

KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
KARACHI
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Khoja (Pirhai) Shia Isna Asheri Jamaat Karachi will be held at Shaheed Hameed Ali Bhojani Hall, 174 Britto Road, Karachi on Sunday 17th December 2023 at 10:30 am to transact the following business:

1. Recitation of verses from the Holy Quran
2. To read and confirm the minutes of last Annual General Meeting held on 18th December 2022.
3. To consider and adopt the report of the Managing Committee for the year ended 30th June 2023.
4. To consider and adopt the Annual Accounts for the year ended on 30th June 2023 together with the report of the Hon. Treasurer and Auditors.
5. To appoint Auditors for the accounting year ending 30th June 2024 and fix their remuneration, if any.
6. To appoint Election Chairman for the forthcoming elections of the Managing Committee of The Khoja (Pirhai) Shia Isna Asheri Jamaat, Karachi in the next Triennial General Meeting as required under the Constitution of Jamaat and its Bye-Laws.
7. To consider any other matter with the permission of the Chair.
8. Recitation of Dua.

Karachi:
Dated: 03rd December 2023

Asghar Hussain Shaheedi
Honorary Secretary

NOTE:

- i. As required under the Constitution the Management has emailed the Minutes of the last AGM, Annual Reports and Accounts for the year ended 30th June 2023 along with Hon. Treasurer report to members whose email addresses are available with KPSIAJ.
- ii. Members who have not yet registered their email addresses with jamaat are requested to do so.

Members who need a printed copy of Annual Report are advised to collect the booklet from Jamaat Office Kharadar and Britto Road, Karachi.

KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT REPORT OF THE HONORARY TREASURER FOR THE YEAR ENDED JUNE 30, 2023

**Respected Members,
Assalam-o-alykum,**

It is with great pleasure and immense honor to present the Khoja (Pirhai) Shia Isna Asheri Jamaat's (KPSIAJ) Annual Audited Financial Statements for the year ended June 30, 2023.

Alhamdulillah, during the year a net surplus amounting to Rs. 4.001 million (2022: Rs. 1.463 million) was achieved. This accomplishment is attributed to generous Community members and well-wishers for their continued support. Additionally, efficient management of resources enabled us to achieve our objectives despite exceptional economic challenges.

This year as well, the Management Committee took several new initiatives to ensure the continued socio – economic development of Community members. This was possible, largely due to unwavering commitment of volunteers and benevolence of donors.

Financial Performance Overview:

Healthcare Services:

Fatimiyah Hospital (FH) has reported a net surplus of Rs. 1.181 million (2022: net deficit of Rs. 1.844 million). During the year, net revenue for FH has increased by approximately 15% due to an increase in number of patients served and rationalization of service fee. Despite, increasing inflation and significant rupee depreciation, FH successfully restricted its cost increase to 16% due to effective planning and efficient resource utilization.

During the year, we have utilized grant received from Government of Sindh (GoS) amounting to Rs. 3.359 million for medical equipment and Rs. 8.203 million on patient treatment.



**Asker Ali Basrawala,
Honorary Treasurer**

Educational Services:

Fatimiyah Education Network (FEN) has effectively transformed its financial outlook by reporting a net surplus of Rs. 0.459 million in the current fiscal year, a significant improvement from the net deficit of Rs. 0.953 million in 2022.

Amidst the formidable challenges of double-digit inflation and the resultant escalation in service costs, the Management Committee's effective decision-making and financial planning were instrumental in achieving the positive outcome.

During the year, expenses exceeding income amounting Rs. 65.041 million, were offset by the contributions from esteemed donors and the Government of Sindh with Rs. 22.739 million and Rs. 30 million respectively. Moreover, a profit of Rs. 12.761 million from the endowment fund played a crucial role in bridging this financial gap.

With the passion of “*educating the humanity and nurturing the future minds*”, the KPSIAJ, has taken its strides to extend the horizon of educational services by unifying higher education courses under Fatimiyah Higher Education System (FHES) with aim to provide professional qualification of high standards to community members at affordable prices.

Other Services:

KPSIAJ eagerly focused on the advancement of the membership services including; Sports, Transport, Funeral, Matrimonial, Recreation and other facilities. KPSIAJ has remained determined towards its objective of providing quality member services at affordable cost.

In recognition of KPSIAJ's commendable efforts and meritorious services towards societal welfare, the Government of Sindh (GoS) extended its support by granting Rs. 15.5 million for the acquisition of a Coffin Carrier bus during the year.

Additionally, we have managed to grow our Endowment Funds to Rs. 196.827 million compared to Rs. 156.219 million in 2022, ensuring that our services can continue to thrive in the future.

Major Accomplishments:

Alhamdulillah, we cherish the KPSIAJ's continuous progress and efforts made to achieve the following remarkable milestones;

KPSIAJ through its appeals generated a fund of Rs. 106.14 million for Flood effected families in various districts of Sindh and Baluchistan, these funds have been spent on their Food, Shelter, medicines and construction of houses. We aim to channel the remaining funds towards fostering economic upliftment as part of the third phase of the Flood Relief Project.

After getting the status of ACCA Approved Employer, KPSIAJ has paved the way for numerous ACCA aspirants, offering them a platform to cultivate their talents and ensuring a pathway to a successful future.

Following the successful implementation of ERP of finance and procurement modules, the implementation of Human resource module is under way. The management is motivated to extend the operational efficiency through implementing and integrating the current ERP solution for improved financial controlling and financial reporting of the large infrastructure that encompasses several community services.

Mission of embedding the technological advancement in the existing process to achieve operating efficiency, KPSIAJ successfully adopted Online Payment Solution to streamline our payment cycle and developed an Online Donation Portal which bring ease to our well-wishers to make their contributions.

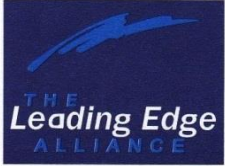
With significant increase in demand, KPSIAJ identified and assessed a dire need of expansion of its healthcare facilities and higher education complex. Consequently, significant investments were required which we managed through effective fund mobilization.

In conclusion, I extend my sincere appreciation for the tremendous support from our community members, both locally and abroad. I am truly grateful for the commendable performance of our dedicated employees and the invaluable technical assistance provided by our subcommittees and consultants.



Asker Ali Basrawala
Honorary Treasurer

Karachi Dated: December 2, 2023



INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE OF KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT

Opinion

We have audited the financial statements of KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT, which comprise the statement of financial position as at June 30, 2023, the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in funds and reserves, the statement of cash flows for the year 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 as at June 30, 2023, and of its financial performance and its cash flows for the year ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Responsibilities of Management for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management committee 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.

Dossani Associates

**DOSSANI ASSOCIATES
CHARTERED ACCOUNTANTS**

Karachi: December 02, 2023

Engagement Partner: Afzal Hussein Dossani, FCA

UDIN Number: AR202310307mHEzouZpJ

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	30 June 2023	30 June 2022
		-----Rupees-----	
RESERVES, FUNDS AND LIABILITIES			
RESERVES		866,908,008	809,388,235
FUNDS			
Endowment funds	4	196,827,909	156,219,727
Other funds	5	51,005,589	27,350,187
		<u>247,833,498</u>	<u>183,569,914</u>
		<u>1,114,741,506</u>	<u>992,958,149</u>
NON CURRENT LIABILITIES			
Long term loan	6	-	-
Deferred liability - government grant	7	44,029,162	34,612,524
		<u>44,029,162</u>	<u>34,612,524</u>
CURRENT LIABILITIES			
Accrued expenses and other liabilities	8	145,072,807	70,470,917
Current portion of long term loan		-	21,138,220
Current portion deferred liability - government grant		1,614,694	7,043,653
		<u>146,687,501</u>	<u>98,652,790</u>
TOTAL RESERVES, FUNDS AND LIABILITIES		<u><u>1,305,458,169</u></u>	<u><u>1,126,223,463</u></u>
ASSETS			
NON CURRENT ASSETS			
Property and equipment	9	850,503,529	743,069,723
Long term deposits		3,558,710	3,558,710
		<u>854,062,239</u>	<u>746,628,433</u>
CURRENT ASSETS			
Short term investment	10	229,389,931	204,376,145
Consumable stocks		66,563,073	48,357,985
Advances and other receivables	11	72,465,750	50,530,958
Advance tax		24,147,696	23,375,375
Cash and bank balances	12	58,829,480	52,954,567
		<u>451,395,930</u>	<u>379,595,030</u>
TOTAL ASSETS		<u><u>1,305,458,169</u></u>	<u><u>1,126,223,463</u></u>
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes from 1 to 22 form an integral part of these financial statement.



PRESIDENT



HONORARY SECRETARY



HONORARY TREASURER

KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
STATEMENT OF INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023			
		Education	Medical	Others	Total
----- Rupees -----					
Excess of expense over income	14, 15 & 16	(65,041,387)	(14,250,346)	(45,546,474)	(124,838,206)
Funded through:					
Donation and other income		22,739,668	9,972,704	43,856,839	76,569,211
Amortization of grant		30,000,000	3,359,291	-	33,359,291
Return on funds		12,761,648	2,099,783	4,049,917	18,911,347
		65,501,316	15,431,778	47,906,756	128,839,850
Taxation	18	-	-	-	-
Transferred to revenue reserve		459,929	1,181,432	2,360,283	4,001,644

	Note	30 June 2022			
		Education	Medical	Others	Total
----- Amount in Rupees -----					
Excess of expense over income	14, 15 & 16	(52,970,512)	(8,787,636)	(34,610,379)	(96,368,527)
Funded through:					
Donation and other income		43,757,923	3,042,047	38,043,320	84,843,290
Amortization of grant		-	1,541,640	-	1,541,640
Return on funds		8,259,062	2,359,885	828,548	11,447,495
		52,016,985	6,943,572	38,871,868	97,832,425
Taxation	18	-	-	-	-
Transferred to revenue reserve		(953,527)	(1,844,064)	4,261,489	1,463,898

The annexed notes from 1 to 22 form an integral part of these financial statement.



PRESIDENT



HONORARY SECRETARY



HONORARY TREASURER

KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
 STATEMENT OF OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023	30 June 2022
		---Rupees---	
Excess / (shortfall) for the year		4,001,644	1,463,898
Other comprehensive income for the year		-	-
Total comprehensive income / (loss) for the year		<u>4,001,644</u>	<u>1,463,898</u>


The annexed notes from 1 to 22 form an integral part of these financial statement. DA



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HONORARY TREASURER

KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2023

2023						
Capital reserves	Revenue reserves	Capital & revenue reserves	Endowment funds	Other funds	Total	
----- Amount in Rupees -----						
Opening balance	761,673,023	47,715,212	809,388,235	156,219,727	27,350,187	992,958,149
Increase/ (decrease) during the year						
Education	6,535,000	459,929	6,994,929	37,346,912	23,655,402	67,997,243
Medical	46,408,929	1,181,432	47,590,361	1,127,963	-	48,718,324
Others	574,200	2,360,283	2,934,483	2,133,307	-	5,067,790
	53,518,129	4,001,644	57,519,773	40,608,182	23,655,402	121,783,357
Movement in reserves due to changes in property and equipment	(6,142,298)	6,142,298	-	-	-	-
Closing balance	809,048,854	57,859,154	866,908,008	196,827,909	51,005,589	1,114,741,506
2022						
Capital reserves	Revenue reserves	Capital & revenue reserves	Endowment funds	Other funds	Total	
----- Amount in Rupees -----						
Opening balance	754,147,415	8,043,164	762,190,579	147,707,444	27,554,805	937,452,828
Increase/ (decrease) during the year						
Education	515,000	(953,527)	(438,527)	4,076,195	(204,618)	3,433,050
Medical	30,168,758	(1,844,064)	28,324,694	3,531,784	-	31,856,478
Others	15,050,000	4,261,489	19,311,489	904,304	-	20,215,793
	45,733,758	1,463,898	47,197,656	8,512,283	(204,618)	55,505,321
Movement in reserves due to changes in property and equipment	(38,208,149)	38,208,149	-	-	-	-
Closing balance	761,673,023	47,715,212	809,388,235	156,219,727	27,350,187	992,958,149

The annexed notes from 1 to 22 form an integral part of these financial statement.



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HONORARY SECRETARY



HONORARY TREASURER

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	30 June 2023	30 June 2022
---Rupees---			
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		4,001,644	1,463,898
Adjustment for:			
Loss on sale of equipment		491,203	567,369
Grant amortization - medical equipment & patient welfare	7	(41,562,321)	(8,343,823)
Depreciation	9	43,034,504	37,007,777
		<u>5,965,029</u>	<u>30,695,221</u>
Working capital changes			
(Increase) / decrease in current assets			
Consumable stocks		(18,205,088)	(7,940,579)
Advances and other receivable		(22,707,113)	(21,583,814)
Short term investments		(25,013,786)	11,419,760
		<u>(65,925,987)</u>	<u>(18,104,633)</u>
(Decrease) / Increase in current liabilities			
Accrued expenses and other liabilities		74,601,890	(21,740,151)
Current portion of long term loan		(21,138,220)	(21,138,216)
		<u>53,463,670</u>	<u>(42,878,367)</u>
Net cash (used in) from operating activities		<u>(6,497,288)</u>	<u>(30,287,779)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(151,378,512)	(39,405,591)
Sale proceeds on disposal of equipments		419,000	633,004
Net cash used in investing activities		<u>(150,959,512)</u>	<u>(38,772,587)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital reserves		53,518,129	45,733,758
Government grant		45,550,000	50,000,000
Endowment funds		40,608,182	8,512,283
Other funds		23,655,402	(204,618)
Long term loan		-	(21,138,223)
Net cash generated from financing activities		<u>163,331,713</u>	<u>82,903,200</u>
Net change in cash and cash equivalents		<u>5,874,913</u>	<u>13,842,834</u>
Cash and cash equivalents at the beginning of the year		<u>52,954,567</u>	<u>39,111,733</u>
Cash and cash equivalents at end of the year		<u><u>58,829,480</u></u>	<u><u>52,954,567</u></u>

The annexed notes from 1 to 22 form an integral part of these financial statement.



PRESIDENT



HONORARY SECRETARY



HONORARY TREASURER

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1 LEGAL STATUS AND NATURE OF ENTITY

Khoja (Pirhai) Shia Isna Asheri Jamaat (KPSIAJ) was established in the year 1892. It was registered on 01 April 1965 under the Societies Registration Act, 1860 and works as a welfare organization. Registered office KPSIAJ is situated at 174, Britto road, Numaish, Karachi.

KPSIAJ operates Fatimiyah Hospital, Fatimiyah Education Network and other welfare services are also carried with core objective is to provide accessible and affordable quality healthcare and education to all specially community with dignity, respect and empathy.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with "Accounting Standard for Not for Profit (NPOs) as prescribed by Institute of Chartered Accountants of Pakistan (ICAP) , and the International Financial Reporting Standards (IFRS) as applicable in Pakistan.

2.2 Basis of measurement

These accounts have been prepared on the basis of historical cost convention. The accounting policies have been consistently applied by the KPSIAJ with those of previous years.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the KPSIAJ's functional and presentation currency and have been rounded to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and judgments made by management in the application of accounting and reporting standards as applicable in Pakistan, that have significant affect the financial statements and estimates with a significant risk of material adjustments in the subsequent years are as follows:

Property and equipment

KPSIAJ reviews the rate of depreciation useful lives, residual values and values of assets for possible impairment on an annual basis. Any change in the estimates in future year might affect the financial results of next and subsequent years.

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation except leasehold land and capital work-in-progress which are stated at cost. Asset received as donation are recorded at fair value. In case fair value can not be reasonably determined such donations be recorded at nominal value.

Depreciation

Depreciation is charged on reducing balance method except for computer equipment which is depreciated on straight line method at rates specified in note 9. A full year's depreciation is charged on all additions. No depreciation is charged for assets disposed off during the year.

Where separately identifiable parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Expenses on repairs and maintenance are charged to income and expenditure account.

Gains or losses on disposal of property and equipment are included in income and expenditure account.

3.2 Consumable stocks

Consumable stocks is valued at lower of cost and net realizable value. Net realizable value signifies the selling prices in the ordinary course of business less costs necessary to be incurred in order to make the sales.

3.3 Debtors

These are initially recognized at cost which represents fair value and are subsequently stated at amortized cost less impairment losses. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past year is use to base the calculation of expected credit loss.

3.4 Cash and cash equivalents

Cash and cash equivalents comprises of cash and bank balances (including term deposits having maturity of up to three months at the reporting date) that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3.5 Retirement benefits

3.5.1 Defined contribution plan

KPSIAJ operates a provident fund for its permanent employees. Equal monthly contribution are made both by the KPSIAJ and the employees to the fund at the rate of 8.33% of basic salary.

3.5.2 Compensated absences

Accrual is made for employees' compensated absences on the basis of the accumulated leaves and the last drawn pay as determined by the management.

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**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

3.6 Provisions

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

3.7 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani rupee at the exchange rates prevailing at the date of transactions, monetary assets and liabilities denominated in foreign currencies are translated into Pakistani rupee at the exchange rates prevailing at the reporting date. Exchange differences are included in the income and expenditure account currently.

3.8 Endowment funds

The objective of this fund is to make investments to generate income (refer note 3.15) which can be used for education, medical and other services as per the defined purposes of the respective funds.

3.9 Offsetting

Financial assets and liabilities are set-off and the net amount is reported in the statement of financial position when and only when, KPSIAJ has legally enforceable right to set-off the amounts and KPSIAJ intends either to settle on net basis, or to realize the assets and to settle the liabilities simultaneously, income and expenses are presented on net basis only when permitted by the accounting and reporting standards.

3.10 Investments

Investments are stated at fair market value as of reporting date.

3.11 Revenue recognition

- Revenue from medical services for out-patient department is recognized at point in time whereas revenue from in-patient department is recognized over time as the services are provided.
- Incase of education services fee income is recognized on accrual basis.
- Admission fees from medical and education services are recognized as income when received.
- Donation are recorded as income when received. Whereas, grant are recognized in the manner given in note 3.12.
- Return on investments is recognized at effective rate of return. Whereas, dividend income is recorded when announced and right to receive are established.
- Rental income is recognized in the income and expenditure account as per the terms of rent agreements.
- Other income is recorded on receipt basis. 🚩

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

3.12 Government grants

Government grants are recognized at fair value, as deferred income when received. Grants that compensate KPSIAJ for expenses incurred are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an assets are recognized in income on a systematic basis over the expected useful life of the related assets.

3.13 Taxation

In accordance with Sub-section 1 of 100C of Income Tax Ordinance, 2001, KPSIAJ is eligible for 100% tax credit. Accordingly, no provision is required for current / deferred tax in these financial statements.

3.14 Financial instruments

3.14.1 Financial assets

Classification

KPSIAJ classifies its financial assets in the following categories:

a) At amortised cost

Financial assets at amortised cost are held within a business model whose objective is to collect contractual cash flows on specified dates when those cash flows represent solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised in profit or loss.

b) At fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

c) At fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt instruments that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Recognition and measurement

KPSIAJ recognises a financial asset when it becomes party to the contractual provisions of the instrument. Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets are subsequently remeasured to fair value or amortised cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets is included in profit or loss for the period in which it arises.

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Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in the profit or loss when KPSIAJ's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Transaction costs that are directly attributable to the acquisition of the financial asset are made part of cost of the asset except for financial assets at fair value through profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and KPSIAJ has transferred substantially all risks and rewards of ownership. Assets that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not financial instruments of KPSIAJ.

3.14.2 Financial liabilities

All financial liabilities are recognised at the time when KPSIAJ becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value minus transaction costs. Financial liabilities at fair value through the profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where 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 and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.15 Income earned on investments

Income earned on investments during the year are purified as per the guidelines prescribed by Shariah advisors; whereas, remaining income is reflected in statement of income and expenditure account.



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	Note	30 June 2023	30 June 2022
---Rupees---			
4	ENDOWMENT FUNDS		
	Education	176,178,370	138,831,458
	Medical	15,602,364	14,474,401
	General	5,047,175	2,913,868
		<u>196,827,909</u>	<u>156,219,727</u>

4.1 These represents contribution received from donors with stipulation of principal amount to be kept intact while the income earned on related investment could be used for the respective purpose.

5 OTHER FUNDS

This includes funds to utilize in exceptional circumstances incase of future shortage of funds as per their agreements.

6 LONG TERM LOAN

Loan outstanding	-	21,138,220
Less: current portion of loan	-	(21,138,220)
	-	-

This represents loan obtained under refinance scheme of the State Bank of Pakistan on services charge basis @ 3% p.a.

7 Deferred Grant - Government

30 June 2023						
	Note	Medical equipment	Patient welfare	Coffin carrier	Education operation support	Total
Balance at the beginning of the year		38,458,360	3,197,817	-	-	41,656,177
Addition (receipt during the year)	7.1	-	-	15,550,000	30,000,000	45,550,000
Utilized (amortized during the year)	7.2	(3,359,291)	(8,203,030)	-	(30,000,000)	(41,562,321)
Balance at the end of the year		<u>35,099,069</u>	<u>(5,005,213)</u>	<u>15,550,000</u>	<u>-</u>	<u>45,643,856</u>
Less: current maturity of deferred		(3,509,907)	5,005,213	(3,110,000)	-	(1,614,694)
		<u>31,589,162</u>	<u>-</u>	<u>12,440,000</u>	<u>-</u>	<u>44,029,162</u>

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		30 June 2022				
		Medical equipment	Patient welfare	Coffin carrier	Education operation support	Total
	Balance at the beginning of the year	-	-	-	-	-
	Addition (receipt during the year)	7.1 40,000,000	10,000,000	-	-	50,000,000
	Utilized (amortized during the year)	7.2 (1,541,640)	(6,802,183)	-	-	(8,343,823)
	Balance at the end of the year	38,458,360	3,197,817	-	-	41,656,177
	Less: current maturity of deferred income	(3,845,836)	(3,197,817)	-	-	(7,043,653)
		<u>34,612,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,612,524</u>

7.1 During the year Rs. 15.5 million and Rs. 30 million was received from Government of Sindh (GOS) against acquisition of coffin carrier bus and to support Fatimiyah education network. Whereas, Rs. 40 million and Rs.10 million was received last year for medical equipments and patient welfare respectively.

7.2 This represents depreciation charged at the rate of 10% on medical equipments, actual welfare provided to indigent patients and utilization of education grant against operational activities .

8 ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses		10,122,894	9,939,022
Funds for specific purposes	8.1	105,408,984	50,765,505
Other liabilities		29,540,929	9,766,390
		<u>145,072,807</u>	<u>70,470,917</u>

8.1 Funds for specific purposes:

Higher education scholarship		8,703,916	15,212,479
Patients' welfare		994,368	291,376
Family relation		2,703,140	3,355,640
Flood relief fund		45,533,360	-
Fatimiyah International University		20,507,501	-
Others		26,966,700	31,906,010
		<u>105,408,984</u>	<u>50,765,505</u>

9 PROPERTY AND EQUIPMENT

Operating assets	9.1	781,914,746	740,187,853
Capital work in progress	9.2	68,588,783	2,881,870
		<u>850,503,529</u>	<u>743,069,723</u>

(For schedule refer next page)

KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
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9.1 OPERATING ASSETS

Description	Cost				Rate	Accumulated Depreciation				Carrying value as at 30 June 2023
	As at 01 July 2022	Additions	Disposal	As at 30 June 2023		As at 01 July 2022	Disposal	Depreciation for the period	As at 30 June 2023	
30 June 2023	-----Rupees-----					-----Rupees-----				
Leasehold land	287,575,578	-	-	287,575,578	-	-	-	-	-	287,575,578
Building	444,759,617	5,241,595	-	450,001,212	5%	167,027,375	-	14,148,692	181,176,067	268,825,145
Computer equipment	17,090,324	3,298,999	-	20,389,323	33%	15,476,532	-	1,637,433	17,113,965	3,275,358
Furniture and fixtures	63,671,459	3,377,825	-	67,049,284	10%	34,614,693	-	3,243,459	37,858,152	29,191,132
Medical & office equipments	251,554,998	67,546,180	(1,654,562)	317,446,617	10%	124,128,169	(744,359)	19,406,991	142,790,801	174,655,816
Vehicles	37,328,192	6,207,000	-	43,535,192	20%	20,545,546	-	4,597,929	25,143,475	18,391,717
	<u>1,101,980,168</u>	<u>85,671,599</u>	<u>(1,654,562)</u>	<u>1,185,997,206</u>		<u>361,792,315</u>	<u>(744,359)</u>	<u>43,034,504</u>	<u>404,082,460</u>	<u>781,914,746</u>

Description	Cost				Rate	Accumulated Depreciation				Carrying value as at 30 June 2022
	As at 01 July 2021	Additions	Disposal	As at 30 June 2022		As at 01 July 2021	Disposal	Depreciation for the period	As at 30 June 2022	
30 June 2022	-----Rupees-----					-----Rupees-----				
Leasehold land	287,575,578	-	-	287,575,578	-	-	-	-	-	287,575,578
Building	444,539,893	219,724	-	444,759,617	5%	152,409,889	-	14,617,486	167,027,375	277,732,242
Computer equipment	16,507,699	1,198,325	(615,700)	17,090,324	33%	15,139,565	(469,808)	806,775	15,476,532	1,613,792
Furniture and fixtures	63,923,374	763,635	(1,015,550)	63,671,459	10%	31,712,874	(326,710)	3,228,529	34,614,693	29,056,766
Medical & office equipments	232,346,531	19,942,037	(733,570)	251,554,998	10%	110,336,773	(367,930)	14,159,326	124,128,169	127,426,829
Vehicles	22,328,192	15,000,000	-	37,328,192	20%	16,349,884	-	4,195,661	20,545,545	16,782,647
	<u>1,067,221,267</u>	<u>37,123,721</u>	<u>(2,364,820)</u>	<u>1,101,980,168</u>		<u>325,948,985</u>	<u>(1,164,448)</u>	<u>37,007,777</u>	<u>361,792,315</u>	<u>740,187,853</u>

30 June 2023 30 June 2022

9.1.1 Attribution of depreciation for the year is as follows:

	---Rupees---	
Education	8,126,989	8,053,930
Medical	27,265,014	21,000,724
Others	6,412,537	7,020,074
Administrative	1,229,965	933,049
	<u>43,034,504</u>	<u>37,007,777</u>

9.2 CAPITAL WORK IN PROGRESS

Opening Balance	2,881,870	600,000
Add: Addition during the year	117,790,725	2,281,870
Less: Amount capitalized during the year	(52,083,812)	-
Closing balance	<u>68,588,783</u>	<u>2,881,870</u>

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
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10 SHORT TERM INVESTMENT

Term deposit receipt	10.1	20,000,000	20,000,000
Investment in Government securities (T-Bills)	10.2	343,285,697	295,113,135
Investment in equity securities		6,208,534	6,011,219
Investment in mutual funds	10.3	5,654,909	7,006,457
		375,149,140	328,130,811
Less: Retirement benefit funds		(145,759,209)	(123,754,666)
		229,389,931	204,376,145

10.1 This includes amount invested in Term deposit receipts (TDRs) with banks for period one year with mark-up at a range between 14.60% to 20.00% (2022: 6.10% to 11.85%) per annum.

10.2 This represents investment in Government Securities (T-Bills). These carry mark-up at a range between 21.98% to 22.74% (2022: 14.44% to 14.66%) per annum.

10.3 This represents investment in National Investment Unit Trust having NAV of Rs. 50.77 (2022: Rs. 64.99) on 111,383 (2022: Rs. 107,808) units.

11 ADVANCES AND OTHER RECEIVABLES

Staff - considered good	1,643,565	935,642
Prepayments	2,579,191	2,972,081
Advances	14,793,323	8,468,648
Receivables against services	40,965,925	26,573,328
Profit receivables on investment	10,247,686	4,368,922
Other receivables	2,236,061	7,212,337
	72,465,750	50,530,958

12 CASH AND BANK BALANCES

Cash in hand	5,720,402	3,290,830
Cash at bank	53,109,078	49,663,737
	58,829,480	52,954,567

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There are no contingencies as at 30 June 2023.

13.2 Commitments

Commitments in respect of acquisition of medical equipments related activities amounted to Rs. 10.54 million (2022: Rs. 39.77 million)

KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
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	Note	30 June 2023	30 June 2022
---Rupees---			
14 EDUCATION			
Income			
Tuition fee & supports		205,667,121	165,409,712
Expenses			
Salaries, allowances and benefits		193,107,067	158,443,655
Utility and communication		10,792,039	7,954,952
Repairs and maintenance		4,876,263	2,381,750
Printing and stationery		7,038,736	3,738,689
Rent, rates and taxes		439,194	373,242
Fuel expenses		950,400	626,738
Subscription & registration		1,248,805	411,372
Sports activities		4,432,039	2,915,082
Training and vocational		2,809,401	2,152,006
Depreciation	9.1.1	8,126,989	8,053,930
Insurance		1,234,202	588,897
Office supplies		1,988,883	1,589,592
Travelling and conveyance		1,293,760	1,277,288
Promotional expenses		523,961	492,826
Others		501,617	189,226
Allocation of administrative expenses	17.1	31,345,152	27,190,979
		270,708,508	218,380,224
Excess of expense over income		(65,041,387)	(52,970,512)
15 MEDICAL			
Income			
Service income - net		361,913,403	315,789,983
Expenses			
Salaries, allowances and benefits		226,770,879	208,552,545
Utility and communication		43,140,439	35,478,614
Repairs and maintenance		20,673,661	15,042,702
Printing and stationery		7,115,954	5,294,856
Rent rates and taxes		404,080	284,852
Depreciation	9.1.1	27,265,014	21,000,724
Travelling and conveyance		269,791	211,408
Fuel expenses		8,674,716	5,379,528
Insurance		1,989,368	1,324,920
Office supplies		784,874	773,929
Promotional expenses		520,010	385,730
Subscription & registration		141,870	48,000
Training and vocational		343,620	250,740
Service charges on SBP facility		81,657	1,130,097
Legal and professional expense		1,100,000	300,000
Others		21,350	17,725
Allocation of administrative expenses	17.1	36,866,467	29,101,249
		376,163,749	324,577,619
Excess of expense over income		(14,250,346)	(8,787,636)


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**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	30 June 2023	30 June 2022
---Rupees---			
16 OTHERS			
Fatimiyah community centre		(6,103,911)	(5,898,849)
Allama Hajji Ghulam Ali Library		(1,473,077)	(1,369,597)
Seminars, meetings, commemoration		(6,138,320)	(2,511,636)
Membership services		(2,714,460)	(2,042,245)
Fatimiyah sports complex		(13,534,639)	(12,635,616)
Matrimonial services		(678,020)	53,980
Graveyards		(6,998,377)	(5,091,342)
Transportation services		(4,236,304)	(2,302,174)
General welfare		(3,669,364)	(2,812,900)
Excess of expense over income		(45,546,474)	(34,610,379)
17 ADMINISTRATIVE EXPENSES			
Salaries, allowances and benefits		59,903,683	51,523,402
Utility and communication		4,657,950	3,676,109
Repairs and maintenance		5,787,051	3,352,721
Promotional expenses		41,400	712,516
Fees and subscription		12,240	738,023
Printing and stationery		994,882	694,926
Travelling and conveyance		72,550	55,087
Office supplies		1,942,879	1,220,110
Rent, rates and taxes		683,124	604,200
Depreciation		1,229,965	933,049
Fuel		2,895,309	1,288,032
Insurance		667,775	405,583
Others		1,195,885	968,773
		80,084,693	66,172,531
17 DISTRIBUTION OF ADMINISTRATIVE EXPENSES			
Education		31,345,152	27,190,979
Medical		36,866,467	29,101,249
Others		11,873,075	9,880,303
		80,084,693	66,172,531
18 TAXATION			

The KPSIAJ has not recognized provision for current and deferred tax in accordance with the provision of Section 100C of Income Tax Ordinance, 2001 (ITO), which states that KPSIAJ shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable under any of the provisions of the ITO, subject to the following conditions:

- a) Return has been filed.
- b) Tax required to be deducted or collected has been deducted or collected and paid.
- c) Withholding tax statements for immediately preceding tax year have been filed; and
- d) The administrative and management expenditure does not exceed 15% of the total receipts.

The KPSIAJ has complied with the aforementioned conditions of the ITO and has also obtained a certificate from Pakistan Centre of Philanthropy. 

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
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19 TRANSACTIONS WITH RELATED PARTIES

Related parties include the Managing Committee Members (MCM), associated undertakings in which MCM hold common directorship, key position or their close family members and key management personnel of the KPSIAJ.

Remuneration of a key management persons is in accordance with the terms of the employment. Other transactions are at agreed terms. Details of transactions with related parties, other than those which have been disclosed explicitly elsewhere in these financial statements are as follows:

Relationship	Amount outstanding at year end	30 June 2023	30 June 2022
		---Rupees---	
Close family members of MCM	Liabilities	<u>1,985,594</u>	<u>1,879,372</u>
Relationship	Transactions during the year		
Close family members of MCM	Payment against purchases	<u>51,379,510</u>	<u>40,699,906</u>
	Payment against services	<u>396,000</u>	<u>685,850</u>
	Salaries paid	<u>-</u>	<u>127,086</u>
Managing Committee Members	Donation received	<u>4,143,602</u>	<u>7,510,250</u>
	Consultant share paid	<u>1,474,461</u>	<u>1,211,456</u>
Remuneration of Key Management Persons		<u>35,898,856</u>	<u>32,569,623</u>

The Managing Committee Members (MCM) do not draw any remuneration and work on an honorary basis.

20 PROVIDENT FUND DISCLOSURE

KPSIAJ operates a contributory provident fund for all its permanent employees. Salaries, wages and other benefits include Rs. 15.86 million (2022: Rs. 14.60 million) in respect of provident fund contribution made by the KPSIAJ.

Details of net assets and investments of the fund based on the unaudited financial statements of the fund are as follows:

	30 June 2023	30 June 2022
	---Rupees---	
Size of the fund - net assets	<u>158,600,707</u>	<u>133,088,907</u>
Cost / fair value of investments made	<u>145,759,209</u>	<u>123,754,666</u>
Percentage of the investments made	<u>92%</u>	<u>93%</u>

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

21 FINANCIAL RISK MANAGEMENT

The Managing Committee (MCM) of the KPSIAJ has overall responsibility for the establishment and oversight of the KPSIAJ's risk management framework. The MCM is also responsible for developing and monitoring the KPSIAJ's risk management policies. The KPSIAJ's risk management policies are established to identify and analyze the risk faced by the KPSIAJ, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the KPSIAJ's activities.

KPSIAJ's activities exposes it to a variety of financial risks such as:

- Credit risk
- Liquidity risk and
- Market risk

21.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparty to the financial instrument fails to perform as contracted.

Credit risk arises from the inability of the issuers of the instruments the relevant financial institutions or other counterparties to fulfill their contractual obligations resulting in financial loss to the KPSIAJ. The credit risk of the KPSIAJ mainly arises from its investments in representing failure of the investee companies in repayment of principal and / or the return due on such investments. The KPSIAJ is also exposed to counterparty credit risk on bank balances, long term deposits, accrued income and other receivable balances.

21.1.1 Credit risk management

The KPSIAJ assesses all counterparties for credit risk before contracting with them. It is the KPSIAJ's policy to enter into financial contracts with reputable and creditworthy counterparties. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk before any credit enhancements at the reporting date was:

	30 June 2023	30 June 2022
	---Rupees---	
Deposits	3,558,710	3,558,710
Investments	229,389,931	204,376,145
Advances and other receivables	72,465,750	50,530,958
Bank balances	53,109,078	49,663,737
	358,523,469	308,129,550

Deposits

The KPSIAJ has deposited various amounts as security to suppliers against provisioning of different services. The management does not expect to incur material losses on such deposits and consider such amounts receivable on the termination of service contract from respective suppliers.

Investments

The KPSIAJ manages credit risk arising from term deposit receipts by making investments in commercial banks having satisfactory credit rating.

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
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There is no significant credit risk against other investments as majority is in Government securities.

Advances and other receivables

These represent amount receivable mainly from corporate clients, management considers that such amount is due under agreement and counterparties pay the respective amount in normal course. In event of default management reserves right to claim its due under agreement with counterparties.

Nonetheless a significant portion of the receivable have already been received subsequent to the year end.

Bank balances

The KPSIAJ kept surplus liquidity with banks having long term credit rating. Currently, the surplus funds are kept with banks having following ratings:

	Rating agency	Rating	
		Short term	Long term
Bank Al Habib	PACRA	A1+	AAA
Habib Metropolitan Bank	PACRA	A1+	AA+

21.2 Liquidity risk management

Liquidity risk reflects the KPSIAJ's inability in raising funds to meet commitments. Management closely monitors KPSIAJ's liquidity and cash flow position This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

Ultimate responsibility for liquidity risk management rests with the MCM, which has built an appropriate liquidity risk management framework for the management of the KPSIAJ's short, medium and long-term funding and liquidity management requirements. The KPSIAJ manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

21.2.1 Reconciliations of movements of liabilities in cashflows arising from funding activities :

	2023		
	Long term loan	Accrued expenses and other liabilities	Total
Balance as at July 2022	21,138,220	49,648,980	70,787,200
Changes from financing cash flows			
Proceeds from loan under SBP scheme	-	-	-
Repayment of loan under SBP scheme	(21,138,220)	-	(21,138,220)
Net changes in others	-	74,601,890	74,601,890
Total changes from financing activities	(21,138,220)	74,601,890	53,463,670
Other changes:			
Interest expense		81,657	81,657
Interest paid		(81,657)	(81,657)
	-	-	-
Balance as at 30 June 2023	-	124,250,870	124,250,870

**KHOJA (PIRHAI) SHIA ISNA ASHERI JAMAAT
NOTES TO THE FINANCIAL STATEMENTS
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	2022		
	Long term loan	Accrued expenses and other liabilities	Total
Balance as at July 2021	63,414,659	71,389,131	134,803,790
Changes from financing cash flows			
Proceeds from loan under SBP scheme	-	-	-
Repayment of loan under SBP scheme	(42,276,439)	-	(42,276,439)
Net changes in others	-	(21,424,045)	(21,424,045)
Total changes from financing activities	(42,276,439)	(21,424,045)	(63,700,484)
Other changes:			
Interest expense	-	1,130,097	1,130,097
Interest paid	-	(1,446,203)	(1,446,203)
	-	(316,106)	(316,106)
Balance as at 30 June 2022	21,138,220	49,648,980	70,787,200

21.2.2 Liquidity and interest risk

The following schedule provide the detail of KPSIAJ's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the KPSIAJ can be requested to pay. The table Includes both interest and principal cash flows:

	Carrying amount	Contractual cash flows	Less than one year	More than one year	No stated maturity
30 June 2023			-----Rupees-----		
Long term loan	-	-	-	-	-
Accrued and other liabilities:					
Accrued expenses	10,122,894	10,122,894	10,122,894	-	-
Family relation committee	2,703,140	2,703,140	2,703,140	-	-
Funds for specific purposes	105,408,984	105,408,984	105,408,984	-	-
Other liabilities	29,540,929	29,540,929	29,540,929	-	-
	147,775,947	147,775,947	147,775,947	-	-
30 June 2022			---Rupees---		
Long term loan	21,138,220	21,138,220	21,138,220	-	-
Accrued and other liabilities:					
Accrued expenses	9,939,022	9,939,022	9,939,022	-	-
Family relation committee	3,355,640	3,355,640	3,355,640	-	-
Funds for specific purposes	50,765,505	50,765,505	50,765,505	-	-
Other liabilities	9,766,390	9,766,390	9,766,390	-	-
	94,964,777	94,964,777	94,964,777	-	-

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21.3 Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices affect KPSIAJ's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns. KPSIAJ is exposed to interest rate risk as at 30 June 2023.

21.3.1 Interest rate risk management

Interest rate risks the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the interest rate exposure arises from financial assets and financial liabilities as stated below.


At the reporting date, the interest rate profile of the KPSIAJ significant interest bearing financial instruments was as follows:

	2023	2022	2023	2022
	Effective interest rate (in %)		Carrying amounts (in rupees)	
Variable interest-bearing financial instrument				
Financial assets				
Bank balances	18.50% to 19.25%	5.5% to 12.25%	53,109,078	49,663,737
Fixed interest-bearing financial instrument				
Financial assets				
Term deposit receipt	14.60% to 20.00%	6.10% to 11.85%	20,000,000	20,000,000
Government securities (T-Bills)	21.98% to 22.74%	14.44% to 14.66%	343,285,697	295,113,135
Financial liabilities				
Loan under SBP scheme	0.00%	3.00%	-	21,138,220

Cashflow from sensitivity analysis for variable rate instruments

For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates would have decreased / (increased) profit for the year by the amounts shown below.

	Income and expenditure 100 bps	
	Increase	Decrease
	---Rupees---	
As at 30 June 2023		
cashflow sensitivity -- variable rate financial assets	531,091	(531,091)
As at 30 June 2022		
cashflow sensitivity -- variable rate financial assets	496,637	(496,637)

The above sensitivity is not necessarily indicative of the actual effect of changes in interest rate as those are based on management's best estimate of possible change of interest rate in future. 

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21.3.2 Foreign exchange risk management:

Foreign 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. The KPSIAJ is not involved in foreign exchange transaction as a result it is not exposed to any such risk.

21.3.3 Fair value of financial instruments:

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.

Underlying the definition of fair value is the presumption that the KPSIAJ is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms:

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the KPSIAJ is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the KPSIAJ to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial assets in the fair value hierarchy.

On balance sheet financial instruments	30 June 2023		30 June 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	Amortized cost		Amortized cost	
	-----Rupees-----			
Financial assets not measured at fair values				
Deposits	3,558,710	-	3,558,710	-
Investments	229,389,931	-	204,376,145	-
Advances and other receivables	72,465,750	-	50,530,958	-
Cash and bank balances	53,109,078	-	49,663,737	-
	358,523,469	-	308,129,550	-

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	30 June 2023		30 June 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	Amortized cost		Amortized cost	
	-----Rupees-----			
Financial liabilities not measured at fair values				
Long term loan	-	-	21,138,220	-
Accrued and other liabilities:				
Accrued expenses	10,122,894	-	9,939,022	-
Family relation committee	2,703,140	-	3,355,640	-
Funds for specific purposes	105,408,984	-	50,765,505	-
Other liabilities	29,540,929	-	9,766,390	-
	<u>147,775,947</u>	<u>-</u>	<u>94,964,777</u>	<u>-</u>

KPSIAJ has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

21.3.4 Capital risk management:

KPSIAJ finances its operations primarily from the revenue received through medical, education and other services and donations. Apart from these, KPSIAJ also solicits donations for welfare as well as for financing its capital projects. KPSIAJ is not exposed to any externally imposed capital requirement.

22 GENERAL

22.1 Certain corresponding figures have been reclassified for a better comparison.

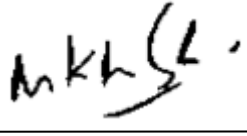
22.2 These financial statements were authorized for issue by the Managing Committee of KPSIAJ on 30-November-2023 .



PRESIDENT



HONORARY SECRETARY



HONORARY TREASURER