



FINANCIAL STATEMENTS
OF
HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42
OF THE COMPANIES ORDINANCE, 1984)
FOR THE YEAR ENDED
JUNE 30, 2014

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **HISAAR FOUNDATION** (company limited by guarantee and licensed under Section 42 of the Companies Ordinance, 1984) as at June 30, 2014 and the related profit and loss account, statement of comprehensive income and cash flow statement together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) In our opinion:
 - i) the balance sheet, profit and loss account and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2014 and of the surplus for the year then ended; and
- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

KARACHI

DATED: 09 OCT 2014


CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

**HISAAR FOUNDATION
BALANCE SHEET AS AT JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	33,089	131,139
Security deposit		180,000	-
		<u>213,089</u>	<u>131,139</u>
CURRENT ASSETS			
Advances	4	445,817	146,869
Other receivables		159,029	245,280
Cash and bank balances	5	1,733,550	49,839
		<u>2,338,396</u>	<u>441,988</u>
TOTAL ASSETS		<u><u>2,551,485</u></u>	<u><u>573,127</u></u>
FUND AND LIABILITIES			
FUND			
Capital fund	6	2,324,411	(804,051)
Deferred credit - unutilized grants	7	-	466,399
		<u>2,324,411</u>	<u>(337,652)</u>
CURRENT LIABILITIES			
Trade and other payables	8	-	100,000
Accrued expenses		227,074	810,779
		<u>227,074</u>	<u>910,779</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL FUND AND LIABILITIES		<u><u>2,551,485</u></u>	<u><u>573,127</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



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**HISAAR FOUNDATION
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
INCOME			
Donations		1,798,008	3,301,238
Membership fee (Hisaar)		25,000	125,000
Relief and emergency support income	10	6,772,759	-
Programme support income	11	12,998,859	9,376,998
Release of deferred income		132,780	88,333
		<u>21,727,406</u>	<u>12,891,569</u>
EXPENDITURE			
Administrative expenses	12	8,008,497	3,542,912
Programme expenses	13	7,801,883	8,405,233
Relief and emergency support expenses	14	2,781,205	-
Financial charges		7,359	1,489
		<u>18,598,944</u>	<u>11,949,634</u>
Net surplus for the year		<u>3,128,462</u>	<u>941,935</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



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HISAAR FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
Net surplus for the year	3,128,462	941,935
Other comprehensive income	-	-
Total comprehensive income for the year	<u>3,128,462</u>	<u>941,935</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



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**HISAAR FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	3,128,462	941,935
Adjustment for items not involving movement of funds:		
Release of deferred income to profit and loss	(132,780)	(88,333)
Amortization of deferred credit	(466,399)	(1,006,595)
Depreciation	230,830	210,916
Operating gain before working capital changes	<u>2,760,113</u>	<u>57,923</u>
(Increase) / decrease in current assets		
Advances	<u>(252,482)</u>	<u>(27,518)</u>
Other receivables	<u>86,251</u>	<u>(227,746)</u>
	(166,231)	(255,265)
Decrease in current liabilities		
Trade and other payables	<u>(100,000)</u>	<u>(4,482)</u>
Accrued expenses	<u>(583,705)</u>	<u>(268,538)</u>
	(683,705)	(273,020)
Cash generated from / (used in) operations	<u>1,910,177</u>	<u>(470,361)</u>
Taxes paid	(46,466)	(50,170)
Net cash generated from / (used in) operating activities	<u>1,863,711</u>	<u>(520,531)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Security deposit against rental premises	(180,000)	-
Net cash used in investing activities	<u>(180,000)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from donors	-	1,472,996
Net cash generated from financing activities	<u>-</u>	<u>1,472,996</u>
Net increase in cash and cash equivalents	1,683,711	952,465
Cash and cash equivalents at the beginning of the year	49,839	(902,626)
Cash and cash equivalents at end of the year	<u>1,733,550</u>	<u>49,839</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



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**HISAAR FOUNDATION
(COMPANY LIMITED BY GUARANTEE
AND LICENSED UNDER SECTION 42 OF COMPANIES ORDINANCE, 1984)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

1 NATURE AND STATUS OF COMPANY

Hisaar Foundation ("the Company") was established under a license granted by the Securities and Exchange Commission of Pakistan under section 42 of the Companies Ordinance, 1984 on January 14, 2003. The main object of the Company is to promote and advance the welfare and the well being of the people of Pakistan and of other countries of the world. Registered address of the Company is located at House No. D-66/1, 1st Floor, Block-4, Scheme 5, Clifton, Karachi.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.3 Operating fixed assets

These are stated at cost less accumulated depreciation. Depreciation is charged using the straight line method at the rates specified in the relevant note.

Full month depreciation is charged during the month in which the asset is acquired, while no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred.

2.4 Other receivables

Other receivables are recognized at normal amount which is fair value of the consideration to be received in future.

2.5 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

2.6 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.

2.7 Taxation

The Company has been provided exemption from levy of income tax, and therefore, no provision for tax has been made for the year.

2.8 Revenue recognition

Donations, fees and programme income are recognized on receipt basis.

Unrestricted grants are recognized in income and expenditure account on receipt basis.

Restricted grants received for revenue expenditure are treated as "Grant Income" upon utilization. Restricted grant received is credited to "Deferred Credit - Unutilized Grant" upon receipt of funds. This grant is transferred to profit and loss account when conditions stipulated for its receipt have been complied with.

Grants not utilized are repayable and shown as "Deferred Credit – Unutilized Grant".

2.9 Related party transactions and transfer pricing

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm's length. These prices are determined in accordance with the methods prescribed in the Companies Ordinance, 1984.

2.10 Functional and presentation currency

These financial statements are presented in Pak rupee, which is the functional and presentation currency for the Company.



	Note	2014 Rupees	2013 Rupees
3 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	246,421	227,251
Less: Deferred income	3.2	<u>(213,332)</u>	<u>(96,112)</u>
		<u>33,089</u>	<u>131,139</u>

3.1 Operating fixed assets

Particulars	C o s t			Rate %	D e p r e c i a t i o n			Book value as at 30-06-2014
	As at 01-07-2013	Additions	As at 30-06-2014		As at 01-07-2013	For the year	As at 30-06-2014	
Owned								
Office equipment	389,398	-	389,398	20	321,717	46,254	367,971	21,427
Computers	638,579	-	638,579	33.33	592,952	45,616	638,568	11
Vehicle	402,200	-	402,200	20	308,097	80,440	388,537	13,663
Furniture and fixture	42,600	250,000	292,600	20	22,760	58,520	81,280	211,320
Total rupees - 2014	<u>1,472,777</u>	<u>250,000</u>	<u>1,722,777</u>		<u>1,245,526</u>	<u>230,830</u>	<u>1,476,356</u>	<u>246,421</u>
Total rupees - 2013	<u>1,472,777</u>	<u>-</u>	<u>1,472,777</u>		<u>1,034,610</u>	<u>210,916</u>	<u>1,245,526</u>	<u>227,251</u>

3.2 Deferred income

Opening net book value of donated assets	96,112	184,445
Add: Donated furniture and fixture	250,000	-
Less: Amortization to profit and loss account	<u>(132,780)</u>	<u>(88,333)</u>
	<u>213,332</u>	<u>96,112</u>

4 ADVANCES AND PREPAYMENTS

Unsecured (considered good)		
Advances to staff	72	72
Advance income tax	165,745	119,279
Advance for expense	-	27,518
Prepaid rent	<u>280,000</u>	<u>-</u>
	<u>445,817</u>	<u>146,869</u>

5 CASH AND BANK

Cash in hand	2,432	2,663
Cash at bank in current account	<u>1,731,118</u>	<u>47,176</u>
	<u>1,733,550</u>	<u>49,839</u>

	2014 Rupees	2013 Rupees
6 CAPITAL FUND		
Opening balance	(804,051)	(1,745,986)
Surplus for the year	3,128,462	941,935
Closing balance	<u>2,324,411</u>	<u>(804,051)</u>

7 DEFERRED CREDIT - UNUTILIZED GRANTS

Particulars	Tharparker	Khyber Pakhtoonkhuwa (KPK)	2014	2013
Balance as on July 01	134,389	332,010	466,399	-
Add: Grants received from Donors	-	-	-	1,315,397
Less: Grants utilized	134,389	332,010	466,399	848,998
Closing balance - payable / (receivable)	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,399</u>

8 TRADE AND OTHER PAYABLES

Other payables		
Security deposit	-	100,000
	<u>-</u>	<u>100,000</u>

9 CONTINGENCIES AND COMMITMENTS

There was no contingent liability and commitment as at the balance sheet date.

10 RELIEF AND EMERGENCY SUPPORT INCOME

Donation for Thar drought relief program	6,133,804	-
Zakat	638,955	-
	<u>6,772,759</u>	<u>-</u>

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	Note	2014 Rupees	2013 Rupees
11 PROGRAMME SUPPORT INCOME			
Donation for regional conference		6,536,178	-
Donation for water filtration plant		1,350,000	-
Donation for Thar project		3,000,000	-
Donation for action aid advisory services		120,000	-
Donation for CapNet Network Support project		1,268,432	-
Fund raising event income		-	2,868,000
Aab-o-Daana project (UBL)		-	5,100,000
Donation for deep dug well in Tharparkar-Sindh	7	134,389	181,008
Donation for wellbore in Khyber Pakhtoonkhuwa (KPK)	7	332,010	667,990
School rehabilitation programme		-	500,000
GWU-Women & Water in South & Central Asia		257,850	60,000
		<u>12,998,859</u>	<u>9,376,998</u>
12 ADMINISTRATIVE EXPENSES			
Salaries and wages		4,553,616	2,183,162
Printing		57,830	12,971
Office stationary and supplies		1,530	3,911
Postage and courier		28,546	12,380
Entertainment		78,585	5,415
Professional charges		20,798	20,000
Depreciation	3.1	230,830	210,916
Utilities		88,673	38,867
Rent		1,414,604	627,836
Photocopying		7,952	2,226
Books and periodicals		6,407	6,264
Repair and maintenance		307,511	50,610
Travelling, conveyance and maintenance		163,400	54,322
Office kitchen supplies		94,913	29,057
Internet and email / web maintenance and hosting		262,426	23,820
Generator rent and running		37,677	38,112
Miscellaneous		57,127	19,148
Drip irrigation		-	3,000
Fees and subscription		315,000	78,600
Electricity expense		190,858	122,295

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	Note	2014 Rupees	2013 Rupees
Honorarium		5,000	-
Office renovation		48,080	-
Office security charges		37,134	-
		<u>8,008,497</u>	<u>3,542,912</u>
13 PROGRAMME EXPENSES			
School rehabilitation programme		-	343,324
Construction of deep dug well		110,992	181,008
Construction of hand pump		46,050	40,100
Fund raising event		112,500	1,853,990
George Washington University - Women & water in South & Central Asia		120,000	60,000
Water supply scheme in Landi Kotal		477,000	667,990
Building mutual accountability in urban water sector		-	157,597
Aab-o-Daana project (UBL)		17,670	5,101,224
CapNet Network Support project		1,113,120	-
Regional conference		5,139,413	-
Water filtration plant		654,160	-
Karachi water partnership school programme		10,978	-
		<u>7,801,883</u>	<u>8,405,233</u>
14 RELIEF AND EMERGENCY SUPPORT EXPENSES			
Thar drought relief program		2,131,205	-
Zakat utilized for Thar drought relief program		650,000	-
		<u>2,781,205</u>	<u>-</u>
15 TRANSACTIONS WITH RELATED PARTIES			
The related parties comprise of related group companies, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties are as follows:			
Donation received		300,000	-
Loan (repaid) / received from Governors		-	(100,000)
		<u>-</u>	<u>(100,000)</u>

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2014 2013
Number of employees

16 NUMBER OF EMPLOYEES

The number of employees as at year end was

7 7

17 DATE OF AUTHORIZATION FOR ISSUE

The Board of Governors of the Company authorized these financial statements for issue on
09 OCT 2014

18 GENERAL

Figures have been rounded off to the nearest rupee.



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