

# PAKISTAN INSTITUTE OF LABOUR EDUCATION & RESEARCH

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Baker Tilly Mehmood Idrees Qamar  
Chartered Accountants  
4th Floor, Central Hotel Building,  
Civil Lines, Mereweather Road,  
Karachi - Pakistan

**T:** +92 (021) 35644872-7  
**F:** +92 (021) 35644873

info@bakertilly.pk  
www.bakertilly.pk

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PAKISTAN INSTITUTE OF LABOUR EDUCATION & RESEARCH**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the annexed financial statements of **PAKISTAN INSTITUTE OF LABOUR EDUCATION & RESEARCH** (the Institute), which comprise the statement of financial position as at **June 30, 2022**, and the income and expenditure account, the statement of changes in funds and reserves, the cash flow statement 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 income and expenditure account, the statement of changes in funds and reserves and the cash flow statement 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 Institute's affairs as at June 30, 2022 and of the deficit, the changes in funds and reserves 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 Institute 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.

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## **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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Institute'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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 Institute'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 Institute 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.

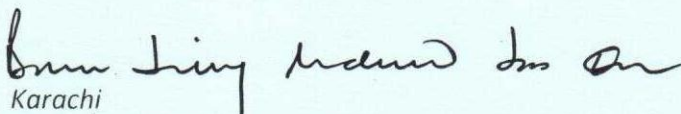
#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

- a) proper books of account have been kept by the Institute as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure account, the statement of changes in funds and reserves, the cash flow statement 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 Institute'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 **Mehmood A. Razzak**.

for



Karachi

Date: November 04, 2022

UDIN: AR202210151r9oCqpDcu

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property and equipment	4	18,030,281	19,338,460
Intangible assets	5	19,625	29,291
Security deposits		690,000	690,000
		18,739,906	20,057,751
<b>Current Assets</b>			
Loans, advances, deposits and other receivables	6	3,391,428	1,763,585
Cash and bank balances	7	2,427,995	12,898,179
		5,819,423	14,661,764
<b>TOTAL ASSETS</b>		<b>24,559,329</b>	<b>34,719,515</b>
<b>FUNDS AND LIABILITIES</b>			
Fund balance		(22,020,234)	(8,827,647)
<b>Non - Current Liabilities</b>			
Lease liabilities	8	163,625	763,538
<b>Current Liabilities</b>			
Current portion of lease liabilities	8	892,125	542,212
Accrued, payables and other liabilities	9	9,252,011	7,990,992
Short term liabilities	10	36,271,802	34,250,420
		46,415,938	42,783,624
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>24,559,329</b>	<b>34,719,515</b>

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

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*Karamat Ali*  
Chief Executive Officer

*[Signature]*  
Director

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH  
 INCOME AND EXPENDITURE ACCOUNT  
 FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Income from donations		13,274,052	38,338,590
Operating cost	11	(22,322,863)	(18,455,788)
Administrative and general expenses	12	(7,711,346)	(9,023,298)
		(30,034,209)	(27,479,086)
<b>(Deficit) / surplus from operating activities</b>		<b>(16,760,157)</b>	<b>10,859,504</b>
Other income	13	3,659,968	866,529
Financial charges	14	(92,398)	(94,563)
<b>(Deficit) / surplus before taxation</b>		<b>(13,192,587)</b>	<b>11,631,470</b>
Taxation	15	-	-
<b>(Deficit) / surplus for the year</b>		<b>(13,192,587)</b>	<b>11,631,470</b>

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

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*Karamat Ali*

Chief Executive Officer

*[Signature]*

Director

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH  
 STATEMENT OF CHANGES IN FUNDS AND RESERVES  
 FOR THE YEAR ENDED JUNE 30, 2022

	Accumulated (Deficit) / Surplus	Total Fund Balance
	----- Rupees -----	
Balance as at July 01, 2020	(20,459,117)	(20,459,117)
Surplus for the year ended June 30, 2021	11,631,470	11,631,470
Balance as at June 30, 2021	<u>(8,827,647)</u>	<u>(8,827,647)</u>
Deficit for the year ended June 30, 2022	(13,192,587)	(13,192,587)
Balance as at June 30, 2022	<u><u>(22,020,234)</u></u>	<u><u>(22,020,234)</u></u>

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

by

Karamat Ali  
 Chief Executive Officer



Director

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Deficit) / surplus before taxation		(13,192,587)	11,631,470
<b>Adjustment for non cash items :</b>			
Depreciation		1,259,734	1,241,589
Amortization of intangible assets		9,666	14,427
Gain on disposal of property and equipment		(1,621,555)	-
Financial charges		92,398	94,563
<b>Operating (deficit) / surplus before working capital changes</b>		<b>(13,452,344)</b>	<b>12,982,049</b>
Increase in current assets		(1,627,843)	(238,458)
(Decrease) / increase in current liabilities		1,261,019	1,644,890
Financial charges paid		(92,398)	(94,563)
<b>Net cash (used in) / inflow from operating activities</b>		<b>(13,911,566)</b>	<b>14,293,918</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale proceeds of property and equipment		1,670,000	-
Capital expenditure		-	(136,399)
<b>Net cash inflow from / (used in) investing activities</b>		<b>1,670,000</b>	<b>(136,399)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Decrease of short term liabilities		2,021,382	(492,814)
Lease liabilities		(250,000)	(859,557)
<b>Net cash inflow from / (used in) financing activities</b>		<b>1,771,382</b>	<b>(1,352,371)</b>
<b>Net (decrease) / increase in cash and cash equivalent</b>		<b>(10,470,184)</b>	<b>12,805,148</b>
Cash and cash equivalent at the beginning of the year		12,898,179	93,031
<b>Cash and cash equivalent at the end of the year</b>	7	<b>2,427,995</b>	<b>12,898,179</b>

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

by

*Karamat Ali*  
Chief Executive Officer

*[Signature]*  
Director

**PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**1. THE INSTITUTE AND ITS ACTIVITIES**

Pakistan Institute of Labour Education and Research (hereinafter referred to as the Institute or PILER ), is a non-government and not for profit organization. It was established in the year 1982 and was registered under the Voluntary Social Welfare Agencies Ordinance 1961. The Institute has now incorporated as company limited by guarantee on 5th September 2012 under section 42 of the repealed Companies Ordinance, 1984. The Institute has been engaged in education, research, training and advocacy in the areas of labour rights and labour legislation, social justice and human development, regional solidarity and peace. The registered office of Pakistan Institute of Labour Education and Research is 24GF+3HG, Sector X-6 Sector X Gulshan-e-Maymar, 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 as applicable in Pakistan comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**Critical accounting estimates and judgements**

The preparation of these financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Judgements are made by management in the application of approved accounting standards, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

**2.2 New and amended standards and interpretations**

**2.2.1 Standards, amendments to approved accounting standards effective in current year**

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after July 01, 2021. These are considered either to not be relevant or not to have any significant impact on the Company's financial statements.

## **2.2.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company**

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation.

Whenever project agreement requires, capital items are expensed out in the period in which it was acquired.

Depreciation is computed applying the straight line method at the rates given in note 4 to the financial statements. The residual values of the assets are considered zero while calculating depreciation.

Depreciation on additions is charged from the month in which the asset is put to use and on disposals up to the month of disposal.

Maintenance and normal repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of assets, if any, is included in income and expenditure account.

#### **3.2 Intangibles**

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably.

Generally, costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is charged to the statement of profit or loss applying the reducing balance method, whereby, the cost of intangible asset is written off over its useful economic life. The amortization rate of the intangible assets are stated in note 5 to these financial statements. Full month's amortisation is charged in the month of addition, whereas, amortisation on disposals is charged up to the preceding month of derecognition.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit or loss when the asset is derecognized.

#### **3.3 Right-of-use assets and their related lease liability**

##### **3.3.1 Right-of-use assets**

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

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Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

### **3.3.2 Lease liability against right-of-use assets**

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as mark-up expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### **3.4 Trade and other Payables**

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

### **3.5 Taxation**

The Institute accounts for taxation in accordance with the Provision contained in the Income Tax Ordinance 2001 on other income at the applicable tax rates.

### **3.6 Revenue Recognition**

Donations from sponsors / co - partners is recognized on receipt basis. Wherever amount received pertain to next project period the same is taken into its relevant period.

Reimbursements on account of project activities from sponsors are based on agreed rates is recognized on receipt basis, which generally coincide with the billing and collection in the project period.

Hostel activities and auditorium operations income are recognized on accrual basis which are generally charged to relevant project activities.

### **3.7 Financial assets**

#### ***Initial Measurement***

The Company classifies its financial assets into following three categories:

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

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.

### ***Subsequent measurement***

#### ***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 statement of profit or loss 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 profit and loss account.

#### ***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 profit and loss account.

#### ***Financial assets measured at amortised cost***

Financial assets measured at these assets are subsequently measured at amortised cost using the effective amortised cost interest method. The amortised cost is reduced by impairment losses. Interest / markup income, and impairment are recognised in the statement of profit and loss account.

#### ***Equity Investments at FVOCI***

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account 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 profit and loss account.

#### ***Impairment of financial assets***

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

### **3.8 Financial liabilities**

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

### **3.9 Off - Setting**

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on net basis or to realize the assets and settle the liability simultaneously.

### **3.10 Cash and Cash Equivalents**

Cash and cash equivalents comprise of balances with banks.

4. PROPERTY AND EQUIPMENT

	Owned										Right of use		Total
	Leasehold Land	Building on Leasehold Land	Generator	Electrical Installations	Other Equipments	Furniture and Fixture	Computer Equipment	Vehicles	Books	Electrical Installations			
----- Rupees -----													
<b>Year ended June 30, 2021</b>													
Opening net book value	1,721,000	14,953,571	309,488	355,452	105,624	82,457	-	618,845	-	-	-	2,297,213	20,443,650
Additions (at cost)	-	-	-	-	-	-	-	136,399	-	-	-	-	136,399
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(455,276)	(62,204)	(70,951)	(21,248)	(19,882)	-	(285,200)	-	-	-	(315,575)	(1,241,589)
<b>Net book value</b>	<b>1,721,000</b>	<b>14,498,295</b>	<b>247,284</b>	<b>284,501</b>	<b>84,376</b>	<b>62,575</b>	<b>125,146</b>	<b>333,645</b>	<b>-</b>	<b>1,981,638</b>	<b>-</b>	<b>1,981,638</b>	<b>19,338,460</b>
<b>At June 30, 2021</b>													
Cost	1,721,000	22,763,815	1,244,075	1,789,708	911,914	868,377	2,903,533	2,534,605	308,439	3,155,750	-	-	38,201,216
Accumulated depreciation	-	(8,265,520)	(996,791)	(1,505,207)	(827,538)	(805,802)	(2,778,387)	(2,200,960)	(308,439)	(1,174,112)	-	-	(18,862,756)
<b>Net book value</b>	<b>1,721,000</b>	<b>14,498,295</b>	<b>247,284</b>	<b>284,501</b>	<b>84,376</b>	<b>62,575</b>	<b>125,146</b>	<b>333,645</b>	<b>-</b>	<b>1,981,638</b>	<b>-</b>	<b>1,981,638</b>	<b>19,338,460</b>
<b>Year ended June 30, 2022</b>													
Opening net book value	1,721,000	14,498,295	247,284	284,501	84,376	62,575	125,146	333,645	-	1,981,638	-	-	19,338,460
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	(1,426,000)	-	-	-	-	(1,426,000)
Accumulated depreciation	-	-	-	-	-	-	-	1,377,555	-	-	-	-	1,377,555
Depreciation charge for the year	-	(455,276)	(62,204)	(63,802)	(20,705)	(11,960)	(45,012)	(285,200)	-	(315,575)	-	-	(1,259,734)
<b>Net book value</b>	<b>1,721,000</b>	<b>14,043,019</b>	<b>185,080</b>	<b>220,699</b>	<b>63,671</b>	<b>50,615</b>	<b>80,134</b>	<b>-</b>	<b>-</b>	<b>1,666,063</b>	<b>-</b>	<b>1,666,063</b>	<b>18,030,281</b>
<b>At June 30, 2022</b>													
Cost	1,721,000	22,763,815	1,244,075	1,789,708	911,914	868,377	2,903,533	1,108,605	308,439	3,155,750	-	-	36,775,216
Accumulated depreciation	-	(8,720,796)	(1,058,995)	(1,569,009)	(848,243)	(817,762)	(2,823,399)	(1,108,605)	(308,439)	(1,489,687)	-	-	(18,744,935)
<b>Net book value</b>	<b>1,721,000</b>	<b>14,043,019</b>	<b>185,080</b>	<b>220,699</b>	<b>63,671</b>	<b>50,615</b>	<b>80,134</b>	<b>-</b>	<b>-</b>	<b>1,666,063</b>	<b>-</b>	<b>1,666,063</b>	<b>18,030,281</b>
<b>Rate of depreciation (%)</b>													
		2%	5%	10%	10%	10%	33%	20%	15%	10%		10%	

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5. INTANGIBLE ASSETS	2022 Rupees	2021 Rupees
<b>Net carrying value basis</b>		
Opening net book value	29,291	43,718
Add: Additions during the year	-	-
Less: Amortization for the year	(9,666)	(14,427)
<b>Closing net book value</b>	<u>19,625</u>	<u>29,291</u>
<b>Gross carrying value</b>		
Cost	460,096	460,096
Accumulated amortization	(440,471)	(430,805)
<b>Net book value</b>	<u>19,625</u>	<u>29,291</u>
Amortization rate - number of years	<u>3</u>	<u>3</u>

**6. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND RECEIVABLES**

Advance against activities	177,565	572,568
Security deposit	219,700	219,700
Prepaid insurance	-	9,167
Advance against salary	25,000	-
Other receivables	2,969,163	962,150
	<u>3,391,428</u>	<u>1,763,585</u>

**7. CASH AND BANK BALANCES**

<b>Cash at banks</b>		
- Current account	2,414,553	12,891,917
- Savings account	13,442	6,262
	<u>2,427,995</u>	<u>12,898,179</u>

**8. LEASE LIABILITIES**

	June 2022			June 2021		
	Not later than one year	More than one year and upto five year	Total	Not later than one year	More than one year and upto five year	Total
	----- Rupees -----					
Minimum lease payments	950,000	250,000	1,200,000	600,000	850,000	1,450,000
Less: Financial charges allocated to future periods	(57,875)	(86,375)	(144,250)	(57,788)	(86,462)	(144,250)
<b>Present Value of Minimum lease Payments</b>	<u>892,125</u>	<u>163,625</u>	<u>1,055,750</u>	<u>542,212</u>	<u>763,538</u>	<u>1,305,750</u>

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9. ACCRUED, PAYABLES AND OTHER LIABILITIES	Note	2022 Rupees	2021 Rupees
Accrued expenses		6,323,139	4,995,194
Other liabilities		2,928,872	2,995,798
		<u>9,252,011</u>	<u>7,990,992</u>

#### 10. SHORT TERM LIABILITIES

Pakistan Labour Trust	10.1	36,271,802	34,250,420
		<u>36,271,802</u>	<u>34,250,420</u>

10.1 This represents balance of funds borrowed by PILER from Pakistan Labour Trust.

#### 11. OPERATING COSTS

##### Project activities/output

PILER Program Activities : Peace / Labor related seminars & Conferences activities

Memorial Programmes

National Labour Council.

Project: ETI Surgical Instruments

Project: Clean Clothes Campaign (Baldia Factory Fire-2nd Anniversary)

Project: Coalition Building and Increased Advocacy for COVID 19 Affected Workers in Pakistan

Project: Covid-19 Emergency Fund

Project:DAI-KCD115:Engaging Communities for Peacebuilding Follow on

Project:FES: Formation of Pakistan Workers Confederation May-Aug 2021

Project:FES: Training Programme for workers in sindh May-Nov 2021

Project: Global Labor Justice - International Labor Rights Forum-AFW

Project: Impact of Covid-19 on Textile Workers

Project: Increased advocacy to reduce impact of COVID-19 on vulnerable workers in

Project: GSP+ Platform

89,870	185,320
58,705	-
398,100	
228,221	-
692,000	-
4,184,705	1,002,739
-	376,250
2,863,577	740,328
1,367,690	225,000
1,398,121	506,433
758,200	628,000
1,815,000	1,713,040
-	3,290,983
20,000	969,643
<b>13,874,189</b>	<b>9,637,736</b>

##### Salary, wages and benefits:

Research, education and training

Staff welfare

8,136,399	8,523,698
312,275	294,354
8,448,674	8,818,052
<u>22,322,863</u>	<u>18,455,788</u>

12. ADMINISTRATIVE AND GENERAL EXPENSES	Note	2022 Rupees	2021 Rupees
Salary, wages and benefits		2,205,217	3,274,596
Electricity, gas and water		766,876	544,669
Telephone		172,061	196,130
Travelling, vehicle and generator fuel		336,011	573,108
Vehicle insurance		16,642	78,748
Vehicle maintenance		343,256	390,260
Equipment repair maintenance		183,135	20,245
Postage and internet		7,319	16,896
Legal and professional charges		331,400	200,759
Auditors' remuneration	12.1	400,000	577,200
Stationery, photocopies and materials		80,749	69,155
General maintenance		55,978	46,456
Miscellaneous		288,622	277,223
Membership and subscription		89,325	121,192
Depreciation	4	1,259,734	1,241,589
Amortisation	5	9,666	14,427
Local donation		4,000	20,000
Advertising and publication expenses		-	800
NGO overheads		1,161,355	1,359,845
		<u>7,711,346</u>	<u>9,023,298</u>

#### 12.1 Auditors' Remuneration

Audit fee	375,000	500,000
Out of pocket	25,000	77,200
	<u>400,000</u>	<u>577,200</u>

#### 13. OTHER INCOME

Hostel and hall income	1,322,408	163,329
Vehicle rental income	-	420,000
Gain on disposal of property and equipment	1,621,555	-
Others	716,005	283,200
	<u>3,659,968</u>	<u>866,529</u>

#### 14. FINANCIAL CHARGES

Interest on finance lease	57,788	86,280
Bank charges	34,610	8,283
	<u>92,398</u>	<u>94,563</u>

#### 15. TAXATION

The income of the institute is subject to 100% tax credit under section 100C to the Income Tax Ordinance, 2001.

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16. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Executives	
	2022	2021
	----- Rupees -----	
Basic	1,472,978	1,256,669
Allowance	849,199	757,091
	<u>2,322,177</u>	<u>2,013,760</u>
<b>Number of persons</b>	<u>1</u>	<u>1</u>

16.1 Chief executive and directors do not receive any remuneration from the company.

17. FINANCIAL INSTRUMENTS BY CATEGORY

	2022			
	Fair value at OCI	Fair value at profit & loss	Amortized cost	Total
	----- Rupees -----			
<b>Financial instruments by category</b>				
Security deposits	-	-	690,000	690,000
Loans, advances, deposits and other receivables	-	-	3,391,428	3,391,428
Cash and bank balances	-	-	2,427,995	2,427,995
	-	-	<u>6,509,423</u>	<u>6,509,423</u>

	2021			
	Fair value at OCI	Fair value at profit & loss	Amortized cost	Total
	----- Rupees -----			
<b>Financial instruments by category</b>				
Security deposits	-	-	690,000	690,000
Loans, advances, deposits and other receivables	-	-	1,754,418	1,754,418
Cash and bank balances	-	-	12,898,179	12,898,179
	-	-	<u>15,342,597</u>	<u>15,342,597</u>

	Amortised cost	
	2022	2021
	----- Rupees -----	
<b>Financial liabilities</b>		
Lease liabilities	1,055,750	1,305,750
Accrued, payables and other liabilities	9,252,011	7,990,992
Short term liabilities	36,271,802	34,250,420
	<u>46,579,563</u>	<u>43,547,162</u>

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## 18. FINANCIAL RISK MANAGEMENT

### 18.1 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. The Company's credit risk is primarily attributable to its deposits in respect of its balances with banks. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

### 18.2 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency transactions are translated into rupees at the rates of exchange prevailing on the date of transactions. Assets and liabilities in foreign currencies are translated into rupees at rates prevailing on the Balance Sheet date. Exchange gain and Losses are taken to the income and expenditure account, currently.

### 18.3 Interest Rate Risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature in a given period. At the balance sheet date the company has interest bearing financial assets whose value may fluctuate with due to changes in the market interest rates.

### 18.4 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company follows an effective cash management and planning policy to ensure availability of funds and to take measures for new requirements.

	2022					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	----- Rupees -----					
<b>Financial liabilities</b>						
Lease liabilities	1,055,750	1,055,750	-	892,125	163,625	-
Accrued, payables and other liabilities	9,252,011	9,252,011	-	9,252,011	-	-
Short term liabilities	36,271,802	36,271,802	-	36,271,802	-	-
	<b>46,579,563</b>	<b>46,579,563</b>	<b>-</b>	<b>46,415,938</b>	<b>163,625</b>	<b>-</b>
	----- Rupees -----					
	2021					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	----- Rupees -----					
<b>Financial liabilities</b>						
Lease liabilities	1,305,750	1,305,750	-	542,212	-	763,538
Accrued, payables and other liabilities	7,990,992	7,990,992	-	7,990,992	-	-
Short term liabilities	34,250,420	34,250,420	-	34,250,420	-	-
	<b>43,547,162</b>	<b>43,547,162</b>	<b>-</b>	<b>42,783,624</b>	<b>-</b>	<b>763,538</b>

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## 18.5 Fund Risk Management

The Institute is funded by contributions received from its members and donors from different sections of society within and outside Pakistan.

PILER is a company limited by guarantee having no share capital and is not exposed to any externally imposed capital requirements.

	2022 Number	2021 Number
19. NUMBER OF EMPLOYEES		
Total number of employees at the end of the year	<u>13</u>	<u>14</u>
Average number of employees during the year	<u>13</u>	<u>13</u>

## 20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 04 NOV 2022 by the Board of Directors of the PILER.

## 21. CORRESPONDING FIGURES

Corresponding figures' have been re-classified / rearranged, wherever necessary for the purposes of comparison.

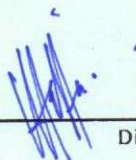
## 22. GENERAL

Figures have been rounded off to the nearest rupee.

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*Karamat Ali*

Chief Executive Officer



Director