

RSM Tajikistan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and the Management of the Micro Credit Fund "Imon"

Opinion

We have audited the financial statements of Micro Credit Fund "Imon" (the "Fund"), which comprise the statement of financial position as at December 31, 2023, of the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

To comply with the terms of Islamic finance products of the "Islamic Window" of the Fund with the requirements of Islamic banking, AAOIFI standards, specialists from the "AlHuda Center of Islamic Banking and Economics" of the UAE were involved. The audit confirmed the compliance of Islamic finance products with AAOIFI standards.

Responsibility of Management and persons responsible for corporate governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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 evaluating the Fund's ability to continue as a going concern, disclosing information related to going concern, as appropriate, and preparing the statements on the going concern basis, unless Management intends to liquidate the Fund, terminate its operations or when it has no realistic alternative other than liquidation or termination of operations.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2023

(In thousands of Tajik somoni)	Notes	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
ASSETS			
Due from banks	7	13,190	17,369
Loans to customers	8	52,918	40,462
Islamic finance receivables	9	18,403	11,556
Property and equipment	10	11,967	7,744
Intangible assets	11	500	503
Deferred tax assets	12	584	138
Other assets	13	5,963	7,032
TOTAL ASSETS		<u>103,525</u>	<u>84,804</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
LIABILITIES:			
Funds from banks and other financial institutions	14	10,023	-
Other liabilities	15	4,970	288
TOTAL LIABILITIES		<u>14,993</u>	<u>288</u>
EQUITY:			
General reserves		48,210	48,210
Reserve		252	-
Retained earnings		40,070	36,306
TOTAL EQUITY		<u>88,532</u>	<u>84,516</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>103,525</u>	<u>84,804</u>

The financial statements for the year ended December 31, 2023 were approved and signed by the Management of the Fund on 29 March 2024:


Pulotova M.T.
 Director

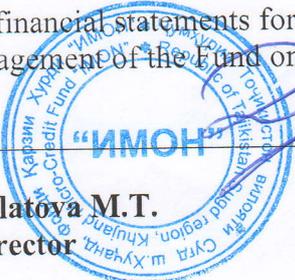

Makhkamov M.M.
 Chief accountant

The accompanying Notes from pages 11 to 53 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Tajik somoni)	Notes	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
CONTINUING OPERATIONS			
Interest revenue, calculated using the effective interest method	16	8,961	7,435
Accrual of allowance for expected credit losses on loans to customers		299	(124)
NET INTEREST INCOME		<u>9,260</u>	<u>7,311</u>
Income from Islamic finance activities	17	2,368	1,290
Net (loss)/gain on foreign exchange operations	18	1,100	(2,392)
(Accrual)/recovery of allowance for impairment and expected credit losses on assets	19	-	(7)
Other (expenses)/income, net	20	285	1,138
NET NON-INTEREST (EXPENSES)/INCOME		<u>3,753</u>	<u>29</u>
Operating expenses	21	(8,653)	(6,652)
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS		<u>4,360</u>	<u>688</u>
Income tax	12	(596)	(537)
Profit after tax for continuing operations		<u>3,764</u>	<u>151</u>
NET (LOSS)/PROFIT FOR THE YEAR		<u>3,764</u>	<u>151</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT		<u>3,764</u>	<u>151</u>

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Pulatoya M.T.
 Director


Makhkamov M.M
 Chief accountant

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

(In thousands of Tajik somoni)	General reserves	Reserve	Retained earnings	Total equity
Balance at January 1, 2022	48,210	-	35,938	84,148
Adjustments	-	-	217	217
Comprehensive profit	-	-	151	151
Balance at December 31, 2022	48,210	-	36,306	84,516
Reserve	-	252	-	252
Comprehensive profit	-	-	3,764	3,764
Balance at December 31, 2023	48,210	252	40,070	88,532

The financial statements for the year ended December 31, 2023 were approved and signed by the Management of the Fund on 29 March 2024:


Pulatova M.T.
 Director


Makhkamov M.M.
 Chief accountant

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

(In thousands of Tajik somoni)	For the year ended December 31, 2023	For the year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before income tax	4,360	688
Adjustments for:		
Change in allowance for expected credit losses on loans to customers	(496)	373
Change in allowance for expected credit losses on assets	-	7
Depreciation of property and equipment	734	756
Amortization of intangible assets	26	27
Loss on disposal of property and equipment	23	35
Change of unused vacation provision	-	17
Losses on foreign exchange differences	(1,100)	2,392
Income from islamic finance receivables	(2,368)	(1,290)
Net interest income	(8,961)	(7,435)
Cash flows before changes in operating assets and liabilities	(7,782)	(4,430)
Changes in operating assets and liabilities: (Increase) / decrease in operating assets:		
Due from banks	26,729	19,193
Loans to customers	(12,456)	(14,644)
Islamic finance receivables	(6,847)	(7,614)
Other assets	1,069	(4,000)
(Decrease) / increase in operating liabilities:		
Other liabilities	(4,682)	(951)
Outflow from operating activities before taxation and interest	(3,969)	(12,446)
Interest received	8,961	7,100
Income from Islamic finance received	2,368	1,290
Income tax paid	(596)	(4,811)
Net cash outflow from operating activities	6,764	(8,867)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(4,974)	(193)
Proceeds from disposal of property and equipment	(40)	19
Net cash inflow/outflow from investing activities:	(5,014)	(174)

CASH FLOW FROM FINANCING ACTIVITIES:

Net cash inflow from financing activities:

Effect of changes in exchange rates on cash and cash equivalents

(76) (339)

NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS

1,674 (9,380)

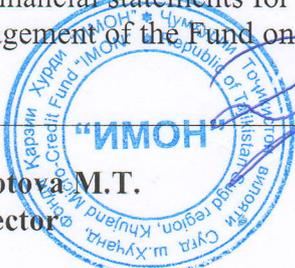
Cash and cash equivalents at the beginning of the year

12,176 21,556

Cash and cash equivalents at the end of the year

13,850 **12,176**

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Pulotova M.T.
 Director


Makhkamov
 Chief accountant

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