

**PAKISTAN INSTITUTE OF LABOUR
EDUCATION & RESEARCH**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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**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, 2023**, 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, 2023 and of the surplus, 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.

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**.

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Mehmood A. Razzak

Karachi

Date: October 06, 2023

UDIN: AR202310151mhr4xTsy0

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non - Current Assets			
Property and equipment	4	17,075,383	18,030,281
Intangible assets	5	13,083	19,625
Security deposits		690,000	690,000
		17,778,466	18,739,906
Current Assets			
Advances, deposits and other receivables	6	1,320,785	3,391,428
Bank balances	7	1,174,803	2,427,995
		2,495,588	5,819,423
TOTAL ASSETS		20,274,054	24,559,329
FUNDS AND LIABILITIES			
Fund balance		267,947	(22,020,234)
Non - Current Liabilities			
Lease liabilities	8	-	163,625
Current Liabilities			
Current portion of lease liabilities	8	1,113,625	892,125
Accrued and other liabilities	9	18,892,482	9,252,011
Short term liabilities	10	-	36,271,802
		20,006,107	46,415,938
TOTAL FUNDS AND LIABILITIES		20,274,054	24,559,329

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

by

K. Anam Ali
Chief Executive Officer

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Director

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2023

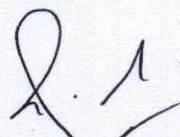
	Note	2023 Rupees	2022 Rupees
Income from donations		9,646,890	13,274,052
Operating cost	11	(11,139,377)	(22,322,863)
Administrative and general expenses	12	(7,526,489)	(7,711,346)
		(18,665,866)	(30,034,209)
Deficit from operating activities		(9,018,976)	(16,760,157)
Other income	13	40,579,772	3,659,968
Financial charges	14	(168,992)	(92,398)
Surplus / (deficit) before taxation		31,391,804	(13,192,587)
Taxation		(9,103,623)	-
Surplus / (deficit) for the year		22,288,181	(13,192,587)

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

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Karamat Ali

Chief Executive Officer



Director

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH
 STATEMENT OF CHANGES IN FUNDS AND RESERVES
 FOR THE YEAR ENDED JUNE 30, 2023

	Accumulated (deficit) / surplus	Total fund balance
	----- Rupees -----	
Balance as at July 01, 2021	(8,827,647)	(8,827,647)
Deficit for the year ended June 30, 2022	(13,192,587)	(13,192,587)
Balance as at June 30, 2022	<u>(22,020,234)</u>	<u>(22,020,234)</u>
Surplus for the year ended June 30, 2023	22,288,181	22,288,181
Balance as at June 30, 2023	<u><u>267,947</u></u>	<u><u>267,947</u></u>

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

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 Chief Executive Officer

[Signature]

 Director

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023


	2023	2022
Note	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus / (deficit) before taxation	31,391,804	(13,192,587)
Adjustment for non cash items :		
Depreciation	954,898	1,259,734
Amortization of intangible assets	6,542	9,666
Gain on disposal of property and equipment	-	(1,621,555)
Financial charges	168,992	92,398
Operating surplus / (deficit) before working capital changes	32,522,236	(13,452,344)
Decrease / (increase) in current assets	2,070,643	(1,627,843)
Increase in current liabilities	594,723	1,261,019
Financial charges paid	(168,992)	(92,398)
Net cash inflow from / (used in) operating activities	35,018,610	(13,911,566)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds of property and equipment	-	1,670,000
Net cash inflow from investing activities	-	1,670,000
CASH FLOW FROM FINANCING ACTIVITIES		
Short term liabilities - net	(36,271,802)	2,021,382
Lease liabilities - net	-	(250,000)
Net cash (used in) / inflow from financing activities	(36,271,802)	1,771,382
Net decrease in cash and cash equivalent	(1,253,192)	(10,470,184)
Cash and cash equivalent at the beginning of the year	2,427,995	12,898,179
Cash and cash equivalent at the end of the year	7 1,174,803	2,427,995

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

by

Karim ul Haq

Chief Executive Officer



Director

PAKISTAN INSTITUTE OF LABOUR EDUCATION AND RESEARCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 Changes in accounting standards and interpretations

Standards, interpretations and amendments to published approved accounting and reporting standards which became effective during the year:

There were certain amendments to accounting and reporting standards which became effective on the Company for the current year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

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 income and expenditure account 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 the income and expenditure account 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.

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.

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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 income and expenditure 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 at the applicable tax rates subject to tax exemptions / tax credit (if any).

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.

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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 and cash in hand (if any).

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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.

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4. PROPERTY AND EQUIPMENT

Owned										Right of use	Tc
Leasehold land	Building on leasehold land	Generator	Electrical installations	Other equipments	Furniture and fixture	Computer equipment	Vehicles	Books	Electrical installations		

Rupees

Year ended June 30, 2022											
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	19,000
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	(1,426,000)	1,377,555	1,300,000
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(455,276)	(62,204)	(63,802)	(20,705)	(11,960)	(45,012)	(285,200)	(48,445)	(285,200)	(1,200,000)
Net book value	1,721,000	14,043,019	185,080	220,699	63,671	50,615	80,134	-	-	1,666,063	18,000

Year ended June 30, 2023											
Opening net book value	1,721,000	14,043,019	185,080	220,699	63,671	50,615	80,134	-	-	1,666,063	18,000
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(455,276)	(62,204)	(49,403)	(17,508)	(9,920)	(45,012)	-	-	-	(315,575)
Net book value	1,721,000	13,587,743	122,876	171,296	46,163	40,695	35,122	-	-	1,350,488	17,075

Rate of depreciation (%)	2%	5%	10%	10%	10%	33%	20%	15%	10%		
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
Accumulated depreciation	-	(9,176,072)	(1,121,199)	(1,618,412)	(865,751)	(827,682)	(2,868,411)	(1,108,605)	(308,439)	(1,805,262)	(19,695)
Net book value	1,721,000	13,587,743	122,876	171,296	46,163	40,695	35,122	-	-	1,350,488	17,075

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	2023 Rupees	2022 Rupees
5. INTANGIBLE ASSETS		
Net carrying value basis		
Opening net book value	19,625	29,291
Less: Amortization for the year	(6,542)	(9,666)
Closing net book value	<u>13,083</u>	<u>19,625</u>
Gross carrying value		
Cost	460,096	460,096
Accumulated amortization	(447,013)	(440,471)
Net book value	<u>13,083</u>	<u>19,625</u>
Amortization rate	<u>33.33%</u>	<u>33.33%</u>
6. ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
Advance against activities	142,565	177,565
Advance against salary	130	25,000
Security deposit	219,700	219,700
Other receivables	958,390	2,969,163
	<u>1,320,785</u>	<u>3,391,428</u>
7. BANK BALANCES		
Cash at banks		
- Current accounts	1,156,174	2,414,553
- Savings account	18,629	13,442
	<u>1,174,803</u>	<u>2,427,995</u>
8. LEASE LIABILITIES		

	June 2023			June 2022		
	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	1,200,000	-	1,200,000	950,000	250,000	1,200,000
Less: Financial charges allocated to future periods	(86,375)	-	(86,375)	(57,875)	(86,375)	(144,250)
Present value of minimum lease payments	<u>1,113,625</u>	-	<u>1,113,625</u>	<u>892,125</u>	<u>163,625</u>	<u>1,055,750</u>

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9. ACCRUED AND OTHER LIABILITIES	Note	2023 Rupees	2022 Rupees
Accrued expenses		7,617,657	6,323,139
Other liabilities		2,171,202	2,928,872
Provision for taxation		9,103,623	-
		<u>18,892,482</u>	<u>9,252,011</u>

10. SHORT TERM LIABILITIES

Pakistan Labour Trust	10.1	-	36,271,802
		<u>-</u>	<u>36,271,802</u>

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

11. OPERATING COST

Project activities / output

PILER program activities : Peace / Labor related seminars & Conferences activities

Memorial programmes	113,615	89,870
National Labour Council	-	58,705
Project: ETI Surgical Instruments	46,160	398,100
Project: Clean Clothes Campaign (Baldia Factory Fire-2nd Anniversary)	-	228,221
Project: Coalition Building and Increased Advocacy for COVID 19 Affected Workers in Pakistan	-	692,000
Project:DAI-KCD115:Engaging Communities for Peacebuilding Follow on	-	4,184,705
Project:FES: Formation of Pakistan Workers Confederation May-Aug 2021	-	2,863,577
Project:FES: Training Programme for workers in sindh May-Nov 2021	-	1,367,690
Project: Global Labor Justice - International Labor Rights Forum-AFW	-	1,398,121
Project: Global Rights Compliance	946,211	758,200
Project: Impact of Covid-19 on Textile Workers	5,718,727	-
Project: GSP+ Platform	-	1,815,000
	-	20,000
	6,824,713	13,874,189

Salary, wages and benefits:

Research, education and training

Staff welfare

4,093,560	8,136,399
221,104	312,275
4,314,664	8,448,674
<u>11,139,377</u>	<u>22,322,863</u>

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12. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2023 Rupees	2022 Rupees
Salary, wages and benefits		3,031,435	2,205,217
Electricity, gas and water		385,677	766,876
Telephone		117,470	172,061
Travelling, vehicle and generator fuel		909,402	336,011
Vehicle insurance		1,650	16,642
Vehicle maintenance		342,200	343,256
Equipment repair maintenance		99,730	183,135
Postage and internet		8,290	7,319
Legal and professional charges		93,380	331,400
Auditors' remuneration	12.1	400,000	400,000
Stationery, photocopies and materials		97,279	80,749
General maintenance		47,025	55,978
Miscellaneous		119,633	288,622
Membership and subscription		-	89,325
Depreciation	4	954,898	1,259,734
Amortisation	5	6,542	9,666
Local donation		10,000	4,000
Advertising and publication expenses		14,000	-
NPO overheads		887,878	1,161,355
		<u>7,526,489</u>	<u>7,711,346</u>

12.1 Auditors' remuneration

Audit fee		375,000	375,000
Out of pocket		25,000	25,000
		<u>400,000</u>	<u>400,000</u>

13. OTHER INCOME

Hostel and hall income		783,570	1,322,408
Gain on disposal of property and equipment		-	1,621,555
Others		39,796,202	716,005
		<u>40,579,772</u>	<u>3,659,968</u>

14. FINANCIAL CHARGES

Interest on lease liability		57,875	57,788
Bank charges		111,117	34,610
		<u>168,992</u>	<u>92,398</u>

by

15. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Executives	
	2023	2022
	----- Rupees -----	
Basic Allowance	-	1,472,978
	-	849,199
	-	<u>2,322,177</u>
Number of persons	-	<u>1</u>

15.1 Chief executive and directors do not receive any remuneration from the Company.

16. FINANCIAL INSTRUMENTS BY CATEGORY

	2023			
	Fair value at OCI	Fair value at profit & loss	Amortized cost	Total
	----- Rupees -----			
Security deposits	-	-	690,000	690,000
Advances, deposits and other receivables	-	-	1,178,220	1,178,220
Bank balances	-	-	1,174,803	1,174,803
	-	-	<u>3,043,023</u>	<u>3,043,023</u>

Financial instruments by category

Security deposits
Advances, deposits and other receivables
Bank balances

	2022			
	Fair value at OCI	Fair value at profit & loss	Amortized cost	Total
	----- Rupees -----			
Security deposits	-	-	690,000	690,000
Advances, deposits and other receivables	-	-	3,213,863	3,213,863
Bank balances	-	-	2,427,995	2,427,995
	-	-	<u>6,331,858</u>	<u>6,331,858</u>

Financial liabilities

Lease liabilities
Accrued and other liabilities
Short term liabilities

	Amortised cost	
	2023	2022
	----- Rupees -----	
Lease liabilities	1,113,625	1,055,750
Accrued and other liabilities	18,892,482	9,252,011
Short term liabilities	-	36,271,802
	<u>20,006,107</u>	<u>46,579,563</u>

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17. FINANCIAL RISK MANAGEMENT

17.1 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.

17.2 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.

17.3 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.

17.4 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.

	2023					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	----- Rupees -----					
Financial liabilities						
Lease liabilities	1,113,625	1,113,625	-	1,113,625	-	-
Accrued and other liabilities	18,892,482	18,892,482	-	18,892,482	-	-
	20,006,107	20,006,107	-	20,006,107	-	-
	----- Rupees -----					
	2022					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	----- Rupees -----					
Financial liabilities						
Lease liabilities	1,055,750	1,055,750	-	892,125	163,625	-
Accrued and other liabilities	9,252,011	9,252,011	-	9,252,011	-	-
Short term liabilities	36,271,802	36,271,802	-	36,271,802	-	-
	46,579,563	46,579,563	-	46,415,938	163,625	-

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17.5 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.

18. NUMBER OF EMPLOYEES

	2023 Number	2022 Number
Total number of employees at the end of the year	<u>9</u>	<u>13</u>
Average number of employees during the year	<u>9</u>	<u>13</u>

19. RELATED PARTY TRANSACTIONS

Related party comprises of associated company, holding company, companies with common directorship and key management personnel. Transaction of the Company with related parties and balance outstanding at the year end are as follows:

Related Party	Nature of relationship	Nature of transaction / balance	2023 Rupees	2022 Rupees
Pakistan Labour Trust	Common Directorship	Amount due at the year end	<u>-</u>	<u>36,271,802</u>
		Loan received during the year	<u>3,519,213</u>	<u>2,000,000</u>
		Loan written-off by the Board of PLT	<u>39,791,015</u>	<u>-</u>

20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 04 OCT 2023 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.

by

Karawat

Chief Executive Officer

Director

Director