

INDEPENDENT AUDITOR'S REPORT**To the members of The Aga Khan Rural Support Programme
Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of The Aga Khan Rural Support Programme (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of income and expenditure, the statement of income and expenditure and other comprehensive income, the statement of changes in fund and reserve, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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, statement of income and expenditure, the statement of income and expenditure and other comprehensive income, the statement of changes in fund and reserve and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the surplus and other comprehensive loss, the changes in fund and reserve and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

A handwritten signature in blue ink, appearing to read 'Afza'.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of income and expenditure and other comprehensive income, the statement of changes in fund and reserve and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Chartered Accountants
Islamabad
Date: April 8, 2025

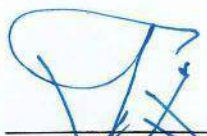
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THE AGA KHAN RURAL SUPPORT PROGRAMME
(A company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

ASSETS	Note	2024 Rupees	2023 Rupees
NON-CURRENT ASSETS			
Property and equipment	6	193,603,577	96,231,774
Long-term investments	7	171,462,042	611,503,790
Long-term loan to subsidiaries	8	-	-
		<u>365,065,619</u>	<u>707,735,564</u>
CURRENT ASSETS			
Loans and advances	9	48,136,650	17,700,168
Deposits, prepayment and other receivables	10	11,351,982	56,927,976
Receivable from related parties	11	16,075,448	28,455,197
Receivable from donors	14	261,227,749	143,625,389
Short-term investments	12	411,415,281	499,734,152
Bank balances	13	1,044,825,154	719,167,015
		<u>1,793,032,264</u>	<u>1,465,609,897</u>
		<u>2,158,097,883</u>	<u>2,173,345,461</u>
FUND AND RESERVE			
General fund		943,846,371	742,540,187
(Deficit) / surplus on re-measurement of investments classified as fair value through other comprehensive income		(263,537,958)	176,503,790
		<u>680,308,413</u>	<u>919,043,977</u>
NON-CURRENT LIABILITIES			
Deferred capital grant	15	181,655,742	95,273,768
Revolving fund for Accelerate Prosperity	16	784,943,399	22,717,354
		<u>966,599,141</u>	<u>117,991,122</u>
CURRENT LIABILITIES			
Restricted grants	14	190,857,041	820,600,581
Other payables	17	320,333,288	315,709,781
		<u>511,190,329</u>	<u>1,136,310,362</u>
		<u>2,158,097,883</u>	<u>2,173,345,461</u>
CONTINGENCIES AND COMMITMENTS			
	18		

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


Chairman


Director



Chief Executive Officer

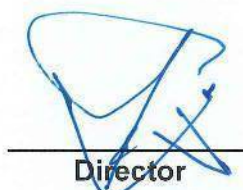
THE AGA KHAN RURAL SUPPORT PROGRAMME
(A company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
Grant income recognized - restricted grants	14	3,412,902,664	2,348,031,281
Amortization of deferred capital grant	15	38,925,335	26,160,087
Income from Microhydel Projects	19	-	275,184,945
Other income	20	317,343,519	116,276,821
		<u>3,769,171,518</u>	<u>2,765,653,134</u>
EXPENDITURE			
Civil society development	21	385,707,701	496,968,419
Education improvement	22	99,820,723	70,680,353
Health and nutrition	23	150,882,294	174,816,219
Agriculture and food security	24	333,620,291	407,063,632
Climate change and clean energy	25	1,452,877,114	811,777,153
Work and enterprise	26	354,473,856	237,978,545
Accelerate prosperity	27	323,120,354	209,020,683
COVID-19 projects	28	138,551,066	107,270,624
		<u>3,239,053,399</u>	<u>2,515,575,628</u>
Management and administration	29	331,311,935	265,585,425
		<u>3,570,365,334</u>	<u>2,781,161,053</u>
Reversal of / (loss allowance) for expected credit losses	30	2,500,000	(1,893,210)
SURPLUS/ (DEFICIT) FOR THE YEAR		<u><u>201,306,184</u></u>	<u><u>(17,401,129)</u></u>

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

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Chairman


Director


Chief Executive Officer

THE AGA KHAN RURAL SUPPORT PROGRAMME


(A company incorporated under section 42 of the Companies Act, 2017)

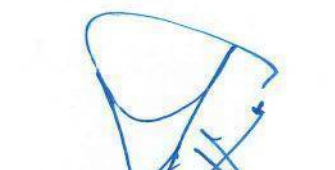
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 Rupees	2023 Rupees
SURPLUS/ (DEFICIT) FOR THE YEAR	201,306,184	(17,401,129)
OTHER COMPREHENSIVE (LOSS) FOR THE YEAR		
Items that will not be subsequently reclassified to statement of income and expenditure:		
(Loss) on remeasurement of investments classified as fair value through other comprehensive income	(440,041,748)	(107,958,066)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR	<u>(238,735,564)</u>	<u>(125,359,195)</u>

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

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Chairman


Director


Chief Executive Officer


THE AGA KHAN RURAL SUPPORT PROGRAMME
(A company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF CHANGES IN FUND AND RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2024


	General fund Rupees	(Deficit) / surplus on re- measurement of investments classified as fair value through other comprehensive income Rupees	Total Rupees
Balance as at January 1, 2023	759,941,316	284,461,856	1,044,403,172
Total comprehensive (loss) for the year			
(Deficit) for the year	(17,401,129)	-	(17,401,129)
Other comprehensive (loss) for the year	-	(107,958,066)	(107,958,066)
	(17,401,129)	(107,958,066)	(125,359,195)
Balance as at December 31, 2023	742,540,187	176,503,790	919,043,977
Total comprehensive (loss) for the year			
Surplus for the year	201,306,184	-	201,306,184
Other comprehensive (loss) for the year	-	(440,041,748)	(440,041,748)
	201,306,184	(440,041,748)	(238,735,564)
Balance as at December 31, 2024	943,846,371	(263,537,958)	680,308,413

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

Agf


Chairman


Director


Chief Executive Officer

THE AGA KHAN RURAL SUPPORT PROGRAMME
(A company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus/ (deficit) for the year		201,306,184	(17,401,129)
Adjustment for non-cash items:			
Depreciation	6	39,718,361	26,657,175
Interest income on financial assets	20	(122,209,412)	(87,408,685)
Income from Microhydel Projects	19	-	(275,184,945)
Grant income recognized	14	(3,412,902,664)	(2,348,031,281)
Amortization of deferred capital grant	15	(38,925,335)	(26,160,087)
(Reversal) of / loss allowance for expected credit losses	30	(2,500,000)	1,893,210
Gain on disposal of property and equipment	20	(1,983,327)	-
Grant for PEDO project deficit	20	(131,900,000)	-
Write-back of liabilities	20	(28,773,159)	-
		<u>(3,699,475,536)</u>	<u>(2,708,234,613)</u>
		(3,498,169,352)	(2,725,635,742)
Working capital changes:			
(Increase) / decrease in current assets			
Loans and advances		(30,585,837)	(5,256,413)
Deposits, prepayments and other receivables		32,117,407	(32,783,694)
Receivable from related parties		12,379,749	(24,045,249)
Contract assets		-	321,559,397
Receivable from donors		(117,602,360)	(83,170,963)
Increase in current liabilities			
Restricted grants		2,811,932,283	2,338,415,038
Other payables		136,523,507	114,724,793
		<u>2,844,764,749</u>	<u>2,629,442,909</u>
Cash (used in) operations		<u>(653,404,603)</u>	<u>(96,192,833)</u>
Change in deferred capital grant		125,307,309	42,052,802
Change in revolving fund		762,226,045	(7,356,082)
Bank balance held under lien		(225,581,673)	(174,037,000)
Net cash generated from / (used in) operating activities		<u>8,547,078</u>	<u>(235,533,113)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(137,280,391)	(42,313,491)
Interest received		141,986,870	20,682,914
Proceeds from sale of property and equipment		2,173,554	-
Investments in term deposit receipts during the year - net		82,000,000	(100,000,000)
Loans extended to businesses - net		149,355	612,167
Repayments of long-term loan by subsidiaries		2,500,000	-
Net cash generated from / (used in) investing activities		<u>91,529,388</u>	<u>(121,018,410)</u>
Net increase/ (decrease) in cash and cash equivalents		<u>100,076,466</u>	<u>(356,551,523)</u>
Cash and cash equivalents at beginning of the year		<u>477,226,015</u>	<u>833,777,538</u>
Cash and cash equivalents at end of the year	13.3	<u>577,302,481</u>	<u>477,226,015</u>

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

AKR

Amreen Sajam

Chairman

[Signature]

Director

[Signature]

Chief Executive Officer

36 NUMBER OF PERSONS EMPLOYED

36.1 REGION-WISE

	No. of permanent employees	
	2024	2023
Baltistan	50	51
Chitral	79	78
Gilgit	82	82
Core	61	64
Accelerate Prosperity	23	25
Total	295	300
Average employees during the year (Number)	298	272

37 CORRESPONDING FIGURES

Corresponding figures have been reclassified, where necessary, to reflect events and transactions in accordance with the applicable accounting and reporting standards in Pakistan. Expenditure line items have been restructured as detailed in note 1.1 to the financial statements.

Statement of Income and Expenditure

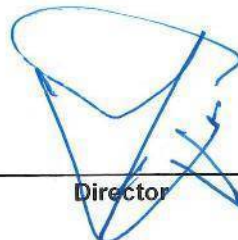
From	Amount Rupees	To	Amount Rupees
Civil society development	<u>742,464,991</u>	Civil society development	<u>496,968,419</u>
		Education improvement	<u>70,680,353</u>
		Health and nutrition	<u>174,816,219</u>
Resource development	<u>1,218,840,785</u>	Agriculture and food security	<u>407,063,632</u>
		Climate change and clean energy	<u>811,777,153</u>
Market development	<u>237,978,545</u>	Work and enterprise	<u>237,978,545</u>

38 GENERAL

38.1 These financial statements have been authorized for issue by the Board of Directors of the Company on MARCH 27, 2025.

Attest


Chairman


Director


Chief Executive Officer