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Tel: +92 42 3587 5707-10
Fax: +92 42 3571 7351
www.bdo.com.pk

Office No. 4, 6th Floor,
Askari Corporate Tower,
75/76 D-1, Main Boulevard
Gulberg III, Lahore 54660
Pakistan.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGRIBUSINESS SUPPORT FUND (A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Agribusiness Support Fund (A Company set up under section 42 of the Companies Act, 2017) ("the Company")**, which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure, the statement of comprehensive income, the statement of cash flows and the statement of changes in general fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention to note 1.2 to the accompanying financial statements which describes that the Company has incurred a deficit of Rs. 33.869 million during the year ended June 30, 2023. The accumulated deficit as of the date amounted to Rs. 12.846 million. The Company mostly relies on donations. These conditions, along with other matters as set forth in Note 1.2, indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. However, these financial statements have been prepared on a going concern basis based on the donor's commitment to provide financial support to the Company. Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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Opinion

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

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention to note 1.2 to the accompanying financial statements which describes that the Company has incurred a deficit of Rs. 33.869 million during the year ended June 30, 2023. The accumulated deficit as of the date amounted to Rs. 12.846 million. The Company mostly relies on donations. These conditions, along with other matters as set forth in Note 1.2, indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. However, these financial statements have been prepared on a going concern basis based on the donor's commitment to provide financial support to the Company. Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of cash flows and the statement of changes in fund together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Imran.

Bdo Ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
BDO

LAHORE

DATED: 27 NOV 2023

UDIN: AR202310131MHRa2bwU6

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AGRIBUSINESS SUPPORT FUND
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	339,610	547,542
Long term security deposits	8	-	500,000
		339,610	1,047,542
CURRENT ASSETS			
Contract assets	9	3,469,827	7,461,257
Advances	10	6,487,817	3,508,315
Loans to cooperative societies	11	32,000,000	5,278,458
Short term deposits and prepayments	12	654,080	3,408,967
Other receivables	13	3,615,906	-
Taxation - net	14	-	54,136
Short term investments	15	1,877,199	2,597,011
Cash and bank balances	16	40,620,704	61,130,331
		88,725,533	83,438,475
TOTAL ASSETS		89,065,143	84,486,017
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred grants	17	26,775,370	12,305,329
Deferred liabilities	18	1,756,227	-
		28,531,597	12,305,329
CURRENT LIABILITIES			
Short term loan	19	62,478,800	46,840,000
Trade and other payables	20	10,160,360	4,316,560
Taxation - net	14	740,049	-
		73,379,209	51,156,560
TOTAL LIABILITIES		101,910,806	63,461,889
NET ASSETS		(12,845,663)	21,024,128
REPRESENTED BY:			
General fund - (Deficit)/ surplus	21	(12,845,663)	21,024,128
CONTINGENCIES AND COMMITMENTS	22	-	-

The annexed notes 1 to 42 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE

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AGRIBUSINESS SUPPORT FUND
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Income			
Services rendered	23	8,854,362	27,157,956
Amortisation of grants	17	74,667,679	20,125,855
Other income	24	10,845,351	8,212,067
		94,367,392	55,495,878
Expenditure			
Cost of services	25	(6,001,188)	(27,157,956)
Project expenses	26	(74,667,679)	(20,125,855)
Administrative expenses	27	(46,034,895)	(21,075,129)
		(126,703,762)	(68,358,940)
Deficit before taxation		(32,336,370)	(12,863,062)
Taxation	28	(1,533,421)	(691,058)
Deficit for the year after taxation		(33,869,791)	(13,554,120)

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHAIRMAN

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AGRIBUSINESS SUPPORT FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Deficit for the year		(33,869,791)	(13,554,120)
Other comprehensive income		-	-
Total comprehensive loss for the year		(33,869,791)	(13,554,120)

The annexed notes 1 to 42 form an integral part of these financial statements.

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CHIEF EXECUTIVE

CHAIRMAN

AGRIBUSINESS SUPPORT FUND
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	UNRESTRICTED FUND
Balance as at June 30, 2021	34,578,248
Comprehensive loss:	
Deficit for the year	(13,554,120)
Other comprehensive income	-
	(13,554,120)
Balance as at June 30, 2022	21,024,128
Balance as at July 01, 2022	21,024,128
Comprehensive loss:	
Deficit for the year	(33,869,791)
Other comprehensive income	-
	(33,869,791)
Balance as at June 30, 2023	(12,845,663)

The annexed notes 1 to 42 form an integral part of these financial statements.

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CHAIRMAN

CHIEF EXECUTIVE

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AGRIBUSINESS SUPPORT FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before tax for the year		(32,336,370)	(12,863,062)
Adjustments for:			
Depreciation	7	265,932	236,725
Amortisation of grant		(74,667,679)	(20,125,855)
Other income	24	-	(5,278,458)
Net gain on sale of property and equipment	24	(193,000)	-
Net gain on NAFA investment		(319,502)	(456,405)
Provision for gratuity		1,756,227	-
Foreign exchange loss	27	15,638,800	-
		(57,519,222)	(25,623,993)
Operating cash flow before working capital change		(89,855,592)	(38,487,055)
(Increase) / decrease in current assets:			
Advances		(2,979,502)	(1,601,762)
Loans to cooperatives		(26,721,542)	33,541,542
Short term deposits and prepayments		2,754,887	7,065,578
Other receivables		(3,107,306)	-
Contract assets		3,991,430	21,171,744
		(26,062,033)	60,177,102
(Decrease) / increase in current liabilities:			
Trade and other payables		5,836,074	(5,536,026)
Cash generated from / (used in) operations		(110,081,551)	16,154,021
Less: Income tax paid		(700,796)	(520,052)
Net cash generated from/ (used in) operating activities		(110,782,347)	15,633,969
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceeds from disposals of fixed assets		193,000	-
Investments redeemed during the year- net		1,000,000	5,000,001
Fixed assets purchased during the year		(58,000)	(18,000)
Net cash generated from investing activities		1,135,000	4,982,001
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received during the year		89,137,720	26,475,308
Net cash generated from financing activities		89,137,720	26,475,308
Net (decrease)/ increase in cash and cash equivalents		(20,509,627)	47,091,278
Cash and cash equivalents at the beginning of the year		61,130,331	14,039,053
Cash and cash equivalents at the end of the year	16	40,620,704	61,130,331

The annexed notes 1 to 42 form an integral part of these financial statements.

CHAIRMAN **CHIEF EXECUTIVE**

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AGRIBUSINESS SUPPORT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS

1.1 Agribusiness Support Fund (the Company) was incorporated in Pakistan on July 19, 2005 as a guarantee limited Company having no share capital under section 42 of the Companies Ordinance, 1984 (repealed with enactment of Companies Act, 2017). The registered office of the Company is located at House No. 1126, Street No. 30, Sector G 15/1, Islamabad. Objective of the Company is to promote and facilitate the development and competitiveness of agribusiness enterprises in Pakistan, by providing grants to farmers, farmer groups and entrepreneurs with demand driven technical and managerial services on a matching grant basis to improve their productivity, competitiveness and credit worthiness to access financing for their enterprises.

1.2 Going concern assessment

During the year the Company has incurred a deficit amounting to 33.869 million and its accumulated deficit as at the year-end amount to Rs. 12.846 million. Further, the Company is mostly relying on donors funding. These conditions indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. The Company is currently engaged in two projects Asian Farmers Association for Sustainable Rural Development (AFA) and Associates in Development (AID), expecting further funding from KP Government in the next financial year. Accordingly, these financial statements have been prepared on a going concern basis.

1.3 The Company was set up as a consequence of a Loan Agreement (special operations) dated June 14, 2005 between the Asian Development Bank (ADB) and the Islamic Republic of Pakistan for agribusiness development project. Under the Loan Agreement ADB provided funds to Government of Pakistan for the project. Part of the loan proceeds were provided to the Company as grant by Government of Pakistan (GoP) which were utilized for the execution of the project component assigned to the Company. In addition to loan proceeds, the Government of Pakistan was also provided grants for certain project expenditure from its own resources. Further, in compliance with the terms of the above mentioned loan agreement a project management agreement was signed between ADB and the Company on June 29, 2006 for execution of assigned project component. Further, a performance agreement was also signed between the Company and Ministry of Food, Agriculture and Livestock (MINFAL) on July 14, 2006.

1.4 Later on, the Company had entered into a Cooperative Agreement with U.S. Agency for International Development (USAID) on November 10, 2011. The key goal of the project was to support improved conditions for broad-based economic growth, create employment opportunities and contribute to poverty alleviation by increasing the competitiveness of horticulture and livestock including dairy value chain. Under this agreement USAID was to provide aggregated amount of USD $39,947,381 for the project up to November 09, 2016. In addition to the contribution of USAID, leveraging aggregating to USD $7,600,000 was to be provided by ASF and Grantee Enterprises. USAID project was completed on 9 November 2015.

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1.5 The Company had executed an agreement with the Program Coordination Unit, Economic Transformation Initiative, Department of Planning and Development- Government of Gilgit Baltistan (ETI-GB) on February 3, 2017 for providing technical assistance for establishment and launch of a value chain support fund and related services. The main objective of the program was to enhance the capacity and trade skills of small producers with exposure to recommended farm practices to increase productivity and income. The program was successfully completed on February 3, 2020. During last year, a similar project with an extended scope of services has been executed with ETI-GB which is to be concluded by September 2022.

1.6 The Company has entered into agreement with the Asian Farmers Association For Sustainable Rural Development (AFA) on January 01, 2021 for implementation of Asia Pacific Farmers' Programme in Pakistan. The main objective of the Program is to contribute to an enabling environment for rural poverty reduction, through instrumental support to rural stakeholders and their organizations. The project will also ensure that farmer organizations are professionally capacitated to provide sustainable demand-driven (business and technical) services to their members and engage in effective policy dialogue for improved livelihoods and incomes of farmer. The period/tenure of this projects is 12 months ending on December 31, 2023.

1.7 The Company has also entered into an agreement with the Asian Farmers Association For Sustainable Rural Development (AFA) on June 29, 2022 for implementation of the Assuring Resiliency of Family Farmers amidst COVID-19. The main purpose of the Fund is to fulfil working capital needs of farmers and on a case-by-case basis, capital needs of cooperatives. The period of this project is 12 months ending on June 28, 2023.

1.8 During the year, the Company has entered into an agreement with Associates in Development Private. Limited. (AID) on July 01, 2022, which is later revised on January 26, 2023, for implementation of Economic Recovery and Development Activity (ERDA) in Khyber Pakhtunkhwa (KP), including the seven newly merged districts (NMDs) of KP. The period of this project is 5 years ending on February 20, 2027.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at House No. 1126, Street No. 30, Sector G 15/1, Islamabad. Other business units detail is as follows:

Location	Address
Punjab - Lahore	81K Second floor commercial area DHA Phase 1.
Gilgit	Economic Transformation Initiative (ETI) GB office, domiyal,river view road Gilgit

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3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Accounting convention

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

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee, which is Company's functional and presentation currency.

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

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022

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

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

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

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP): 1300

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and any identified impairment loss. Depreciation on property and equipment is charged to income on straight line method so as to write off the depreciable amount of an asset over its estimated useful life as mentioned below:

Furniture and fittings	5 years
Vehicles	5 years
Office equipment	4 years
Computer equipment	3 years

Depreciation on additions to property and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

The Company assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in statement of income and expenditure for the year. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Subsequent costs are included in the assets carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Normal repairs and maintenance are charged to income while major renewals and improvements are capitalized. Gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is taken to income.

5.2 Intangible assets

These are stated at cost less accumulated amortization and impairment, and are amortized on a straight line basis over 3 years being its useful life. Amortization of intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

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The Company assesses at each date of statement of financial position whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in statement of profit & loss for the year. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

5.3 Impairment

At each reporting date, the carrying amount of assets is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expenses in the income and expenditure statement.

5.4 Foreign currency transactions and translation

Transactions denominated in foreign currencies are translated into Pak Rupees, at the foreign exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the reporting date.

5.5 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and bank balances and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

5.6 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets - initial recognition

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

The Company's financial assets include short term investments, accrued profit on bank deposits, other receivables and bank balances.

Financial assets - subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

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

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

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

The Company's financial assets at amortized costs includes short term investments, accrued profit on bank deposits and other receivables.

The Company does not have financial assets at fair value through profit or loss or fair value through OCI.

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Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments, excluding due from the Government, not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

The Company may consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. 130

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For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the income and expenditure statement.

Financial liabilities

Financial liabilities - initial recognition

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

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

The Company's financial liabilities include accrued liabilities and interest payable.

Financial liabilities - subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

This category applies to accrued liabilities and interest payable.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income and expenditure & other comprehensive income.

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5.7 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

5.8 Revenue Recognition

Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgment.

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised service to a customer. In service agreements, such control is transferred over time.

Profit on bank balances and investments are recognized on a time proportion basis on the principal amount outstanding.

Whereas profit on bank deposits and other investment income earned on endowment funds is directly recognized in changes in net assets to the extent that it is not available for Company's operations. Investment income earned on deferred contribution is recognized as income to the extent of expenses incurred and the remaining amount if deferred is included in deferred contribution.

The Company follows a deferral method of accounting for contributions and grants. Under this method, externally restricted contributions and grants are deferred as non-current liabilities and recognized as revenue when expenses are incurred. Unrestricted contributions are recognized as received or receivable if the amount to be received can be measured reliably and collection of the same is reasonably assured.

Revenue is to be recognized in accordance with the aforementioned principle by applying the following steps:

- Identify the contract with customers
- Identify the performance obligation in the contract
- Determine the transaction price in the contract
- Allocate the transaction price to each of the separate performance obligations in the contract.
- Recognize the revenue when (or as) the entity satisfies a performance obligations

5.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.10 Deferred grant

Grants

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

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Deferred

Grants received for purchase of fixed assets with limited life are initially recorded as deferred income upon receipt. When the assets are actually purchased they are then recorded as deferred capital grants and when expended they are amortized into income on a systematic basis over the periods necessary to match them with carrying value of the related assets.

Income related grants

In cash

Grants of 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 the actual expenditure incurred. Expenditure incurred against grants committed but not received, is recognized directly in income and expenditure account and reflected as a receivable from Donors.

5.11 **Employee benefits**

Gratuity

The Company operates an unfunded gratuity scheme covering its regular employees. Provision for gratuity is made annually with reference to the last drawn salary and period of service.

Employees' compensated absences

The Company provides for liability in respect of employees' compensated absences in which these are earned. Under the scheme, employees are entitled to twenty four days of leave per year out of which twelve leaves are encashable at the year end while remaining twelve if not availed are lapsed.

Paid sick / medical leave

The Company maintains policy of paid medical leaves up to twenty four days per year which are not encashable.

5.12 **Sharing of common expenses**

The Company shares common expenses with respective donors. The ratio is determined on the basis of actual total expenses incurred during the period for each respective donor with whom expenses are being shared.

5.13 **Taxation**

a) **Current**

The charge for current year is higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any, and minimum tax computed at the prescribed rate on turnover or alternative corporate tax. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) **Deferred**

Deferred tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the profit and loss account, except in case of items charged or credited directly to equity in which case it is included in the statement of comprehensive income.

5.14 Trade debts and other receivables

Trade debts and other receivables are recognised initially at amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

5.15 Loan to cooperative societies

Loans to cooperatives are carried at amortized cost less provision made for doubtful loans based on a review of all outstanding amounts at the year end. These loans are funded by Asian Farmers' Association Sustainable Rural Development. These loans are provided to cooperatives societies against service charges of 2.5% to 6%. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

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5.16 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.17 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

5.18 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

6 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimate 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 the 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. A change in accounting estimate may effect only the current period of the statement of profit or loss or the statement of profit or loss of both current and future years.

Judgments and estimates made by management in the application of approved accounting standards that may have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next years are discussed in the following paragraphs:

a) **Property, plant and equipment**

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimate in future years might affect the carrying amounts of the respective items of property, plant and equipment's with corresponding effect on depreciation charge and impairment.

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b) **Impairment of assets**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

c) **Taxation**

The Company takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Company's view differs from that taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

d) **Provision for doubtful receivables**

The Company uses a provision matrix to calculate ECLs for trade receivables (other than receivable from Government) and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

e) **Provision and contingencies**

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

f) **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of Pak Rupees, unless otherwise stated.

g) **Financial instrument**

The fair value of the financial instrument that are not traded in an active market is determined by using valuation techniques based on assumption that are dependent on conditions existing at the balance sheet.

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PROPERTY AND EQUIPMENT

	Furniture and fittings	Office equipment	Computer equipment	Vehicles	Total
	Rupees				
Year ended June 30, 2023					
Net carrying value basis					
Opening net book value	252,342	224,524	70,676	-	547,542
Additions	-	-	58,000	-	58,000
Disposals (at NBV)					
Cost	185,000	-	441,864	-	626,864
Accumulated depreciation	(185,000)	-	(441,864)	-	(626,864)
	-	-	-	-	-
Depreciation charge	(45,408)	(171,465)	(49,059)	-	(265,932)
Closing net book value	206,934	53,059	79,617	-	339,610
Gross carrying value basis					
As at June 30, 2023					
Cost	315,018	4,227,648	30,091,983	3,805,392	38,440,041
Accumulated depreciation	(108,084)	(4,174,589)	(30,012,366)	(3,805,392)	(38,100,431)
Net book value	206,934	53,059	79,617	-	339,610
Year ended June 30, 2022					
Net carrying value basis					
Opening net book value	350,021	309,272	106,975	-	766,268
Additions	-	18,000	-	-	18,000
Depreciation charge	(97,679)	(102,748)	(36,299)	-	(236,726)
Closing net book value	252,342	224,524	70,676	-	547,542
Gross carrying value basis					
As at June 30, 2022					
Cost	500,018	4,227,648	30,475,847	3,805,392	39,008,905
Accumulated depreciation	(247,676)	(4,003,124)	(30,405,171)	(3,805,392)	(38,461,363)
Net book value	252,342	224,524	70,676	-	547,542
Depreciation Rates	**20%**	**25%**	**33%**	**20%**	

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Disposal of property and equipment

Particulars of assets	Sold to		Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal
	Name	Relationship with the Company	(Rupees)					
2023								
Furniture and fittings								
Office Tables	Gilgit Chutial	Third-party	100,000	100,000	-	85,000	85,000	Auction
Visiting chairs	Gilgit Chutial	Third-party	85,000	85,000	-	48,000	48,000	Auction
Computer equipments								
Laptops	Gilgit Chutial	Third-party	441,864	441,864	-	60,000	60,000	Auction
2023			626,864	626,864	-	193,000	193,000	
2022			-	-	-	-	-	

The deprecation has been allocated to administrative expenses.

The cost of fully depreciated assets which are still in use is Rs. 36.651 million (2022: Rs. 37.278 million).

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		Note	2023 Rupees	2022 Rupees
8	**LONG TERM SECURITY DEPOSITS**			
	Security deposits			
	Rent	8.1	-	500,000

8.1 This deposit does not carry any interest or mark-up and are not recoverable within one year. Majority of the long-term deposits given have undetermined life period for the impact of discounting hence these are not remeasured.

9	**CONTRACT ASSETS**			
	Unsecured			
	Considered good			
	Karandaaz Pak	9.1	3,469,827	-
	ETI GB		-	7,461,257
			3,469,827	7,461,257
	Considered doubtful			
	ETI GB		7,461,257	-
	Less: Expected credit losses	9.2	(7,461,257)	-
			-	-
			3,469,827	7,461,257

9.1 This represents asset recognised in respect of services provided to the customers where performance obligation is satisfied and revenue recognition is time proportionate. Receivable is recorded on the basis of amounts billed as defined in the contract. Revenue in excess of amounts billed is recognised as contract asset.

9.2 Movement of expected credit losses (ECL) is as follows:

Opening balance		-	-
Adjustment on account of:			
Recovery of losses		-	-
Expected credit losses	27	7,461,257	-
Net adjustment		7,461,257	-
Closing balance		7,461,257	-

10	**ADVANCES**			
	Unsecured			
	Considered good			
	Advances against salaries	10.1	2,915,360	-
	Advances against expenses	10.1	3,572,457	228,313
	Advances to suppliers		-	3,280,002
			6,487,817	3,508,315

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10.1 These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. These advances are unsecured, interest free and payable on demand. This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.

	Note	2023 Rupees	2022 Rupees
11 LOANS TO COOPERATIVE SOCIETIES			
Unsecured			
Considered good			
Loan to cooperatives societies (Challenge funds)	11.1	-	5,278,458
Loans to cooperatives societies (Other)	11.3	32,000,000	-
		32,000,000	5,278,458

11.1 Receivable from cooperative societies (Challenge Funds) - unsecured

Nine Star Women Farmers Cooperative Society Limited	11.2	-	2,625,608
Baltistan Farmers Cooperative Society Limited.	11.2	-	2,652,850
		-	5,278,458

11.2 This represent the amount of grant approved by IFAD against 8% service charges with principle amount for two cooperative societies, Nine Star Women Cooperative Society Limited, Gilgit and Baltistan Farmer's Multi-Purpose Cooperative Society, Skardu for one year. Recoverable amount from the cooperatives societies will be deemed to be the grant income of Agribusiness Support Fund as per agreement with the donor.

11.3 Receivable from cooperative societies (Others) - unsecured

Nine Star Women Farmers Cooperative Society Limited	11.4	3,000,000	-
Morol Agriculture Cooperative Society Limited	11.4	4,000,000	-
Gole Sermik Farmers Cooperative Society Limited	11.4	4,000,000	-
Kalimal Agriculture Cooperative Society Limited	11.4	1,000,000	-
Baltistan Farmers Cooperative Society Limited	11.4	5,000,000	-
Five Start Farmers Cooperative Society Limited.	11.4	10,000,000	-
Chorkah Agriculture Cooperative Society Limited	11.4	5,000,000	-
		32,000,000	-

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11.4 This represent that the loan amounting to Rs. 76.325 millions during the year provided to cooperative societies against service charges of 2.5% to 6% as per agreed terms. As of the reporting date, there remains an unutilized loan limit of Rs. 14.840 million (2022: Rs. 46.840 million). These loans have been provided for period ranging from 6 to 12 months. These have been received subsequently.

	Note	2023 Rupees	2022 Rupees
12 SHORT TERM DEPOSITS AND PREPAYMENTS			
Prepaid rent	12.1	213,840	1,864,711
Prepaid insurance		440,240	490,431
Security deposits		-	1,053,825
		654,080	3,408,967

12.1 The Company has obtained one head office and two regional offices on operating lease. According to management, these rental agreements have been classified as short-term leases due to their duration being less than 12 months or low value. The Company applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Accordingly, these have been considered operating leases or low value.

13 OTHER RECEIVABLES			
Unsecured			
Considered good			
Other receivables	13.1	2,480,271	-
Accrued service charges	13.2	1,135,635	-
		3,615,906	-

13.1 This represents the amount receivable from Economic Recovery and Development Activity (ERDA) at the rate of 10% de minimis under the Cooperative agreement of all modified total direct costs including all direct salaries and wages, applicable fringe benefits, materials and supplies, services and travel.

13.2 This represents receivable from cooperative societies, as stipulated in agreement, service charges ranging from 2.5% to 6%. The variance in service charges reflects the diversity of terms and conditions negotiated with each respective cooperative society.

14 TAXATION - NET			
Balance at beginning of the year		54,136	225,142
Advance / withholding taxes paid during		720,016	520,052
Prior taxation	14.1	(54,136)	-
Provision for the year		(1,460,065)	(691,058)
		(794,185)	(171,006)
Closing balance		(740,049)	54,136

14.1 This represents the balance written off as the company is not expecting to receive this amount.

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SHORT TERM INVESTMENTS

	Note	2023 Rupees	2022 Rupees
nvestment through profit or loss:			
NBP Government Securities Liquid Fund	15.1	1,877,199	2,597,011

This includes investment in NBP government securities liquid fund and NBP money market fund. These investments are carried at fair value through profit or loss and he fair value of the investment is determined using their respective redemption net assets value method.

BP Government Securities Liquid Fund			
National Bank of Pakistan Government Securities Liquid Fund	15.3	1,706,393	2,448,415
National Bank of Pakistan Money Market Fund	15.3	170,806	148,596
		1,877,199	2,597,011
lovement is as follows:			
NBP Funds			
Cost/opening carrying value	15.2	2,597,011	7,140,608
Gain/(loss)/other adjustments on investments	15.2	(719,812)	(4,543,597)
Carrying value		1,877,199	2,597,011

	2023				2022			
	Number of shares/units	Cost/opening carrying value	Gain/(loss)/ adjustment	Carrying value	Number of shares/units	Cost/opening carrying value	Gain/(loss)/a djustment	Carrying value
BP Funds								
lational Bank of Pakistan Government ecurities Liquid Fund	166,246	2,448,415	(742,022)	1,706,393	239,398	7,005,124	(4,556,709)	2,448,415
ational Bank of Pakistan Money larket Fund	17,115	148,596	22,210	170,806	14,963	135,484	13,112	148,596
	183,361	2,597,011	(719,812)	1,877,199	254,361	7,140,608	(4,543,597)	2,597,011

1300

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16 CASH AND BANK BALANCES	Note	2023 Rupees	2022 Rupees
Cash in hand		18,488	50,000
Cash at banks			
Local currency			
Current accounts		40,422,541	2,160,306
Saving accounts	16.1	179,675	58,916,562
		40,602,216	61,076,868
Foreign currency			
Current accounts		-	3,463
		40,620,704	61,130,331

16.1 The effective rate of return in respect of deposit accounts is 12.27% to 19.23% per annum (2022: 5% to 6% per annum).

16.2 Due to unavailability of signatories, the Company has not conducted any transactions and the bank has marked account as dormant. The Company is unable to operate this account due to unavailability of signatories, therefore, on a prudence basis a provision for impairment amounting to Rs. 0.060 million has been recognised in financial statements in current year.

17 DEFERRED GRANTS

Asia Pacific Farmers' Programme (APFP)	17.1	25,279,666	12,305,329
Associates in development (AID)	17.2	1,495,704	-
		26,775,370	12,305,329

17.1 Asia Pacific Farmers' Programme (APFP)

Opening balance		12,305,329	11,234,334
Grants received during the year		59,500,834	26,475,308
Grants amortized against grant fund	26.1	(46,526,497)	(20,125,855)
Transferred to other income		-	(5,278,458)
Closing balance		25,279,666	12,305,329

17.2 Associates in Development (AID)

Opening balance		-	-
Grants received during the year		29,636,886	-
Grants amortized against grant fund	26.2	(28,141,182)	-
Closing balance		1,495,704	-

17.3 This grant has been received from Asia Pacific Farmers' Programme (APFP) for participating farmers' organisations (FOs) and members, economic services to FOs and policy dialogue.

1300

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17.4 This grant has been received from Associates in Development (Private) Limited (AID) for the implementation of Economic Recovery and Development Activity (ERDA). The said cooperative agreement provides for the implementation of ERDA in Kyber Pakhtunkhwa (KP), including the seven newly merged districts (NMDs) of KP. ASF will provide implementation support for the selected interventions.

		Note	2023 Rupees	2022 Rupees
18	**DEFERRED LIABILITIES**			
	Provision for gratuity	18.1	1,756,227	-
18.1	**Provision for gratuity**			
	Gratuity			
	Opening balance		-	-
	Addition during the year		1,756,227	-
	Payments / adjustments during the year		-	-
			1,756,227	-

18.1.1 The provision for gratuity has been made for employees at one gross salary for each completed year of service. The management believes that due to lower annual increment rate of salary in the Company the values determined by actuarial valuation method would not be materially different from the provision in books of accounts.

		Note		
19	**SHORT TERM LOAN - UNSECURED**			
	Unsecured			
	Asian farmers' Association for Sustainable Rural Development Short term loan	19.2	62,478,800	46,840,000

19.1 Movement of short term loan is as follows

Opening balance	46,840,000	46,840,000
Addition during the period	-	-
Paid during the period	-	-
Foreign exchange loss	15,638,800	-
Closing balance	62,478,800	46,840,000

19.2 This financing has been extended by the Asian Farmers Association for Sustainable Rural Development (AFA) for implementation of the Assuring Resiliency of Family Farmers amidst COVID-19. This is being used for extending advances to cooperatives to meet their working capital requirements. The loan is repayable during the subsequent year at April 29, 2024 which was originally set to repaid on June 29, 2023. Further, for the extension in period the administrative support fund shall be prorated at 2% per annum of the two hundred eighteen thousand US dollars (USD 218,000) on date of payment.

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	Note	2023 Rupees	2022 Rupees
20 TRADE AND OTHER PAYABLES			
Accrued expenses		4,398,633	2,298,580
Tax deducted / withheld at source		1,098,530	84,828
Other payables	20.1	4,663,197	1,933,152
		10,160,360	4,316,560

20.1 This includes payable to Bramrz (Private) Limited amounting to Rs. 1.518 million (2022: Nil) for providing E-commerce platform. This also includes service charges payable to Asian Farmers' Association for Sustainable Rural Development (AFA) as referred in note 19.2.

21 GENERAL FUND		
Opening balance	21,024,128	34,578,248
(Deficit) / surplus for the year	(33,869,791)	(13,554,120)
Closing balance	(12,845,663)	21,024,128

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 During the year ended June 30, 2018 USAID had raised a demand notice to the Company for payment of USD $ 192,423 for non-compliances with the grant agreement and weaknesses in the Company's internal controls on the recommendation of third party auditors. The Company filed a suit against the demand notice and the case is pending before the Civil Court Lahore. Currently, the matter is subjudice. The management of the Company expect favorable outcome and accordingly, no provision has been made in these financial statements.

22.1.2 During the year ended June 30, 2022, the Company has applied for renewal of approval u/s 2(36) of the income tax ordinance, 2001 from commissioner inland revenue, Islamabad on the basis of financials for the tax year 2022, the decision of the commissioner is still awaited. Rule 214 of the Income Tax Rules 2002 provides that the approval granted on the tax year 2022 will remain in force for the subsequent three years which will also cover tax year 2023. However, on prudence basis the Company has made a provision for tax.

22.2 Commitments

There are no commitments as on the reporting date (2022: Rs. Nil).

23 SERVICES RENDERED			
Services rendered to ETI GB	23.1	2,819,880	27,157,956
Services rendered to Karandaaz Pakistan	23.2	6,034,482	-
		8,854,362	27,157,956

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23.1 The Company had an agreement with the Program Coordination Unit, Economic Transformation Initiative, Department of Planning and Development- Government of Gilgit Baltistan (ETI-GB) on February 3, 2017 for providing technical assistance for establishment and launch of a value chain support fund and related services. The main objective of the program was to enhance the capacity and trade skills of small producers with exposure to recommended farm practices to increase productivity and income. The program was successfully completed on February 3, 2020. During last year, a similar project with an extended scope of services has been executed with ETI-GB which is to be concluded by September 2022. The Company incurs project expense and later on ETI-GB reimburse the same upon approval.

23.2 The Company had an agreement with Karadaaz Pakistan on February 26, 2023 which covers an assessment of current agriculture value chains of Pakistan and develop a program on "Agriculture Value Chain(s) Transformation (AVCT)" using a demand driven, technology led, gender-responsive and socially inclusive approach that uplifts the agriculture ecosystem of Pakistan.

	Note	2023 Rupees	2022 Rupees
23.3 Timing of revenue recognition - net			
Services transferred at a point in time		8,854,362	27,157,956
23.4 Geographical market			
Pakistan		8,854,362	27,157,956
24 OTHER INCOME			
Transfer from deferred grants		-	5,278,458
Profit on short term investment		319,502	500,802
Dividend		5,661	42,353
Realized gain on disposal of investments			
Unrealized gain on remeasurement of investments		6,954	3,521
		332,117	546,676
Profit on saving accounts		2,701,938	1,964,989
Gain on disposal of assets	7.1	193,000	-
Reimbursement of operating cost from ERDA	13.1	4,351,385	-
Service charges from cooperative societies	13.2	3,266,911	421,944
		10,845,351	8,212,067

	Note	2023 Rupees	2022 Rupees
25 COST OF SERVICES			
Salaries, wages and benefits	25.1	1,862,326	15,551,238
Seminar, conferences and workshops		-	114,226
Daily allowances		173,275	-
Travelling		-	933,380
Vehicle running and maintenance		178,650	511,282
Vehicle fuel		1,378,425	2,311,545
Vehicle rent/hire		739,000	3,008,166
Communication		72,478	188,395
Legal and professional charges		-	1,696,917
Consultancy charges		978,750	880,000
Office supplies		199,217	745,289
Entertainment		36,440	-
Printing and stationary		17,730	155,391
Rent		194,400	376,500
Electricity, gas, water & fuel		39,730	454,064
Repair & maintenance		64,300	74,790
Bank charges		-	5,549
Miscellaneous expenses		66,467	151,224
		6,001,188	27,157,956

25.1 This includes payments made to consultants hired for short term technical assistance amounting to Rs. Nil (2022: 0.15 million).

26 PROJECT EXPENSES			
Asia Pacific Farmers' Programme (APFP)	26.1	46,526,497	20,125,855
Associates in Development (AID)	26.2	28,141,182	-
		74,667,679	20,125,855
26.1 Asia Pacific Farmers' Programme (APFP)			
Salaries, wages and benefits	26.1.1	19,949,061	11,201,594
Traveling and conveyance		1,400,877	998,667
Accommodation		893,278	-
Consultancy charges		1,114,100	-
Vehicle fuel		1,692,003	1,175,463
Vehicle hire/rent		2,222,500	2,204,000
Vehicle running and maintenance		147,490	64,720
Entertainment		892,257	-
Electricity, gas, water an fuel		42,215	-
Communication expenses		35,556	329,340
Office rent		796,080	806,800
Repairs and maintenance		23,990	-
Insurance		-	460,871
Legal and professional charges		251,478	1,433,160

1500

	Note	2023 Rupees	2022 Rupees
Advertisement expenses		325,700	11,550
Auditor's remuneration		224,659	-
Fees & subscription		49,154	-
Seminar, conferences, workshops		2,415,310	1,268,820
Trainings expense		8,411,250	-
E-commerce	26.1.2	5,121,516	-
Office supplies		260,030	98,000
Printing and stationery		32,692	59,050
Bank charges		6,081	-
Miscellaneous expenses		219,220	13,820
		46,526,497	20,125,855

26.1.1 This amount includes Rs. 0.882 million (2022: Rs. Nil) in respect of employees' retirement benefits.

26.1.2 This represents an e-commerce platform developed by Agri Business Support Fund (ASF) during the year as per agreement with Asian Farmer Association for Sustainable Rural Development (AFA), dated January 01, 2022. The purpose of platform is to provide Agri-services to smallholder farmers and farmer organizations. It will also be providing opportunities including B2B, B2C, and C2B modalities and will be accessible by farmers organizations and individual farmers to sell marketable produce to a wider audience. The Company has charged these development costs under the grant provided by Asian Farmer Association for Sustainable Rural Development (AFA). We have been informed by the management that a new company has been incorporated "Allied Agribusiness Services (Private) Limited" and this application will be handed over to the Company which will operate and maintain this application. The purpose of incorporating the new company was to transfer the platform to Allied Agribusiness Services (Private) Limited as per the agreement. This Company is owned by and Cooperative societies for farmers. As per management, the cost of the platform has been charged to AFA project amounting to Rs. 5.122 million. The platform developed will be transferred to Allied Agribusiness Services (Private) Limited subsequently.

26.2 **Associates in Development (AID)**

Salaries, wages and benefits		12,519,026	-
Traveling and conveyance		900,000	-
Consultancy charges		70,000	-
Vehicle hire / rent		80,000	-
Legal and professional charges		30,000	-
Advertisement expenses		279,976	-
Seminar, conferences, workshops		45,000	-
Trainings expense		2,256,600	-
Printing and stationery		330,580	-
Support to individual farmer	26.2.1	11,630,000	-
		28,141,182	-

1500

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26.2.1 This refers to the payment made by the Company to North South (Private) Limited for the purchase of Maize seeds and distribution to farmers as per the grant agreement.

	Note	2023 Rupees	2022 Rupees
27 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	27.1	11,427,602	13,310,109
Traveling, boarding and lodging		229,451	297,521
Office rent		2,840,311	-
Legal and professional charges		661,993	1,870,411
Repairs and maintenance		128,000	316,380
Communication		374,756	559,784
Electricity, gas, water and fuel		401,497	451,956
Vehicle running and maintenance		1,326,805	2,372,903
Seminar, conferences and workshops		-	35,860
Auditor's remuneration	27.2	525,000	464,000
Fees and subscription		129,626	-
Entertainment		125,457	-
Advertisement		-	34,825
Office supplies		341,764	535,475
Printing and stationery		120,329	107,282
Bank charges		48,840	37,944
Insurance		771,402	175,256
EOBI expense		253,650	-
Depreciation		265,933	236,727
Miscellaneous expenses		1,652,655	268,696
Service charges		1,249,576	-
Expected credit losses	9	7,461,257	-
Impairment of bank balance	16.2	60,191	-
Foreign exchange loss	19.1	15,638,800	-
		46,034,895	21,075,129

27.1 This amount includes Rs. 0.874 million (2022: Rs. Nil) in respect of employees' retirement benefits.

27.2 **Auditors remuneration**

Audit fee	500,000	464,000
Out of pocket expenses	25,000	-
	525,000	464,000

28 TAXATION

Current year	14	1,460,065	691,058
Prior year		73,356	-
		1,533,421	691,058

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	Note	2023 Rupees	2022 Rupees
28.1 Tax charge reconciliation			
Numerical reconciliation between tax expense and accounting profit:			
Profit before taxation		(32,336,370)	(12,863,062)
Applicable tax rate		29%	29%
		-	-
Adjustment for prior years		73,356	-
Minimum tax		1,460,065	691,058
		1,533,421	691,058

28.2 The rate of tax has been fixed at 29% for Tax Year 2021 and onwards by taxation authorities.

28.3 **Comparison of tax provision against tax assessments**

Years	(Short)/ excess (Rupees)	Tax provision (Rupees)	Tax assessment/ tax return (Rupees)
2021-22	(19,220)	691,058	710,278
2020-21	-	89,966	89,966
2019-20	-	337,403	337,403

28.4 As at June 30, 2023, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in accounts for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

28.5 Owing to the uncertainty relating to future taxable profits, against which the Company can utilise its tax losses, the Company has not recognized any deferred tax asset amounting Rs. 22.954 million (2022: Rs. 10.563 million). Expiry of tax losses and minimum tax is as follows:

Expiry Tax Year	Nature	2023	2022
2028	Business loss - 2022	35,678,113	35,678,113
2029	Business loss - 2023	32,331,095	-
		68,009,208	35,678,113
2023	Minimum tax - 2018	77,472	77,472
2028	Minimum tax - 2022	405,551	405,551
2029	Minimum tax - 2023	1,131,829	-
		1,614,852	483,023
		69,624,060	36,161,136

28.6 Deferred tax asset comprises as follows:

Deductible temporary differences		
Provision for gratuity	509,306	-
Tax depreciation allowances	90,364	75,972
Provision for contract assets (ECL)	2,163,765	-

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	2023	2022
Business loss	19,722,670	10,346,653
Minimum tax	468,307	140,077
	22,954,412	10,562,702

29 RELATED PARTY TRANSACTIONS

Related parties comprise associated undertakings, directors and other key management personnel (CEO). There were no related party transactions except for remuneration of chief executive and directors which are disclosed in 30.

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	2023	2022	2023	2022
	----------Rupees----------			
Managerial remuneration	6,140,427	5,326,992	6,164,139	6,286,797
Medical allowance	682,270	532,699	684,904	628,680
	6,822,697	5,859,691	6,849,043	6,915,477
Number of persons	1	1	3	2

30.1 Other directors of the Company are not drawing any salary and benefits from the Company.

	2023	2022
31 NUMBER OF EMPLOYEES		
Total number of employees at year ended	35	36
Average number of employees	39	45

32 FINANCIAL INSTRUMENTS

Financial risk management

The Company has exposures to the following risks from its use of financial instruments:
- Credit risk
- Market risk
- Liquidity risk

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

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32.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2023 Rupees	2022 Rupees
Bank balances	40,602,216	61,080,331
Short term investments	1,877,199	2,597,011
Contract assets	3,469,827	7,461,257
Short term deposits and prepayments	-	1,053,825
Other receivables	3,615,906	-
Loans to cooperative societies	32,000,000	5,278,458
Security deposits	-	500,000
	81,565,148	77,970,882

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

(ii) Credit quality of major financial assets

	Long term rating	Short term rating	2023	2022
			Rupees	
Investments				
NBP Government Securities Liquid Fund	AAA	-	1,877,199	2,597,011
Banks				
National Bank of Pakistan	AAA	A1 +	-	56,728
Standard Chartered Bank Pakistan Limited	AAA	A1 +	29,151,703	59,561,017
Habib Bank Limited	AAA	A1 +	11,288,267	1,462,586
			40,439,970	61,080,331

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Cash and bank balances

The Company held cash and cash equivalents amounting to Rs. 40.440 million. These cash and cash equivalents are held with banks and financial institutions counterparties, which are rated A to AAA, based on PACRA and VIS ratings. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties. 12 month probabilities of default are based on historical data supplied by PACRA and VIS rating agencies for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

Advances, deposits and other receivables

Advances, deposits and other receivables mainly comprise of advances to employees against salaries and deposits with government entities. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

32.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

a) Currency risk

The Company is exposed to currency risk on loan from Asian Farmers Association for Sustainable Rural Development that are denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	Note	2023 (Rupees)	2022 (Rupees)
Short term loan		62,478,800	46,840,000

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2023	2022	2023	2022
USD to PKR	236.32	181.90	290.00	205.50

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Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

	2023 (Rupees)	2022 (Rupees)
Effect on profit or loss		
Loss	6,247,880	4,684,000

The weakening of the PKR against US dollar would have had an equal but opposite impact on the post tax profits / loss.

b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. At the balance sheet date the interest rate profile of the Group's interest - bearing financial instruments is as follows:

Instruments	2023	2022	2023	2022
	Effective interest rate %		Rupees	
Floating rate instruments				
Bank balances-Saving accounts	12.27% to 19.23%	5% to 6%	179,675	58,916,562
Total exposure			179,675	58,916,562

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022-23.

Currency	Profit and loss 100 bp Increase	Decrease
As at June 30, 2023		
Cash flow sensitivity -variable rate financial assets	1,797	(1,797)
As at June 30, 2022		
Cash flow sensitivity -variable rate financial assets	589,166	(589,166)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

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32.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
			(Rupees)			
2023						
Financial liabilities						
Trade and other payables	9,061,830	9,061,830	9,061,830	-	-	-
Short term loan	62,478,800	62,478,800	-	62,478,800	-	-
	71,540,630	71,540,630	9,061,830	62,478,800	-	-
2022						
Financial liabilities						
Trade and other payables	4,231,732	4,231,732	4,231,732	-	-	-
Short term loan	46,840,000	46,840,000	-	46,840,000	-	-
	51,071,732	51,071,732	4,231,732	46,840,000	-	-

32.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

Sensitivity analysis

The Company's investments in NAFA funds of National Bank of Pakistan are publicly traded on the PSX. The summary below explains the impact of increase on the Company's surplus on investment classified as FVTPL to change in market price. The analysis is based on the assumption that the market price had increased by 10% with all other variables held constant:

	Impact on investment	
	2023	2022
Short term investment	187,720	259,701

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33 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no financial instruments held by the Company which are measured at fair value as of June 30, 2023 and June 30, 2022.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

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34 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	New carrying amount				Fair value			
		Amortised cost	Amortised cost	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
On-Balance sheet financial instruments									
As at June 30, 2023									
Financial assets									
At fair value									
Short term investments		-	-	1,877,199	1,877,199	-	1,877,199	-	1,877,199
At cost or amortised cost									
Contract Assets		3,469,827	-	-	3,469,827	-	-	-	-
Loans to cooperatives		32,000,000	-	-	32,000,000	-	-	-	-
Other receivables		3,615,906	-	-	3,615,906	-	-	-	-
Cash and bank balances		40,620,704	-	-	40,620,704	-	-	-	-
		79,706,437	-	1,877,199	81,583,636	-	1,877,199	-	1,877,199
Financial liabilities at amortised cost									
Trade and other payables		-	9,061,830	-	9,061,830	-	-	-	-
Short-term borrowings		-	62,478,800	-	62,478,800	-	-	-	-
		-	71,540,630	-	71,540,630	-	-	-	-
On-Balance sheet financial instruments									
As at June 30, 2022									
Financial assets									
At fair value									
Short term investments		-	-	2,597,011	2,597,011	-	2,597,011	-	2,597,011
At cost or amortised cost									
Long term security deposits		500,000	-	-	500,000	-	-	-	-
Contract Assets		7,461,257	-	-	7,461,257	-	-	-	-
Loans and advances		5,278,458	-	-	5,278,458	-	-	-	-
Trade deposits and other receivables		1,053,825	-	-	1,053,825	-	-	-	-
Cash and bank balances		61,130,331	-	-	61,130,331	-	-	-	-
		75,423,871	-	-	78,020,882	-	2,597,011	-	2,597,011
Financial liabilities at amortised cost									
Trade and other payables		-	4,231,732	-	4,231,732	-	-	-	-
Short-term borrowings		-	46,840,000	-	46,840,000	-	-	-	-
		-	51,071,732	-	51,071,732	-	-	-	-

34.1 Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

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35 FUND RISK MANAGEMENT

The Company's objectives when managing fund are to safeguard the Company's ability to continue as a going concern in order to provide services for the general public and Government Authorities. The Company manages its fund structures and makes adjustments to it, in the light of changes in economic conditions. There were no changes to Company's approach to fund management during the year. Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements. The Company has no borrowing as at the balance sheet date, therefore, quantitative data has not been disclosed.

36 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All other significant transactions and events that have affected the Company's financial position and performance during the period have been adequately disclosed in the notes to these financial statements.

37 RISK MANAGEMENT FRAMEWORK

The Board of Directors have overall responsibility for establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors. The Board oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

38 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

No significant events have occurred subsequent to June 30, 2023 other than those mentioned elsewhere in the financial statements.

39 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Reconciliation of movement of liabilities to cash flows arising from financing activities has been prepared at note 17 to these financial statements.

40 CORRESPONDING FIGURES

40.1 Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year except followings for better or correct presentation:

Item description	From	To	Amount
			Rupees
Advances	Loans and advances	Advances	3,508,315
Loans to cooperatives	Loans and advances	Loans to cooperatives	5,278,458
Short term deposits and prepayments	Trade deposits, prepayments and other receivables	Short term deposits and prepayments	3,408,967

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41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the Board of Directors of the Company on [illegible]

42 GENERAL

Figures have been rounded off to the nearest [illegible]

CHAIRMAN

CamScanner

Grant Thornton Anjum Rahman
135-Ferozepur Road,
Lahore 54600,
Pakistan.

T +92 42 37423621-23
F +92 42 37421241

INDEPENDENT AUDITOR'S REPORT

To the members of Agribusiness Support Fund [A Company set up under section 42 of the repealed Companies Ordinance, 1984 - now Companies Act, 2017]

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Agribusiness Support Fund** - A Company set up under section 42 of the repealed Companies Ordinance, 1984 – now Companies Act, 2017 (the Company), which comprise the statement of financial position as at **June 30, 2024**, and the statement of income and expenditure, the statement of changes in general fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of changes in general fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the surplus, the changes in general fund and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in directors report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of income and expenditure, the statement of changes in general fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

We draw attention to the fact that the financial statements of the Company for the year ended June 30, 2023, were audited by another firm of auditors, whose report dated November 27, 2023, expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Imran Afzal.

Grant Thornton Anjum Rahman

Chartered Accountants

Lahore

Date: October 22, 2024

UDIN: AR202410212mbP62qvrE

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AGRIBUSINESS SUPPORT FUND
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	**530,437**	339,610
		530,437	339,610
CURRENT ASSETS			
Contract assets	8	**8,922,299**	3,469,827
Advances	9	**7,501,748**	6,487,817
Loans to cooperative societies	10	**-**	32,000,000
Short term deposits and prepayments	11	**795,627**	654,080
Other receivables	12	**7,447,520**	3,615,906
Taxation - net	13	**1,374,139**	-
Short term investments	14	**2,233,044**	1,877,199
Cash and bank balances	15	**117,571,556**	40,620,704
		145,845,933	88,725,533
TOTAL ASSETS		**146,376,370**	89,065,143
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred grants	16	**59,584,153**	26,775,370
Deferred liabilities	17	**10,391,826**	1,756,227
		69,975,979	28,531,597
CURRENT LIABILITIES			
Short term loan	18	**60,678,382**	62,478,800
Trade and other payables	19	**18,100,519**	10,160,360
Taxation - net	13	**-**	740,049
		78,778,901	73,379,209
TOTAL LIABILITIES		**148,754,880**	101,910,806
NET ASSETS		**(2,378,510)**	(12,845,663)
REPRESENTED BY:			
General fund - (deficit)	20	**(2,378,510)**	(12,845,663)
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 38 form an integral part of these financial statements.

CHAIRMAN/ DIRECTOR

CHIEF EXECUTIVE OFFICER

AGRIBUSINESS SUPPORT FUND
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
Services rendered	22	**45,677,547**	8,854,362
Amortisation of grants	16	**235,656,366**	74,667,679
Other income	23	**24,850,917**	10,845,351
		306,184,830	94,367,392
EXPENDITURE			
Cost of services	24	**(34,193,648)**	(6,001,188)
Project expenses	25	**(235,656,366)**	(74,667,679)
Administrative expenses	26	**(26,937,586)**	(46,034,895)
		(296,787,600)	(126,703,762)
Surplus/ (deficit) before levies and income tax		**9,397,230**	(32,336,370)
Levies	27	**(61,906)**	(1,460,065)
Surplus/ (deficit) before income tax		**9,335,324**	(33,796,435)
Income tax	27	**1,131,829**	(73,356)
Surplus/ (deficit) for the year after taxation		**10,467,153**	(33,869,791)

The annexed notes 1 to 38 form an integral part of these financial statements.

CHAIRMAN/ DIRECTOR

CHIEF EXECUTIVE OFFICER

AGRIBUSINESS SUPPORT FUND
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	UNRESTRICTED FUND
Balance as at July 01, 2022	21,024,128
- Deficit for the year	(33,869,791)
Balance as at June 30, 2023	(12,845,663)
Balance as at July 01, 2023	(12,845,663)
- Surplus for the year	10,467,153
Balance as at June 30, 2024	**(2,378,510)**

The annexed notes 1 to 38 form an integral part of these financial statements.

CHAIRMAN/ DIRECTOR

CHIEF EXECUTIVE OFFICER

AGRIBUSINESS SUPPORT FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/ (deficit) before levies and income tax		**9,397,230**	(32,336,370)
Adjustments for:			
Depreciation	7	**315,433**	265,932
Amortisation of grants		**(235,656,366)**	(74,667,679)
Net gain on sale of property and equipment		**-**	(193,000)
Net gain on NAFA investment		**(355,845)**	(319,502)
Provision for gratuity		**9,251,562**	1,756,227
Foreign exchange (gain)/ loss	23	**(1,800,418)**	15,638,800
		(228,245,634)	(57,519,222)
Operating cash flows before working capital change		**(218,848,404)**	(89,855,592)
(Increase)/ decrease in current assets:			
Advances		**(1,013,931)**	(2,979,502)
Loans to cooperatives		**32,000,000**	(26,721,542)
Short term deposits and prepayments		**(141,547)**	2,754,887
Other receivables		**(3,831,614)**	(3,107,306)
Contract assets		**(5,452,472)**	3,991,430
		21,560,436	(26,062,033)
Increase/ (decrease) in current liabilities:			
Trade and other payables		**7,940,159**	5,836,074
Cash (used in) operations		**(189,347,809)**	(110,081,551)
Less: Gratuity paid		**(615,963)**	-
Less: Income tax paid		**(1,044,265)**	(700,796)
Net cash (used in) operating activities		**(191,008,037)**	(110,782,347)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceeds from disposal of property and equipment		**-**	193,000
Investments redeemed during the year - net		**-**	1,000,000
Property and equipment purchased during the year		**(506,260)**	(58,000)
Net cash (used in)/ from investing activities		**(506,260)**	1,135,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants received during the year		**268,465,149**	89,137,720
Net cash from financing activities		**268,465,149**	89,137,720
Net increase/ (decrease) in cash and cash equivalents		**76,950,852**	(20,509,627)
Cash and cash equivalents at the beginning of the year		**40,620,704**	61,130,331
Cash and cash equivalents at the end of the year	15	**117,571,556**	40,620,704

The annexed notes 1 to 38 form an integral part of these financial statements.

CHAIRMAN/ DIRECTOR **CHIEF EXECUTIVE OFFICER**

AGRIBUSINESS SUPPORT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

1.1 Agribusiness Support Fund (the Company) was incorporated in Pakistan on July 19, 2005 as a guarantee limited Company having no share capital under section 42 of the Companies Ordinance, 1984 (repealed with enactment of Companies Act, 2017). The registered office of the Company is located at Office No. 63-64 (2nd Floor), Mini Market, MR-12, Babu Rabnawaz Road, Block E, Sector B-17, Islamabad. Objective of the Company is to promote and facilitate the development and competitiveness of agribusiness enterprises in Pakistan, by providing grants to farmers, farmer groups and entrepreneurs with demand driven technical and managerial services on a matching grant basis to improve their productivity, competitiveness and credit worthiness to access financing for their enterprises.

1.2 The Company was set up as a consequence of a Loan Agreement (special operations) dated June 14, 2005 between the Asian Development Bank (ADB) and the Islamic Republic of Pakistan for agribusiness development project. Under the Loan Agreement ADB provided funds to Government of Pakistan for the project. Part of the loan proceeds were provided to the Company as grant by Government of Pakistan (GoP) which were utilized for the execution of the project component assigned to the Company. In addition to loan proceeds, the Government of Pakistan was also provided grants for certain project expenditure from its own resources. Further, in compliance with terms of the above mentioned loan agreement a project management agreement was signed between ADB and the Company on June 29, 2006 for execution of assigned project component. Further, a performance agreement was also signed between the Company and Ministry of Food, Agriculture and Livestock (MINFAL) on July 14, 2006.

1.3 The Company has entered into agreement with the Asian Farmers Association For Sustainable Rural Development (AFA) on January 01, 2021 for implementation of Asia Pacific Farmers' Programme in Pakistan. The main objective of the Program is to contribute to an enabling environment for rural poverty reduction, through instrumental support to rural stakeholders and their organizations. The project will also ensure that farmer organizations are professionally capacitated to provide sustainable demand-driven (business and technical) services to their members and engage in effective policy dialogue for improved livelihoods and incomes of farmer. The tenure of this project is 12 months, with extensions granted each year. Under current agreement, end date is December 31, 2024.

1.4 The Company has also entered into an agreement with the Asian Farmers Association For Sustainable Rural Development (AFA) on June 29, 2022 for implementation of the Assuring Resiliency of Family Farmers amidst COVID-19. The main purpose of the Fund is to fulfil working capital needs of farmers and on a case-by-case basis, capital needs of cooperatives. The duration of this project was of 12 months, ending on June 28, 2023, and it was further extended by 10 months, which ended on April 29, 2024.

1.5 The Company has entered into an agreement with Associates in Development Private Limited (AID) on July 01, 2022, which is later revised on January 26, 2023, for implementation of Economic Recovery and Development Activity (ERDA) in Khyber Pakhtunkhwa (KP), including seven newly merged districts (NMDs) of KP. The period of this project is of 5 years ending on February 20, 2027.

1.6 During the year, the Company has entered into an agreement with the Directorate General of Agriculture (Water Management), Punjab, Lahore, for the Punjab Resilient and Inclusive Agriculture Transformation (PRIAT) project on January 11, 2024. This project focuses on improving agricultural practices, market access, and farmer productivity in Punjab. ASF is responsible for executing specific components of the PRIAT project, particularly Sub-component 2.1, over a 10-month period ending on October 11, 2024.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at Office No. 63-64 (2nd Floor), Mini Market, MR-12, Babu Rabnawaz Road, Block E, Sector B-17, Islamabad. Other business units details are as follows:

Location	Address
Punjab - Lahore	117 CCA, DD Block, DHA Phase 4, Lahore.
Punjab - Lahore	House no 168, Westwood Colony, Thokar Niaz Baig, Lahore.
Gilgit Baltistan - Skardu	Near Chief Court, Adjacent to Bait ul Maal Office, Astana Skardu, Tehsil & District Skardu.
Gilgit Baltistan - Gilgit	Near Helipad, Sonikot, Gilgit.
Gilgit Baltistan - Diamir	Regional Farmers Cooperative Office, IT Park, Near RHQ Hospital, Chilas, District Diamer.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Accounting convention

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

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee, which is Company's functional and presentation currency.

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

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

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

	Effective date (annual periods beginning on or after)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 01, 2024
- Non-current Liabilities with Covenants (Amendments to IAS 1)	January 01, 2024
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	January 01, 2024
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	January 01, 2024

	Effective date (annual periods beginning on or after)
- Lack of Exchangeability (Amendments to IAS 21)	January 01, 2025
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026

4.2 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and any identified impairment loss. Depreciation on property and equipment is charged to income on straight line method so as to write off the depreciable amount of an asset over its estimated useful life

Depreciation on additions to property and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

The Company assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in statement of income and expenditure for the year. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Subsequent costs are included in the assets carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Normal repairs and maintenance are charged to income while major renewals and improvements are capitalized. Gain or loss on disposal of an asset represented by the difference between sale proceeds and carrying amount of the asset is taken to income.

5.2 Intangible assets

These are stated at cost less accumulated amortization and impairment, and are amortized on a straight line basis over 3 years being its useful life. Amortization of intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

The Company assesses at each reporting date whether there is any indication that an intangible asset may be impaired. If such an indication exists, the carrying amounts of these assets are reviewed to determine whether they exceed their recoverable amounts. If the carrying amounts exceed the recoverable amounts, the assets are written down to their recoverable amounts, and the resulting impairment is recognized in the statement of income and expenditure for the year. The recoverable amount is higher of an asset's fair value less costs to sell and its value in use.

5.3 Impairment

At each reporting date, carrying amounts of assets are reviewed to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated to assess extent of the impairment, if any. Any impairment identified is recognized as expense in the statement of income and expenditure.

5.4 Foreign currency transactions and translation

Transactions denominated in foreign currencies are translated into Pak Rupees, at foreign exchange rates prevailing at date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at foreign exchange rates at reporting date.

5.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

5.6 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets - initial recognition

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require the delivery of assets within a time frame established by regulation or market convention (regular way trades) are recognized on the trade date, which is the date when the Company commits to purchasing or selling the asset.

The Company's financial assets include short term investments, advances, contract assets, other receivables and bank balances.

Financial assets - subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

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

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

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

The Company's financial assets at amortized costs includes contract assets, cash and bank balances and other receivables.

Financial assets through other comprehensive Income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss.

The Company does not have financial assets at fair value through OCI.

Financial assets through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

The Company's financial assets at profit and loss includes short term investments.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments, excluding due from the Government, not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

The Company may consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of income and expenditure.

Financial liabilities

Financial liabilities - initial recognition

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

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

The Company's financial liabilities include short term loan, accrued expenses and other payables.

Financial liabilities - subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

Financial liabilities - derecognition

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

5.7 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is off-set and the net amount is reported in the financial statements if the Company has a legally enforceable right to off-set the transaction and also intends either to settle on a net basis or to realise the asset and settle liability simultaneously.

5.8 Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgment.

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised service to a customer. In service agreements, such control is transferred over time.

Profit on bank balances and investments are recognized on a time proportion basis on the principal amount outstanding.

Whereas profit on bank deposits and other investment income earned on endowment funds is directly recognized in changes in net assets to the extent that it is not available for Company's operations. Investment income earned on deferred contribution is recognized as income to the extent of expenses incurred and the remaining amount if deferred is included in deferred contribution.

The Company follows a deferral method of accounting for contributions and grants. Under this method, externally restricted contributions and grants are deferred as non-current liabilities and recognized as revenue when expenses are incurred. Unrestricted contributions are recognized as received or receivable if the amount to be received can be measured reliably and collection of the same is reasonably assured.

Revenue is to be recognized in accordance with the aforementioned principle by applying the following steps:

- Identify the contract with customers;
- Identify the performance obligation in the contract;
- Determine the transaction price in the contract;
- Allocate the transaction price to each of the separate performance obligations in the contract; and
- Recognize the revenue when (or as) the entity satisfies a performance obligations.

5.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.10 Deferred grant

Grants

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

Deferred capital grants

Grants received for purchase of fixed assets with limited life are initially recorded as deferred income upon receipt. When the assets are actually purchased they are then recorded as deferred capital grants and when expended they are amortized into income on a systematic basis over the periods necessary to match them with carrying value of related assets.

Income related grants

Grants of 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 the actual expenditure incurred. Expenditure incurred against grants committed but not received, is recognized directly in statement of income and expenditure and reflected as a receivable from Donors.

5.11 Employee benefits

Gratuity

The Company operates an unfunded gratuity scheme covering its regular employees. Provision for gratuity is made annually with reference to the last drawn salary and period of service.

Employees' compensated absences

The Company provides for liability in respect of employees' compensated absences in which these are earned. Under the scheme, employees are entitled to twenty four days of leave per year out of which twelve leaves are encashable at the year end while remaining twelve leaves if not availed are lapsed.

Paid sick/ medical leave

The Company maintains policy of paid medical leaves up to twenty four days per year which are not encashable.

5.12 Sharing of common expenses

The Company shares common expenses with respective donors. The ratio is determined on the basis of actual total expenses incurred during the period for each respective donor with whom expenses are being shared.

5.13 Taxation

a) Current

The charge for current year is higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any.

b) Deferred

Deferred tax is provided using the liability method for all temporary differences at the year end between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the year end. Deferred tax is charged or credited to the statement of income and expenditure, except in case of items charged or credited directly to equity in which case it is included in the statement of equity.

5.14 Trade debts and other receivables

Trade debts and other receivables are recognised initially at amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of income and expenditure and other comprehensive income. These assets are written off when there is no reasonable expectation of recovery.

5.15 Loan to cooperative societies

Loans to cooperatives are carried at amortized cost less provision made for doubtful loans based on a review of all outstanding amounts at the year end. These loans are funded by Asian Farmers' Association Sustainable Rural Development. These loans are provided to cooperatives societies against service charges of 2.5% to 6%. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of income and expenditure and other comprehensive income. These assets are written off when there is no reasonable expectation of recovery.

5.16 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.17 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods or services to a customer before the customer pays its consideration or before payment is due.

5.18 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

6 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimate 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 the 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. A change in accounting estimate may effect only the current period of the statement of income and expenditure and other comprehensive income or both current and future years.

Judgments and estimates made by management in the application of approved accounting standards that may have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next years are discussed in the following paragraphs:

a) Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimate in future years might affect the carrying amounts of the respective items of property, plant and equipment's with corresponding effect on depreciation charge and impairment.

b) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

c) Taxation

The Company takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Company's view differs from that taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

d) Provision for doubtful receivables/ impairment

The Company uses a provision matrix to calculate ECLs for trade receivables (other than receivable from Government) and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

e) Provision and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

f) Financial instruments

Fair value of the financial instrument that are not traded in an active market is determined by using valuation techniques based on assumption that are dependent on conditions existing at the year end.

7 PROPERTY AND EQUIPMENT

Particulars	2024										
	Cost				Depreciation				Net book value as at 30 June 2024	Useful life	
	Opening	Additions	Disposals	Total	Opening	For the period	Acc. Dep. on disposal	Total		Years	Rate
	Rupees										
Furniture and fittings	**315,018**	**-**	**-**	**315,018**	**108,084**	**166,480**	**-**	**274,564**	**40,454**	**5**	**20%**
Office equipment	**4,227,648**	**250,234**	**-**	**4,477,882**	**4,174,589**	**61,964**	**-**	**4,236,553**	**241,329**	**4**	**25%**
Computer equipment	**30,091,983**	**256,026**	**-**	**30,348,009**	**30,012,366**	**86,989**	**-**	**30,099,355**	**248,654**	**3**	**33%**
Vehicles	**3,805,392**	**-**	**(1,295,000)**	**2,510,392**	**3,805,392**	**-**	**(1,295,000)**	**2,510,392**	**-**	**5**	**20%**
Total	**38,440,041**	**506,260**	**(1,295,000)**	**37,651,301**	**38,100,431**	**315,433**	**(1,295,000)**	**37,120,864**	**530,437**		

Particulars	2023										
	Cost				Depreciation				Net book value as at 30 June 2023	Useful life	
	Opening	Additions	Disposals	Total	Opening	For the period	Acc. Dep. on disposal	Total		Years	Rate
	Rupees										
Furniture and fittings	500,018	-	(185,000)	315,018	247,676	45,408	(185,000)	108,084	206,934	5	20%
Office equipment	4,209,648	18,000	-	4,227,648	4,003,124	171,465	-	4,174,589	53,059	4	25%
Computer equipment	30,475,847	58,000	(441,864)	30,091,983	30,405,171	49,059	(441,864)	30,012,366	79,617	3	33%
Vehicles	3,805,392	-	-	3,805,392	3,805,392	-	-	3,805,392	-	5	20%
Total	38,990,905	76,000	(626,864)	38,440,041	38,461,363	265,932	(626,864)	38,100,431	339,610		

7.1 The deprecation has been allocated to administrative expenses (Refer Note-26).

7.2 The cost of fully depreciated assets which are still in use is Rs. 37.733 million (2023: Rs. 36.651 million).

7.3 Disclosure related to disposal of property and equipment has not been made as aggregate book value of such assets does not exceed Rs. 5,000,000/-.

		Note	2024 Rupees	2023 Rupees
8	**CONTRACT ASSETS**			
	Unsecured Considered good:			
	Karandaaz Pak		-	3,469,827
	PRIAT	**8.1**	**8,922,299**	-
			8,922,299	3,469,827
	Considered doubtful:			
	ETI GB		-	7,461,257
	Less: Bad debts written off during the year	**8.2**	-	(7,461,257)
			-	-
			8,922,299	3,469,827

8.1 This represents asset recognised in respect of services provided to the customers where performance obligation is satisfied and revenue recognition is time proportionate. Receivable is recorded on the basis of amounts billed as defined in the contracts. Revenue in excess of amounts billed is recognised as contract asset.

		Note	2024 Rupees	2023 Rupees
8.2	Movement of expected credit losses (ECL) is as follows:			
	Opening balance		-	-
	Add: Charge during the year	**26**	-	7,461,257
	Less: Bad debts written of during the year		-	(7,461,257)
	Closing balance		-	-

8.3 The risk of default on contract assets in the current year is considered remote as the substantial amount has been recovered subsequently. Therefore, no ECL provision has been recognized in the current year.

		Note	2024 Rupees	2023 Rupees
9	**ADVANCES**			
	Considered good			
	Advances against salaries		**2,717,901**	2,915,360
	Advances against expenses		**4,783,847**	3,572,457
			7,501,748	6,487,817
10	**LOANS TO COOPERATIVE SOCIETIES**			
	Unsecured - considered good			
	Loans to cooperatives societies	**10.1**	-	32,000,000
			-	32,000,000
10.1	Movement during the year			
	Opening		**32,000,000**	5,278,458
	Disbursed during the year		**20,000,000**	76,325,000
	Recoveries during the year		**(52,000,000)**	(49,603,458)
	Closing		-	32,000,000

10.2 The service charges ranging from 2.5% to 6% are charged as per the agreed terms. The loans were granted for periods ranging from 6 to 12 months.

		Note	2024 Rupees	2023 Rupees
11	**SHORT TERM DEPOSITS AND PREPAYMENTS**			
	Prepaid rent		-	213,840
	Prepaid insurance		595,627	440,240
	Security deposits		200,000	-
			795,627	654,080
12	**OTHER RECEIVABLES**			
	Management fee receivable from AID	12.1	6,279,520	2,480,271
	Accrued service charges	12.2	-	1,135,635
	Receivable from East West Insurance Company	12.3	760,000	-
	Others		408,000	-
			7,447,520	3,615,906

12.1 This represents management fee receivable from AID, calculated at a rate of 10% of the total modified direct costs incurred during the year on the AID project (ERDA).

12.2 This represents receivable from cooperative societies, as stipulated in agreement, service charges ranging from 2.5% to 6%.

12.3 During the year, a fully depreciated vehicle, having a cost of Rs. 1,295,000, was stolen. The Company filed an insurance claim with East West Insurance Co. Ltd. Amount was recovered from insurance Company subsequent to year end.

		Note	2024 Rupees	2023 Rupees
13	**TAXATION - NET**			
	Balance at beginning of the year		(740,049)	54,136
	Advance tax / withholding taxes paid during the year	13.1	2,176,094	720,016
	Prior years taxation		-	(54,136)
	Levies - Provision for the year		(61,906)	(1,460,065)
			2,114,188	(794,185)
	Closing balance		1,374,139	(740,049)

13.1 This includes an amount of Rs. 1,131,829/- which pertains to the reversal of excess provision for taxation charged in the prior year.

		Note	2024 Rupees	2023 Rupees
14	**SHORT TERM INVESTMENTS**			
	Short term investments	14.1	2,233,044	1,877,199

14.1 This includes investment in NBP Government Securities Liquid Fund and NBP Money Market Fund. These investments are carried at fair value through profit or loss and the fair value of the investment is determined by applying redemption net assets value method.

		Note	2024 Rupees	2023 Rupees
14.2	**Short term investments**			
	NBP Government Securities Liquid Fund	**14.3**	**2,030,145**	1,706,393
	NBP Money Market Fund	**14.3**	**202,899**	170,806
			2,233,044	1,877,199
14.3	**Movement is as follows:**			
	Fair value as at 01 July 2023		**1,877,199**	2,597,011
	Gain/ (loss) on investments		**355,845**	(719,812)
	Fair value as at 30 June 2024		**2,233,044**	1,877,199

14.3.1 Mutual fund wise detail is as follows:

	Units		Fair Values	
	2024	2023	2024	2023
	Numbers		Rupees	
Government Securities Liquid Fund	**197,351**	166,246	**2,030,145**	1,706,393
Money Market Fund	**20,273**	17,115	**202,899**	170,806
	217,624	183,361	**2,233,044**	1,877,199

		Note	2024 Rupees	2023 Rupees
15	**CASH AND BANK BALANCES**			
	Cash in hand		**20,000**	18,488
	Cash at banks			
	- Current accounts		**93,090,220**	40,422,541
	- Saving accounts	**15.1**	**24,461,336**	179,675
			117,551,556	40,602,216
			117,571,556	40,620,704

15.1 The effective rate of return in respect of saving accounts is 20.5% per annum (2023:19.23% per annum).

		Note	2024 Rupees	2023 Rupees
16	**DEFERRED GRANTS**			
	Asia Pacific Farmers' Programme (APFP)	**16.1**	**30,689,925**	25,279,666
	Associates in Development (AID)	**16.2**	**28,894,228**	1,495,704
			59,584,153	26,775,370
16.1	**Asia Pacific Farmers' Programme (APFP)**			
	Opening balance		**25,279,666**	12,305,329
	Grants received during the year		**62,433,866**	59,500,834
	Grants amortized during the year	**25.1**	**(57,023,607)**	(46,526,497)
	Closing balance		**30,689,925**	25,279,666
16.2	**Associates in Development (AID)**			
	Opening balance		**1,495,704**	-
	Grants received during the year		**206,031,283**	29,636,886
	Grants amortized during the year	**25.2**	**(178,632,759)**	(28,141,182)
	Closing balance		**28,894,228**	1,495,704

		Note	2024 Rupees	2023 Rupees
17	**DEFERRED LIABILITIES**			
	Provision for gratuity	**17.1**	**10,391,826**	1,756,227
17.1	Provision for gratuity			
	Opening balance		**1,756,227**	-
	Provision for the year		**9,251,562**	1,756,227
	Payments during the year		**(615,963)**	-
			10,391,826	1,756,227
18	**SHORT TERM LOAN**			
	Unsecured			
	Short term loan	**18.1**	**60,678,382**	62,478,800
18.1	Movement of short term loan is as follows			
	Opening balance		**62,478,800**	46,840,000
	Foreign exchange (gain)/ loss		**(1,800,418)**	15,638,800
	Closing balance		**60,678,382**	62,478,800

18.2 This financing has been extended by the Asian Farmers Association for Sustainable Rural Development (AFA) for implementation of the Assuring Resiliency of Family Farmers amidst COVID-19. This is being used for extending advances to cooperatives to meet their working capital requirements. The loan, originally due on June 29, 2023, is now repayable by April 29, 2024. For the extended period, the service charges will be 2% per annum on the amount of USD 218,000. The loan has not been repaid to date, as the Company is expecting extension in term of loan.

		Note	2024 Rupees	2023 Rupees
19	**TRADE AND OTHER PAYABLES**			
	Accrued expenses		**10,127,152**	4,398,633
	Tax deducted/ withheld at source		**4,471,030**	1,098,530
	Other payables	**19.1**	**3,502,337**	4,663,197
			18,100,519	10,160,360

19.1 This includes service charges on loan (2%) payable to Asian Farmers' Association for Sustainable Rural Development (AFA) as referred in Note 18.2.

		2024 Rupees	2023 Rupees
20	**GENERAL FUND**		
	Opening balance	**(12,845,663)**	21,024,128
	Surplus/ (deficit) for the year	**10,467,153**	(33,869,791)
	Closing balance	**(2,378,510)**	(12,845,663)

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

There are no contingencies as at reporting date (2023: Rs. Nil).

21.2 Commitments

There are no commitments as on the reporting date (2023: Rs. Nil).

22 SERVICES RENDERED	Note	2024 Rupees	2023 Rupees
Services rendered to ETI GB		-	2,819,880
Services rendered to Karandaaz Pakistan	22.1	**2,450,527**	6,034,482
Services rendered to PRIAT	22.2	**43,227,020**	-
		45,677,547	8,854,362

22.1 Current year amount pertains to final invoice issued to Karandaaz Pakistan which involved development of an agriculture investment plan. The agreement was concluded in October 2023.

22.2 The Company has executed an agreement with the Directorate General of Agriculture (Water Management), Punjab for the PRIAT project, covering the period from January 2024 to October 2024. This project focuses on improving agricultural practices, market access, and farmer productivity in Punjab. Current year amount pertains to services provided through the deployment of personnel for implementing project activities under the PRIAT project until 30 June 2024.

22.3 Services rendered	Note	2024 Rupees	2023 Rupees
Services rendered to ETI GB		-	2,819,880
Services rendered to Karandaaz Pakistan		**2,818,106**	6,939,654
Services rendered to PRIAT		**50,143,343**	-
		52,961,449	9,759,534
Less: Sales tax on services		**7,283,902**	905,172
Total		**45,677,547**	8,854,362

22.4 Timing of revenue recognition - net			
Services transferred at a point over time		**45,677,547**	8,854,362

23 OTHER INCOME			
Profit on short term investment			
Dividend		**412,706**	319,502
Realized gain on disposal of investments		-	5,661
Unrealized gain on investments		**5,039**	6,954
		417,745	332,117
Profit on saving accounts		**2,968,306**	2,701,938
Gain on disposal of assets		-	193,000
Insurance claim		**760,000**	-
Foreign exchange gain		**1,850,994**	-
Management fee charged for AID project	12.1	**16,949,507**	4,351,385
Service charges (cooperative societies)	12.2	**1,904,365**	3,266,911
		24,850,917	10,845,351

		Note	2024 Rupees	2023 Rupees
24	**COST OF SERVICES**			
	Salaries, wages and benefits		**16,433,278**	1,862,326
	Travelling		**1,253,203**	173,275
	Vehicle running and maintenance		**2,100,079**	1,557,075
	Vehicle hire/rental		**1,976,998**	739,000
	Communication		**134,495**	72,478
	Consultancy		**3,680,000**	978,750
	Office supplies		**200,570**	199,217
	Entertainment		**395,734**	36,440
	Printing and stationary		**1,743,284**	17,730
	Rent		**1,166,667**	194,400
	Utilities		**199,495**	39,730
	Repair & maintenance		**131,070**	64,300
	Furniture for project		**1,729,166**	-
	Office equipment for project		**2,230,138**	-
	Miscellaneous		**819,471**	66,467
			34,193,648	**6,001,188**
25	**PROJECT EXPENSES**			
	Asia Pacific Farmers' Programme (APFP)	**25.1**	**57,023,607**	46,526,497
	Associates in Development (AID)	**25.2**	**178,632,759**	28,141,182
			235,656,366	74,667,679
25.1	**Asia Pacific Farmers' Programme (APFP)**			
	Salaries, wages and benefits	**25.1.1**	**21,538,563**	19,949,061
	Traveling and conveyance		**1,765,747**	1,400,877
	Accommodation		**1,796,617**	893,278
	Consultancy		**129,100**	1,114,100
	Vehicle hire/ rental		**2,070,341**	2,222,500
	Vehicle running and maintenance		**2,428,195**	1,839,493
	Entertainment		**1,147,877**	892,257
	Utilities		**414,335**	42,215
	Communication		**122,291**	35,556
	Office rent		**1,067,286**	796,080
	Repairs and maintenance		**125,980**	23,990
	Insurance		**387,592**	-
	Legal and professional		**150,000**	251,478
	Advertisement expenses		**27,000**	325,700
	Project audit fee		**130,000**	224,659
	Fees & subscription		**35,902**	49,154
	Seminar, conferences, workshops		**846,510**	2,415,310
	Trainings expenses		**2,231,000**	8,411,250
	E-commerce		**-**	5,121,516
	Office supplies		**487,401**	260,030
	Printing and stationery		**1,982,899**	32,692
	Bank charges		**10,074**	6,081
	Support to individual farmers	**25.1.2**	**17,572,110**	-
	Miscellaneous		**556,787**	219,220
			57,023,607	46,526,497

25.1.1 This amount includes Rs. 1.112 million (2023: Rs. 0.882 million) in respect of employees' retirement benefits.

25.1.2 This included payments made by the Company to multiple vendors for purchase of maize seeds, fertilizers, other agriculture related products and their distribution to farmers in the areas of Gilgit Baltistan and Khyber Pakhtunkhwa.

25.2 Associates in Development (AID)	Note	2024 Rupees	2023 Rupees
Salaries, wages and benefits	25.2.1	**58,281,632**	12,519,026
Traveling and conveyance		**371,120**	900,000
Consultancy		**530,000**	70,000
Vehicle hire/ rental		**319,500**	80,000
Legal and professional		**34,700**	30,000
Advertisement		**2,798,936**	279,976
Seminars, conferences, workshops		**2,624,500**	45,000
Trainings expenses		**8,572,066**	2,256,600
Office supplies		**26,750**	-
Entertainment		**2,044,911**	-
Printing and stationery		**1,563,721**	330,580
Insurance		**2,449,207**	-
Support to individual farmers	25.2.2	**98,885,576**	11,630,000
Miscellaneous		**130,140**	-
		178,632,759	28,141,182

25.2.1 This amount includes Rs. 7.326 million (2023: Rs. Nil) in respect of employees' retirement benefits.

25.2.2 This included payments made by the Company to multiple vendors for purchase of maize seeds, fertilizers, other agriculture related products and their distribution to farmers in the areas of Khyber Pakhtunkhwa.

26 ADMINISTRATIVE EXPENSES	Note	2024 Rupees	2023 Rupees
Salaries, wages and benefits	26.1	**11,744,848**	11,681,252
Traveling, boarding and lodging		**1,543,537**	229,451
Office rent		**330,000**	2,840,311
Legal and professional		**593,988**	661,993
Repairs and maintenance		**908,295**	128,000
Communication		**363,550**	374,756
Electricity, gas, water and fuel		**480,340**	401,497
Vehicle running and maintenance		**3,714,479**	1,326,805
Seminar, conferences and workshops		**68,947**	-
Consultancy		**2,627,530**	-
Auditor's remuneration	26.2	**615,000**	525,000
Fees and subscription		**492,175**	129,626
Entertainment		**247,333**	125,457
Office supplies		**445,049**	341,764
Printing and stationery		**322,235**	120,329
Bank charges		**67,403**	48,840
Insurance		**317,630**	771,402
Depreciation		**315,433**	265,933
Miscellaneous		**728,303**	1,652,655
Service charges		**1,011,511**	1,249,576
Impairment of contract asset	8	-	7,521,448
Foreign exchange loss	18.1	-	15,638,800
		26,937,586	46,034,895

26.1 This amount includes Rs. 0.812 million (2023: Rs. 0.874 million) in respect of employees' retirement benefits.

26.2 Auditor's remuneration	Note	2024 Rupees	2023 Rupees
Audit fee		**575,000**	500,000
Out of pocket expenses		**40,000**	25,000
		615,000	525,000

27 TAXATION - INCOME TAX AND LEVIES

Levies			
Final tax		**61,906**	48,236
Minimum tax		**-**	1,411,829
		61,906	1,460,065
Income tax - current			
For the year	**13**	**-**	-
Prior year		**(1,131,829)**	73,356
		(1,131,829)	73,356

28 RELATED PARTY TRANSACTIONS

Related parties include associated undertakings, directors, and other key management personnel. There were no related party transactions except for the remuneration of the Chief Executive Officer, directors, executive, as well as an advance extended to the Chief Executive Officer amounting to Rs. 1,335,800/-, which are disclosed in Note 28.1 and 29.

28.1 TRANSACTIONS WITH RELATED PARTIES

Relationship with the Company	Nature of Transactions	Note	2024	2023
Chief Executive Officer	Advance against salary	9	**1,335,800**	2,535,800

29 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Description	2024		2023	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
Managerial remuneration	**19,087,554**	**48,790,781**	6,140,427	6,164,139
Medical allowance	**-**	**1,737,744**	682,270	684,904
Gratuity	**3,297,543**	**4,696,970**	-	1,294,017
Total	**22,385,097**	**55,225,495**	**6,822,697**	**8,143,060**
Number	**1**	**20**	1	3

29.1 Other directors of the Company are not drawing any salary and benefits from the Company.

30 NUMBER OF EMPLOYEES	2024	2023
Total number of employees at year end including project staff	**69**	35
Average number of employees	**50**	39

31 FINANCIAL INSTRUMENTS

Financial risk management

The Company has exposures to the following risks from its use of financial instruments:
- Credit risk
- Market risk
- Liquidity risk

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

31.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Bank balances	**117,571,556**	40,602,216
Short term investments	**2,233,044**	1,877,199
Advances	**7,501,748**	6,487,817
Contract assets	**8,922,299**	3,469,827
Short term deposits	**795,627**	654,080
Other receivables	**7,447,520**	3,615,906
Loans to cooperative societies	**-**	32,000,000
	144,471,794	88,707,045

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

(ii) Credit quality of major financial assets

Description	Long term rating	Short term rating	2024	2023
			Rupees	
Investments				
NBP Funds	AAA	-	**2,233,044**	1,877,199
Banks				
Standard Chartered Bank Pakistan Limited	AAA	A1 +	**50,973,279**	29,151,703
Habib Bank Limited	AAA	A1 +	**66,578,277**	11,288,267
			117,551,556	40,439,970

Cash and bank balances

The Company held cash and cash equivalents amounting to Rs. 117.5 million. These cash and cash equivalents are held with banks and financial institutions counterparties, which are rated AAA, based on PACRA and VIS ratings. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties. 12 month probabilities of default are based on historical data supplied by PACRA and VIS rating agencies for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in basel guidelines for unsecured exposures.

Advances, deposits and other receivables

Advances mainly comprise of advances to employees against salaries. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

Contract assets

Contract assets represents asset recognised in respect of services provided to the Punjab Government regarding PRIAT project, where performance obligation is satisfied and revenue recognition is time proportionate. Receivable is recorded on the basis of amounts billed as defined in the contract. Revenue in excess of amounts billed is recognised as contract asset. The risk of default on contract assets in the current year is considered remote as the substantial amount has been recovered subsequently. Therefore, no ECL provision has been recognized in the current year.

31.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The Company is exposed to currency risk, interest/ markup rate risk and equity price risk.

a) Currency risk

The Company is exposed to currency risk on loan from Asian Farmers Association for Sustainable Rural Development that denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	2024 Rupees	2023 Rupees
Short term loan	**60,678,382**	62,478,800

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2024	2023	2024	2023
USD to PKR	**283.33**	236.32	**278.34**	290.00

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

	2024 Rupees	2023 Rupees
Effect on income and expenditure statement	**6,067,838**	6,247,880

The weakening of the PKR against US dollar would have had an equal but opposite impact on the post tax surplus/ deficit.

b) Interest/ markup rate risk

Interest/ markup rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest/ markup rates. Majority of the interest/ markup rate exposure arises from short term borrowings. These are benchmarked to the variable rates which expose the Group to cash flow interest/ markup rate risk. At year end the interest/ markup rate profile of the Group's interest - bearing financial instruments is as follows:

Instruments	2024	2023	2024	2023
	Effective interest rate %		Rupees	
Floating rate instruments				
Bank balances - Saving accounts	**20.50%**	19.23%	**24,461,336**	179,675

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have decreased/ (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2023.

Currency	Profit and loss 100 bp	
	Increase	Decrease
As at June 30, 2024		
Cash flow sensitivity - variable rate financial assets	244,613	(244,613)
As at June 30, 2023		
Cash flow sensitivity - variable rate financial assets	1,797	(1,797)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/ liabilities of the Company.

31.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
2024						
Financial liabilities						
Trade and other payables	**13,629,489**	**13,629,489**	**13,629,489**	-	-	-
Short term loan	**60,678,382**	**60,678,382**	**60,678,382**	-	-	-
	74,307,871	**74,307,871**	**74,307,871**	-	-	-
2023						
Financial liabilities						
Trade and other payables	9,061,830	9,061,830	9,061,830	-	-	-
Short term loan	62,478,800	62,478,800	-	62,478,800	-	-
	71,540,630	71,540,630	9,061,830	62,478,800	-	-

31.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to price risk as there are financial instruments at the reporting date that are sensitive to price fluctuations.

Sensitivity analysis

The Company's investments in Mutual funds of National Bank of Pakistan are publicly traded on the PSX. The summary below explains the impact of increase on the Company's surplus on investment classified as FVTPL to change in market price. The analysis is based on the assumption that the market price had increased by 10% with all other variables held constant:

	Impact on investment	
	2024	2023
Short term investments	223,304	187,720

32 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no financial instruments except short term investments held by the Company which are measured at fair value as of June 30, 2024 and June 30, 2023.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

33 FINANCIAL INSTRUMENTS BY CATEGORY

	New carrying amount			Fair value			
	Amortised cost	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
Financial instruments as at June 30, 2024							
Financial assets - at fair value:							
Short-term investments	-	2,233,044	2,233,044	-	2,233,044	-	2,233,044
Financial assets - at cost or amortised cost:							
Contract assets	8,922,299	-	8,922,299	-	-	-	-
Advances	7,501,748	-	7,501,748				
Loans to cooperatives	-	-	-	-	-	-	-
Other receivables	7,447,520	-	7,447,520	-	-	-	-
Cash and bank balances	117,571,556	-	117,571,556	-	-	-	-
	141,443,123	2,233,044	143,676,167	-	2,233,044	-	2,233,044
Financial liabilities at amortised cost							
Trade and other payables	13,629,489	-	13,629,489	-	-	-	-
Short-term borrowings	60,678,382	-	60,678,382	-	-	-	-
	74,307,871	-	74,307,871	-	-	-	-
Financial instruments as at June 30, 2023							
Financial assets - at fair value:							
Short-term investments	-	1,877,199	1,877,199	-	1,877,199	-	1,877,199
Financial assets - at cost or amortised cost:							
Contract assets	3,469,827	-	3,469,827	-	-	-	-
Advances	6,487,817	-	6,487,817				
Loans to cooperatives	32,000,000	-	32,000,000	-	-	-	-
Other receivables	3,615,906	-	3,615,906	-	-	-	-
Cash and bank balances	40,620,704	-	40,620,704	-	-	-	-
	86,194,254	1,877,199	88,071,453	-	1,877,199	-	1,877,199
Financial liabilities at amortised cost							
Trade and other payables	9,061,830	-	9,061,830	-	-	-	-
Short-term borrowings	62,478,800	-	62,478,800	-	-	-	-
	71,540,630	-	71,540,630	-	-	-	-

33.1 Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

GM

34 FUND RISK MANAGEMENT

The Company's objectives when managing fund are to safeguard the Company's ability to continue as a going concern in order to provide services for the general public and Government Authorities. The Company manages its fund structures and makes adjustments to it, in the light of changes in economic conditions. There were no changes to Company's approach to fund management during the year. Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements. The Company has no borrowing as at the balance sheet date, therefore, quantitative data has not been disclosed.

35 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

No significant events have occurred subsequent to June 30, 2024 other than those mentioned elsewhere in the financial statements.

36 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made in these financial statement.

37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the Board of Directors of the Company on 07-Oct 2024

38 GENERAL

Figures have been rounded off to the nearest Rupee.

CHAIRMAN/ DIRECTOR | **CHIEF EXECUTIVE OFFICER**

Grant Thornton

Grant Thornton Anjum Rahman
135-Ferozepur Road,
Lahore 54600,
Pakistan.

T +92 42 37423621-23
F +92 42 37421241

INDEPENDENT AUDITOR'S REPORT

To the members of Agribusiness Support Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Agribusiness Support Fund** ("the Company"), which comprise the statement of financial position as at **June 30, 2025**, and the statement of income and expenditure and other comprehensive income, the statement of changes in funds balance, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (here-in after referred to as "financial statements"), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in funds balance and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2025** and of the surplus and other comprehensive income, the changes in funds and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Grant Thornton

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

GTM

Grant Thornton

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Imran Afzal**.

Grant Thornton Anjum Rahman

Chartered Accountants
Lahore
Dated: October 20, 2025
UDIN: AR202510212MlXIf7dmi

AGRIBUSINESS SUPPORT FUND
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Assets			
Non-Current Assets			
Property and equipment	7	1,655,454	530,437
Total non-current assets		1,655,454	530,437
Current Assets			
Contract assets	8	13,482,716	8,922,299
Advances	9	4,530,775	7,501,748
Loans to cooperative societies	10	31,000,000	-
Short term deposits and prepayments	11	2,155,168	795,627
Other receivables	12	12,821,621	7,447,520
Taxation - net	13	2,075,922	1,374,139
Short term investments	14	663,215	2,233,044
Cash and bank balances	15	71,575,212	117,571,556
Total current assets		138,304,629	145,845,933
Total assets		139,960,083	146,376,370
Liabilities			
Non-Current Liabilities			
Deferred grants	16	17,902,963	59,584,153
Deferred liabilities	17	12,613,497	10,391,826
Total non-current liabilities		30,516,460	69,975,979
Current Liabilities			
Short term loan	18	61,859,680	60,678,382
Trade and other payables	19	44,054,705	18,100,519
Total current liabilities		105,914,385	78,778,901
Total liabilities		136,430,845	148,754,880
Net Assets		3,529,238	(2,378,510)
Represented by:			
General fund - surplus/ (deficit)	20	3,529,238	(2,378,510)
Contingencies and Commitments	21		

The annexed notes 1 to 37 form an integral part of these financial statements.

Chairman/ Director

Chief Executive Officer

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AGRIBUSINESS SUPPORT FUND
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Income			
Services rendered	22	74,439,384	45,677,547
Amortization of grants	16	376,949,345	235,656,366
Management Fee		34,308,859	16,949,507
Other income	23	7,453,031	7,901,410
Total income		493,150,619	306,184,830
Expenditure			
Cost of services	24	(69,535,666)	(34,193,648)
Project expenses *(Utilization of grants)*	25	(376,949,345)	(235,656,366)
Administrative expenses	26	(37,237,634)	(26,937,586)
Other expenses	27	(3,021,741)	-
Total expenditure		(486,744,386)	(296,787,600)
Surplus before levies and income tax		6,406,233	9,397,230
Levies	28	(498,485)	(61,906)
Surplus before income tax		5,907,748	9,335,324
Income tax	28	-	1,131,829
Surplus for the year after taxation		5,907,748	10,467,153

The annexed notes 1 to 37 form an integral part of these financial statements.

Chairman/ Director

Chief Executive Officer

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AGRIBUSINESS SUPPORT FUND
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Unrestricted Fund
	Rupees
Balance as at July 01, 2023	(12,845,663)
Surplus for the year	10,467,153
Balance as at June 30, 2024	**(2,378,510)**
Balance as at July 01, 2024	(2,378,510)
Surplus for the year	5,907,748
Balance as at June 30, 2025	**3,529,238**

The annexed notes 1 to 37 form an integral part of these financial statements.

Chairman/ Director

Chief Executive Officer

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AGRIBUSINESS SUPPORT FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before levies and income tax		6,406,233	9,397,230
Adjustments to reconcile surplus before tax:			
Depreciation	7	240,930	315,433
Amortization of grants		(376,949,345)	(235,656,366)
Donation		(1)	-
Provision for gratuity	17.1	4,934,186	9,251,562
Foreign exchange loss/ (gain)	26	1,187,299	(1,800,418)
		(370,586,931)	(227,889,789)
Operating cash flows before working capital change		(364,180,698)	(218,492,559)
Changes in working capital			
(Increase)/ decrease in current assets:			
Advances		2,970,973	(1,013,931)
Short term investments	14	1,569,829	(355,845)
Loans to cooperatives		(31,000,000)	32,000,000
Short term deposits and prepayments		(1,359,541)	(141,547)
Other receivables		(3,691,264)	(3,831,614)
Contract assets		(4,560,417)	(5,452,472)
		(36,070,420)	21,204,591
Increase/ (decrease) in current liabilities:			
Trade and other payables		25,948,185	7,940,159
		25,948,185	7,940,159
Cash (used in) operations		(374,302,933)	(189,347,809)
Grants received during the year		333,585,318	268,465,149
Gratuity paid	17.1	(2,712,515)	(615,963)
Taxes and Levy paid		(1,200,268)	(1,044,265)
Net cash (used in)/ generated from operating activities		(44,630,398)	77,457,112
CASH FLOWS FROM INVESTING ACTIVITIES			
Property and equipment purchased during the year		(1,365,946)	(506,260)
Net cash (used in) investing activities		(1,365,946)	(506,260)
Net (decrease)/ increase in cash and cash equivalents		(45,996,344)	76,950,852
Cash and cash equivalents at the beginning of the year		117,571,556	40,620,704
Cash and cash equivalents at the end of the year	15	71,575,212	117,571,556

The annexed notes 1 to 37 form an integral part of these financial statements.

GDR

Chairman/ Director

Chief Executive Officer

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1 STATUS AND NATURE OF BUSINESS

1.1 Agribusiness Support Fund (the Company) was incorporated in Pakistan on July 19, 2005 as a guarantee limited Company having no share capital under section 42 of the Companies Ordinance, 1984 (repealed with enactment of Companies Act, 2017). The registered office of the Company is located at Office No. 63-64 (2nd Floor), Mini Market, MR-12, Babu Rabnawaz Road, Block E, Sector B-17, Islamabad. Objective of the Company is to promote and facilitate the development and competitiveness of agribusiness enterprises in Pakistan, by providing grants to farmers, farmer groups and entrepreneurs with demand driven technical and managerial services on a matching grant basis to improve their productivity, competitiveness and credit worthiness to access financing for their enterprises.

1.2 The Company was set up as a consequence of a Loan Agreement (special operations) dated June 14, 2005 between the Asian Development Bank (ADB) and the Islamic Republic of Pakistan for agribusiness development project. Under the Loan Agreement ADB provided funds to Government of Pakistan for the project. Part of the loan proceeds were provided to the Company as grant by Government of Pakistan (GoP) which were utilized for the execution of the project component assigned to the Company. In addition to loan proceeds, the Government of Pakistan was also provided grants for certain project expenditure from its own resources. Further, in compliance with terms of the above mentioned loan agreement a project management agreement was signed between ADB and the Company on June 29, 2006 for execution of assigned project component. Further, a performance agreement was also signed between the Company and Ministry of Food, Agriculture and Livestock (MINFAL) on July 14, 2006.

1.3 The Company has entered into agreement with the Asian Farmers Association For Sustainable Rural Development (AFA) on January 01, 2021 for implementation of Asia Pacific Farmers' Programme in Pakistan. The main objective of the Program is to contribute to an enabling environment for rural poverty reduction, through instrumental support to rural stakeholders and their organizations. The project will also ensure that farmer organizations are professionally capacitated to provide sustainable demand-driven (business and technical) services to their members and engage in effective policy dialogue for improved livelihoods and incomes of farmer. The tenure of this project is 12 months, with extensions granted each year. Under current agreement, end date is December 31, 2024.

1.4 The Company has also entered into an agreement with the Asian Farmers Association For Sustainable Rural Development (AFA) on June 29, 2022 for implementation of the Assuring Resiliency of Family Farmers amidst COVID-19. The main purpose of the Fund is to fulfil working capital needs of farmers and on a case-by-case basis, capital needs of cooperatives. The duration of this project was of 12 months, ending on June 28, 2023, and it was further extended by 10 months, which ended on April 29, 2024.

1.5 The Company has entered into an agreement with Associates in Development Private Limited (AID) on July 01, 2022, which is later revised on January 26, 2023, for implementation of Economic Recovery and Development Activity (ERDA) in Khyber Pakhtunkhwa (KP), including seven newly merged districts (NMDs) of KP. The period of this project is of 5 years ending on February 20, 2027.

1.6 The Company has entered into an agreement with the Directorate General of Agriculture (Water Management), Punjab, Lahore, for the Punjab Resilient and Inclusive Agriculture Transformation (PRIAT) project on January 11, 2024. This project focuses on improving agricultural practices, market access, and farmer productivity in Punjab. ASF is responsible for executing specific components of the PRIAT project, particularly sub-component 2.1, over a 10-month period ending on October 11, 2024. The agreement was subsequently extended from October 2024 to March 2025 and further from March 2025 to June 2025.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at Office No. 63-64 (2nd Floor), Mini Market, MR-12, Babu Rabnawaz Road, Block E, Sector B-17, Islamabad. Other business units details are as follows:

Location	Address
Punjab - Lahore	117 CCA, DD Block, DHA Phase 4, Lahore.
Punjab - Lahore	House no 168, Westwood Colony, Thokar Niaz Baig, Lahore.
Gilgit Baltistan - Skardu	Near Chief Court, Adjacent to Bait ul Maal Office, Astana Skardu, Tehsil & District Skardu.
Gilgit Baltistan - Gilgit	Near Helipad, Sonikot, Gilgit.
Gilgit Baltistan - Diamir	Regional Farmers Cooperative Office, IT Park, Near RHQ Hospital, Chilas, District Diamer.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except as stated otherwise in these financial statements.

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee, which is Company's functional and presentation currency.

4 STANDARDS, INTERPRETATIONS AND AMMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

4.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in Note 6 to these financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	01-January-25
IFRS 7	Financial Instruments: Disclosures (Amendments)	01-January-25
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	01-January-25
IFRS 17	Insurance Contracts	01-January-25
	Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)	01-January-25

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

4.3 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP);

IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

5 Critical accounting estimates and 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 the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are discussed below:

-determining the recoverable amount, residual values and useful lives of property and equipment;

-impairment of fixed assets;

-computation of income taxes; and

-disclosure and assessment of provision for contingencies.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and any identified impairment. Depreciation on property and equipment is charged to income on straight line method so as to write off the depreciable amount of an asset over its estimated useful life.

Depreciation on additions to property and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

The Company assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in statement of income and expenditure for the year. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Subsequent costs are included in the assets carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Normal repairs and maintenance are charged to income while major renewals and improvements are capitalized. Gain or loss on disposal of an asset represented by the difference between sale proceeds and carrying amount of the asset is taken to income.

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimate in future years might affect the carrying amounts of the respective items of property, plant and equipment's with corresponding effect on depreciation charge and impairment.

6.2 Intangible assets

These are stated at cost less accumulated amortization and impairment, and are amortized on a straight line basis over 3 years being its useful life. Amortization of intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

The Company assesses at each reporting date whether there is any indication that an intangible asset may be impaired. If such an indication exists, the carrying amounts of these assets are reviewed to determine whether they exceed their recoverable amounts. If the carrying amounts exceed the recoverable amounts, the assets are written down to their recoverable amounts, and the resulting impairment is recognized in the statement of income and expenditure for the year. The recoverable amount is higher of an asset's fair value less costs to sell and its value in use.

6.3 Impairment

At each reporting date, carrying amounts of assets are reviewed to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated to assess extent of the impairment, if any. Any impairment identified is recognized as expense in the statement of income and expenditure.

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

6.4 Foreign currency transactions and translation

Transactions denominated in foreign currencies are translated into Pak Rupees, at foreign exchange rates prevailing at date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at foreign exchange rates at reporting date.

6.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

6.6 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets - initial recognition

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require the delivery of assets within a time frame established by regulation or market convention (regular way trades) are recognized on the trade date, which is the date when the Company commits to purchasing or selling the asset.

The Company's financial assets include short term investments, advances, contract assets, other receivables and bank balances.

Financial assets - subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

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

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

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

The Company's financial assets at amortized costs includes contract assets, cash and bank balances and other receivables.

Financial assets through other comprehensive Income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss.

The Company does not have financial assets at fair value through OCI.

Financial assets through profit and loss

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

The Company's financial assets at profit and loss includes short term investments.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

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

(a) the Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all financial assets, excluding due from the Government, not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

The Company may consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of income and expenditure.

Financial liabilities

Financial liabilities - initial recognition

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

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

The Company's financial liabilities include short term loan, accrued expenses and other payables.

Financial liabilities - subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income and expenditure & other comprehensive income.

6.7 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is off-set and the net amount is reported in the financial statements if the Company has a legally enforceable right to off-set the transaction and also intends either to settle on a net basis or to realize the asset and settle liability simultaneously.

6.8 Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgment.

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised service to a customer. In service agreements, such control is transferred over time.

Profit on bank balances and investments are recognized on a time proportion basis on the principal amount outstanding.

Whereas profit on bank deposits and other investment income earned on endowment funds is directly recognized in changes in net assets to the extent that it is not available for Company's operations. Investment income earned on deferred contribution is recognized as income to the extent of expenses incurred and the remaining amount if deferred is included in deferred contribution.

The Company follows a deferral method of accounting for contributions and grants. Under this method, externally restricted contributions and grants are deferred as non-current liabilities and recognized as revenue when expenses are incurred. Unrestricted contributions are recognized as received or receivable if the amount to be received can be measured reliably and collection of the same is reasonably assured.

Revenue is to be recognized in accordance with the aforementioned principle by applying the following steps:

- Identify the contract with customers;
- Identify the performance obligation in the contract;
- Determine the transaction price in the contract;
- Allocate the transaction price to each of the separate performance obligations in the contract; and
- Recognize the revenue when (or as) the entity satisfies a performance obligations.

6.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

6.10 Deferred grant

Grants

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

Deferred capital grants

Grants received for purchase of fixed assets with limited life are initially recorded as deferred income upon receipt. When the assets are actually purchased they are then recorded as deferred capital grants and when expended they are amortized into income on a systematic basis over the periods necessary to match them with carrying value of related assets.

Income related grants

Grants of 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 the actual expenditure incurred. Expenditure incurred against grants committed but not received, is recognized directly in statement of income and expenditure and reflected as a receivable from Donors.

6.11 Employee benefits

Gratuity

The Company operates an unfunded gratuity scheme covering its regular employees. Provision for gratuity is made annually with reference to the last drawn salary and period of service without actuarial valuation/ assumptions.

Employees' compensated absences

The Company provides for liability in respect of employees' compensated absences in which these are earned. Under the scheme, employees are entitled to twenty four days of leave per year out of which twelve leaves are encashable at the year end while remaining twelve leaves if not availed are lapsed.

Paid sick/ medical leave

The Company maintains policy of paid medical leaves up to twenty four days per year which are not encashable.

6.12 Sharing of common expenses

The Company shares common expenses with respective donors. The ratio is determined on the basis of actual total expenses incurred during the period for each respective donor with whom expenses are being shared.

6.13 Taxation

a) Current

The charge for current year is higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any.

The Company takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Company's view differs from that taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) Deferred

Deferred tax is provided using the liability method for all temporary differences at the year end between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the year end. Deferred tax is charged or credited to the statement of income and expenditure, except in case of items charged or credited directly to equity in which case it is included in the statement of equity.

6.14 Trade debts and other receivables

Trade debts and other receivables are recognized initially at amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest method. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognizes a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of income and expenditure and other comprehensive income. These assets are written off when there is no reasonable expectation of recovery.

The Company uses a provision matrix to calculate ECLs for trade receivables (other than receivable from Government) and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

6.15 Loan to cooperative societies

Loans to cooperatives are carried at amortized cost less provision made for doubtful loans based on a review of all outstanding amounts at the year end. These loans are funded by Asian Farmers' Association Sustainable Rural Development. These loans are provided to cooperatives societies against service charges of 2.5% to 6%. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognizes a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of income and expenditure and other comprehensive income. These assets are written off when there is no reasonable expectation of recovery.

6.16 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

6.17 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods or services to a customer before the customer pays its consideration or before payment is due.

6.18 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

7 Property and equipment	Note	2025	2024
		Rupees	
Operating fixed assets	6.1	1,655,454	530,437
		1,655,454	530,437

7.1 Operating fixed assets

	Owned assets				Total assets
	Office Equipment	Computer Equipment	Furniture and Fixture	Vehicles	
	Rupees				
Cost					
Balance as at July 01, 2023	4,227,648	30,091,983	315,018	3,805,392	38,440,041
Additions during the year	250,234	256,026	-	-	506,260
Disposals	-	-	-	(1,295,000)	(1,295,000)
Balance as at June 30, 2024	4,477,882	30,348,009	315,018	2,510,392	37,651,301
Balance as at July 01, 2024	4,477,882	30,348,009	315,018	2,510,392	37,651,301
Additions during the year	-	1,365,946	-	1	1,365,947
Balance as at June 30, 2025	4,477,882	31,713,955	315,018	2,510,393	39,017,248
Depreciation					
Balance as at July 01, 2023	4,174,589	30,012,366	108,084	3,805,392	38,100,431
Charge for the year	61,964	86,989	166,480	-	315,433
Depreciation on disposals	-	-	-	(1,295,000)	(1,295,000)
Balance as at June 30, 2024	4,236,553	30,099,355	274,564	2,510,392	37,120,864
Balance as at July 01, 2024	4,236,553	30,099,355	274,564	2,510,392	37,120,864
Charge for the year	5,563	194,912	40,454	1	240,930
Balance as at June 30, 2025	4,242,116	30,294,267	315,018	2,510,393	37,361,794
Rate of depreciation	25%	33%	20%	20%	
Written down value as at June 30, 2024	241,329	248,654	40,454	-	530,437
Written down value as at June 30, 2025	235,766	1,419,688	-	-	1,655,454

7.2 The deprecation has been allocated to administrative expenses (Refer Note-26).

7.3 The cost of fully depreciated assets which are still in use is Rs. 38.494 million (2024: Rs. 37.7331 million).

7.4 During the year, a vehicle was donated to the Company by a third party. As the vehicle was received without any consideration, it has been recognized at a nominal value of Rs. 1 in the financial statements.

7.5 Disclosures relating to disposal have not been made as there were no disposals during the year.

8 Contract asset	Note	2025 Rupees	2024 Rupees
PRIAT - unsecured	8.1	15,317,158	8,922,299
Less: Impairment (ECL)		1,834,442	-
Total		13,482,716	8,922,299

8.1 This represents receivable recognized in respect of services provided to the customers where performance obligation is satisfied and revenue recognition is time proportionate. Receivable is recorded on the basis of amounts billed as defined in the contracts. Revenue in excess of amounts billed is recognized as contract asset.

		Note	2025 Rupees	2024 Rupees
9	**Advances**			
	Considered good:			
	- Advances to employees against salaries - *secured*	9.1	**1,949,581**	2,717,901
	- Advances to employees against expenses - *secured*		**2,535,424**	4,783,847
	- Advance to Implementing Partner - *unsecured*		**45,770**	-
	Total		**4,530,775**	7,501,748

9.1 These include advances given to Chief Executive Officer amounting to Rs. 1,335,800/- (2024: Rs. 1,335,800/-) and Chief Operating Officer amounting to Rs. 113,040/- (2024: Rs. 491,040/-).

		Note	2025 Rupees	2024 Rupees
10	**Loans to cooperative societies**			
	Unsecured - considered good			
	Loans to cooperatives societies	10.1	**31,000,000**	-
	Total		**31,000,000**	-
10.1	Movement during the year			
	Opening Balance		-	32,000,000
	Disbursed during the year		**31,000,000**	20,000,000
	Recoveries during the year		-	(52,000,000)
	Closing Balance		**31,000,000**	-

10.2 Service charge @ 12.5% is being charged. These loans have been granted for a period of 12 months.

		Note	2025 Rupees	2024 Rupees
11	**Short term deposits and prepayments**			
	Prepaid rent		**852,000**	-
	Prepaid insurance		**1,105,168**	595,627
	Security deposits		**198,000**	200,000
	Total		**2,155,168**	795,627
12	**Other receivables**			
	Management fee receivable	12.1	**8,821,355**	6,279,520
	Accrued service charges	12.2 & 23	**1,147,431**	-
	Receivable from East West Insurance Company Limited		-	760,000
	Grant receivable	16	**1,682,837**	-
	Others		**1,169,998**	408,000
	Total		**12,821,621**	7,447,520

12.1 This includes management fee receivable from AID, calculated at 10% of the total modified direct costs incurred during the year on the AID project (ERDA). It also includes management fee receivable from TGH, calculated at 4% of the total direct costs incurred during the year. The management fee represents reimbursement for administrative and operational support provided by ASF in implementing donor-funded projects. The receivables are expected to be settled in the normal course of project funding.

12.2 This represents receivable from cooperative societies as stipulated in the agreement at the rate of 12.5%.

	Note	2025 Rupees	2024 Rupees
13 Taxation - net			
Balance at beginning of the year		**1,374,139**	(740,049)
Advance tax paid/ withholding taxes deducted during the year		**1,200,268**	2,176,094
Levies - Provision for the year		**(498,485)**	(61,906)
Total		**701,783**	2,114,188
Closing balance		**2,075,922**	1,374,139

	Note	2025 Rupees	2024 Rupees
14 Short term investments			
Mutual Funds - FVTPL	**14.1**	**663,215**	2,233,044
Total		**663,215**	2,233,044

14.1 This includes investment in NBP Government Securities Liquid Fund, NBP Riba Free Savings Fund and NBP Money Market Fund. Fair value of these investment is determined by applying redemption net assets value method. Breakup is as follows:

NBP Government Securities Liquid Fund	**14.3**	**113,026**	2,030,145
NBP Riba Free Saving Fund	**14.3**	**151,888**	-
NBP Money Market Fund	**14.3**	**398,301**	202,899
Total		**663,215**	2,233,044

14.3 Mutual fund wise units are as follows:

	Units		Fair Value	
	2025	2024	2025	2024
	Numbers		Rupees	
Liquid Fund	**10,963**	197,351	**113,026**	2,030,145
NBP Riba Free Saving Fund	**14,678**	-	**151,888**	-
NBP Money Market Fund	**39,670**	20,273	**398,301**	202,899
Total	**65,311**	217,624	**663,215**	2,233,044

	Note	2025 Rupees	2024 Rupees
15 Cash and bank balances			
Cash in hand		**8,780**	20,000
		8,780	20,000
Balances with banks in:			
- Current accounts		**49,185,108**	93,090,220
- Saving accounts	**15.1**	**22,381,324**	24,461,336
Total		**71,566,432**	117,551,556
Closing Balance		**71,575,212**	117,571,556

15.1 Profit on saving accounts carry markup @ 9.5% per annum (2024: 20.5%).

16 Deferred grants

	Note	2025 Rupees	2024 Rupees
Deferred grants	16.1	17,902,963	59,584,153
Grants Receivable	16.1	(1,682,837)	-
		16,220,126	59,584,153

		Asia Pacific Farmers' Programme (APFP)	Associates in Development (AID)	Triangle Genreation Humanitare (TGH)	Total
		..... Rupees			
16.1	As at July 01, 2023	25,279,666	1,495,704	-	26,775,370
	Grants received during the year	62,433,866	206,031,283	-	268,465,149
	Grants amortized during the year	(57,023,607)	(178,632,759)	-	(235,656,366)
	Surplus of receipts over expenditure	30,689,925	28,894,228	-	59,584,153
	Balance as at June 30, 2024	30,689,925	28,894,228	-	59,584,153

	Asia Pacific Farmers' Programme (APFP)	Associates in Development (AID)	Triangle Genreation Humanitare (TGH)	Total
	..... Rupees			
As at July 01, 2024	**30,689,925**	**28,894,228**	**-**	**59,584,153**
Grants received during the year	**20,698,924**	**298,672,394**	**14,214,000**	**333,585,318**
Grants amortized during the year	**(35,949,138)**	**(329,249,459)**	**(11,750,748)**	**(376,949,345)**
Surplus of receipts over expenditure	**15,439,711**	**(1,682,837)**	**2,463,252**	**16,220,126**
Balance as at June 30, 2025	**15,439,711**	**(1,682,837)**	**2,463,252**	**16,220,126**

17 Deferred liabilities

	Note	2025 Rupees	2024 Rupees
Provision for gratuity	17.1	12,613,497	10,391,826
Closing Balance		12,613,497	10,391,826

17.1 Movement is as follows:

Opening balance	10,391,826	1,756,227
Provision for the year	4,934,186	9,251,562
Payments during the year	(2,712,515)	(615,963)
Closing Balance	12,613,497	10,391,826

		Note	2025 Rupees	2024 Rupees
18	**Short term loan**			
	Short term foreign currency loan (unsecured)	18.1	**61,859,680**	60,678,382
	Total		**61,859,680**	60,678,382
18.1	**Movement of is as follows**			
	Opening balance		**60,678,382**	62,478,800
	Foreign exchange loss/ (gain)		**1,181,298**	(1,800,418)
	Closing balance		**61,859,680**	60,678,382

18.2 This financing of $ 218,000 has been extended by the Asian Farmers Association for Sustainable Rural Development (AFA) for implementation of the Assuring Resiliency of Family Farmers amidst COVID-19 and was utilized for providing advances to cooperatives to meet their working capital requirements. The loan, originally due for repayment on June 29, 2023, was subsequently extended to April 29, 2024, which has been further extended to December 31, 2025. For extended period, service charges will be 2% per annum. (2024: $ 218,000).

		Note	2025 Rupees	2024 Rupees
19	**Trade and other payables**			
	Accrued expenses		**16,248,237**	10,127,152
	Tax deducted/ withheld at source		**5,968,115**	4,471,030
	Other payables	19.1	**21,838,353**	3,502,337
	Total		**44,054,705**	18,100,519

19.1 This includes service charges amounting to Rs. 618,690/- (2024: Rs. 1,011,511/-) payable to Asian Farmers' Association for Sustainable Rural Development (AFA) (as referred in Note 18.2).

		Note	2025 Rupees	2024 Rupees
20	**General fund**			
	Opening balance		**(2,378,510)**	(12,845,663)
	Surplus/ (deficit) for the year		**5,907,748**	10,467,153
	Closing balance		**3,529,238**	(2,378,510)

21 **Contingencies and commitments**

21.1 **Contingencies**

There are no contingencies as on the reporting date (2024: Rs. Nil).

21.2 **Commitments**

There are no capital commitments as on the reporting date (2024: Rs. Nil).

		Note	2025 Rupees	2024 Rupees
22	**Services rendered**			
	Services rendered to Karandaaz Pakistan	22.1	-	2,450,527
	Services rendered to PRIAT	22.2	**74,439,384**	43,227,020
	Total		**74,439,384**	45,677,547

22.1 Agreement with Karandazz Pakistan for development of agriculture business plan was concluded in October 2023.

22.2 The Company executed an agreement with the Directorate General of Agriculture (Water Management), Punjab for the PRIAT project, originally covering the period from January 2024 to October 2024. The project focuses on improving agricultural practices, enhancing market access, and increasing farmer productivity in Punjab. The agreement has been extended to June 2025. The project was concluded in June 2025.

		Note	2025 Rupees	2024 Rupees
22.3	**Services rendered**			
	Services rendered to Karandaaz Pakistan		-	2,818,106
	Services rendered to PRIAT		86,349,685	50,143,343
			86,349,685	52,961,449
	Less: Sales tax on services		11,910,301	7,283,902
	Total		74,439,384	45,677,547
22.4	**Timing of revenue recognition - net**			
	Services transferred at a point over time		74,439,384	45,677,547
23	**Other income**			
	Income on short term investments:			
	- Dividend		77,310	412,706
	- Realized gain on disposal of investments		1,916,671	-
	- Unrealized gain on investments		1,391	5,039
			1,995,372	417,745
	Profit on saving accounts		3,761,977	2,968,306
	Insurance claim		-	760,000
	Foreign exchange gain		-	1,850,994
	Service charges (cooperative societies)	12.2	1,147,431	1,904,365
	Others		548,250	-
	Donation	7.4	1	-
			5,457,659	7,483,665
	Total		7,453,031	7,901,410
24	**Cost of services**			
	Salaries, wages and benefits		40,841,365	16,433,278
	Travelling		1,968,276	1,253,203
	Vehicle running and maintenance		5,489,625	2,100,079
	Vehicle rentals		7,890,502	1,976,998
	Communication		259,539	134,495
	Consultancy		2,130,000	3,680,000
	Office supplies		210,454	200,570
	Entertainment		628,652	395,734
	Printing and stationary		2,350,581	1,743,284
	Rent		2,264,258	1,166,667
	Utilities		686,210	199,495
	Repair & maintenance		289,480	131,070
	Furniture for project		-	1,729,166
	Office equipment for project		70,490	2,230,138
	Trainings		4,039,352	-
	Miscellaneous		416,882	819,471
	Total		69,535,666	34,193,648

		Note	2025 Rupees	2024 Rupees
25	**Project expenses *(Utilization of grants)***			
	Asia Pacific Farmers' Programme (APFP)	25.1	35,949,138	57,023,607
	Associates in Development (AID)	25.2	329,249,459	178,632,759
	Triangle Generation Humaitare (TGH)	25.3	11,750,748	-
	Total		376,949,345	235,656,366
25.1	**Asia Pacific Farmers' Programme (APFP)**			
	Salaries, wages and benefits		14,349,533	21,538,563
	Traveling and conveyance		5,956,475	1,765,747
	Accommodation		1,760,377	1,796,617
	Consultancy		-	129,100
	Vehicle rentals		1,102,954	2,070,341
	Vehicle running and maintenance		1,896,852	2,428,195
	Entertainment		1,228,414	1,147,877
	Utilities		239,910	414,335
	Communication		61,240	122,291
	Office rent		1,683,296	1,067,286
	Repairs and maintenance		16,180	125,980
	Insurance		527,143	387,592
	Legal and professional		210,000	150,000
	Advertisement		-	27,000
	Project audit fee		115,000	130,000
	Fee & subscription		-	35,902
	Seminar, conferences, workshops		-	846,510
	Administrative Cost		2,244,044	-
	Trainings		1,382,739	2,231,000
	Office supplies		829,090	487,401
	Printing and stationery		701,363	1,982,899
	Bank charges		9,808	10,074
	Support to individual farmers	25.1.1	1,350,000	17,572,110
	Miscellaneous		284,720	556,787
	Total		35,949,138	57,023,607

25.1.1 This included payments made by the Company to multiple vendors for purchase of maize seeds, fertilizers, other agriculture related products and their distribution to farmers in the areas of Gilgit Baltistan and Khyber Pakhtunkhwa.

25.2	**Associates in Development (AID)**			
	Salaries, wages and benefits	25.2.1	66,560,461	58,281,632
	Traveling and conveyance		389,059	371,120
	Consultancy		-	530,000
	Vehicle rentals		606,852	319,500
	Legal and professional		-	34,700
	Advertisement		2,563,670	2,798,936
	Seminars, conferences, workshops		-	2,624,500
	Trainings expenses		7,706,412	8,572,066
	Office supplies		102,089	26,750
	Entertainment		3,219,956	2,044,911
	Printing and stationery		1,290,670	1,563,721
	Insurance		2,507,595	2,449,207
	Support to individual farmers	25.2.2	244,272,130	98,885,576
	Miscellaneous		30,565	130,140
	Total		329,249,459	178,632,759

25.2.1 This amount includes Rs. 4.934 million (2024: Rs. 7.326 million) in respect of employees' retirement benefits.

25.2.2 This included payments made by the Company to multiple vendors for purchase of maize seeds, fertilizers, other agriculture related products and their distribution to farmers in the areas of Khyber Pakhtunkhwa.

	Note	2025 Rupees	2024 Rupees
25.3 Triangle Generation Humanitare (TGH)			
Salaries, wages and benefits		7,548,679	-
Traveling and conveyance		271,937	-
Accommodation		344,425	-
Vehicle hire/ rental		1,009,925	-
Vehicle running and maintenance		491,738	-
Entertainment		142,928	-
Utilities		121,534	-
Communication		48,961	-
Office rent		984,072	-
Repairs and maintenance		20,850	-
Insurance		5,310	-
Seminar, conferences, workshops		374,007	-
Trainings expenses		195,903	-
Office supplies		110,155	-
Printing and stationery		56,454	-
Miscellaneous		23,870	-
Total		11,750,748	-

25.3.1 The Grow-Pakistan project started during January 2025.

	Note		
26 Administrative expenses			
Salaries, wages and benefits		18,459,957	11,744,848
Traveling, boarding and lodging		3,112,681	1,543,537
Office rent		285,000	330,000
Legal and professional		605,933	593,988
Repairs and maintenance		280,130	908,295
Communication		557,902	363,550
Electricity, gas, water and fuel		676,023	480,340
Vehicle running and maintenance		4,681,270	3,714,479
Seminar, conferences and workshops		74,000	68,947
Consultancy		1,537,841	2,627,530
Auditor's remuneration	26.1	675,000	615,000
Fees and subscription		1,832,262	492,175
Entertainment		605,744	247,333
Office supplies		544,689	445,049
Printing and stationery		238,532	322,235
Bank charges		70,995	67,403
Insurance		864,263	317,630
Depreciation		240,930	315,433
Miscellaneous		874,371	728,303
Service charges		1,020,111	1,011,511
Total		37,237,634	26,937,586

		Note	2025 Rupees	2024 Rupees
26.1	**Auditor's remuneration**			
	Audit fee		**610,000**	575,000
	Out of pocket expenses		**65,000**	40,000
	Total		**675,000**	615,000
27	**Other Expenses**			
	Foreign exchange loss - net		**1,187,299**	-
	Impairment of contract asset		**1,834,442**	-
	Total		**3,021,741**	-
28	**Taxation - income tax and levies**			
	Levies			
	Final tax		**498,485**	61,906
	Minimum tax		-	-
	Total		**498,485**	61,906
	Income tax - current			
	For the year	28.1	-	-
	Prior years		-	(1,131,829)
	Total		-	(1,131,829)

28.1 ASF obtained renewal of its Non-Profit Organization (NPO) status under Section 2(36) of the Ordinance from Federal Board of Revenue (FBR) for the tax years 2023, 2024 and 2025 which is valid till June 30, 2025, entitling it to claim tax credit under section 100C of the Income Tax Ordinance, 2001. Accordingly, no provision for taxation has been made in these financial statements.

29 **Related party transactions**

Related parties include associated undertakings, directors, and other key management personnels.

29.1 **Transactions with related parties** *(Other than Remuneration of CEO, Directors and Key Management Personnels)*

Relationship with the Company	Nature of Transactions	2025 Rs.	2024 Rs.
Chief Executive Officer	Advance given against salary	**1,335,800**	1,335,800
Chief Operating Officer	Advance given against salary	**113,040**	491,040
Total		**1,448,840**	1,826,840

29.2 **Remuneration of Chief Executive Officer, Directors and Executives**

Description	2025		2024	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	Rs.	**Rs.**	Rs.	Rs.
Managerial remuneration	**16,487,325**	**61,425,799**	19,087,554	48,790,781
Medical allowance	**-**	**2,475,382**	-	1,737,744
Bonus & Honorarium	**3,860,557**	**3,310,956**	-	-
Gratuity	**2,738,935**	**2,195,251**	3,297,543	4,696,970
Total	**23,086,817**	**69,407,388**	22,385,097	55,225,495
Number	**1**	**24**	1	20

29.3 Other directors of the Company are not drawing any salary and benefits from the Company.

29.4 Balance with related parties are given in respective note.

	2025	2024
30 Number of employees		
Total number of employees at year end including project staff	45	69
Average number of employees	65	50

31 Financial instruments

Financial risk management

The Company has exposures to the following risks from its use of financial instruments:
- Credit risk
- Market risk
- Liquidity risk

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

31.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025	2024
	Rupees	Rupees
Bank balances	**71,566,432**	117,571,556
Short term investments	**663,215**	2,233,044
Advances	**1,995,351**	2,717,901
Contract assets	**13,482,716**	8,922,299
Short term deposits	**2,155,168**	795,627
Other receivables	**12,821,621**	7,447,520
Loans to cooperative societies	**31,000,000**	-
Total	**133,684,503**	139,687,947

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

(ii) Credit quality of major financial assets

Description	Long term rating	Short term rating	2025	2024
			Rupees	
Investments				
NBP Funds	AM1	-	**663,215**	2,233,044
Banks				
Standard Chartered Bank Pakistan Limited	AAA	A1 +	**51,130,123**	50,973,279
Habib Bank Limited	AAA	A1 +	**20,436,309**	66,578,277
			71,566,432	117,551,556

Cash and bank balances

These cash and cash equivalents are held with banks and financial institutions counterparties. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties.

Loans, Advances, deposits and other receivables

Advances mainly comprise of advances to employees against salaries while loans are extended to cooperatives. The Company has assessed, based on historical experience, that the expected credit loss associated with these financial assets is minimal and therefore no impairment charge has been accounted for.

Contract assets

The risk of default on contract assets in the current year is considered remote as the substantial amount has been recovered subsequently. Therefore, no ECL has been recognized in current year.

31.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The Company is exposed to currency risk, interest/ markup rate risk and equity price risk.

a) Currency risk

The Company is exposed to currency risk on loan from Asian Farmers Association for Sustainable Rural Development that denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	2025 Rupees	2024 Rupees
Short term loan	**61,859,680**	60,678,382
Total	**61,859,680**	60,678,382

The following significant exchange rates applied during the year:

	Average Rate		Reporting Rate	
	2025	2024	2025	2024
USD to PKR	**281.05**	283.33	**283.76**	278.34

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar with all other variables held constant, post tax surplus for the year would have been lower by the amount shown below.

	2025 Rupees	2024 Rupees
Effect on income and expenditure statement	**6,185,968**	6,067,838

The weakening of the PKR against US dollar would have had an equal but opposite impact on the post tax surplus/ deficit.

b) Interest/ markup rate risk

Interest/ markup rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest/ markup rates. Majority of the interest/ markup rate exposure arises from short term borrowings. These are benchmarked to the variable rates which expose the Company to cash flow interest/ markup rate risk. At year end the interest/ markup rate profile of the Company's interest - bearing financial instruments is as follows:

Variable rate instruments	2025	2024	2025	2024
	Effective rate of interest		Carrying Value in Rupees	
Bank balances - Saving	12.50%	20.50%	22,381,324	24,461,336
Total			22,381,324	24,461,336

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have decreased/ (increased) deficit/ surplus for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2024.

	Surplus 100 base points	
	Increase	Decrease
	-----(Rupees)-----	
As at June 30, 2025		
Cash flow sensitivity - variable rate financial assets	223,813	(223,813)

	Surplus 100 base points	
	Increase	Decrease
	-----(Rupees)-----	
As at June 30, 2024		
Cash flow sensitivity - variable rate financial assets	244,613	(244,613)

The sensitivity analysis prepared is not necessarily indicative of the effects on surplus/ deficit for the year and assets/ liabilities of the Company.

31.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
			Rupees			
2025						
Financial liabilities						
Trade and other payables	**38,086,590**	**38,086,590**	**38,086,590**	**-**	**-**	**-**
Short term loan	**61,859,680**	**61,859,680**		**-**	**61,859,680**	**-**
	99,946,270	**99,946,270**	**38,086,590**	**-**	**61,859,680**	**-**
2024						
Financial liabilities						
Trade and other payables	13,629,489	13,629,489	13,629,489	-	-	-
Short term loan	60,678,382	60,678,382	60,678,382	-	-	-
	74,307,871	74,307,871	74,307,871	-	-	-

31.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to price risk as there are financial instruments at the reporting date that are sensitive to price fluctuations.

Sensitivity analysis

The Company's investments are in Mutual funds of National Bank of Pakistan which are also publicly traded. The summary below explains the impact of increase on the Company's surplus on investment classified as FVTPL to change in market price. The analysis is based on the assumption that the market price had increased by 10% with all other variables held constant:

	Impact on investment	
	2025	2024
	Rupees	Rupees
Short term investments	**66,322**	223,304
Total	**66,322**	223,304

32 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no financial instruments except short term investments held by the Company which are measured at fair value as of June 30, 2025 and June 30, 2024.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

33 Financial instruments by category

	Carrying amount			Fair value			
	Amortized cost	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
Financial instruments as at June 30, 2025							
Financial assets - at fair value:							
Short-term investments	-	663,215	663,215	-	663,215	-	663,215
Financial assets - at cost or amortized cost:							
Contract assets	13,482,716	-	13,482,716	-	-	-	-
Advances	4,530,775	-	4,530,775				
Loans to cooperatives	31,000,000	-	31,000,000	-	-	-	-
Other receivables	12,821,621	-	12,821,621	-	-	-	-
Cash and bank balances	71,575,212	-	71,575,212	-	-	-	-
	133,410,324	663,215	134,073,539	-	663,215	-	663,215
Financial liabilities at amortized cost							
Trade and other payables	38,086,590	-	38,086,590	-	-	-	-
Short-term borrowings	61,859,680	-	61,859,680	-	-	-	-
	99,946,270	-	99,946,270	-	-	-	-
Financial instruments as at June 30, 2024							
Financial assets - at fair value:							
Short-term investments	-	2,233,044	2,233,044	-	2,233,044	-	2,233,044
Financial assets - at cost or amortized cost:							
Contract assets	8,922,299	-	8,922,299	-	-	-	-
Advances	7,501,748	-	7,501,748				
Loans to cooperatives	-	-	-	-	-	-	-
Other receivables	7,447,520	-	7,447,520	-	-	-	-
Cash and bank balances	117,571,556	-	117,571,556	-	-	-	-
	141,443,123	2,233,044	143,676,167	-	2,233,044	-	2,233,044
Financial liabilities at amortized cost							
- Trade and other payables	13,629,489	-	9,061,830	-	-	-	-
- Short-term borrowings	60,678,382	-	62,478,800	-	-	-	-
	74,307,871	-	71,540,630	-	-	-	-

34 Fund risk management

The Company's objectives when managing fund are to safeguard the Company's ability to continue as a going concern in order to provide services. The Company manages its fund structures and makes adjustments to it, in the light of changes in economic conditions. There were no changes to Company's approach to fund management during the year. Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

35 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. No significant reclassification has been made in these financial statements.

36 Date of authorization for issue

These financial statements were approved and authorized for issue by the Board of Directors of the Company on 08/10/2025.

37 General

Figures have been rounded off to the nearest Rupee.

Chairman/ Director

Chief Executive Officer

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