,386,121
	Monitoring and evaluation		36,350	660,000
	Medicine and supplies		5,444,166	6,332,451
	Project support cost		1,814,916	1,461,061
	Communication and utilities		1,312,448	905,515
	Branding and promotion		210,626	231,787
	Printing and stationery		178,652	23,300
	Miscellaneous		239,006	214,988
	Repairs and maintenance		1,192,489	650,492
	Vehicle insurance		44,462	49,400
	Travelling and conveyance		52,642	27,690
			21,092,564	**20,942,805**

		Note	2022 Rupees	2021 Rupees Restated
18.3	**Rahma model school Rawat Rawalpindi**			
	Salaries and benefits of project school staff		4,461,164	3,562,220
	Services and supplies		1,484,506	647,339
	Project support cost		1,518,249	1,466,341
	Printing and stationery		137,964	141,511
	Miscellaneous		36,536	74,298
	Repairs and maintenance		151,490	203,545
	Travelling and conveyance		128,111	-
	Ceremonies and events		230,538	48,433
	School bus rent, fuel & maintenance		978,012	1,039,153
	Communication and utilities		67,427	128,217
			9,193,997	**7,311,057**
18.4	**Rahma model school GML RYK**			
	Salaries of project staff		2,731,635	469,887
	Services and supplies		1,016,777	226,077
	Project support cost		1,522,278	321,468
	Ceremonies and events		377,998	285,563
	Communication and utilities		199,285	70,065
	Postage and courier		4,730	-
	Printing and stationery		92,942	53,010
	Repairs and maintenance		211,352	15,339
	Travelling and conveyance		98,569	102,230
	Miscellaneous		83,458	105,265
	Advertisement		102,000	-
			6,441,024	**1,648,904**
18.5	**Quran house**			
	Books and stationery		95,000	-
			95,000	-
18.6	**Seasonal activities**			
	Food distribution in ramadan		5,474,745	4,977,453
	Fidyah and fitrana distribution		351,700	505,125
	Banners printing		73,615	87,562
	Transportation of food		123,200	85,000
	Purchasing of animals		6,345,925	6,436,616
	General arrangements for qurbani and aqiqah		266,910	253,721
			12,636,095	**12,345,477**
18.7	**Emergency relief activities**			
	Covid 19 awareness programs		-	96,980
	Spray, sanitizers, soaps and masks		-	27,560
	Purchase of sanitizer gates		-	516,000
	Food packages during Covid 19		-	3,531,000
	Emergency relief for shelling effectees		-	3,358,550
	Food for animals in Cholistan		378,600	-
	Purchasing of food and non food items in Afghanistan		36,181,508	-
	Fidyah and financial aid in Afghanistan		310,000	-
	Installation of clay oven and running costs		9,842,320	-
	Monitoring and communication		1,230,841	-
			47,943,269	**7,530,090**

		Note	2022 Rupees	2021 Rupees Restated
18.8	**Water and sanitation**			
	Hand pump , filteration plants & RO plants in. Rahimyar Khan		2,262,231	5,575,606
	Hand pumps and RO plants, Tharparkar		3,530,157	4,335,842
	Installation of wash booth in Islamabad		1,749,047	-
	Hand pumps and RO plants in AJK		548,685	-
			8,090,120	**9,911,448**
18.9	**Rahma model school Rawat: Rms (Construction)**			
	Traveling & transportations		-	2,700
	Material and labour		-	182,263
			-	**184,963**
18.10	**Rahma education and sports complex (Resc) construction**			
	Project support cost		-	315,505
			-	**315,505**
18.11	**Charity for life activities**			
	Water boring assessment		231,000	-
	Installation of filtration plant		1,668,260	4,070,500
	Installation of hand pump		1,378,890	-
	Installation of solar water pump		4,098,190	-
	Financial aid		225,000	59,000
	Monitoring and evaluation		123,490	665,925
	Purchasing of food		5,244,383	7,217,088
	Printig and stationery		88,315	82,250
	Travelling and communication		129,648	401,675
	Purchasing of animals		1,683,000	-
	Medical treatment		750,000	300,000
	Donation-Microfinance	**18.11.1**	2,000,000	-
			17,620,176	**12,796,438**

18.11.1 This represents the amount paid to Akhuwat Islamic Microfinance (AIM) as start-up donation for providing interest free loans.

			2022 Rupees	2021 Rupees Restated
19	**Administrative expenses**			
	Staff salaries and benefits		1,438,623	2,629,528
	Entertainment		239,988	147,649
	Office repairs and maintenance		1,305,216	162,890
	Auditor's remuneration		231,500	108,900
	Legal and professional charges		-	55,000
	Communication and utilities		193,326	41,365
	Consultancy		20,000	858,300
	Bank charges		-	29,360
	Office supplies		258,738	156,297
	Depreciation		955,034	894,897
	Financial aid		1,096,025	-
	Printing and stationery		68,050	-
	Travelling and conveyance		1,129,238	-
	Miscellaneous		131,243	-
	Exchange loss		54,385	-
			7,121,366	**5,084,186**

20 Related party transactions and balances

The related party comprises of Rahma Islamic Relief Fund Norway. The entity in the normal course of business carried out transactions with related party. Significant transactions with related party during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

22 **Financial instruments**

	Amortized cost		Total	
	2022	2021	2022	2021
	--------------------------------------Rupees------------------------------------			
Financial assets as per financial position				
Accounts receivable	5,245,354	1,356,568	5,245,354	1,356,568
Loans and advances	1,897,168	1,806,798	1,897,168	1,806,798
Security deposit	5,000	5,000	5,000	5,000
Short term investment	2,300,146	1,100,146	2,300,146	1,100,146
Cash and bank balances	39,294,759	36,541,684	39,294,759	36,541,684
Financial liabilities as per financial position				
Deferred grants	29,335,292	21,976,224	29,335,292	21,976,224
Deferred capital grants	91,232,578	97,137,442	91,232,578	97,137,442
Accrued and other liabilities	6,924,174	3,845,483	6,924,174	3,845,483

23 **Number of employees**

	2022	2021
	----------Numbers----------	
Number of persons employed as at year end	81	11
Average number of persons employed during the year	80	13

24 **Date of authorization**

These financial statements were approved and authorized for issue on 21 OCT 2022 by the board of trustees.

25 **General**

25.1 Figures have been rounded off to the nearest Pakistani rupee.

25.2 Figures have been reclassified wherever necessary, however, no material reclassification have been made during the year.

CHAIRMAN

SECRETARY FINANCE