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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 31 December 2022, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the 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 Fund as at December 31, 2022, and its financial performance and cash flows for the year, then ended in accordance with International Financial Reporting Standards (IFRS's).

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our auditor's report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the ethical requirements applicable to our audit of financial statements in the Republic of Tajikistan, and we have fulfilled our other ethical responsibilities in accordance with those requirements. 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.

### *Other of Matters*

The financial statements for the year ended December 31, 2021, were audited by another auditor, who issued an opinion on this statement dated March 28, 2022, with a note, due to the fact that the Window is an example of the calculation and recognition of expected credit losses on receivables. did not apply Islamic financing in accordance with "IAS 30 impairment, credit losses and heavy obligations". As part of the audit of the financial statements for the year ended on December 31, 2022, it was determined that in the financial statements for the year ended on December 31, 2022, Ravzana recognized the credit losses receivable of Islamic financing in accordance with the instruction No. 250 on the procedure for the organization and use of reserves. and recognized the fund for covering possible losses on the assets of Islamic credit institutions issued by the National Bank of Tajikistan. Based on these facts, our conclusion has been changed.

### ***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.

Those responsible for corporate governance are responsible for overseeing the preparation financial statements of the Fund.

### ***Auditor's responsibility for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance is a high degree of confidence, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect material misstatements, if any. Misstatements can be the result of fraud or error and are considered material if, individually or in the aggregate, they can reasonably be assumed to affect the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we apply professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures in response to these risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detection of material misstatement as a result of unfair actions is higher than the risk of non-detection of material misstatement as a result of error, since unfair actions may include collusion, forgery, intentional omission, distorted presentation of information or actions bypassing the internal control system;
- obtain an understanding of internal control relevant to the audit in order to develop audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control system;
- evaluate the appropriateness of the accounting policies applied and the reasonableness of accounting estimates and related disclosures prepared by Management;
- we conclude on the legality of Management's application of the going concern assumption, and on the basis of the audit evidence obtained, we conclude whether there is a material uncertainty related to events or conditions that may result in significant doubts about the Fund's ability to continue operating continuously as a going concern. If we conclude that there is a material uncertainty, we should draw attention in our auditor's report to the relevant disclosures in the financial statements or, if such disclosures are inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our audit opinion. However, future events or conditions may cause the Fund to lose the ability to continue its activities continuously as a going concern;
- evaluate the overall presentation of the financial statements, their structure and content, including the disclosure of information, as well as whether the financial statements represent the underlying transactions and events in a way that ensures their reliable presentation.

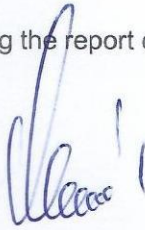
We carry out informational interaction with persons responsible for corporate governance, informing them, among other things, about the planned scope and timing of the audit, as well as about significant comments on the audit results, including significant deficiencies in the internal control system that we identify during the audit.


We also provide the persons responsible for corporate those charged with governance with a statement that we have complied with all relevant ethical requirements regarding independence and have informed these persons about all relationships and other issues that can reasonably be considered to affect the independence of the auditor, and, if necessary, about appropriate precautions.

From the issues that we have brought to the attention of those responsible for corporate governance, we identify the issues that were most significant for the audit of the financial statements for the current period and, therefore, are the key audit issues. We describe these issues in our audit report, except in cases when public disclosure of information about these issues is prohibited by law or regulation, or when in extremely rare cases we come to the conclusion that information about any issue should not be disclosed in our report, since it can be reasonably assumed that the negative consequences of reporting such information will exceed the socially significant benefits of reporting it.

The audit partner at the time of issuing the report on the results of the independent audit opinion is Maftunzhon Baratov.

Bahrullo Mulloev  
Managing Partner  
RSM Tajikistan LLC  
License of the National Bank  
Republic of Tajikistan  
IBT No. 0000134  
ated on 29 December 2020



Maftunzhon Baratov   
Audit Partner  
LLC "RSM Tajikistan"  
Certificate of bank audit specialist  
NBT No. 0000057 dated 30 December 2015

April 24, 2023  
Dushanbe, Tajikistan



**STATEMENT OF FINANCIAL POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

(In thousands of Tajik somoni)	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021
<b>ASSETS</b>			
Due from banks	7	17,369	43,598
Loans to customers	8	40,462	25,818
Islamic finance receivables	9	11,556	3,942
Property and equipment	10	7,744	8,296
Intangible assets	11	503	117
Deferred tax assets	12	138	584
Other assets	13	7,032	3,032
<b>TOTAL ASSETS</b>		<b>84,804</b>	<b>85,387</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>LIABILITIES:</b>			
Other liabilities	14	288	1,239
<b>TOTAL LIABILITIES</b>		<b>288</b>	<b>1,239</b>
<b>EQUITY:</b>			
General reserves		48,210	48,210
Retained earnings		36,306	35,938
<b>TOTAL EQUITY</b>		<b>84,516</b>	<b>84,148</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>84,804</b>	<b>85,387</b>

The financial report on pages 7 to 11 was signed by the management on April 24, 2023.



**Pulotova M.T.**  
 Director



**Makhkamov M.M.**  
 Chief accountant

The accompanying Notes from pages 12 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, 2022

(in thousands of Tajik somoni)	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021
<b>CONTINUING OPERATIONS</b>			
Interest income	15	7,435	4,395
Accrual of allowance for expected credit losses on loans to customers		(124)	(297)
<b>NET INTEREST INCOME</b>		<b>7,311</b>	<b>4,098</b>
Income from Islamic finance activities	16	1,290	271
Net (loss)/gain on foreign exchange operations	17	(2,392)	(82)
(Accrual)/recovery of allowance for impairment and expected credit losses on assets	18	(7)	(716)
Other (expenses)/income, net	19	1,138	(31,071)
<b>NET NON-INTEREST (EXPENSES)/INCOME</b>		<b>29</b>	<b>(31,598)</b>
Operating expenses	20	(6,652)	(6,793)
<b>LOSSES BEFORE INCOME TAX FROM CONTINUING OPERATIONS</b>		<b>688</b>	<b>(34,293)</b>
Income tax	12	(537)	(6,159)
Profit after tax for continuing operations		<b>151</b>	<b>(40,452)</b>
<b>Discontinued operations</b>			
Profit after tax for the year from discontinued operations	21	-	930
<b>NET (LOSS)/PROFIT FOR THE YEAR</b>		<b>151</b>	<b>(39,522)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE (LOSS)/PROFIT</b>		<b>151</b>	<b>(39,522)</b>



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**Pulatova M.T.**  
 Director

**Makhkamov M.M**  
 Chief accountant

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**STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

(In thousands of Tajik somoni)	General reserves	Retained earnings	Total equity
Balance at January 1, 2021	48,210	75,460	123,670
Comprehensive loss	-	(39,522)	(39,522)
Balance at December 31, 2021	48,210	35,938	84,148
Adjustments	-	217	217
Comprehensive loss	-	151	151
Balance at December 31, 2022	48,210	36,306	84,516



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**Pulatova M.T.**  
**Director**

**Makhkamov M.M.**  
**Chief accountant**

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## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

(In thousands of Tajik somoni)	For the year ended December 31, 2022	For the year ended December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/(loss) before income tax	688	(33,363)
<b>Adjustments for:</b>		
Change in allowance for expected credit losses on loans to customers	373	297
Change in allowance for expected credit losses on assets	7	716
Depreciation of property and equipment	756	688
Amortization of intangible assets	27	13
Loss on disposal of property and equipment	35	-
Income from discontinued operations	-	(930)
Change of unused vacation provision	17	13
Loss from sale of investments held for sale	-	31,087
Losses on foreign exchange differences	2,392	45
Income from islamic finance receivables	(1,290)	(271)
Net interest income	(7,435)	(4,395)
<b>Cash flows before changes in operating assets and liabilities</b>	<b>(4,430)</b>	<b>(6,100)</b>
Changes in operating assets and liabilities:		
(Increase) / decrease in operating assets:		
Due from banks	19,193	(22,582)
Loans to customers	(14,644)	(7,289)
Islamic finance receivables	(7,614)	(3,614)
Other assets	(4,000)	(2,295)
(Decrease) / increase in operating liabilities:		
Other liabilities	(951)	760
<b>Outflow from operating activities before taxation and interest</b>	<b>(12,446)</b>	<b>(41,120)</b>
Interest received	7,100	4,148
Income from Islamic finance received	1,290	271
Income tax paid	(4,811)	(6,202)
<b>Net cash outflow from operating activities</b>	<b>(8,867)</b>	<b>(42,903)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(193)	(219)
Proceeds from disposal of property and equipment	19	-
Proceeds from sale of investments held for sale	-	61,014
<b>Net cash inflow/outflow from investing activities:</b>	<b>(174)</b>	<b>60,795</b>

**CASH FLOW FROM FINANCING ACTIVITIES:**

Net cash inflow from financing activities:		-
Effect of changes in exchange rates on cash and cash equivalents	(339)	(19)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(9,380)</b>	<b>17,873</b>
Cash and cash equivalents at the beginning of the year	21,556	3,683
Cash and cash equivalents at the end of the year	<b>12,176</b>	<b>21,556</b>



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**Pulotova M.T.**  
 Director

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 Chief accountant

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