

**SINDH PEOPLES HOUSING FOR
FLOOD AFFECTEES**

**FINANCIAL STATEMENTS FOR THE
FOR THE PERIOD ENDED
DECEMBER 31, 2024**

SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	Note	Dec 31, 2024 (Rupees in '000)	June 30, 2024 (Rupees in '000)
NON-CURRENT ASSETS			
Property and equipment	4	87,774	97,280
Intangible assets	5	61,222	65,708
		<u>148,996</u>	<u>162,988</u>
CURRENT ASSETS			
Funding receivable	9	830,457	1,828,346
Deposits, prepayments and others	6	18,841	14,623
Bank balances	7	332,619	352,243
		<u>1,181,917</u>	<u>2,195,212</u>
TOTAL ASSETS		<u><u>1,330,913</u></u>	<u><u>2,358,200</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred grant			
Grants related to assets	4-5	148,996	162,988
CURRENT LIABILITIES			
Accounts and other payables	10	1,181,917	2,195,212
TOTAL LIABILITIES		<u><u>1,330,913</u></u>	<u><u>2,358,200</u></u>
REPRESENTED BY:			
FUND			
General Fund		<u><u>-</u></u>	<u><u>-</u></u>

The annexed notes 1 to 16 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

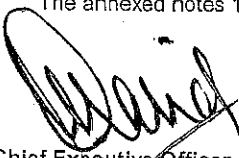
STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	For the period July 01, 2024 to December 31, 2024 (Rupees in '000)	For the period July 01, 2023 to December 31, 2023 (Rupees in '000)
INCOME			
Funding activities	11	54,349,274	42,066,108
		<u>54,349,274</u>	<u>42,066,108</u>
OPERATING EXPENDITURE			
Cost of project	12	(54,123,744)	(41,919,866)
General and administrative expenses	13	(225,530)	(146,242)
		<u>(54,349,274)</u>	<u>(42,066,108)</u>
Surplus for the year / period		<u>-</u>	<u>-</u>

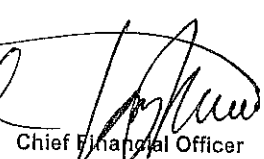
Surplus for the year / period

There are no other comprehensive income items.

The annexed notes 1 to 16 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2024**

	For the period July 01, 2024 to Dec 31, 2024 (Rupees in '000)	For the period July 01, 2023 to Dec 31, 2023 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year / period	-	-
Adjustments for non cash charges and other items:		
Depreciation & Amortisation	15,861	14,129
	-	-
Cash flow used before working capital changes	<u>15,861</u>	<u>14,129</u>
Effect on cash flow due to working capital changes		
Increase in current assets:		
Deposits, prepayments and others	(4,218)	(38,617)
Funding receivable	997,889	-
	<u>993,671</u>	<u>(38,617)</u>
Increase in current liabilities:		
Accounts and other payables	(1,013,295)	(380,710)
Unutilised funding	-	395,813
	<u>(1,013,295)</u>	<u>15,103</u>
Cash (used) / generated from operations	<u>(3,763)</u>	<u>(9,385)</u>
Grant related to assets received during the year / period	(13,992)	38,965
Net cash generated / (used) in operations	<u>(17,755)</u>	<u>29,580</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,639)	(19,623)
Purchase of intangible assets	(230)	(33,472)
Net cash used in investing activities	<u>(1,869)</u>	<u>(53,095)</u>
Net increase in cash and cash equivalents	<u>(19,624)</u>	<u>(23,515)</u>
Cash and cash equivalents at beginning of the year / period	<u>352,243</u>	<u>384,327</u>
Cash and cash equivalents at end of the year / period	<u><u>332,619</u></u>	<u><u>360,812</u></u>

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The annexed notes 1 to 16 form an integral part of these financial statements.


Chief Executive Officer


Director



Chief Financial Officer



SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD DECEMBER 31, 2024**

	For the period ended Dec 31, 2024 (Rupees in '000)
Balance as at June 30, 2022	-
Surplus for the period	-
Balance as at June 30, 2023	-
Surplus for the year	-
Balance as at June 30, 2024	-
Balance as at Dec 31, 2024	-

The annexed notes 1 to 16 form an integral part of these financial statements.


Chief Executive Officer

 
Director Chief Financial Officer

SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND NATURE OF OPERATIONS

1.1 Sindh Peoples Housing For Flood Affectees was incorporated in Pakistan on October 19, 2022 as a public limited company under section 42 of the Companies Act, 2017. The Company has been set up by the Government of Sindh ("GoS") to implement the "Sindh Flood Emergency Housing Reconstruction Project (SFEHRP) with a primary objective of rehabilitation of families affected by floods in 2022 in the province of Sindh.

1.2 During the year 2022, Joint Assessment & Verification (JA&V) Survey for housing was carried out by GoS comprising of representatives from the District Administration, Local Government (UC Secretary), Provincial Disaster Management Authority (PDMA), National Disaster Management Authority (NDMA) and Pakistan Army officials. For JA&V an android based application was developed with geo-tagging option with the support of a software application prepared by Urban Unit Punjab. As per survey, there are 2 million flood affected houses approximately. Out of which, 1.4 million houses are categorised as fully damaged and 0.6 million houses are categorised as partially damaged. The total estimated cost of reconstruction / repair of these flood affected houses amounts to Rs. 457 billion (USD 1.6 billion) excluding project management and implementation costs.

1.3 The International Development Association, a part of the World Bank, under an agreement with the Islamic Republic of Pakistan has provided financing of 389.7 million Special Drawing Rights (SDR) equivalent to USD 500 million for SFEHRP. The closing date for the financing period is June 30, 2027 and repayment of the principal amount by the Government of Pakistan (GoP) shall commence from May 1, 2028. For this purpose, the Company submits withdrawal application to the World Bank based on six-month cash forecast and specifies the amount in USD and its equivalent in PKR. The approved USD amount is transferred to the State Bank of Pakistan (SBP), which retains the USD and converts it into PKR at the prevailing exchange rate. The SBP transfers equivalent amount in PKR to the Provincial Government of Sindh non-food account no. 1, which is earmarked for the Assignment Account maintained for the project with National Bank of Pakistan (NBP).

As of Dec 31, 2024, USD 401.1 million (Rs. 112.001 billion) has been received by the SBP from World Bank and transferred to GoS non-food account no. 1. The same amount has been released to the Company.

- 1.4 The PC-1 of the project has been revised and approved by the Executive Committee of the National Economic Council (ECNEC) of Government of Pakistan on June 29, 2024 (2023: January 4, 2023) on the recommendation of Ministry of Planning, Development and Special Initiatives titled "Flood Response Emergency Housing Project". With this revision, the project's gestation period has been extended from 32 months, originally set to conclude in June 2025, to 44 months, now expected to end in June 2026. Furthermore, the scope of the project for fully damaged houses has been increased from 465,228 to 860,204 and construction of communal toilets of 54,750 has also been included.

According to the revised PC-1, the total project cost is now Rs. 296 billion, which includes the following financial commitments:

- The World Bank has committed USD 500 million, equivalent to Rs. 140 billion (using an exchange rate of Rs. 280 / USD for reporting purposes).
- The Asian Development Bank has committed USD 400 million, equivalent to Rs. 112 billion (using an exchange rate of Rs. 280 / USD for reporting purposes).
- The Islamic Development Bank (IsDB) under agreements with the Islamic Republic of Pakistan has pledged Euro 188.70 million, which converts to Rs. 56 billion (using an exchange rate of Rs. 297.8 / Euro for reporting purposes). This includes Euro 165.1 million for installment sales and Euro 23.60 million as Qarz-e-Hasna. The Government of Pakistan (GoP) will begin repaying the principal amount starting December 31, 2027.
- The Government of Pakistan (GoP) has agreed to contribute Rs. 50 billion.
- The Government of Sindh (GoS) has also committed Rs. 50 billion.

Under the previous PC-1 approved by ECNEC on January 4, 2023, the original project cost was PKR 160 billion, comprised of Rs. 110 billion from the World Bank and Rs. 50 billion from GoS. The project cost is subject to further revisions and approval due to dynamic nature of the project that are expected to be done at provincial level.

- 1.5 The funds received by the Company from the GoS either through their own budget or through World Bank financing are disbursed onwards to the flood affectees as grant after following verification process. For households classified as fully damaged, a grant of Rs. 300,000 per household is being provided in four installments and for households classified as partially damaged a grant of Rs. 50,000 per household is being provided.
- 1.6 The Company is actively pursuing to arrange the funds from other multilateral financial institutions in order to meet the overall cost of this housing reconstruction project.

1.7 The Company also intends to collaborate with UNICEF for the Water, Sanitation & Hygiene (WASH) project which aims to create awareness and shape behaviour of school-going children around health and hygiene, to provide clean water to schools, and to help in construction of latrines in flood affected areas of the province of Sindh.

1.8 The registered office of the Company is located at Bungalow no. 20, Block 7/8 Modern Cooperative Housing Society, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standards for Not for Profit Organizations (Accounting Standards 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies in then notes below.

2.2 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

2.3 Critical accounting estimates and judgements

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. Information about judgments made in applying accounting policies that have the most significant effects on the amount recognised in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- Property and equipment (note 3.1)
- Intangible assets (note 3.2)

2.4 Changes in accounting standards, interpretations and pronouncements

(a) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial reporting.

(b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below:

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable when future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Depreciation on operating assets is charged using the straight line method over its useful life at the rates specified in respective notes in these financial statements. Depreciation on additions is charged from the month in which the asset is put to use and on disposals up to the month immediately preceding the disposal. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of financial position date.

Company accounts for impairment, where indications exist, by reducing its carrying value to the estimated recoverable amount.

Maintenance and normal repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of property and equipment are recognised in the statement of income and expenditure.

3.2 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognised as intangible assets. Direct costs include the purchase cost of the intangible asset, implementation cost and related overhead cost.

Intangible assets are amortised using the straight-line method over a period of three years or license period, whichever is shorter.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

Capital work-in-progress is stated at cost accumulated to the balance sheet date less impairment losses, if any. Cost include expenditures directly attributable to the acquisition of an asset. Transfers are made to relevant asset category as and when asset is available for intended use.

3.3 Deposits, prepayments and others

These are recognised at fair value of consideration given. These assets are written off when there is no reasonable expectation of recovery. Fair value of these deposits is not considered to be materially different from cost.

3.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, bank balances comprise balances with banks in current accounts.

3.5 Accounts and other payables

Accounts and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

3.6 Financial instruments

3.6.1 Initial measurement

Regular way purchase and sale of financial assets and financial liabilities is accounted for at the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in income and expenditure.

Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in statement of income

3.6.2 Classification of financial assets

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

3.6.3 Subsequent measurement of financial assets

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognised in the income and expenditure account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of income and expenditure.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of income and expenditure unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of income and expenditure.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the statement of income and expenditure.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income and impairment, if any, are recognised in the statement of income and expenditure.

3.6.4 Non-derivative financial assets 7

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances, other receivables and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset

3.6.5 Impairment of financial asset

Expected credit losses (ECLs) are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive). Life time ECLs are the ECLs that results from all possible defaults events over the expected life of a financial instrument. For all other financial assets, expected credit losses are measured at an amount equal to 12 months' ECLs i.e. ECLs that result from default event that are possible within 12 months after the reporting date.

3.6.6 Derecognition of financial assets

The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.6.7 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include unutilised funding and accounts payable.

Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost.

The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire.

3.6.8 Offsetting of Financial assets and Financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

3.7 Grant

Grants are recorded on receipt basis at their fair value where there is reasonable assurance that all attaching conditions will be complied with, whereas funds required to settle expenses already incurred by the Company are accrued.

3.7.1 Where the grant received relates to an asset, it is recorded as deferred grant and charged to income in equal amounts over the expected useful life of the related asset through depreciation, amortisation and / or disposal.

3.7.2 All grants received are classified as restricted grants.

3.8 Unutilised funding

When the grant relates to an expense item, it is recognised as income over the periods in which the entity recognises the related costs as expenses for which the grant is intended to compensate. Unspent grants at the end of the year are disclosed separately in the statement of financial position as unutilised funding.

3.9 Expenses

All expenses are recognised in the statement of income and expenditure on accrual basis.

3.10 Taxation

As per Section 100C of the Income Tax Ordinance 2001, (the Ordinance), the income of the Company is eligible for a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable. Management intends to continuously comply with the provisions to avail the tax credit and accordingly no provision for tax has been recognised.

4. PROPERTY AND EQUIPMENT	Note	Dec-24 (Rupees in '000)	Jun-24 (Rupees in '000)
Operating fixed assets	4.1	<u>87,774</u>	<u>97,280</u>

4.1 Operating fixed assets

	Lease hold improvements	Office equipment	Computer and peripherals	Furniture and fixtures	Vehicles	Total
	← Rupees in '000 →					
Net carrying amount for the period ended Dec 31, 2024						
Opening net book value	873	19,230	18,949	13,017	45,211	97,280
Additions (at cost)	-	755	-	884	-	1,639
Depreciation charge	(109)	(1,998)	(3,127)	(1,390)	(4,521)	(11,145)
Net book value	764	17,987	15,822	12,511	40,690	87,774
Gross carrying amount as at Dec 31, 2024						
Cost	1,239	24,080	25,216	18,186	58,692	127,413
Accumulated depreciation	(475)	(6,093)	(9,394)	(5,675)	(18,002)	(39,639)
Net book value	764	17,987	15,822	12,511	40,690	87,774
Useful life (in years)	4	5	3	5	5	

	Lease hold improvements	Office equipment	Computer and peripherals	Furniture and fixtures	Vehicles	Total
	← Rupees in '000 →					
Net carrying amount for the year ended June 30, 2024						
Opening net book value	790	9,347	8,545	13,961	55,447	88,090
Additions (at cost)	357	13,150	15,480	2,082	1,087	32,136
Depreciation charge	(274)	(3,268)	(5,075)	(3,026)	(11,303)	(22,946)
Net book value	873	19,229	18,950	13,017	45,211	97,280
Gross carrying amount as at June 30, 2024						
Cost	1,239	23,323	25,217	17,301	58,692	125,772
Accumulated depreciation	(366)	(4,092)	(6,268)	(4,285)	(13,481)	(28,492)
Net book value	873	19,231	18,949	13,016	45,211	97,280
Useful life (in years)	4	5	3	5	5	

4.1.1 Depreciation for the year / period has been charged to general and administrative expenses.

	Note	Dec-24 (Rupees in '000)	Jun-24 (Rupees in '000)
5. INTANGIBLE ASSETS			
Operating intangible assets	5.1	16,762	21,248
Capital work in progress (CWIP)	5.2	44,460	44,460
		61,222	65,708

	Note	Dec-24 (Rupees in '000)	Jun-24 (Rupees in '000)
5.1	Operating intangible assets		
	Net carrying amount for the year / period ended Dec 31		
	Opening net book value at start of the year / period	21,248	1,230
	Additions during the year / period	230	8,012
	Transfers from the Capital work in progress (CWIP)	-	18,800
	Amortisation during the year / period	(4,716)	(6,794)
	Closing net book value at end of the year / period	<u>16,762</u>	<u>21,248</u>
	Gross carrying amount as at year / period ended Dec 31		
	Cost	28,410	28,180
	Accumulated amortisation	(11,648)	(6,932)
	Net book value	<u>16,762</u>	<u>21,248</u>
	Rate of amortisation	33.33%	33.33%
5.1.1	Intangible assets comprise of computer software and licenses.		
5.2	Capital work in progress (CWIP)		
	Opening balance at start of the year / period	44,460	28,258
	Additions during the year / period	-	35,002
	Transfers to the operating intangible assets	-	(18,800)
	Closing balance at end of the year / period	<u>44,460</u>	<u>44,460</u>
5.2.1	This represents capitalization of Management Information System (MIS) service level agreement (SLA) and SAP which were under implementation as at June 30, 2024.		
5.3	Amortisation for the year / period has been charged to general and administrative expenses.		
6.	DEPOSITS, PREPAYMENTS AND OTHERS		
	Prepayments	11,373	6,623
	Rental deposits	5,400	5,400
	Advance to employees	1,968	2,544
	Others	100	56
		<u>18,841</u>	<u>14,623</u>

	Note	Dec-24 (Rupees in '000)	Jun-24 (Rupees in '000)
7. BANK BALANCES			
Cash at bank			
- Current account for GoS	7.1	326,054	346,407
- Current account for General & Specific Donations	7.2	6,565	5,836
- Asaan Assignment account	7.3	-	-
- Revolving Fund Assignment account	7.4	-	-
		<u>332,619</u>	<u>352,243</u>

7.1 This represents the unutilised amount of funds provided by the Government of Sindh (GoS) to start the project / the Company. This amount has been kept in a current account with Sindh Bank Limited which is a related party of the Company through Government ownership.

7.2 This represents the unutilised amount of funds donated by the United Nations Industrial Development Organization (UNIDO) to build houses for flood affectees with non-fired bricks under project called Poverty Alleviation and Inclusive Development Across Rural sindh (PAIDAR) and funds donated by general public. This amount has been kept in a current account with Bank Alfalah Limited.

7.3 The Asaan Assignment account has been opened in National Bank of Pakistan (NBP) to receive the budget allocation of GoS for the project. The amount is available in the account on the requirement basis.

7.4 The NBP is the designated bank for handling all transactions of Revolving Fund Assignment (RFA) accounts. The funds received for the Company / the project by SBP from World Bank are transferred to the Company in this account on utilisation basis.

8 Grant Related to Assets

Property and equipment	87,774	97,280
Intangible assets	61,222	65,708
	<u>148,996</u>	<u>162,988</u>

9.	(FUNDING RECEIVABLE) / UNUTILISED FUNDING	Note	Dec-24 (Rupees in '000)	Jun-24 (Rupees in '000)
	Grant receivable	9.1	1,181,917	2,195,212
	Against deposits, prepayments and others	9.2	(18,841)	(14,623)
	Cash grant from Government of Sindh	9.3	(326,054)	(346,407)
	Grant through general and specific donations		(6,565)	(5,836)
			<u>830,457</u>	<u>1,828,346</u>

9.1 The expenditures incurred have been allocated between GoS financing through World Bank and GoS on the basis of their payment account.

9.2 This represents payment made out of grant amount and will be charged off once utilised.

9.3 This represents revenue expenditure / capital expenditure incurred but not yet paid by the Company as at Dec 31, 2024 and will be funded from the grant.

10.	ACCOUNTS AND OTHER PAYABLES	Note	Dec-24 (Rupees in '000)	Jun-24 (Rupees in '000)
	Creditors	10.1	246,879	201,723
	Accrued liabilities		906,606	1,973,443
	Gratuity payable		16,519	10,396
	Others		11,913	9,650
			<u>1,181,917</u>	<u>2,195,212</u>

10.1 This includes payable to Sindh Rural Support Organization (SRSO), related party of the Company, amounting to Rs. 6.033 million

	Note	For the period ended Dec 31, 2024 (Rupees in '000)	For the period ended Dec 31, 2023 (Rupees in '000)
11. FUNDING ACTIVITIES			
Government of Sindh - through World Bank financing		22,643,333	33,518,893
Government of Sindh - through ADB Bank financing		16,728,075	
Government of Sindh - through IsDB Bank financing		9,705,229	
Donation		10,384	
Government of Sindh		5,262,253	8,547,215
		<u>54,349,274</u>	<u>42,066,108</u>
12. COST OF PROJECT			
Payments to beneficiaries - first installment		18,601,875	24,466,425
Payments to beneficiaries - second installment		15,966,300	11,115,900
Payments to beneficiaries - third installment		14,775,000	5,414,700
Payments to beneficiaries - fourth installment		3,610,525	4,125
Implementation support costs through partner organizations		1,114,520	907,408
Project Implementation Support Charges		15,052	6,980
Independent Technical Verification		21,533	
Environmental consultant charges		17,740	1,226
Training material and training of masons to assess needs of persons with disabilities			1,113
Drone Monitoring technology charges		1,199	1,989
		<u>54,123,744</u>	<u>41,919,866</u>

	Note	For the period Dec 31, 2024 (Rupees in '000)	For the period Dec 31, 2023 (Rupees in '000)
13. GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and other benefits		98,107	73,149
Depreciation & Amortisation		15,861	14,129
Rent		6,237	5,580
Travelling and conveyance		31,841	28,490
Meeting fee		1,650	4,220
Legal and professional charges		-	2,933
Printing and stationary		1,661	1,443
Insurance		503	755
Utilities		2,924	1,584
Security		733	720
Repair and Maintenance		578	2,413
Internal audit fee		4,995	3,330
Entertainment		1,626	2,478
Telecommunication		877	710
IT expense		13,708	2,120
Training expense		81	
Conferences		946	40
Media and Communication		41,254	
Others		1,948	2,148
		<u>225,530</u>	<u>146,242</u>

14. FINANCIAL RISK MANAGEMENT

14.1 Financial risk factors

The Company's activities expose it to variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on having cost effective funding as well as managing financial risk to minimise volatility.

14.1.1 Financial assets and liabilities by category and their respective maturities

	Interest bearing			Non-Interest bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
← Rupees in '000 →							
2024							
FINANCIAL ASSETS							
At amortised cost							
Deposits	-	-	-	5,400	-	5,400	5,400
Bank balances	-	-	-	332,819	-	332,819	332,819
Funding receivable	-	-	-	833,768	-	833,768	833,768
	-	-	-	1,171,787	-	1,171,787	1,171,787
FINANCIAL LIABILITIES							
At amortised cost							
Accounts and other payables	-	-	-	1,181,917	-	1,181,917	1,181,917
0	-	-	-	-	-	-	-
	-	-	-	1,181,917	-	1,181,917	1,181,917
2023							
FINANCIAL ASSETS							
At amortised cost							
Deposits	-	-	-	5,400	-	5,400	5,400
Bank balances	-	-	-	352,243	-	352,243	352,243
	-	-	-	357,643	-	357,643	357,643

14.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or other counter parties to fulfil their contractual obligations resulting in financial loss to the Company. The credit risk of the Company is mainly the counterparty credit risk on bank balances.

Bank balances

Credit risk from bank deposits are managed by placing deposits with banks having sound credit ratings. The Company assesses the credit rating of banks before placing its funds. At reporting date the rating of bank with which Company has kept its surplus funds was as follows:

	Rating		Rating agency	Dec 31, 2024	June 30, 2023
	Short term	Long term			
National Bank of Pakistan	A1+	AAA	PACRA	-	-
Sindh Bank Limited	A2	A-	PACRA	326,054	346,407
Bank Alfalah Limited	A1+	AAA	PACRA	6,565	5,836

14.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the Company's reputation.

The following are the contractual maturities of the non interest bearing financial liabilities:

	2024		
	Carrying amount	One to two years (Rupees)	Two to five years
Financial liabilities			
Accounts and other payables	<u>1,181,917</u>	<u>-</u>	<u>-</u>
	2023		
	Carrying amount	One to two years (Rupees)	Two to five years
Financial liabilities			
Accounts and other payables	<u>397,657</u>	<u>-</u>	<u>-</u>

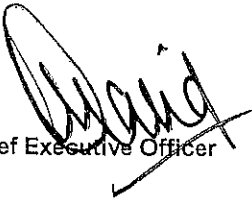
15. RELATED PARTY TRANSACTIONS

Related parties include associated undertakings having common directors and government entities. Details of transactions with related parties are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the year / period and year / period end balances	For the period July 01, 2024 to December 31, 2024	For the period July 01, 2023 to December 31, 2023
			(Rupees In '000)	(Rupees in '000)
Sindh Rural Support Organization	Government entity	- Services received	<u>511,081</u>	<u>642,281</u>
		- Payments made	<u>524,647</u>	<u>442,952</u>
Government of Sindh Information Department	Government entity	- Services received	<u>222</u>	<u>-</u>
		- Payments made	<u>222</u>	<u>163</u>
Sindh Insurance Limited	Government entity	- Services received	<u>503</u>	<u>626</u>
		- Payments made	<u>559</u>	<u>626</u>

16. DATE OF AUTHORISATION

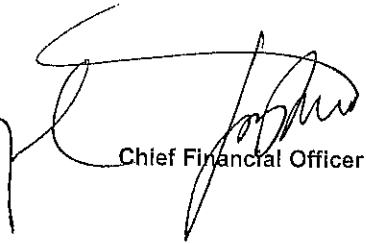
These financial statements were authorised for issue by the Board of Directors of the Company on 29 January 2025



Chief Executive Officer



Director



Chief Financial Officer